

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

IN THE MATTER OF:



Reg. No.: 2013-59551
Issue No.: 3002
Case No.: [REDACTED]
Hearing Date: August 27, 2013
County: Montcalm

ADMINISTRATIVE LAW JUDGE: Susanne E. Harris

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 August 27, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] [REDACTED]. Participants on behalf of Department of Human Services (Department) included Eligibility Specialist (ES), [REDACTED] [REDACTED].

ISSUE

Did the Department properly take action to reduce the Claimant's monthly FAP allotment?

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of monthly FAP benefits in the amount of \$ [REDACTED].
2. At some point in time the Department's ES sent a volunteer driver to the Claimant's residence to take the Claimant to a medical appointment. The Claimant was not home and the driver was told that the Claimant was at work.
3. On June 25, 2013, the ES sent the Claimant a DHS-3503, Verification Checklist along with a DHS-38, Verification of Employment form. The proofs were due by July 5, 2013.

4. On July 11, 2013, the Department sent the Claimant a DHS-1605, Notice of Case Action informing the Claimant that his monthly FAP allotment had been reduced to \$ [REDACTED] beginning August 1, 2013.
5. On July 22, 2013, the Department received the Claimant's written hearing request protesting the reduction in his monthly FAP allotment.

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 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.

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, R 400.3001 through R 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 of Human Services (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 of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACS, R 400.3151 through R 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 Mich Admin Code, R 400.5001 through R 400.5015.

In this case, the Claimant objected that he did not get 40 hours in his work week. He further objected that his insurance expenses and car payments were not allowed as a deduction in his FAP budget. When asked why it was that he did not report his income, the Claimant testified that he was denied disability and therefore had to go to work. The Claimant did not contest any of the amounts the Department used as his pay. Bridges Eligibility Manual (BEM) 554 (2012) enumerates FAP budget allowable expenses and instructs Department workers with budgeting those expenses. It does not provide that car payments and car insurance are allowable expenses. As such, when the Department did not allow for those expenses, the Department is found to have been acting in accordance with its policy.

BEM 501 address income from employment and BEM 505 instructs the Department workers to budget income changes such as beginning income. BEM 505, pp. 6, 7, instructs Department workers to convert stable and fluctuating income that is received more than monthly to a standard monthly amount. In this case, the Department worker did just that. The ES explained that the Claimant is paid daily and that she calculated an average of four weekly amounts and then, using the formula in BEM 505, she multiplied that number by 4.3 to determine an average monthly amount of \$1616.00. When determining the Claimant's income, the Department is found to have been acting in accordance with its policy.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law finds that the Department did act properly when taking action to reduce the Claimant's monthly FAP allotment.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is **AFFIRMED** REVERSED.

/s/
Susanne E. Harris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 29, 2013

Date Mailed: August 29, 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 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

SEH/tb

cc:

