

**MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

**IN THE MATTER OF:**

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████████████████████.  
████████████████████

Reg. No: 2013-57575  
Issue No: 1038  
Case No: ██████████  
Hearing Date: August 13, 2013  
Saginaw County DHS

**ADMINISTRATIVE LAW JUDGE:** Carmen G. Fahie

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's Request for a Hearing was received on July 1, 2013. After due notice, a telephone hearing was held on Tuesday, August 13, 2013. The Claimant personally appeared and testified on her own behalf with her mother, ██████████. The Department was represented by Angelica Garcia, ES.

**ISSUE**

Whether the Department of Human Services (Department) properly sanctioned the Claimant's Family Independence Program (FIP) case for noncompliance with the Partnership Accountability Training Hope (PATH)?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The Claimant was a recipient of FIP benefits, which required her to participate in the PATH program. Department Exhibit 18-20.
2. On April 30, 2013, the Claimant was excused from PATH for two months as a result of a Medical Needs-PATH, DHS-54E signed by her physician. Department Exhibit 2-3.
3. On May 31, 2013, the Claimant was sent a PATH Appointment Notice, DHS 4785, to attend Path on June 10, 2013. Department Exhibit 4.
4. On June 19, 2013, the Claimant was being triaged because she failed to contact PATH by June 17, 2013, to re-engage in the PATH program.

5. On June 19, 2013, the Claimant was sent a Notice on Noncompliance (DHS-2444) requesting a triage meeting on June 25, 2013. Department Exhibit 5-6.
6. The Department conducted a triage meeting on June 25, 2013, where the determination was made that the Claimant did not have good cause for not complying with the PATH requirements. Department Exhibit 7.
7. On June 19, 2013, 2013, the Department notified the Claimant that it would close the Claimant's FIP benefits as of July 1, 2013.
8. The Department received the Claimant's request for a hearing on July 1, 2013, protesting the closing of the Claimant's FIP benefits.

### **CONCLUSIONS OF LAW**

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, et seq. The Department of Human Services (DHS or Department) administers the FIP program pursuant to MCL 400.10, et seq., and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

Department policy states that clients must be made aware that public assistance is limited to 48 months to meet their family's needs and they must take personal responsibility to achieve self-sufficiency. This message, along with information on ways to achieve independence, direct support services, non-compliance penalties, and good cause reasons, is initially shared by DHS when the client applies for cash assistance. The Partnership Accountability Training Hope (PATH) program requirements, education and training opportunities, and assessments will be covered by PATH when a mandatory PATH participant is referred at application. BEM 229, page 1.

Federal and state laws require each work eligible individual (WEI) in the FIP group to participate in Partnership Accountability Training Hope (PATH) or other employment-related activity unless temporarily deferred or engaged in activities that meet participation requirements. These clients must participate in employment and/or self-sufficiency related activities to increase their employability and obtain employment. PATH is administered by the Workforce Development Agency, State of Michigan through the Michigan one-stop service centers. PATH serves employers and job seekers for employers to have skilled workers and job seekers to obtain jobs that provide economic self-sufficiency. PATH case managers use the One-Stop Management Information System (OSMIS) to record the clients' assigned activities and participation. WEIs not referred to PATH will participate in other activities to overcome barriers so they may eventually be referred to PATH or other employment service provider. DHS must monitor these activities and record the client's participation in the Family Self-Sufficiency Plan (FSSP). A WEI who refuses, without good cause, to

participate in assigned employment and/or other self-sufficiency related activities is subject to penalties. For more about penalties; see BEM 233A. See BEM 230B and BEM 233B for FAP employment requirements. BEM 230A, page 1.

## **NONCOMPLIANCE WITH EMPLOYMENT AND/OR SELF-SUFFICIENCY-RELATED ACTIVITIES**

As a condition of eligibility, all WEIs and non-WEIs must work or engage in employment and/or self-sufficiency-related activities. Noncompliance of applicants, recipients, or member adds means doing any of the following without good cause:

Failing or refusing to:

Appear and participate with PATH or other employment service provider.

Complete a Family Automated Screening Tool (FAST), as assigned as the first step in the Family Self-Sufficiency Plan (FSSP) process.

The specialist should clear any alerts in Bridges relating to rejected PATH referrals and any FAST confirmation information the client has obtained before considering a client noncompliant for FAST completion.

Develop a FSSP:

A FSSP completion appointment with the client must have been scheduled and the client failed to attend before considering a client noncompliant for FSSP completion.

Comply with activities assigned on the FSSP.

Provide legitimate documentation of work participation.

Appear for a scheduled appointment or meeting related to assigned activities.

Participate in employment and/or self-sufficiency-related activities.

Participate in required activity.

Accept a job referral.

Complete a job application.

Appear for a job interview (see the exception below).

Stating orally, or in writing, a definite intent not to comply with program requirements.

Threatening, physically abusing or otherwise behaving disruptively toward anyone conducting or participating in an employment and/ or self-sufficiency-related activity.

Refusing employment support services if the refusal prevents participation in an employment and/or self-sufficiency-related activity. BEM 233A, pages 1-2.

The Department is required to send a DHS-2444, Notice of Employment and/or Self-Sufficiency Related Noncompliance within three days after learning of the noncompliance which must include the date of noncompliance, the reason the client was determined to be noncompliant, the penalty that will be imposed and the triage date within the negative action period. BEM 233A.

Good cause is a valid reason for noncompliance with employment and/or self-sufficiency-related activities that are based on factors that are beyond the control of the noncompliant person. A claim of good cause must be verified and documented for member adds and recipients. If it is determined at triage that the client has good cause, and good cause issues have been resolved, the client should be sent back to JET. BEM 233A.

Good cause should be determined based on the best information available during the triage and prior to the negative action date. Good cause may be verified by information already on file with DHS or PATH. Good cause must be considered even if the client does not attend, with particular attention to possible disabilities (including disabilities that have not been diagnosed or identified by the client) and unmet needs for accommodation. BEM 233A.

The penalty for noncompliance without good cause is FIP closure. Effective October 1, 2011, the following minimum penalties apply:

### **NONCOMPLIANCE PENALTIES FOR ACTIVE FIP INDIVIDUALS AND MEMBER ADDS**

The penalty for noncompliance without good cause is FIP EDG closure. Effective October 1, 2011, the following minimum penalties apply:

For the individual's first occurrence of noncompliance, Bridges closes the FIP EDG for not less than three calendar months.

For the individual's second occurrence of noncompliance, Bridges closes the FIP EDG for not less than six calendar months.

For the individual's third occurrence of noncompliance, Bridges closes the FIP EDG for a lifetime sanction. BEM, Item 233A.

The individual penalty counter begins April 1, 2007. Individual penalties served after October 1, 2011 will be added to the individual's existing penalty count.

Noncompliance, without good cause, with employment requirements for FIP/RAP(SEE BEM 233A) may affect FAP if both programs were active on the date of the FIP

noncompliance. BEM 233b. The FAP group member should be disqualified for noncompliance when all the following exist:

- The client was active both FIP and FAP on the date of the FIP noncompliance, and
- The client did not comply with FIP/RAP employment requirements, and
- The client is subject to a penalty on the FIP/RAP program, and
- The client is not deferred from FAP work requirements, and
- The client did not have good cause for the noncompliance. BEM 233B.

The Department should budget the Last FIP grant amount on the FAP budget for the number of months that corresponds with the FIP penalty (either three months for the 1<sup>st</sup> noncompliance, 6 months for 2<sup>nd</sup> noncompliance, and a lifetime for the third noncompliance) after the FIP case closes for employment and/or self sufficiency-related noncompliance. The Last FIP grant amount is the grant amount the client received immediately before the FIP case closed. BEM 233B.

The Claimant was an ongoing Family Independence Program (FIP) recipient. The Department had referred the Claimant to the PATH program as a condition of receiving FIP benefits. The Claimant was noncompliant with the PATH program on June 19, 2013 because she failed to re-engage in PATH by June 17, 2013. The Department conducted a triage meeting on June 25, 2013 and it was determined that the Claimant did not have good cause for noncompliance with the PATH program.

Based on the evidence and testimony available during the hearing, the Department's determination that the Claimant did not have good cause for PATH noncompliance with the PATH program is not reasonable. First of all, the Claimant had a short term deferral from PATH beginning on April 30, 2013 for two months, which would be ending on June 30, 2013. However, the Claimant was referred back to PATH on June 10, 2013, which was before the two months short term deferral had expired. The Department has not established that it acted properly when it closed the Claimant's FIP benefits for noncompliance with the PATH program. There was no Verification Checklist, DHS - 3503, sent to the Claimant asking the Claimant for additional medical verification as needed for an extension of the medical deferral. The Claimant did provide additional medical verification on July 12, 2013 from her physician that deferred her potentially for 6 months. Department Exhibit 13-14.

Therefore, the Department has not met its burden that it correctly followed policy in determining that the Claimant was noncompliant with PATH where it is the Claimant's 3<sup>rd</sup> sanction where her FIP benefits will be cancelled for a lifetime. The Claimant did not get credit for her two month deferral nor was additional medical verification requested by the Department for the medical deferral to be extended.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department did not act in accordance with policy when it sanctioned the Claimant's FIP case for noncompliance with the PATH program as a 3<sup>rd</sup> sanction for a lifetime.

The Department's FIP sanction is **REVERSED**. The Department is ordered to cancel the Claimant's 3<sup>rd</sup> sanction for PATH and process the medical deferment submitted on July 12, 2013 by sending it to the Medical Review Team (MRT).

/s/ \_\_\_\_\_  
**Carmen G. Fahie**  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 08/23/2013

Date Mailed: 08/23/2013

**NOTICE:** Michigan Administrative Hearing System (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. MAHS will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request. (60 days for FAP cases).

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision; or

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- typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the Claimant; or
- the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail to:

Michigan Administrative hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

CGF/pw

cc: [REDACTED]  
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