

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

IN THE MATTER OF:



Reg. No.: 2012-67766
Issue No.: 3005
Case No.:
Hearing Date: September 4, 2012
County: Wayne (82-19)

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, telephone hearing was held on September 4, 2012, from Detroit, Michigan. Participants on behalf of Claimant included . Participants on behalf of the Department of Human Services (Department) included .

ISSUE

Due to excess income, did the Department properly ☐ deny the Claimant's application ☐ close Claimant's case ☒ reduce Claimant's benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)? | <input type="checkbox"/> Adult Medical Assistance (AMP)? |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP)? | <input type="checkbox"/> State Disability Assistance (SDA)? |
| <input type="checkbox"/> Medical Assistance (MA)? | <input type="checkbox"/> Child Development and Care (CDC)? |

FINDINGS OF FACT

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

1. Claimant ☒ applied for benefits for: ☐ received benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP). | <input type="checkbox"/> Adult Medical Assistance (AMP). |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC). |

2. On July 1, 2012, the Department ☐ denied Claimant's application
☐ closed Claimant's case ☒ reduced Claimant's benefits
due to excess income.
3. On July 2, 2012, the Department sent
☒ Claimant ☐ Claimant's Authorized Representative (AR)
notice of the ☐ denial. ☐ closure. ☒ reduction.
4. On July 30, 2012, Claimant or Claimant's AHR filed a hearing request, protesting the
☐ denial of the application. ☐ closure of the case. ☒ reduction of benefits.

CONCLUSIONS OF LAW

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

☐ 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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation 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 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 (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 Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

☐ The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AAC, Rule 400.3151 through Rule 400.3180.

☐ The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development 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 Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and 1999 AC, Rule 400.5001 through Rule 400.5015.

The question in the current case is not whether Claimant was eligible for FAP, but rather, if Claimant was eligible for an increased FAP benefit amount in July 2012.

Claimant applied for FAP assistance on June 11, 2012. Claimant stated at the time of application that she worked for a school district, but did not inform the Department that she did not work during the summer months, per a typical school schedule.

On June 21, 2012, the Department received a verification of income from the school district showing hourly employment, with a note saying that Claimant "follows school year calendar from Sept-June."

In the notice of case action on July 2, 2012, the Department stated that

"in order for your employment income to be stopped for the summer, you will need to provide verification of the exact date your employment stopped and final pay information."

Claimant subsequently returned verification on July 9, and on July 18, the Department sent a request for further clarification; this was returned in a timely manner, and on July 24, the Department increased Claimant's FAP allotment for August.

Claimant argued that her FAP benefits should have been increased for July, because the Department was made aware of the work stoppage in June.

The Department argued that they were not aware of the stoppage until July when Claimant returned the final verifications and, therefore, claimant was not entitled to a benefit increase until August.

The Administrative Law Judge holds that the Department was aware of the stoppage on June 21, but that the August increase date was correct.

The Department was aware of the stoppage; on July 2, 2012, when processing the case, the Department specifically noted the stoppage and asked for verification of said stoppage. If the Department was unaware of the stoppage, as claimed, they would have had no reason to request verification of this information. The Administrative Law Judge finds it disingenuous at best to claim ignorance of a change in Claimant's work schedule when asking for verification of that work schedule. Furthermore, the Department wrote in its own hearing summary that "the agency was originally informed of the summer break on 6/21/2012." Therefore, the Department cannot claim that it was unaware of Claimant's loss of income.

However, this does not mean that Claimant is entitled to an increase in benefits in July. BEM 220 (2012), p. 5, states in relevant part that:

Changes which result in an increase in the household's benefits must be effective no later than the first allotment issued 10 days after the date the change was reported, provided any necessary verification was returned by the due date.

This change was reported on June 21, 2012. Claimant did not make this report on her application, or in any way notify the Department of this change before this date. Ten days after this date is July 1, 2012. The first allotment after this date is the August allotment.

Claimant returned all verifications by the due date. However, because Claimant did not report this until June 21, 2012, the first affected allotment could only have been the August FAP allotment. Therefore, while the Department was incorrect to state that the information wasn't reported until July, the Department was correct to hold that the August allotment is the first allotment that could have been affected, and Claimant was awarded all FAP benefits required by policy.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that, due to excess income, the Department ☒ properly ☐ improperly

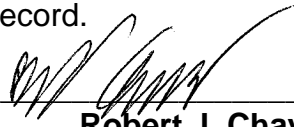
- ☐ denied Claimant's application
- ☒ reduced Claimant's benefits
- ☐ closed Claimant's case

for: ☐ AMP ☐ FIP ☒ FAP ☐ MA ☐ SDA ☐ CDC.

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 ☒ did act properly ☐ did not act properly.

Accordingly, the Department's ☐ AMP ☐ FIP ☒ FAP ☐ MA ☐ SDA ☐ CDC decision is ☒ AFFIRMED ☐ REVERSED for the reasons stated on the record.


Robert J. Chavez
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: September 12, 2012

Date Mailed: September 12, 2012

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (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 timely 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 **MAY** 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
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

RJC/pf

cc:

