

ISSUE

Did the Department properly close Petitioner's FIP cash assistance?

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 January 10, 2026, the Department issued a notice of case action that notified Petitioner that her FIP was going to be closed, effective February 1, 2026, because Petitioner failed to participate in employment and/or self-sufficiency-related activities.
2. Petitioner acknowledged that the Department had instructed her to participate in PATH, and Petitioner did not participate in PATH.
3. Petitioner did not participate in PATH because the Department did not give her enough notice to participate.
4. Petitioner requested a hearing to dispute the Department's decision to close her FIP cash assistance.

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. The Department 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.

Petitioner is disputing the Department's decision to close her FIP cash assistance. The Department closed Petitioner's FIP cash assistance, effective February 1, 2026, because Petitioner failed to participate in employment and/or self-sufficiency-related activities. Thus, the issue here is whether the Department properly closed Petitioner's FIP cash assistance.

The Department requires FIP clients to participate in employment and self-sufficiency-related activities. BEM 233A (October 1, 2022), p. 1. The Department's focus is to assist clients in removing barriers so that they can participate in activities which lead to self-sufficiency. *Id.* A client who fails to participate in employment and self-sufficiency-related

activities is considered non-compliant. *Id.* at 2. There are consequences for clients who are non-compliant without good cause. *Id.* at 1. Good cause is a valid reason for non-compliance with employment and self-sufficiency related activities that is based on factors that are beyond the non-compliant person's control. *Id.* at 4.

The Department did not present any evidence to establish that it properly closed Petitioner's FIP cash assistance since the Department did not participate in the hearing. Petitioner provided un rebutted testimony that she did not participate in PATH because the Department did not give her enough notice to participate. Petitioner established a valid reason for non-compliance, so Petitioner had good cause for her non-compliance. Thus, Petitioner was not subject to a non-compliance penalty. Therefore, the Department did not properly close Petitioner's FIP cash assistance.

DECISION AND ORDER

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 did not act in accordance with its policies and the applicable law when it closed Petitioner's FIP cash assistance.

IT IS ORDERED that the Department's decision is **REVERSED**. The Department must reinstate Petitioner's FIP cash assistance, effective February 1, 2026, and the Department must refer Petitioner back to PATH in accordance with BEM 233A.

The Department must begin to implement this order within 10 days of the mailing date of this hearing decision.