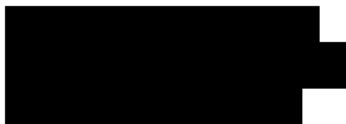


STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No.: 2011-34688  
Issue No.: 1003  
Case No.:   
Hearing Date: July 13, 2011  
Macomb (20)

**ADMINISTRATIVE LAW JUDGE:** Yasmin J. Elias

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37 and Claimant request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan, on July 13, 2011. The Claimant appeared and testified. , case Manager, and , Manager, appeared and testified for the Department of Human Services (DHS).

**ISSUE**

Whether DHS terminated Claimant from the Family Independence Program (FIP) in accordance with its policies and procedures?

**FINDINGS OF FACT**

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

1. The Claimant applied for FIP benefits on March 25, 2011.
2. The Claimant was part of a group of 4 household members.
3. At that time of the application, the DHS conducted a cross-reference with other Agencies. The cross-agency check yielded information reflecting that the Claimant was receiving unemployment benefits in the amount of \$164 weekly, or \$328 bi-weekly.
4. The DHS calculated the Claimant's eligibility for FIP benefits based in part on her income including unearned income from unemployment benefits.

5. The Claimant had a child support obligation at that time as well, but such obligation, or such payments were not considered in calculating the Claimant's eligibility for FIP benefits. It was unclear from the record evidence whether or not the child-support obligation was court ordered.
6. The Claimant's household income was found to exceed the threshold income limit for FIP benefits, resulting in the denial of the Claimant's application for FIP benefits.
7. The Claimant Requested a Hearing regarding this decision on May 11, 2011.

### **CONCLUSIONS OF LAW**

FIP was established by the U.S. Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601 *et seq.* DHS administers FIP pursuant to MCL 400.10 *et seq.*, and Michigan Administrative Code Rules (MACR) 400.3101-400.3131. Department policies are found in Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM) and Reference Tables (RFT). These manuals are available online at [www.michigan.gov/dhs-manuals](http://www.michigan.gov/dhs-manuals).

The Family Independence Program (FIP), Refugee Assistance Program Cash (RAPC) and State Disability Assistance (SDA) are cash assistance programs designed to help individuals and families become self-sufficient. BEM 209 at p. 1. When an individual applies for cash assistance, Bridges determines group composition and builds an eligibility determination group (EDG) for these programs in the following order: FIP, RAPC and SDA. Cash assistance is available to eligibility determination groups who meet all of the non-financial and financial requirements that are needed to determine eligibility and calculate benefit amounts. BEM 209 at p. 1.

Financial need must exist to receive FIP benefits. Financial need exists when the certified group passes both a Deficit Test and a Child Support Income Test. BEM 518 at p. 1. Child Support is money paid by an absent parent(s) for the living expenses of a child(ren), Medical, dental, child care and educational expenses may also be included. BEM 518 at p. 1. Court-ordered child support may be either certified or direct. BEM 503 at p. 5. Certified support is retained by the state due to the child's FIP activity. Direct support is paid to the client. BEM 503 at p. 5. For FIP calculations, child support payments are excluded income. BEM 503 at p. 6. Certified support means court-ordered support payments sent to the DHS by the Michigan State Disbursement Unit (MiSDU). Bridges excludes from the deficit test the amount of collections retained by the DHS. BEM 518 at p. 1. A worker is to 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, deduct payments made for children not in the home, and deduct legally obligated child support paid to an individual or agency outside the

household, for a child who is now a household member, provided the payments were not returned to the household. BEM 518 at p. 4.

In the present case, DHS denied Claimant's application for FIP benefits made on March 25, 2011, because a cross-agency check revealed that the Claimant was receiving \$164.00 per week, or \$328 bi-monthly in unemployment compensation. At the hearing, the Claimant acknowledged that she was receiving unemployment benefits in March 2011, but added that she had to forward the entire amount of unemployment benefits for child-support payments. The DHS did not introduce into evidence the calculations made as part of a Deficit test or of a Child Support Income test, but acknowledged that the Claimant's child support obligations were not excluded in determining the Claimant's income. The DHS cited BEM 554, in support of its decision to include all of the Claimant's unearned income into its budget calculations without excluding any child support obligations. However, the provisions found in BEM 554 apply to FAP benefit eligibility calculations, not FIP. Therefore, the evidence presented at the hearing was insufficient to establish that the Department followed its policies and procedures when it calculated the Claimant's eligibility for FIP benefits.

### **DECISION AND ORDER**

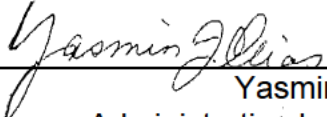
The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds:

The actions taken by DHS in terminating the Claimant's FIP benefits are REVERSED. It is ordered, based upon the agreement of the parties, DHS shall:

1. Re-calculate the Claimant's FIP benefit eligibility taking into account the Claimant's unearned income as well as any documented, budgetable child support obligations she had as of March 25, 2011.
2. Notify the Claimant of the new determination in writing, in accordance with its policies.
3. Supplement for lost benefits (if any) that the Claimant was entitled to receive, if otherwise eligible and qualified, in accordance with Department policy.

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All steps taken by DHS shall be in accordance with this opinion and DHS policies and procedures.

  
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Yasmin J. Elias  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: July 19, 2011

Date Mailed: July 19, 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 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.

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