

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

IN THE MATTER OF:



Reg. No.: 2013 7815
Issue No.: 3015, 4013
Case No.: [REDACTED]
Hearing Date: December 17, 2012
County: Oakland (04)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 December 17, 2012, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payments Worker.

ISSUE

Due to excess income, did the Department properly deny the Claimant's application close Claimant's case for SDA Cash Assistance reduce Claimant's benefits for Food Assistance:

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

2. On November 1, 2012, the Department denied Claimant's application
 closed Claimant's case for SDA cash assistance
 reduced Claimant's Food Assistance benefits due to excess income
3. At the redetermination the Claimant reported he was married and his spouse's income for FAP benefits was \$2172 gross. Exhibit 3.
4. At the hearing the Claimant understood and conceded that his joint income including his spouse's earnings exceeded the SDA income limit of \$423 per month and indicated that he understood the Department's actions closing his SDA.
5. On October 17, 2012, the Department sent
 Claimant Claimant's Authorized Representative (AR)
notice of the denial. closure.
 reduction of the Claimant's FAP benefits.
6. On October 22, 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 AACR, 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, at the hearing it was determined that the Claimant was married in [REDACTED] and his wife's income (earnings) were required to be included in his Food Assistance budget calculation. The evidence provided by the Department demonstrated that the reason the Claimant's food assistance was reduced was because his income significantly increased.

The Department based its determination of the group income upon two pay stubs provided by the Claimant's wife and correctly determined that the group gross earned income was \$2172 based on her earnings. Bridges Eligibility Manual (BEM) 505 pp 7 (12/2012) The Department correctly calculated the gross income amount. A standard deduction of \$148 was deducted from the earned income as was the earned income deduction of \$435. The earned income deduction amount is determined by taking 80% of the gross earnings $\$2172 \times .80 = \435 . The gross income minus the standard deduction and the earned income deduction yielded the adjusted gross income of \$1589 ($\$2172 - \$148 - \$435 = \1589). Exhibit 4

The Department also properly calculated the excess shelter deduction using rent of \$570, an amount confirmed as correct by Claimant, and \$575, the utility standard for a total shelter expense of \$1145. Deducted from the total shelter expense was 50% of the Adjusted gross income ($50\% \times \$1589 = \794). The final shelter deduction amount of \$351 is determined by subtracting half the adjusted gross income from the shelter expense ($\$1145 - \$794 = \$351$). Exhibit 2 Bridges Eligibility Manual (BEM) 554 pp10 (12/2012) RFT 255.

The final calculation is to determine net income. The excess shelter expense is deducted from the Adjusted gross income ($\$1589 - \$351 = \$1238$). A food group consisting of two members with income of \$1238 is entitled to \$16 per month. RFT 260 Based upon the above calculations, it is determined that the Department correctly calculated the Food Assistance benefits correctly and in accordance with the Department's policy.

As explained at the hearing, the Department has no discretion but to follow policy and did so in this case. The undersigned is not unsympathetic to the reduction in benefits but the policy was correctly applied and followed in this case.

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 for food Assistance
- closed Claimant's case for SDA cash assistance

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.



Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: December 21, 2012

Date Mailed: December 21, 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

Re consideration/Rehearing Request

P. O. Box 30639

Lansing, Michigan 48909-07322

LMF/cl

cc:

