

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014-7845
Issue No.: 3001; 4001
Case No.: [REDACTED]
Hearing Date: November 27, 2013
County: Ingham

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on November 27, 2013, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Specialist, and [REDACTED], Supervisor.

ISSUES

The first issue is whether DHS properly denied Claimant's application for State Disability Assistance (SDA) benefits due to excess income.

The second issue is whether DHS properly determined Claimant's Food Assistance Program (FAP) eligibility.

FINDINGS OF FACT

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

1. On [REDACTED]/13, Claimant applied for SDA benefits.
2. Claimant was an ongoing FAP benefit recipient.
3. Claimant was the only member of a SDA and FAP benefit group.

4. Claimant received Retirement, Survivors, Disability Insurance (RSDI) of \$1107/month, at least.
5. On an unspecified date in [REDACTED]/2013, Claimant reported a change in address to DHS.
6. DHS failed to request proof of Claimant's housing obligation change.
7. On [REDACTED]/13, DHS denied Claimant's application for SDA benefits due to excess income.
8. On [REDACTED]/13, DHS determined Claimant's FAP benefit eligibility, effective [REDACTED]/2013, in part, by not factoring any housing obligation for Claimant.
9. On [REDACTED]/13, Claimant requested a hearing disputing the SDA application denial and FAP benefit determination for [REDACTED]/2013.

CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10 and Mich Admin Code, R 400.3151-.3180. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Claimant requested a hearing, in part to dispute a denial of SDA benefits. It was not disputed that DHS denied Claimant's SDA application due to excess income.

For SDA benefits, financial need must exist to receive benefits. BEM 518 (7/2013), p. 1. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test and the Child Support Income Test. *Id.* At application, Bridges performs the qualifying deficit test by subtracting budgetable income from the certified group's payment standard for the application month. *Id.*

The certified group must be in financial need to receive benefits. BEM 515 (7/2013), p. 1. Need is determined to exist when budgetable income is less than the payment standard established by the department. *Id.*

DHS determined Claimant's RSDI to be \$1017/month. There was evidence indicating that Claimant's gross RSDI income was \$1121. For purposes of this decision, the lower and more favorable amount for Claimant will be accepted as the correct RSDI amount to budget. It was not disputed that Claimant paid \$323/month in child support. Subtracting Claimant's child support expenses from the gross income results in a \$694 countable income for purposes of SDA benefits.

The SDA payment standard for Claimant's group size is \$200. RFT 225 (7/2013), p. 1. Claimant's countable income exceeds the DHS payment standard. Accordingly, DHS properly denied Claimant's SDA application due to excess income.

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Claimant also requested a hearing to dispute a FAP benefit determination. DHS presented a FAP budget (Exhibits 1-3) for [REDACTED]/2013 listing all budget factors and amounts.

FAP benefit budget factors include: income, standard deduction, mortgage expenses utility credit, medical expenses, child support expenses, day care expenses, group size and senior/disability/disabled veteran status. During the hearing, the FAP budget factors and amounts were discussed with Claimant. The only budget factor disputed by Claimant was the DHS failure to budget housing expenses.

It was not disputed that Claimant reported to DHS that he moved. It was not disputed that Claimant reported the move to DHS prior to [REDACTED]/13. It was not disputed that Claimant did not submit verification of his new rental obligation to DHS. It was also not disputed that DHS did not request proof of the rental obligation from Claimant.

If verification is required or deemed necessary, DHS is to allow the household 10 days from the date the change is reported to provide the verification. BEM 220 (7/2013), p. 7. 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. *Id.*

For all programs, DHS is to use the DHS-3503, Verification Checklist to request verification. BAM 130 (7/2013), pp. 2-3. DHS must give clients at least ten days to submit verifications. *Id.*, p. 3 DHS must tell the client what verification is required, how to obtain it, and the due date. *Id.*, p. 2.

DHS conceded that no verification was requested concerning Claimant's rental amount change. DHS conceded that Claimant's updated rent (\$370) was now verified and that it should be factored in Claimant's FAP determination for [REDACTED]/2013. The below order reflects the DHS concessions.


DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's SDA application dated [REDACTED]/13. The actions taken by DHS are **PARTIALLY AFFIRMED**.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly factored Claimant's FAP eligibility. It is ordered that DHS perform the following actions:

- (1) redetermine Claimant's FAP eligibility, effective [REDACTED]/2013, subject to the finding that Claimant timely verified a rental obligation of \$370; and
- (2) initiate a supplement of any benefits improperly not issued.

The actions taken by DHS are **PARTIALLY REVERSED**.



Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 12/6/2013

Date Mailed: 12/6/2013

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

CG/hw

cc:

