

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

IN THE MATTER OF:



Reg. No.: 2014-17747
Issue No.: 1001
Case No.: [REDACTED]
Hearing Date: January 15, 2014
County: Wayne (43)

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 January 15, 2014, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly denied Claimant's Family Independence Program (FIP) eligibility for the reason that Claimant had excess income.

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 an unspecified date, Claimant applied for FIP benefits.
2. Claimant received employment income of \$636/month.
3. Claimant received the following child support income payments: \$0 in 7/2013, \$0 in 8/2013, \$160.44 in 9/2013 and \$160.44 in 10/2013 (see Exhibits 3-5).
4. On 1 [REDACTED] /13, DHS denied Claimant's FIP application for the reason that Claimant had excess income, in part, based on factoring \$280.77/month in child support income.

5. On [REDACTED]/13, Claimant requested a hearing to dispute the denial of FIP benefits.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131. 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 to dispute the denial of a FIP application. It was not disputed that DHS denied Claimant's FIP application due to excess income.

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.* Based on the deductions given to Claimant's employment earnings, it appears that DHS denied Claimant based on an Issuance Deficit Test. To perform the issuance deficit test, Bridges subtracts budgetable income from the certified group's payment standard for the benefit month.

It was not disputed that Claimant received \$636/month in gross employment income. For an Issuance Deficit Test, DHS is to disregard \$200 and 50% of the remaining earnings from employment income. BEM 518 (7/2013), p. 5. Claimant's countable earnings are \$218, the same as calculated by DHS (see Exhibits 1-2).

DHS budgeted \$280.77 for "other unearned income". DHS testified that the unearned income was based on Claimant's child support income. For child support income, generally, DHS is to use the average of child support payments received in the past three calendar months, unless changes are expected. BEM 505 (7/2013), p. 3. DHS could not explain how they determined Claimant's average monthly child support income to be \$280.77 based on Claimant's previous three months of child support income. Based on the presented evidence, DHS erred in budgeting Claimant's child support income. Accordingly, the FIP application denial was improper.

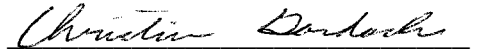
DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application for FIP benefits. It is ordered that DHS perform the following actions:

- (1) reinstate Claimant's FIP application related to a denial date of [REDACTED]/13;
- (2) determine Claimant's FIP eligibility based on Claimant's three months of averaged child support; and

(3) initiate a supplement of any FIP benefits improperly not issued.

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


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

Date Signed: 1/23/2014

Date Mailed: 1/23/2014

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:

