

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]

Claimant

Reg. No: 2010-21713
Issue No: 1018, 3002
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
April 6, 2010
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on April 6, 2010. Claimant's [REDACTED] and authorized hearing representative appeared and testified.

ISSUES

Did the Department of Human Services properly close Claimant's Family Independence Program (FIP) case due to excess income?

Did the Department of Human Services determine the proper amount of Claimant's Food Assistance Program (FAP) 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) Claimant was an ongoing recipient of Family Independence Program (FIP) and

Food Assistance Program (FAP) benefits.

(2) On January 29, 2010, Unemployment Compensation Benefits (UCB) being received by Claimant's husband was included in the financial eligibility budgets for Family Independence Program (FIP) and Food Assistance Program (FAP) benefits. Claimant was sent a Notice of Case Action (DHS-1605) stating the Family Independence Program (FIP) case would close due to excess income and the Food Assistance Program (FAP) benefits would be reduced to \$ [REDACTED]

(3) On February 11, 2010, Claimant submitted a request for hearing.

(4) On February 16, 2010, the Department case worker ran new financial eligibility budgets for both the Family Independence Program (FIP) and Food Assistance Program (FAP) to include child support payments being made by [REDACTED] and a change in shelter expenses. The group was still ineligible for Family Independence Program (FIP) benefits but eligible for more Food Assistance Program (FAP) benefits. Claimant was sent another Notice of Case Action (DHS-1605) which stated her Food Assistance Program (FAP) benefits would be going up to \$ [REDACTED]. Claimant did not request a hearing about this increase in Food Assistance Program (FAP) 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) and the Program Reference Manual (PRM).

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

In this case ██████████ testified that they had not known there was an income limit for the Family Independence Program (FIP). ██████████ questioned the amount of income attributed to his Unemployment Compensation Benefits (UCB) and argued that he did not think he was getting any \$██████ per week supplement because they took that much or more out in taxes. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

INCOME, UNEARNED

DEPARTMENT POLICY

All Types of Assistance (TOA)

This item identifies all of the following:

- Unearned income types.
- Definition of each unearned income type.
- Whether an unearned income type is countable or excluded for each TOA.

UNEARNED INCOME TYPES

All TOA

UNEMPLOYMENT BENEFITS

All TOA Except FTW

Unemployment benefits include all of the following:

- Unemployment benefits (UB) available through the Michigan Unemployment insurance agency (UIA) and comparable agencies in other states.
- Supplemental unemployment benefits (SUB pay) from an employer or other source.
- Trade Readjustment Act (TRA) payments.

Count the gross amount as unearned income. (BEM 503)

**PROSPECTIVE BUDGETING/INCOME CHANGE
PROCESSING**

DEPARTMENT PHILOSOPHY

A group's benefits for a month are based, in part, on a prospective income determination. A best estimate of income expected to be received by the group during a specific month is determined and used in the budget computation.

DETERMINING BUDGETABLE INCOME

FIP, SDA, CDC, FAP

Determine budgetable income using countable, available income for the benefit month being processed.

Current and Future Months

Prospect income using a best estimate of income expected to be received during the month (or already received). Seek input from the client to establish an estimate, whenever possible.

To prospect income, you will need to know:

- The type of income and the frequency it is received (such as, weekly).
- The day(s) of the week paid.
- The date(s) paid, and
- The gross income amount received or expected to be received on each pay date.

BUDGETING INCOME

Use the following guidelines to budget income:

Standard Monthly Amount

A standard monthly amount must be determined for each income source used in the budget.

Stable and Fluctuating Income

Convert stable and fluctuating income that is received more often than monthly to a standard monthly amount. Use one of the following methods:

- Multiply weekly income by 4.3.
- Multiply amounts received every two weeks by 2.15.
- Add amounts received twice a month. (BEM 505)

The information issued to the Department of Human Services by the Unemployment Insurance Agency states that [REDACTED] receives \$ [REDACTED] weekly in Unemployment Compensation Benefits (UCB) and \$ [REDACTED] weekly as a supplement authorized by the Economic Recovery Act. It was reported that [REDACTED] is eligible for \$ [REDACTED] in benefits every two weeks. In accordance with the policies cited above [REDACTED] Unemployment Compensation Benefits (UCB) should be budgeted as $\$ [REDACTED] \times [REDACTED] = \$ [REDACTED]$ of unearned income in the financial eligibility budget's

for the Department of Human Services' Family Independence Program (FIP) and Food Assistance Program (FAP).

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 closed Claimant's Family Independence Program (FIP) case due to excess income and determine the proper amount of Claimant's Food Assistance Program (FAP) benefits.

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

/s/

Gary F. Heisler
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: April 13, 2010

Date Mailed: April 13, 2010

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.

2010-21713/GFH

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.

GFH/alc

cc:

