

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-003838
Issue No.: 1008, 6001
Case No.: [REDACTED]
Hearing Date: July 3, 2014
County: WAYNE- 18 (TAYLOR)

ADMINISTRATIVE LAW JUDGE: LYNN M. FERRIS

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a TELEPHONE hearing was held on July 3, 2014, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Case Manager, and [REDACTED] Path Coordinator. Witnesses from [REDACTED] also appeared on behalf of the Department.

ISSUE

Did the Department properly close the Claimant's Family Independence Program (FIP) and Child Development and Care Program (CDC) case for non-cooperation with employment-related activities?

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of FIP Cash Assistance and CDC (childcare) benefits based on her working at [REDACTED] 40 hours weekly.
2. A redetermination was completed by the Department in May of 2014. The Department was advised by the Claimant that she no longer worked for [REDACTED] and that she had started a training program. Exhibit 1

3. The Claimant was sent Verification of Employment to be completed by [REDACTED] and was also requested to provide the Department an explanation regarding the training program she had enrolled in.
4. The Department issued a Notice of Case Action closing the Claimant's FIP cash Assistance case on May 16, 2014, effective June 1, 2014. The reason for the closure was because Claimant or a group member failed to participate in employment and/or self-sufficiency related activities, quit a job or reduced hours of employment without good cause. The case was closed for three months. Exhibit 8
5. The Department issued a Notice of Case Action closing the Claimant's Child Development and Care Benefits on May 14 2014, effective May 3, 2014. The Department closed the case because the Claimant failed to provide a verification of employment need for CDC benefits. The notice indicated that the children were not eligible because the parent does not have a need for child day care services due to employment, education or family preservation reasons. Exhibit 9
6. An improperly completed Verification of Employment was received by the Department on May 28 2014. The verification was to have been completed by [REDACTED], and was completed by the wrong employer. The Department never received a verification of employment from [REDACTED] Exhibit 3
7. The Claimant met with the [REDACTED] on May 13, 2014, at which time she advised [REDACTED] that she had quit her job at [REDACTED] and was working for [REDACTED]. [REDACTED] contacted [REDACTED] and was advised that the Claimant was not employed by them but was a volunteer. The [REDACTED] was further advised by [REDACTED] that the Claimant might be working for or through [REDACTED].
8. A Notice of Non-Compliance was issued May 16, 2014 advising that a triage was to be held on May 22, 2014 due to the Claimant quitting a job and not providing legitimate documentation of work participation. Exhibit 4, 5
9. The [REDACTED] asked the Claimant to provide a telephone number for Matrix Services so that they could further verify employment.
10. The Claimant enrolled in a training program with [REDACTED] through [REDACTED] [REDACTED]s but did not advise [REDACTED] of this decision prior to quitting her employment with [REDACTED]. The Claimant did not obtain the prior approval of the [REDACTED] for her participation in the training program.
11. A triage was held by the Department on May 23, 2014. At the triage, the Claimant was to provide a letter from [REDACTED] outlining her employment and training program.

12. On May 28, 2014, the Department received a letter from [REDACTED] indicating the nature of the training program and \$100 stipend each week to be paid by Matrix. Exhibit 2
13. After receiving the [REDACTED] letter, the Department found no good cause as the Department determined that the Claimant had quit the [REDACTED] job where she had represented she earned [REDACTED] a month, to take a volunteer job at \$ [REDACTED] a week and found that this action by the Claimant violated Department policy. This decision was made by the Department on May 28, 2014.
14. During the period January 2014 through May 2014, the Claimant had no job search responsibilities as the [REDACTED] believed she was working 40 hours per week.
15. The Claimant requested a hearing on May 25, 2014 indicating that she worked 40 hours a week and was earning \$120 a week with a household size of five.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101 to .3131.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

Additionally, this matter involves whether the Department correctly closed the Claimant's FIP cash assistance due to noncompliance with work related activities and participation without good cause. The Department presented evidence that the Claimant had been receiving child day care benefits based on employment with [REDACTED]s. The Department believed the employment was full-time, 40 hours per week based upon prior redetermination completed by the Claimant. The Claimant was receiving FIP cash assistance and was not required to perform job search activities at MWA because of her employment. At a redetermination completed in May of 2014, the Department learned

from the Claimant that she had terminated her [REDACTED] employment. The Department sought verification of termination of employment and did not receive the verification of employment from [REDACTED]. Additionally, the Department attempted to verify the new employment through the training program Claimant had enrolled in. The Department received a letter from [REDACTED] on May 28 2014, and was advised that the Claimant had enrolled in a training program through [REDACTED] and would be currently paid [REDACTED] week for 40 hours. Exhibit 2. The redetermination form noted that the Claimant had given her employer, [REDACTED], two weeks notice, and that her last day of work was May 6, 2014. She explained she quit [REDACTED] for a job training job that pays [REDACTED] a week and was to last 16 weeks. The program was with [REDACTED]. The redetermination was signed by the Claimant on May 14 2014.

As a condition of continued FIP eligibility, work eligible individuals are required to participate in a work participation program or other employment-related activity unless temporarily deferred or engaged in activities that meet participation requirements. BEM 230A (October 2013), p. 1; BEM 233A (July 2013), p. 1. A client is in noncompliance with her FIP obligations if she fails or refuses, without good cause, to appear and participate with the work participation program or other employment service provider, to participate in any required activities, or to complete a job application. BEM 233A, p. 2. The Department alleged that Claimant was in noncompliance with her FIP obligations because she had failed to notify the department that she had voluntarily quit a job and reduced her pay.

Before terminating a client from the work participation program and closing her FIP case, the Department must schedule a triage meeting with the client to jointly discuss noncompliance and good cause. BEM 233A, p. 9.

Subsequently, a Notice of Noncompliance was sent to the Claimant and because the notice was received late by the Claimant, a second phone triage was held on May 23, 2014. After the triage, the Department determined that based on Department policy and MWA rules, based upon the Matrix Services letter that the Claimant had not sought prior approval for the training program and had voluntarily reduced her work hours and pay in violation of Department policy found in BEM 233

The evidence submitted at the hearing obtained by the Department demonstrated that the Claimant had not been working full time since January 2014. This was not reported to the Department. Further, the Department did establish it reasonably believed when it found no good cause that the Claimant had to quit a job at [REDACTED]'s paying [REDACTED] per month without prior approval from MWA to take a volunteer job at [REDACTED] per week. BEM 233A provides:

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:...

Refusing suitable employment means doing **any** of the following:

- Voluntarily reducing hours or otherwise reducing earnings.
- Quitting a job (see exception below).

Exception: This does not apply if:

- PATH verifies the client changed jobs or reduced hours in order to participate in a PATH approved education and training program.

The Department's triage decision was based upon facts which were believed to be true at the time of the decision. At that time, the Department and MWA believed that the Claimant was working 40 hours a [REDACTED] and quit that job voluntarily to take a 40-hour volunteer job with training, for [REDACTED] per week. The Department reasonably believed that the Claimant was earning \$ [REDACTED] 0 per month at [REDACTED]s based upon prior verification of income and check stubs and had based her CDC and MWA participation on those facts, and thus it correctly determined that Claimant voluntarily reduced her earnings. In addition, the MWA had never approved the training program at [REDACTED] as a PATH approved training program.

The policy cited above and the Path Program Rules require the Claimant to report changes that affected her case to both DHS and PATH, including employment starts stops, change of employer, change in rate of pay or hours worked Exhibit 10. Therefore, it is determined that the Department correctly closed the Claimant's FIP case and terminated the Claimant's CDC benefits based upon BEM 233A, as they reasonably believed based upon the facts made known to the Department by the Claimant that she voluntarily quit a job and reduced her earnings. The Department also correctly closed the Claimant's CDC case as she had quit her [REDACTED] job for an unapproved training job and thus had no longer a demonstrated need for CDC. Exhibits 8 and 9.

Based on the evidence presented, the Department properly determined that Claimant did not have good cause for her noncompliance. Therefore, the Department acted in accordance with Department policy when it closed Claimant's FIP and CDC cases. Because this was Claimant's first occurrence of FIP employment-related noncompliance, the Department acted in accordance with Department policy when it closed Claimant's FIP case for at least three months. BEM 233A, p. 8.

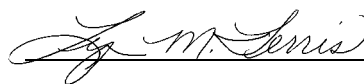
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department

- acted in accordance with Department policy when it closed the Claimant's Family Independence Program (FIP) and Child Development and Care Program (CDC) case for non-cooperation with employment-related activities.

DECISION AND ORDER

Accordingly, the Department's decision is

AFFIRMED.



Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **7/8/2014**

Date Mailed: **7/9/2014**

LMF/tm

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

cc:

