

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: 201055922

Issue No: 1015

[REDACTED]

[REDACTED]

Hearing Date: October 26, 2010
Monroe 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 August 2, 2010. After due notice, a telephone hearing was held on Tuesday, October 26, 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 is an ongoing FIP recipient.
2. The Claimant receives monthly self-employment income in the gross monthly amount of [REDACTED].
3. The Claimant has monthly child support expenses of [REDACTED].
4. The Department completed a FIP budget, which determined that the Claimant was eligible for a monthly FIP grant of [REDACTED].
5. The Department received the Claimant's request for a hearing on August 2, 2010, protesting the amount of his monthly FIP grant.

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).

Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. If allowable expenses exceed the total proceeds, the amount of the loss cannot offset any other income except for farm loss amounts.

BEM 502. Allowable expenses include all of the following:

- Identifiable expenses of labor, stock, raw material, seed, fertilizer, etc.
- Interest and principal on loans for equipment, real estate or income-producing property.
- Insurance premiums on loans for equipment, real estate and other income-producing property.
- Taxes paid on income-producing property.
- Transportation costs while on the job (example: fuel).
- Purchase of capital equipment.
- A child care provider's cost of meals for children. Do not allow costs for the provider's own children. BEM 502.

Expenses that are not allowable include the following:

- A net loss from a previous period.
- Federal, state and local income taxes.
- Personal entertainment or other individual business expenses.
- Money set aside for retirement.

Depreciation on equipment, real estate or other capital investments. BEM 502.

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.

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.

Deduct the amount of court-ordered support payments including arrearages expected to be paid by the program group from the group's total countable income. BEM 518. The amount available to be applied to the FIP budget is the amount of child support paid by the program group to dependents outside the group. BEM 520. The monthly expense is determined by taking the average of actual child support payments paid over a three month period as directed by Bridges Eligibility Manual Item 505.

In this case, the Claimant is an ongoing FIP recipient. The Claimant receives monthly self-employment income in the gross monthly amount of [REDACTED]. This amount is reduced by the [REDACTED] standard deduction, then an additional 20% earned income deduction, which results in a monthly net income of [REDACTED]. The Claimant has a monthly child-support expense of [REDACTED]. This is determined by taking a three-month average of the actual child support payments by a program group member to dependents outside the group. The Claimant's child-support expense was determined by taking the average of his actual payments of [REDACTED] in July of 2010, [REDACTED] in June of 2010, and [REDACTED] in May of 2010.

The Claimant's countable income of [REDACTED] is difference between his net income and his child-support expense. The Claimant's FIP payment standard is [REDACTED]. RFT 210. The Claimant's monthly FIP grant is determined by subtracting his countable income from the payment standard, which is [REDACTED].

The Department has established that it properly determined the Claimant's monthly grant under the Family Independence Program.

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 FIP eligibility.

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

_____/s/_____
Kevin Scully
Administrative Law Judge
for Duane Berger, Director
Department of Human Services

