

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201117041

Issue No: 1018, 3002

[REDACTED]

Kent County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the DHS client's (referred to as "the claimant") request for a hearing received on November 15, 2010. After due notice, a telephone hearing was held on June 29, 2011. The claimant personally appeared and provided testimony.

**ISSUE**

Did the department properly determine the claimant's Financial Assistance Program (FIP) and Food Assistance Program (FAP) benefits?

**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 was actively receiving FAP in the amount of [REDACTED] per month and FIP in the amount of [REDACTED] per month at all times relevant to this hearing. (Department Exhibit 17).
2. The claimant's group size is 10 (ten). (Department Exhibit 4).
3. On October 4, 2010, the department received information that claimant's husband (an adult group member) was no longer receiving unemployment and began working earning [REDACTED] monthly. (Department Exhibits 8-10). The household group had also received [REDACTED] in monthly unemployment compensation benefits during the relevant time period. (Department Exhibits 6-10, 13).
4. On October 4, 2010, the department mailed the claimant a Notice of Case Action (DHS-1605) indicating that effective November 1, 2010 the

claimant's monthly FIP was reduced to [REDACTED] due to excess income<sup>1</sup> and FAP increased to [REDACTED] per month. (Notice of Case Action, Department Exhibit 5).

5. The claimant submitted a hearing request disputing the decrease in her FIP benefits and questioning the FAP calculation. (Request for a Hearing).

### **CONCLUSIONS OF LAW**

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The claimant submitted a hearing request in this matter regarding her Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) benefits and her benefits under the Family Independence Program (FIP). With regard to the claimant's FAP benefits, no negative action had been taken by the department at the time the hearing request was submitted. The claimant's monthly FAP amount actually increased from \$999.00 to \$1,103.00 as of November 1, 2010 due to a decrease in FIP income.

The Family Independence Program (FIP) is temporary assistance to families in need and 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). Recipients of FIP strive for self-sufficiency as required in their Family Self-Sufficiency Plan (FSSP). BEM 519.

Department policy provides that financial need must exist for a group to be eligible for FIP benefits. 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.

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

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<sup>1</sup> Specifically the DHS-1605 indicated that the claimant will receive Extended FIP (EFIP) for 6 months with a grant of \$10 less any recoupment if other FIP eligibility requirements are met. (Notice of Case Action, Department Exhibit 5).

standards for group sizes of one and more (ie, 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]. 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.

A child support income test is required only when the group has certified support of more than [REDACTED]. Bridges automatically completes a child support income test whenever a deficit test is required and whenever a change in the amount of certified support is expected to continue.

To complete a child support income test, the group's total voluntary/direct support amounts are added to the gross monthly certified amount (for applicants, this includes the amount to be certified). BEM 518. Up to [REDACTED] from this amount is excluded. The result is added to the group's net earned and other unearned income. Any support paid for persons not in the home is deducted from this total. The resulting amount is compared to the eligible group's payment standard. BEM 518. If the result is equal to or greater than the certified group's payment standard the group is not eligible for assistance. BEM 518.

Bridges compares the approved ongoing FIP grant amount to the reimbursement and certified support when it is recorded in the MISDU. BEM 518. The unearned income record is created and eligibility is determined prior to the negative action cut-off date to affect the next month. BEM 518. FIP cases that close due to child support exceeding the FIP grant are reported to the worker to record the direct support in Bridges that will now be decertified. BEM 518. A deficit of at least [REDACTED] is required to receive a cash benefit. If the deficit is less than \$10 but at least [REDACTED], financial need exists but no cash benefits are issued by Bridges. BEM 518. Income deductions are available at both the member and the group level. BEM 518. Deduct [REDACTED] from each person's countable earnings. Then deduct an additional 20% of each person's remaining earnings. The total disregard cannot exceed countable earnings. Apply this disregard separately to each program group member's earned income. BEM 518.

For FIP purposes, 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 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. When the family has successfully gained employment and has income that exceeds the FIP eligibility limit, the department offers Extended FIP (EFIP) to help families transition to self-sufficiency. This extends the family's eligibility

for supportive programs and is required by MCL 400.57s as a critical part of Michigan's plan to meet federal participation requirements and maintain TANF funding. BEM 519.

Families receive EFIP for up to six months, with a grant of [REDACTED], when loss of FIP eligibility relates to income from employment of a FIP program group member. BEM 519. 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. BEM 519.

To be eligible for EFIP, the family must have received FIP benefits, even if it was for a partial month, before EFIP would be issued. BEM 519. All financial and non-financial FIP eligibility requirements except income must be met. BEM 519. Do not require a new or updated application or an in-person interview to transfer to EFIP. BEM 519. EFIP starts the month following the last month the family was eligible for regular FIP regardless of when the EFIP determination is made. BEM 519. The EFIP group has successfully increased their income to exceed eligibility for regular FIP. BEM 519. Once EFIP eligibility is lost, it cannot be regained unless regular FIP eligibility is regained and subsequently lost due to excess income that includes earnings of a program group member. BEM 519. The EFIP qualified group includes those persons in the FIP eligible group when regular FIP eligibility is lost due to excess income including earnings. Recipients of EFIP are not required to report changes. BEM 519. However, any changes known to the department that could affect EFIP eligibility must be acted upon. BEM 519.

In this case, the claimant's husband, who is one of the 10 (ten) household group members, obtained new employment in September, 2010. The claimant's husband confirmed at the hearing that he informed the department in October, 2010 that his monthly wages was [REDACTED] from his new job. The earned income amount minus the standard deduction less 20% of earned income equals the net earned income. [REDACTED] The total household unearned income from unemployment compensation benefits ([REDACTED]) is added to the gross earned income [REDACTED] equals [REDACTED] of countable income. The FIP payment standard for a group size of 10 (ten) is [REDACTED]. RFT 210. The total countable income [REDACTED] exceeds the payment standard ([REDACTED]).

Consequently, this Administrative Law Judge finds that, based on the material and substantial evidence presented during the hearing, the department properly calculated Claimant's FAP and properly determined Claimant's 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 properly determined the claimant's monthly FAP benefit amount and FIP benefit amount.

Accordingly, the department's determination is AFFIRMED.

IT IS SO ORDERED.

/s/ \_\_\_\_\_  
C. Adam Purnell  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 7/14/11

Date Mailed: 7/14/11

**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 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.

CAP/ds

