

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

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No: 2011-1895
Issue No: 1005, 3008
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
December 14, 2010
Saginaw 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 hearing was held on December 14, 2010. Claimant appeared and testified.

ISSUES

- (1) Did the Department of Human Services properly determine Claimant's Family Independence Program (FIP) benefits for the month of August 2010?
- (2) Did the Department of Human Services properly determine Claimant's Food Assistance Program (FAP) benefits for the month of August 2010?

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 June 22, 2010 the Department received a Verification of Employment (DHS Form 38) showing Claimant was employed. The earned income was used to determine the amount of Claimant's Family Independence Program (FIP) and Food Assistance Program (FAP) benefits.

- (3) On August 12, 2010 Claimant reported she was no longer employed. Claimant was sent a Verification Checklist (DHS Form 3503) requiring verification that the employment had ended. The verification was due August 23, 2010.
- (4) On August 28, 2010 the Department had not received verification of Claimant's employment status. A Notice of Case Action (DHS-1605) was sent stating Claimant's cases would close Beginning October 1, 2010.
- (5) On August 31, 2010 a Verification of Employment (DHS Form 38) was received from the employer showing Claimant's employment had ended on June 29, 2010. Claimant's financial eligibility budgets were run without the earned income.
- (6) On September 15, 2010 Claimant was sent a Notice of Case Action (DHS-1605) showing the amount of Family Independence Program (FIP) and Food Assistance Program (FAP) benefits she was eligible for beginning September 1, 2010.
- (7) On September 29, 2010 Claimant was sent a Notice of Case Action (DHS-1605) which stated her Food Assistance Program (FAP) benefits were going to increase beginning October 1, 2010.
- (8) On October 5, 2010 Claimant submitted a request for hearing.

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 Claimant asserts that she should get the increase in Family Independence Program (FIP) and Food Assistance Program (FAP) benefits caused by her loss of employment for the month of August. The Department asserts that since the verification was not received until August 31, 2010 it is only applicable to September 1, 2010 and forward.

Claimant then asserted she had reported the loss of employment earlier. When asked when Claimant could not provide a specific date. There is no evidence in the record showing the Department was notified of Claimant's loss of employment before August 31, 2010. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

BEM 505 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.

Get input from the client whenever possible to establish this best estimate amount. The client's understanding of how income is estimated reinforces reporting requirements and makes the client an active partner in the financial determination process.

DEPARTMENT POLICY FIP, SDA, RAP, CDC and FAP

A group's financial eligibility and monthly benefit amount are determined using:

- Actual income (income that was already received).
- Prospected income amounts (not received but expected).

Only **countable** income is included in the determination; see BEM 500.

Each source of income is converted to a **standard monthly amount**, unless a full month's income will not be received; see standard monthly amount in this item.

**WHEN TO
COMPLETE A
BUDGET
FIP, SDA, RAP, CDC and FAP**

Client reporting requirements **do not** necessarily affect when a budget must be completed.

Complete a budget when either:

- The department is made aware of or the client reports a change in income that will affect eligibility or benefit level.
- A reported change results in the need to convert income to or from a standard monthly amount.

**Income Decrease
FIP, SDA and RAP**

Income decreases that result in a benefit increase must affect the month after the month the change is reported or occurred, whichever is earlier, provided the change is reported timely. Do not process a change for a month earlier than the month the change occurred. Supplements are not issued to correct underissuances caused by the group's failure to report timely.

FAP

Income decreases that result in a benefit increase must be effective no later than the first allotment issued 10 days after the date the change was reported, provided necessary verification was returned by the due date. Do **not** process a change for a month earlier than the month the change occurred. A supplement may be necessary in some cases.

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 determined Claimant's Family Independence Program (FIP) and Food Assistance Program (FAP) benefits for the month of August 2010.

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: December 29, 2010

Date Mailed: January 3, 2011

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.

GFH/tg

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