

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No: 200716172
Issue No: 4060
Case No: [REDACTED]

Hearing Date:
March 1, 2011
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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 March 5, 2007. After due notice, which was not returned by the U.S. Postal Service as undeliverable, a telephone hearing was held on Tuesday, March 1, 2011. The Claimant was not present for the hearing and it was conducted in her absence.

ISSUE

Did the Department of Human Services properly determine that Claimant was over-issued \$919 in Family Independence Program (FIP) benefits?

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 Family Independence Program (FIP) recipient from November 1, 2006, through February 28, 2007.
2. The Claimant received child support in the gross monthly amount of \$500.01 for November of 2006, \$277.33 for December of 2006, \$234.13 for January of 2007, and February of 2007. The Claimant's child support income was not sent to the Department.
3. The Claimant received Family Independence Program (FIP) benefits of \$489 for November and December of 2006, and \$593 for January and February of 2007.

4. Because of the child support income the Claimant was not entitled to keep, the Claimant received an overissuance of Family Independence Program (FIP) benefits totaling \$919.
5. On February 20, 2007, the Department notified the Claimant that she had received an overissuance of benefits due to Department error.
6. The Department received the Claimant's request for a hearing on March 5, 2007, protesting the recoupment of Family Independence Program (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).

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization, or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. BAM 105. Income reporting requirements are limited to the following:

Earned income:

- Starting or stopping employment.
- Changing employers.
- Change in rate of pay.
- Change in work hours of more than five hours per week that is expected to continue for more than one month.

Unearned income:

- Starting or stopping a source of unearned income.
- Change in gross monthly income of more than \$50 since the last reported change.

Other changes:

- Persons in the home.
- Marital status.
- Address and shelter cost changes that result from the move.
- Vehicles.
- Assets.
- Child support expenses paid.
- Health or hospital coverage and premiums.
- Day care needs or providers. BAM 105

An overissuance is the amount of benefits issued to the client group in excess of what they were eligible to receive. BAM 705. The amount of the overissuance is the amount of benefits the group actually received minus the amount the group was eligible to receive. BAM 720. When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the overissuance. BAM 700.

Department errors are caused by incorrect actions by the Department. BAM 705. Department error overissuances are not pursued if the estimated overissuance is less than \$125 per program. BAM 700. Client errors occur when the customer gave incorrect or incomplete information to the Department. Client errors are not established if the overissuance is less than \$125 unless the client group is active for the overissuance program, or the overissuance is a result of a quality control audit finding. BAM 700.

Certified support means court-ordered support payments sent to the DHS by the Michigan State Disbursement Unit (MiSDU). Bridges excludes from the deficit test the amount of collections retained by the DHS. BEM 518.

Voluntary and direct child support are countable in the eligibility determination. At application Bridges excludes up to \$50 received from either in the benefit month. Ongoing FIP eligibility determination does not exclude \$50.

In this case, the Claimant was a Family Independence Program (FIP) recipient from November 1, 2006, through February 28, 2007. The Claimant received child support in the gross monthly amount of \$500.01 for November of 2006, \$277.33 for December of 2006, \$234.13 for January of 2007, and February of 2007. The Claimant's child support income was not sent to the Department, and due to Department error, it was not counted against her FIP grant as unearned income. The Claimant received Family Independence Program (FIP) benefits of \$489 for November and December of 2006,

and \$593 for January and February of 2007. The Claimant received FIP benefits totaling \$2,164, and if the Department had properly processed her child support payments, she would have been eligible to receive a FIP grant totaling \$1,245. As a result, the Claimant received an overissuance of \$919 due to Department error.

Based on the evidence and testimony available during the hearing, the Department has established that the Claimant received a \$919 overissuance of FIP benefits due to Department error.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly determined that Claimant was over-issued \$919 in Family Independence Program (FIP) benefits.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHeld.

/s/ _____
Kevin Scully
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: March 14, 2011

Date Mailed: March 15, 2011

NOTICE: Administrative Hearings 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. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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.

KS/tg

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cc:

