

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg No: 2011-26923
Issue No: 3002;1015
Case No: [REDACTED]
Hearing Date:
May 5, 2011
Wayne County DHS (41)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on May 5, 2011. The Claimant appeared and testified. Clovis Screws FIM and Robert Clay, FIS appeared on behalf of the Department.

ISSUE

Whether the Department properly calculated Claimant's Food Assistance Program ("FAP") benefits effective 5/1/10.

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of FIP Cash Assistance and Food Assistance (FAP) benefits.
2. As a result of a redetermination in February 2011, the Department reduced both the FIP and FAP benefits when it began including the Claimant's earnings from her job.

3. The Claimant provided 2 pay stubs in the amount of \$625 and \$487.50 to the Department . The Department used these pay stubs to determine the earned income amount of \$1190, which it used to calculate FIP and FAP benefits. Exhibits 3 and 4.
4. The Department included \$35 in earned income when calculating the Claimant's FAP benefits. This basis for including unearned income was unexplained. The Claimant testified that the two pay stubs represented her only income. Exhibit 4.
5. The Claimant currently receives \$250 per month in FAP benefits and \$10 per month in FIP benefits. Exhibit 3 and 4.
6. The Claimant pays rent in the amount of \$850 per month.
7. The Claimant's FAP group consists of two members.
8. The Claimant requested a hearing on March 15, 2011, protesting the reduction of her FIP cash assistance and FAP benefits.

CONCLUSIONS OF LAW

A. FAP

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 (formerly known as the Family Independence Agency) 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).

Department Policy defines household income to include earned and unearned income. The gross income amount is counted.

The Claimant's gross amount of biweekly earnings is \$1,195.93. The two biweekly checks provided by the Claimant in the amount of \$625 and \$487.50 were used by the Department. These checks are added together and divided by 2 to get the average bi weekly amount and then is multiplied by 2.15 to get the gross earned monthly income. ($\$625 + \$487.50 = \$1112.50 \div 2 = \$556.25 \times 2.15 = \$1195.93$) The Department determined the Claimant's earned income to be \$1190 and the \$5.93 discrepancy cannot be explained. Additionally, it is noted that the Department included unearned income of \$35 which also was not explained. The basis for the Department's inclusion of the \$35 unearned income was not disclosed and the Claimant testified that her earned income was her sole income.

Based upon these discrepancies, it must be determined that the Department should recompute the Claimant's FAP benefits and clear up the discrepancy with the gross earned income and the unearned income source and amount. Based upon the foregoing review, it is found that the Department did not correctly calculate the Claimant's FAP benefits, and its determination in that regard is reversed.

FIP CASH ASSISTANCE (EFIP)

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 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 Bridges Reference Manual (“BRM”).

In this case, the Claimant’s FIP benefits were drastically reduced once the Department began to include the Claimant’s earnings when calculating the Claimant’s benefits. Although not explained at the hearing, it is clear that the \$10 allotment for FIP the Claimant now receives monthly is EFIP. A former FIP recipient receives EFIP when FIP benefits are lost due employment income. The Claimant’s monthly earned income amount of \$1190 after deducting the flat standard deduction of \$200 and an additional 20% from that amount resulted in net earned income of \$792. ($\$1190 - 200 = \$990 \times .80 = \792). The Claimant’s net income of \$792 exceeded the FIP payment standard for a group of 2 person which is \$378. Once the payment standard is exceeded the Claimant was no longer eligible for Cash Assistance except through EFIP which is extended FIP. BEM 219 explains the basis and term during which EFIP is received:

Families receive EFIP for up to six months, with a grant of \$10, when loss of FIP eligibility relates to income from employment of a FIP program group member.

Persons in this stage of FIP eligibility are called Extended FIP (EFIP) recipients. EFIP recipients continue to be categorically eligible for other programs such as Child Development and Care (CDC), Direct Support Services (DSS) and energy assistance.

Based upon the foregoing policy, it is determined that the Department correctly reduced the Claimant’s FIP benefits to \$10 per month based upon her earned income. BEM 219. The Claimant’s FIP will continue for a six month period. The Department’s action, reducing the Claimant’s FIP cash assistance, is therefore affirmed.

DECISION AND ORDER

FAP The Administrative Law Judge, based upon the findings of fact and conclusions of law, finds that the Department incorrectly calculated the Claimant's gross monthly earned income and included \$35 in unearned income, which was not supported by the record and evidence, and therefore the Department's determination of the Claimant's FAP benefits is REVERSED.

Accordingly, it is ORDERED:

1. The Department shall recompute the Claimant's FAP budget, based upon the two pay checks stubs provided to the Department, and shall also determine the source and amount of the unearned income to determine if the \$35 it included in the FAP budget is correct.
2. The Department shall issue a FAP supplement to the Claimant, if appropriate, for any FAP benefits the Claimant might be eligible to receive in accordance with Department policy based upon the recomputed budget.

FIP The Department correctly determined the Claimant's FIP benefits and determined that she is eligible for EFIP in the amount of \$10 per month, and its determination is therefore AFFIRMED.



Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 06/06/11

Date Mailed: 06/07/11

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 mailing 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.

LMF/dj

cc:

