

**STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES**

IN THE MATTER OF:



Reg. No.: 201312799
Issue No.: 1021
Case No.: [REDACTED]
Hearing Date: April 10, 2013
County: Washtenaw

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a hearing was held on April 10, 2013. Claimant appeared and testified.

ISSUE

Did the Department of Human Services properly close Claimant's Family Independence Program (FIP) on December 1, 2012?

FINDINGS OF FACT

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

- (1) Claimant was an ongoing recipient of Family Independence Program (FIP) benefits. Claimant's benefit group includes herself and her [REDACTED]. Claimant receives \$[REDACTED] per month as an ineligible grantee.
- (2) On November 5, 2012, Claimant was sent A Notice of Case Action (DHS-1605) which stated her Family Independence Program (FIP) would end December 1, 2012.
- (3) On November 14, 2012, Claimant submitted a timely request for hearing.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or department) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative

Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

In this case the Department presented child support data which shows that [REDACTED] of the [REDACTED] has consistently received \$ [REDACTED] in [REDACTED] payments for Claimant's [REDACTED] [REDACTED] from [REDACTED] through [REDACTED]. These payments are submitted to the Department of Human Services as a requirement to receive Family Independence Program (FIP) benefits for the children. The Department asserts that if Claimant's Family Independence Program (FIP) is closed, the [REDACTED] [REDACTED] will go to her instead of the Department and Claimant will receive more money.

Review of the [REDACTED] [REDACTED] shows that beginning February 1, 2012, Claimant is the payee of [REDACTED] for both [REDACTED] from a [REDACTED] [REDACTED]. The total court ordered amount is \$ [REDACTED] per month of child support. The actual payments received from the male payer have been \$ [REDACTED] per month of child support.

During this hearing Claimant expressed a preference to continue receiving Family Independence Program (FIP) benefits. Claimant expressed that the FIP benefits would be consistent where as the child support payments might not be.

Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website. Department of Human Services Bridges Eligibility Manual (BEM) 518 FIP Income Budgeting (2012), addresses the issue in this hearing.

**DEPARTMENT POLICY
FIP, RCA and SDA Only**

Financial need must exist to receive benefits. Financial need exists when the certified group passes the **Qualifying Deficit Test, Issuance Deficit Test** and the **Child Support Income Test**.

To perform the issuance deficit test, Bridges subtracts budgetable income from the certified group's payment standard for the benefit month.

To meet the child support income test, the FIP group's countable income plus the amount of certified support (or amount of support to be certified) must be less than the certified group's payment standard.

**CHILD SUPPORT
FIP Only**

Certified support means court-ordered support payments sent to the DHS by the Michigan State Disbursement Unit (MiSDU). Bridges excludes from the deficit test the amount of collections retained by the DHS.

Voluntary/Direct Support

Voluntary and direct child support are countable in the eligibility determination. At application Bridges excludes up to \$50 received from either in the benefit month.

FINANCIAL NEED

FIP Only

Financial need exists if:

- There is at least a \$█ deficit after income is budgeted in the issuance deficit test.
- The group passes the child support income test.

If the group fails either test, the group is ineligible for assistance. Certify FIP denial or closure in Bridges for the benefit month unless the group meets the conditions for temporary ineligibility or extended FIP.

Issuance Deficit Test

FIP, RCA and SDA Only

Bridges compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. The group is ineligible for the benefit month if no deficit exists or the group has a deficit less than \$█

Child Support Income Test

FIP Only

A child support income test is required only when the group has certified support of more than \$█ Bridges automatically completes a child support income test whenever a deficit test is required and whenever a change in the amount of certified support is expected to continue.

To complete a child support income test, the group's total voluntary/direct support amounts are added to the gross monthly certified amount (for applicants, this includes the amount **to be** certified).

Grant in Jeopardy

Bridges compares the approved ongoing FIP grant amount to the reimbursement and certified support when it is recorded in the MiSDU. The unearned income record is created and eligibility is determined prior to the negative action cut-off date to affect the next month.

FIP cases that close due to child support exceeding the FIP grant are reported to the worker to record the direct support in Bridges that will now be decertified.

Using the facts in Claimant's case, she fails the Issuance Deficit Test. Claimant's Family Independence Program (FIP) must be closed in accordance with Department policy.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly closed Claimant's Family Independence Program (FIP) on December 1, 2012.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHeld.

/s/ _____
Gary F. Heisler
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: 5/3/13

Date Mailed: 5/3/13

NOTICE: Administrative Hearings 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. Administrative Hearings 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.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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

201312799/GFH

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

GFH/tb

cc:

