



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
[REDACTED] MI [REDACTED]

Date Mailed: August 29, 2024
MOAHR Docket No.: 24-008039
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Linda Jordan

HEARING DECISION

Following Petitioner'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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a hearing was held on August 13, 2024, via teleconference. Petitioner appeared and represented herself. Sheila Crittenden, Family Independence Manager, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted at the hearing as MDHHS Exhibit A, p. 1-29.

ISSUE

Did MDHHS properly terminate Petitioner's Family Independence Program (FIP)/Cash Assistance benefits?

FINDINGS OF FACT

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

1. Petitioner was an ongoing recipient of FIP.
2. On [REDACTED] 2024, MDHHS sent Petitioner a PATH Appointment Notice indicating that Petitioner must attend PATH within 15 days of the notice and continue in PATH for as long as she is receiving FIP (Exhibit A, p. 8). The notice indicated that an appointment was scheduled for April 1, 2024 at the Cadillac Service Center (Exhibit A, p. 8).

3. On April 4, 2024, Petitioner contacted the PATH coordinator and stated that she could not attend the orientation scheduled for April 8, 2024 in-person and requested a virtual appointment (Exhibit A, p. 21). The PATH coordinator sent Petitioner a google meet invite on April 9, 2024 for a virtual appointment on April 10, 2024. Petitioner did not participate in the April 10, 2024 virtual appointment.
4. On April 10, 2024, MDHHS sent Petitioner a Family Self-Sufficiency Plan Personal Contract (Exhibit A, p. 10).
5. On April 13, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that FIP would be closed May 1, 2024 ongoing (Exhibit A, p. 12). The reason for the closure was that Petitioner failed to participate in employment and/or self-sufficiency activities for the second time and that the case must remain closed for six months (Exhibit A, p. 13).
6. On April 13, 2024, MDHHS sent Petitioner a Notice of Noncompliance indicating that she failed to participate in employment and/or self-sufficiency activities on April 11, 2024 (Exhibit A, p. 17). The notice indicated that a meeting was scheduled to give Petitioner an opportunity to report and verify the reasons for noncompliance (Exhibit A, p. 17). The meeting was scheduled for April 24, 2024 (Exhibit A, p. 17).
7. On June 4, 2024, Petitioner requested a hearing regarding the closure of her FIP case (Exhibit A, pp. 5-7).

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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. MDHHS 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-.3131.

In this case, MDHHS terminated Petitioner's FIP benefits and implemented a noncompliance sanction for an alleged failure to comply with employment and/or self-sufficiency activities. The activities were previously waived for Petitioner due to a [REDACTED] deferral.

FIP is a cash assistance program designed to help individuals and families become self-sufficient. BEM 209 (January 2022), p. 1. Individuals are eligible for FIP if they satisfy all financial and non-financial eligibility requirements. *Id.* 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. BEM 230A (October 2022), p. 1. WEI clients must participate in employment and/or self-sufficiency related activities to increase their employability and obtain employment. *Id.* WEIs not referred to PATH will participate in other activities to overcome barriers so that they may eventually be referred to PATH or other employment service provider. MDHHS must monitor these activities and record the client's participation in the Family Self-Sufficiency Plan (FSSP). The last date for a client to attend PATH is 15 calendar days from the date of the PATH referral and the DHS-4785, PATH Appointment Notice, are sent. *Id.*, p. 5. If the client calls to reschedule before the 15th day, MDHHS must extend the Last Date for Client Contact on One-Stop Management Information System (OSMIS).

A WEI who refuses, without good cause, to participate in assigned employment and/or other self-sufficiency related activities is subject to penalties. BEM 233A (October 2022), p. 1. Depending on the situation, penalties include a delay in the application; ineligibility; and case closure for a minimum of three months of the first episode of noncompliance, six months for the second episode, and a lifetime closure for the third episode. *Id.* A client's action or inaction, including failure to attend or participate in the PATH program, can lead to a penalty for noncompliance. *Id.*, p. 2.

Good cause is a valid reason for noncompliance with employment and/or self-sufficiency related activities based on factors that are beyond the control of the noncompliant person. BEM 233A, p. 4. A claim of good cause must be verified and documented for member adds and recipients. *Id.* If it is determined during the triage meeting that the client has good cause, and good cause issues have been resolved, MDHHS sends the client back to PATH. *Id.* There is no need for a new PATH referral, unless the good cause was determined after the negative action period. *Id.* Good cause includes instances in which the client or family member has an illness or injury, the client has no childcare, the client has no transportation, or there is an unexpected event, among others. 233A, pp. 4-6.

At the hearing, Petitioner credibly testified that she was attempting to comply with the requirements of FIP, but that she was facing personal hardships. Petitioner testified that her [REDACTED] was in [REDACTED] and that [REDACTED] later passed away. Additionally, her [REDACTED] had to have eye surgery, the electricity to her house was about to be shut off, and she did not have childcare. Petitioner testified that she was overwhelmed and that she had issues with anxiety and depression.

Based on Petitioner's credible testimony, she has demonstrated good cause for her noncompliance. It is unclear from the record why MDHHS did not believe that her situations constituted good cause. It is also unclear why Petitioner was sanctioned for six months, because no information was given regarding a previous instance of noncompliance.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it terminated Petitioner's FIP benefits.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**. MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Remove the sanction for noncompliance imposed effective May 1, 2024;
2. Reinstate Petitioner's FIP case and redetermine Petitioner's eligibility for FIP, effective May 1, 2024 ongoing, making the appropriate referrals; and
3. Notify Petitioner of its decision in writing.

LJ/pt



Linda Jordan
Administrative Law Judge

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

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

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

PVia-Electronic Mail:

DHHS

Ashley Warner
Missaukee/Wexford County DHHS
10641 W. Watergate Rd.
Cadillac, MI 49601

MDHHS-GR8North-Hearings@michigan.gov

Interested Parties

BSC1
B Sanborn
MOAHR

Via-First Class Mail:

Petitioner

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