

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

IN THE MATTER OF:



Reg. No: 201118939
Issue No: 1018
Case No: [REDACTED]
Hearing Date:
March 17, 2011
Genesee County DHS (2)

ADMINISTRATIVE LAW JUDGE: Suzanne D. Sonneborn

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 March 17, 2011. The claimant, [REDACTED] appeared and provided testimony.

ISSUE

Did the department properly deny Claimant's application for Family Independence Program (FIP) benefits due to excess income?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. At all times relevant to this matter, Claimant was a recipient of Food Assistance Program (FAP) benefits.
2. On January 14, 2011, Claimant applied for FIP benefits. (Department Exhibit 4).
3. On January 18, 2011, the department mailed Claimant a Notice of Case Action (DHS 1605) advising him that, effective February 1, 2011, his application for FIP benefits was denied for the reason that his income exceeded the limit for the program. The Notice further advised Claimant that, effective February 1, 2011, his FAP benefits were being canceled for failure to verify necessary information. (Department Exhibits 5, 7).

4. On January 21, 2011, Claimant requested a hearing contesting the department's denial of his FIP application and cancellation of his FAP benefits.
5. On February 8, 2011, the department mailed Claimant a Notice of Case Action (DHS 1605) advising him that his FAP benefits had been reinstated retroactively to October 1, 2010 and he was entitled to \$ [REDACTED] in retroactive benefits for the period June 1, 2010 to January 31, 2010. (Department Exhibits 6, 8, 9).

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1)

Clients have the right to contest a department decision affecting eligibility for benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

While Claimant's hearing request challenged both the department's denial of his FIP application and the cancellation of his FAP benefits, Claimant acknowledged at the hearing that the department's February 8, 2011, reinstatement and retroactive payment of his FAP benefits rendered the FAP portion of his hearing request moot. Accordingly, this Administrative Law Judge will only address Claimant's hearing request as it pertains to the department's denial of his FIP application.

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 Reference Tables Manual (RFT).

Department policy provides that financial need must exist for a group to be eligible for FIP benefits. BEM 518. Financial need exists when the eligible group passes both the "Deficit Test" and the "Child Support Income Test". If the group fails either test, the group is ineligible for assistance and the application should be denied or the case closed for the benefit month (the month covered by an assistance payment) unless the group meets the conditions for Temporary Ineligibility of Extended FIP. BEM 518. Moreover, if, at the time of application, the group is ineligible for FIP benefits due to excess income but a change is expected for the next benefit month, the department

should process the second month's benefit determination and, if the group is eligible based on that processing, the department should not deny the application. BEM 518.

To perform the Deficit Test, the group's countable income is subtracted from the eligible group's payment standard for the benefit month and if there is at least a \$ [REDACTED] deficit remaining, the group is eligible for the benefit month. BEM 518, BEM 515. The FIP Monthly Assistance Payment Standard is set forth in RFT 210 and delineates payment standards for group sizes of one and more (i.e. the payment standard for a program group of one member is \$ [REDACTED] two members is \$ [REDACTED] three members is \$ [REDACTED] etc). RFT 210.

A Child Support Income Test is required only when the group has certified support of more than \$ [REDACTED] BEM 518. To meet the Child Support Income Test, the program group's countable income and the amount of certified support must be less than the eligible group's payment standard. BEM 518.

For FIP purposes, all earned and unearned income available to 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. BEM 500. Unearned income means all income that is not earned, including but not limited to funds received from Child Development and Care (CDC), Medicaid (MA), Retirement, Survivors, and Disability Insurance (RSDI), Supplemental Security Income (SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMP), 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.

In this case, Claimant indicated in his application and confirmed at the hearing that his household group, consisting of his daughter and himself, received a total monthly income of \$ [REDACTED] in RSDI benefits. The FIP payment standard for a group size of two is \$ [REDACTED] RFT 210. Because Claimant's total countable income of \$ [REDACTED] when subtracted from the relevant payment standard of \$ [REDACTED] does not result in a deficit, Claimant is not eligible to receive FIP benefits. It should be noted that, while the department incorrectly attributed an additional \$ [REDACTED] in other unearned income to Claimant's monthly budget when the department performed the FIP income test, the same result of Claimant's ineligibility for FIP benefits would have been achieved regardless of the department's error. That is, whether Claimant's countable monthly income was \$ [REDACTED] or \$ [REDACTED] (as the department had incorrectly reported) there is still no deficit to establish Claimant's eligibility for FIP benefits.

Consequently, this Administrative Law Judge finds that, based on the material and substantial evidence presented during the hearing, the department properly denied Claimant's application for FIP benefits 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 denying Claimant's FIP application due to excess income.

Accordingly, the department's actions are UPHeld. It is SO ORDERED.

Suzanne D. Sonneborn
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: _____

Date Mailed: _____

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 90 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.

SDS/alc

cc:

A large black rectangular redaction box covering several lines of text in the distribution list.