

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

IN THE MATTER OF:



Reg. No.: 2013-15247
Issue No.: 3003
Case No.:
Hearing Date: April 4, 2013
County: Wayne County (82-15)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 April 4, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included .

ISSUE

Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits for January 2013 and February 2013?

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 type="checkbox"/> State Disability Assistance (SDA). |
| <input type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC). |

2. In connection with a November 9, 2012, Family Independence Program (FIP) application, Claimant did not report any shelter expenses; therefore, the Department recalculated Claimant's FAP budget to exclude such expenses.

3. On January 1, 2013, the Department denied Claimant's application closed Claimant's case reduced Claimant's benefits due to a change in her shelter expenses and income.
4. On November 27, 2012, the Department sent Claimant Claimant's Authorized Representative (AR) notice of the denial. closure. reduction.
5. On December 5, 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 AACCS, 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.

As a preliminary matter, Claimant reported that she received \$367 in FAP benefits for March 2013 ongoing. During the course of the hearing, Claimant clarified that she was only contesting her January 2013 and February 2013 FAP benefits; thus, this decision will only address those two benefit months.

On November 27, 2012, the Department sent Claimant a Notice of Case Action (Exhibit 2) notifying her that her monthly FAP benefits would be reduced to \$325 beginning January 1, 2013, ongoing. Claimant is protesting the reduction of her benefits contending that (i) the Department incorrectly removed her shelter expenses from her FAP budget and (ii) she timely reported her loss of employment to the Department.

FAP Budget and Shelter Expenses

The Department recalculated Claimant's FAP budget to include her income from new employment and removal of her shelter expenses.

The Department allows a shelter expense when the FAP group has a shelter expense or contributes to the shelter expense. BEM 554 (October 2012), p. 10.

In this case, on November 9, 2012, Claimant applied for FIP benefits and reported no shelter expenses on the application. Claimant verified that she reported no such expenses on her FIP application. Thus, the Department properly excluded those expenses from her FAP budget. BEM 554, p. 10.

At the hearing, the FAP Budget Summary from the November 27, 2012, Notice of Case Action was reviewed. Claimant verified the amounts used by the Department to determine her earned income. The Department properly calculated Claimant's earned income based on those amounts to be \$782. See BEM 505 (October 2010) pp. 1-2. Claimant also confirmed that her FAP group size was two. A review of the FAP budget shows that the Department properly applied the \$148.00 standard deduction applicable to Claimant's group size and the \$575.00 standard heat and utility deduction available to all FAP recipients. RFT 255 (October 2012), p 1; BEM 554 (October 2012), pp. 11-12. Based on the foregoing figures and information, the Department properly calculated Claimant's monthly FAP benefits of \$325 for January 2013 and February 2013 in accordance with Department policy. See BEM 556 (July 2011), pp. 1-6; RFT 260 (December 2012), p. 2.

Loss of Employment

Income decreases that result in a benefit increase must be effective no later than the first allotment issued 10 days after the date the change was reported, provided necessary verification was returned by the due date. BEM 505, pp 8-9.

Claimant argues she timely reported her loss of employment to the Department and, because it was timely, the Department should have excluded the actual income from her FAP budget. Claimant testified that (i) she contacted her caseworker on December 19, 2012, to report her loss of employment and (ii) her physical therapist faxed a document to the Department on January 14, 2013, stating that she is no longer employed. However, Claimant did not provide any copy of a fax confirmation at the hearing. In this case, the Department credibly testified that it did not receive any information regarding Claimant's loss of employment until February 2013 when Claimant reapplied for FIP benefits. The Department testified that once it received the loss of employment verification in February 2013, it recalculated Claimant's FAP budget to exclude her earned income and Claimant's March FAP benefits increased back to \$367. Because Claimant did not report the loss of employment until February 2013, the Department properly took this change of income to affect her March 2013 FAP benefits.

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 the Department

properly improperly

- denied Claimant's application
- reduced Claimant's benefits
- closed Claimant's case

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 above and 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 above and on the record.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: April 9, 2013

Date Mailed: April 9, 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:
 - 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

EJF/pf

cc:

