

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201034524  
Issue No: 1018  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 9, 2010  
Clare 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 May 7, 2010. After due notice, a telephone hearing was held on Thursday, September 9, 2010.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Family Independence Program (FIP) eligibility?

**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 applied for FIP assistance as a group of two on April 8, 2010.
2. The Claimant's FIP application included herself and her daughter [REDACTED] as group members.
3. [REDACTED], an adult, submitted a SER application on April 19, 2010.
4. [REDACTED] reported to the Department that he lives at the same address as the Claimant, and included the Claimant's daughter [REDACTED] as a household member.
5. [REDACTED] receives monthly unemployment compensation in the gross monthly amount of [REDACTED]

6. The Department completed a FIP budget and included [REDACTED] unearned income.
7. On April 19, 2010, the Department denied the Claimant's FIP application, due to excess income.
8. The Department received the Claimant's request for a hearing on May 7, 2010, protesting the denial of her FIP application.

### **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).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. BAM 105, p. 5. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130, p. 1. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130, p. 1. The Department uses documents, collateral contacts, or home calls to verify information. BAM 130, p. 1. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. BAM 130, p. 2. When documentation is not available, or clarification is needed, collateral contact may be necessary. BAM 130.

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

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 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.

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. BEM 505.

When cash assistance is requested for a dependent child, all of the following individuals who live together must be included in the FIP group regardless of program request status:

- Dependent Child.
- Child's legal parent(s).
- Child's legal siblings who meet the definition of a dependent child (siblings have at least one legal parent in common).
- Legal parent(s) of the child's siblings.
- Child's legal stepparent, even after death of or divorce from the parent.
- Child's legal stepsiblings who meet the definition of a dependent child, even after death of or divorce from the parent.
- Child's child.

The Claimant applied for FIP assistance as a group of two on April 8, 2010. The Claimant included herself and her daughter [REDACTED] on the application as group members. [REDACTED], an adult, submitted a SER application on April 19, 2010. [REDACTED] reported to the Department on this SER application that he lives at the same address as the Claimant, and included the Claimant's daughter [REDACTED] as a household member.

The Department completed a FAP budget for the Claimant and included [REDACTED] as a group member. [REDACTED] receives monthly unemployment compensation in the gross monthly amount of [REDACTED]. This amount was determined by multiplying his weekly benefit amount by the conversion factor of 4.3. The income payment standard for a group of three is \$492. RFT 210. Therefore, the Claimant is not eligible to receive a FIP grant.

The Claimant argued that although [REDACTED] is the father of her daughter, that he is not a household member. The Claimant testified that [REDACTED] used her address solely for the purposes of applying for SER benefits.

Based on the evidence and testimony available during the hearing, the Department has established that [REDACTED] is a mandatory member of the Claimant's FIP group. As a mandatory group member, the Department must consider his income when determining eligibility to receive benefits. The Department properly determined that the Claimant's group is not eligible to receive a FIP grant due to excess income.

#### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department acted in accordance with policy in determining the Claimant's FI eligibility.

The Department's FI eligibility determination is AFFIRMED. It is SO ORDERED.

/s/  
Kevin Scully  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: September 30, 2010

Date Mailed: October 1, 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.

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/vc

cc:

