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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
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Date Mailed: November 14, 2024
MOAHR Docket No.: 24-010738
Agency No.: ██████████
Petitioner: ██████████

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 October 16, 2024, via teleconference. Petitioner appeared and represented herself. Jennifer Richard, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-20.

ISSUE

Did MDHHS properly determine Petitioner's eligibility for 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. On ██████████ 2024, Petitioner submitted an application for cash assistance (Exhibit A, p. 7).
2. On August 16, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that she was denied FIP benefits, effective September 1, 2024 ongoing (Exhibit A, p. 15). The reason for the denial was that Petitioner failed to participate in employment and/or self-sufficiency-related activities for the second time and that the case must remain closed for six months (Exhibit A, p. 16).
3. On September 16, 2024, Petitioner requested a hearing regarding her eligibility for FIP (Exhibit A, pp. 4-6).

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 denied Petitioner's application for FIP because it alleged that she had two sanctions due to a failure to comply with employment and/or self-sufficiency-related activities.

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 for 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.

Here, MDHHS alleged that it sanctioned Petitioner for noncompliance on two separate occasions. However, the reasons for the sanctions and the precise dates of the sanctions were unclear from the record. MDHHS introduced a document which included notes concerning Petitioner's case from a MI Works! representative. The MI Works! representative did not appear at the hearing to provide additional testimony on the matter or to authenticate the document. According to the notes, on [REDACTED] 2024, Petitioner was assigned to a triage meeting for not returning to PATH following a 30-day medical leave (Exhibit A, p. 20). On [REDACTED] 2024, an entry stated that Petitioner would be terminated from the program and that she did not show good cause at the triage meeting (Exhibit A, p. 20). At the hearing, Petitioner credibly testified that she attempted to contact the MI Works! coordinator to reschedule certain PATH-related activities due to a family emergency but was not able to reach anyone.

The record is incomplete regarding the basis for Petitioner's non-compliance with PATH. It is unclear when the sanctions were implemented and that there was a proper basis for the sanctions. Based on the evidence presented, MDHHS has not established that it properly implemented employment-related sanctions or that it properly notified Petitioner of the sanctions. It is also unclear why MDHHS determined that Petitioner did not present good cause for her alleged failure to comply with employ-related activities at the triage meeting.

Accordingly, 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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's application for FIP.

DECISION AND ORDER

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 sanctions for noncompliance that were the basis for the denial of the [REDACTED] 2024 FIP application;
2. Reregister and reprocess Petitioner's [REDACTED] 2024 FIP application; and
3. Notify Petitioner of its eligibility 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

