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

## IN THE MATTER OF:



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# ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

# HEARING DECISION

This matter is before the undersigned Administ rative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claim ant's request for a hearing. After due notice, a telephone hearing was held on May 17, 2012, from Detroit, Mich igan. Participants on behalf of Claimant included Claim ant. Participants on behalf of the Department of Human Services (Department) included , Family Independence Manager, and Eligibility Specialist.

#### ISSUE

Due to a failure to comply with the ve properly calculate Claimant's benefits for: rification requirements, did the Department

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Family Independence Program (FIP)? Food Assistance Program (FAP)? Medical Assistance (MA)?

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Adult Medical Program (AMP)? State Disability Assistance (SDA)?

Child Development and Care (CDC)?

### FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantia evidence on the whole record, including testimony of witnesses, finds as material fact:

- 1. On March 8, 2012, Claimant X applied for Was receiving:
- 2. Cla imant 🖂 was 🗌 was not provided with a Verification Checklist (DHS-3503).
- 3. Claimant was required to submit requested verification by March 20, 2012.

- 4. On April 3, 2012, the Depar tment sent notice of its appr oval of Claimant's March 8, 2012, FAP application, finding Claimant eligible for monthly FAP benefits of \$35.
- 5. On April 13, 2012, Claim ant filed a hearing request, protesting the amount of his monthly FAP allotment.

# CONCLUSIONS OF LAW

Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

☐ The Family Independence Progr am (FIP) was established pursuant to the Personal Responsibility and W ork Opportunity Reconc iliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq*. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq*., and 1999 AC, Rule 400.3101 through Rule 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistanc e Program (FAP) [for merly known as the Food Sta mp (FS) program] is established by the Food St amp 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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq*., and 1999 AC, Rule 400.3001 through Rule 400.3015.

☐ The Medical Ass istance (MA) program is es tablished by the Title XIX of the Soc ial Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department (formerly known as the F amily Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq*.

The State Disability Assistance (SDA) progr am which provides financial as sistance for disabled persons is established by 20 04 PA 344. The Depar tment (formerly known as the F amily Independence Agency) admini sters the SDA program pursuant to M CL 400.10, *et seq.*, and 2000 AACS, Rule 400.3151 through Rule 400.3180.

☐ The Child Development and Care (CDC) program is establis hed by Titles IVA, IVE and XX of the Soc ial Security Act, the Ch ild Care and Developm ent Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of F ederal Regulations, Parts 98 and 99. T he Department provides servic es to adult s and children pursuant to MCL 400.14(1) and 1999 AC, Rule 400.5001 through Rule 400.5015.

Additionally, Claimant request ed a hearing, protes ting the amount of his monthly FAP benefits of \$35.

At issue was the Department's exclusion of Claimant's property tax expenses from his FAP budget. For groups with no senior/dis abled/disabled veteran (SDV) m ember, the Department considers shelter expenses in the calculation of a client's FAP budget up to the maximum in RFT 255. BEM 554. Property taxes are allowable shelter expenses. BEM 554. The Department must verify shel ter expenses when an applic ation is filed. BEM 554. If a client fails to verify a s helter expense, that expense must be removed from the client's FAP budget until the expense is verified. BEM 554.

The Department testified that it sent Claimant a Verification Checklist (VCL) requesting, among other things, current property tax records. The local office processing Claimant's application also ask ed Claimant to provide a copy of the deed in order to verify Claimant's ownership. Claimant did not provide a copy of the deed to the local office until the date of the h earing. Claimant testified that he sent the requested tax records to the Department's self-service office, as provided on the VCL. Wh ile Claimant's local office of the Department had requested, but not yet received, Claimant's file from the self-service office, it test ified that no one in the Depart ment had updated Claimant's records on its computer system to show that Claimant's monthly shelter expenses had been verified. In the absence of any evi dence showing that t he Department had received a copy of the property tax record s, the Department acted in accordance with Department policy when it did not include Claimant's shelter expenses in calculating his FAP benefits.

The Department produced a c opy of Claimant's FAP budget for April 2012, ongoing, showing the calculation of Cl aimant's FAP benefits, excl uding the unver ified shelter expenses. The Department te stified that it relied on Cl aimant's gross employment biweekly income for the following dates and in the following amounts: February 3, 2012 income of \$512; Febr uary 17, 2012, employment income of \$504; and March 2, 2012, employment income of \$504. Claimant ve rified that these income amounts were accurate. Using thes e figures, the Departm ent calculated Claim ant's gross monthly income of \$1100 in accordanc e with Depart tment policy. BEM 505. Claim ant's FAP budget included an earned inc ome deduction equ al to 20% of his earned income, a \$146 standard deduction available e to Claimant's FAP gr oup size of one, and the standard heat and utilit y deduction of \$553 available t o all FAP recipients. BEM 554; RFT 255. A review of Claimant's FAP budget based on the foregoing figures shows that the Department acted in accordance with D epartment policy when it concluded that Claimant was entitled to \$35 per month in FAP benefits. BEM 550; BEM 556; RFT 260.

Based upon the abov e Findings of Fact and Conclus ions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department properly improperly calculated Claimant's monthly FAP benefits.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department  $\square$  did act properly.  $\square$  did not act properly.

Accordingly, the Depart tment's decision is  $\square$  AFFIRMED  $\square$  REVERSED for the reasons stated on the record.

Alice C. Elkin Administrative Law Judge for Maura Corrigan, Director Department of Human Services

Date Signed: May 22, 2012

Date Mailed: May 22, 2012

**NOTICE:** Michigan Administrative Hearing Syst em (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a par ty within 30 days of the receipt date of this Dec ision and Orde r. MAHS will not or der a rehearing or reconsideration on the Department's mo tion where the final decis ion cannot be implemented within 90 days of the filing of the original request. (60 days for FAP cases)

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 ti mely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing <u>MAY</u> be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at Michigan Administrative Hearings

Re consideration/Rehearing Request P. O. Box 30639 Lansing, Michigan 48909-07322

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