

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

IN THE MATTER OF:



Reg. No.: 201247174
Issue No.: 3008; 3002
Case No.: [REDACTED]
Hearing Date: May 17, 2012
County: Wayne (76)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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, a telephone hearing was held on May 17, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED] Eligibility Specialist.

ISSUE

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

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)? | <input type="checkbox"/> Adult Medical Program (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 upon the competent, material, and substantial evidence on the whole record, including testimony of witnesses, finds as material fact:

1. On March 8, 2012, Claimant applied for was receiving: FIP FAP MA AMP SDA CDC.
2. Claimant 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 Department sent notice of its approval of Claimant's March 8, 2012, FAP application, finding Claimant eligible for monthly FAP benefits of \$35.
5. On April 13, 2012, Claimant 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 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 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) 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 AACS, 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.

Additionally, Claimant requested a hearing, protesting 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/disabled/disabled veteran (SDV) member, 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 shelter expenses when an application is filed. BEM 554. If a client fails to verify a shelter 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 asked 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 hearing. Claimant testified that he sent the requested tax records to the Department's self-service office, as provided on the VCL. While Claimant's local office of the Department had requested, but not yet received, Claimant's file from the self-service office, it testified that no one in the Department 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 evidence showing that the Department had received a copy of the property tax records, 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 copy of Claimant's FAP budget for April 2012, ongoing, showing the calculation of Claimant's FAP benefits, excluding the unverified shelter expenses. The Department testified that it relied on Claimant's gross employment biweekly income for the following dates and in the following amounts: February 3, 2012 income of \$512; February 17, 2012, employment income of \$504; and March 2, 2012, employment income of \$504. Claimant verified that these income amounts were accurate. Using these figures, the Department calculated Claimant's gross monthly income of \$1100 in accordance with Department policy. BEM 505. Claimant's FAP budget included an earned income deduction equal to 20% of his earned income, a \$146 standard deduction available to Claimant's FAP group size of one, and the standard heat and utility deduction of \$553 available to 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 Department policy when it concluded that Claimant was entitled to \$35 per month in FAP benefits. BEM 550; BEM 556; RFT 260.

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 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 did act properly. did not act properly.

Accordingly, the Department's decision is AFFIRMED 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 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 receipt 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

ACE/cl

cc:

