

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-40541  
Issue Nos.: 1015, 3002  
Case No.: [REDACTED]  
Hearing Date: May 8, 2013  
County: Wayne (82-19)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 conducted on Wednesday, May 9, 2013, from Detroit, Michigan. Claimant appeared and testified. Participating on behalf of the Department of Human Services (Department) was [REDACTED].

**ISSUE**

Did the Department properly calculate Claimant's Family Independence Program (FIP) and Food Assistance Program (FAP) benefits?

**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 was an ongoing recipient of FIP and FAP benefits.
2. On March 5, 2013, Claimant submitted an application to have her grand daughter added to her FIP and FAP cases.
3. Claimant's FIP and FAP budgets were recalculated.
4. On March 25, 2013, the Department sent Claimant a Notice of Case Action informing her that she was approved for monthly FIP benefits in the amount of \$274.00 effective April 1, 2013. Exhibit 4.

5. On March 28, 2013, the Department sent Claimant a Notice of Case Action informing her that she was approved for monthly FAP benefits in the amount of \$313.00 effective April 1, 2013. Exhibit 5.
6. On April 5, 2013, Claimant filed a hearing request disputing the Department's actions.

### **CONCLUSIONS OF LAW**

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

Additionally, Claimant is the legal guardian of her two minor grand children. On March 5, 2013, Claimant submitted an application to have her grand daughter added to her already existing FIP and FAP cases. Claimant's FIP and FAP benefits were recalculated to reflect the addition of her grand daughter.

#### **FIP**

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 Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

On March 25, 2013, the Department sent Claimant a Notice of Case Action informing her that she was approved for monthly FIP benefits in the amount of \$274.00 effective April 1, 2013. Exhibit 4. At the hearing, the Department testified that in calculating Claimant's FIP benefits, it did not budget Claimant's income, as she is an ineligible grantee and is not considered a group member due to her caretaker status. BEM 210 (January 2013), p. 1. The Department properly determined Claimant's group size to be two, which includes Claimant's grandchildren. The Department properly applied the \$274.00 FIP monthly assistance for ineligible grantees payment standard for two children according to RFT 210 (January 2009), p. 1. As evidenced by the Benefit Summary Inquiry, Claimant receives \$137.00 bi-weekly for two minor children. Exhibit 2. Therefore, the Department acted in accordance with Department policy when it calculated Claimant's monthly FIP benefits. Accordingly, the Department's FIP decision is AFFIRMED.

#### **FAP**

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 Mich Admin Code Rule 400.3001 through Rule 400.3015.

On March 28, 2013, the Department sent Claimant a Notice of Case Action informing her that she was approved for monthly FAP benefits in the amount of \$313.00 effective April 1, 2013. Exhibit 5. At the hearing, the FAP Budget Summary from the March 28, 2013, Notice of Case Action was reviewed. The Department concluded that Claimant had unearned income of \$1,116.00 that came from two sources: FIP benefits for the grandchildren and unemployment compensation for Claimant. The Department properly factored in the \$274.00 received in monthly FIP benefits as unearned income. BEM 503 (November 2012), pp. 11-12. The Department presented an unemployment compensation search which established that Claimant received \$392.00 in bi-weekly unemployment benefits. Exhibit 3. According to BEM 503, the Department is to count the gross amount of unemployment benefits as unearned income. BEM 503, pp. 25-26. A standard monthly amount must be determined for each income source used in the budget. BEM 505 (October 2010), p. 6. Income received biweekly is converted to a standard amount by multiplying the average of two bi-weekly paychecks by the 2.15 multiplier. BEM 505, pp. 6-7.

The Department testified that it may have used the 2.15 standard multiplier in calculating Claimant's monthly unearned income from unemployment. A further review of the figures presented at the hearing establishes that the Department properly converted Claimant's bi-weekly unemployment compensation to a standard monthly amount by multiplying the average of bi-weekly benefits received by the 2.15 multiplier. BEM 505, pp. 6-7. This figure was added to the \$274.00 received in monthly FIP benefits to conclude that Claimant had unearned income of \$1,116.00. Therefore, the Department acted in accordance with Department policy when it calculated Claimant's unearned income.

Although the Department properly applied the \$148.00 standard deduction applicable to Claimant's verified group size of three and the \$575.00 standard heat and utility deduction available to all FAP recipients, the Department was unable to explain how it determined Claimant's housing costs of \$168.00 or what figures were relied on. RFT 255 (October 2012), p. 1; BEM 554 (October 2012), pp. 11-12.

Because of the Department's inability to explain the figures used in determining Claimant's housing costs, the Department did not satisfy its burden in establishing that it properly calculated Claimant's FAP benefits. Accordingly, the Department's FAP decision is REVERSED.

### **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 in

accordance with Department policy when it calculated Claimant's FIP benefits. Accordingly, the Department's FIP decision is AFFIRMED.

It is further found that the Department did not act in accordance with Department policy when it calculated Claimant's FAP benefits. Accordingly, the Department's FAP decision is REVERSED.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Begin recalculating Claimant's FAP budget for April 1, 2013, ongoing in accordance with Department policy and consistent with this Hearing Decision;
2. Begin issuing supplements to Claimant for any FAP benefits that she was entitled to receive but did not from April 1, 2013, ongoing; and
3. Notify Claimant of its decision in writing in accordance with Department policy.



**Zainab Baydoun**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 14, 2013

Date Mailed: May 14, 2013

**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 affect the substantial rights of the claimant:

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- 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

ZB/pf

cc:

