

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: 2010-36883  
Issue No: 3002;2026;1017;6019  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
July 6, 2010  
Kalamazoo 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 21, 2010. After due notice, a telephone hearing was held on Tuesday, July 6, 2010.

ISSUES

Whether the Department of Human Services (Department) properly determined the Claimant's Food Assistance Program (FAP), Child Development and Care (CDC), Family Independence Program (FIP), and Medical Assistance (MA) 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 Department received the Claimant's application for FAP, CDC, and FIP benefits on May 11, 2010. Department Exhibit 1.
- (2) The Claimant resides in [REDACTED] County.

(3) The Claimant receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED]. Department Exhibit 22.

(4) The Claimant receives monthly child support in the gross monthly amount of [REDACTED] Department Exhibit 29.

(5) The Department denied the Claimant's application for CDC and FIP benefits due to excess income on May 13, 2010. Department Exhibit 35 and 51.

(6) The Department completed a FAP budget on May 25, 2010, which determined she was eligible for a monthly FAP allotment of [REDACTED].

(7) The Department completed a MA budget on May 25, 2010, which determined she was eligible for MA coverage with a deductible of [REDACTED].

(8) The Department received the Claimant's request for a hearing on May 21, 2010, protesting the denial of her application for CDC and FIP benefits, and protesting the amount of her FAP allotment, and MA deductible.

### CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp 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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

For FAP purposes, 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 before 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.

The Claimant applied for FAP benefits on May 11, 2010. The Claimant receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED], which is determined by multiplying her weekly benefit check by the conversion factor of 4.3. The Claimant receives monthly child support payments in the gross monthly amount of [REDACTED], which is determined by taking the average of the child-support payments received for the previous three months. The Claimant received a total of [REDACTED] for each of the months of February, March, and April of 2010. An adjusted gross income of [REDACTED] is determined by taking the total of the Claimant's unemployment compensation and child support, and subtracting the standard deduction of [REDACTED] and the Claimant's dependent care deduction of [REDACTED]. An excess shelter

amount of [REDACTED] is determined by adding the Claimant's monthly housing expense of [REDACTED] to the [REDACTED] heat and utility standard under the Low Income Home Energy Assistance Program, and subtracting half of the adjusted gross income. The Claimant may not take this entire excess shelter expense, and is limited to the excess shelter maximum of [REDACTED] for FAP groups that do not contain a senior, disabled, or disabled veteran member.

The Claimant's net income of [REDACTED] is determined by subtracting the excess shelter maximum from the adjusted gross income. A claimant with a group size of two and a net income of [REDACTED] is entitled to a FAP allotment of [REDACTED]. RFT 260. In this case, the Claimant actually received a FAP allotment of [REDACTED] for May of 2010, which was prorated to reflect an application date of May 11, 2010. I find that the Department has established that it acted in accordance with policy determining Claimant's FAP allotment.

The Child Development and Care program is established by Titles IVA, IVE, and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or Department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. 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).

The Claimant applied for CDC benefits on May 11, 2010. The Claimant receives monthly child support payments in the gross monthly amount of [REDACTED], which is determined by taking the average of the child-support payments received for the previous three months. The Claimant received a total of [REDACTED] for each of the months of February, March, and April of 2010.

The Claimant receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED] which is determined by multiplying her weekly benefit check by the conversion factor of 4.3. The total of these two sources of income is [REDACTED]. The maximum income a group of two may receive and still be eligible for CDC benefits is [REDACTED]. I find that the Department has established that it acted in accordance with policy determining Claimant's CDC eligibility.

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).

The Claimant receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED], which is determined by multiplying her weekly benefit check by the conversion factor of 4.3. The Claimant receives monthly child support payments in the gross monthly amount of [REDACTED], which is determined by taking the average of the child-support payments received for the previous three months. The Claimant received a total of [REDACTED] for each of the months of February, March, and April of 2010. The Claimant does not receive earned income, and there are no Supplemental Security Income recipients or children placed by Child Protective Services in the Claimant household. The FIP monthly assistance payment standard for a group of two is [REDACTED]. Because the Claimant's total countable earnings exceed this amount,

the Claimant is not eligible for FIP benefits due to excess income. I find that the Department has established that it acted in accordance with policy determining Claimant's FIP eligibility.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or Department) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. 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).

The Claimant receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED], which is determined by multiplying her weekly benefit check by the conversion factor of 4.3. The Claimant receives monthly child support payments in the gross monthly amount of [REDACTED] which is determined by taking the average of the child-support payments received for the previous three months. The Claimant received a total of [REDACTED] for each of the months of February, March, and April of 2010. Subtracting a [REDACTED] dependent care deduction and a [REDACTED] child support disregard leaves the Claimant with a net income of [REDACTED]. The Claimant lives in [REDACTED] County and has a protected monthly income level of [REDACTED]. The Claimant's MA deductible of [REDACTED] is determined by subtracting her protected income level from her net income.

The Department established that it acted in accordance when it determined the Claimant's eligibility for MA coverage, and properly determined the level of her deductible.

The Claimant disputed the amount of child support that the Department used to determine eligibility for the FAP, CDC, FIP, and MA programs. The Claimant testified that the amount of

child support she receives is always stable, and that she expects to receive less child support in the future.

The Department determined a budgetable amount of child support income by taking an average of child support payments received in the prior three months. BEM 505. In this case, the Claimant received a total of [REDACTED] in child support for each of the prior three months. While the amount of child support the Claimant receives may not always be as stable as it was during this three-month period, the Department determined a monthly child support total using the best information available when it determined the Claimant's eligibility for benefits.

The Claimant argued that the Department's budget determinations did not consider her expectation that her unemployment compensation benefits would expire soon.

A group's benefits for a month are based, in part, on a prospective income determination. The Department determines a best estimate of income expected to be received by the group during a specific month and uses it in the budget computations. BEM 505. While a change in the Claimant's circumstances may affect her eligibility for benefits, there is no evidence that the Department did not use the best information when it determined the Claimant's eligibility for benefits.

Based on the testimony and evidence presented at the hearing, I find that the Department established that it acted in accordance with policy when determining the Claimant's eligibility for FAP, CDC, and FIP benefits.

#### 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 FAP, CDC, FIP, and MA eligibility.

The Department's FAP, CDC, FIP, and MA eligibility determination is AFFIRMED. It is SO ORDERED.

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

Date Signed: July 19, 2010

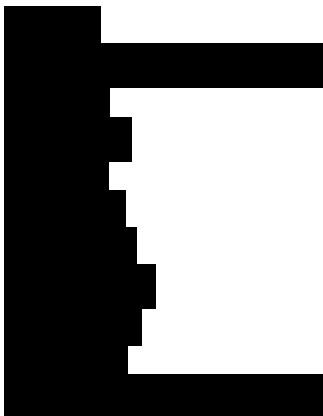
Date Mailed: July 20, 2010

**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

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