

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 2014-28966  
Issue No(s): 3002;6001  
Case No.: ██████████  
Hearing Date: March 19, 2014  
County: Wayne (15)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 March 19, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Eligibility Specialist.

**ISSUE**

Did the Department properly process Claimant's Food Assistance Program (FAP) and Child Development and Care (CDC) benefits?

**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 was an ongoing recipient of FAP benefits.
2. On February 11, 2014, Claimant submitted an application for CDC benefits.(Exhibit 3)
3. On February 11, 2014, the Department sent Claimant a Notice of Case Action informing her that her CDC application had been denied on the basis that her gross income exceeds the limit for CDC and that effective March 1, 2014, her FAP case would be closing on the basis that verification of Claimant's savings account was not returned. (Exhibit 4)

4. On February 20, 2014, Claimant submitted a hearing request disputing the Department's actions.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

#### **FAP**

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.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (January 2014), p.1. To request verification of information, the Department sends a Verification Checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. FAP clients are given 10 calendar days to provide the verifications requested by the Department. Verifications are considered to be timely if received by the date they are due. BAM 130, pp.5-6. For FAP cases, the Department sends a negative action notice when the client indicates a refusal to provide a verification or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 6.

In this case, the Department testified that because Claimant did not submit verification of her savings account that was due on January 9, 2012, the Department initiated the closure of her FAP case effective March 1, 2014. (Exhibits 1 and 4). The Department did not present any evidence that a verification checklist was sent and remained unable to explain why the case closure was taking effect more than two years after the verification was requested.

At the hearing, Claimant testified that she did not have a savings account at that time. Claimant stated that in early 2012, she was asked to verify her assets, at which point she submitted a letter from Chase Bank informing the Department that her checking account was closed. The Department confirmed Claimant's testimony and stated that verification of Claimant's accounts was received in January 2012. The Department acknowledged that the closure of Claimant's FAP case effective March 1, 2014, was improper.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it closed Claimant's FAP case based on a failure to return verification of her savings account.

**CDC**

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

In this case, Claimant submitted an application for CDC benefits on February 11, 2014, that was denied by the Department on the basis that Claimant's gross income exceeded the limit for receipt of CDC benefits. (Exhibits 1 and 3). In order to be eligible for CDC benefits, the group must have gross income that falls within the income scale found in RFT 270. RFT 270 (December 2013), p.1. The CDC income limit for a two member CDC group (Claimant and her one child) is [REDACTED]. RFT 270, p.1.

At the hearing, the Department presented a CDC Income Eligibility budget for review. (Exhibit 2). The Department determined that Claimant had earned income in the amount of [REDACTED]. The Department testified that in calculating Claimant's earned income, it relied on the information provided with Claimant's CDC application, specifically, that Claimant works [REDACTED] hours per week and is paid [REDACTED] per hour. (Exhibit 3). Claimant confirmed that the figures relied on by the Department were correct. After further review, the Department properly calculated Claimant's earned income according to the prospective budgeting policy found in BEM 505. BEM 505 (July 2013).

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that because Claimant's gross income of \$[REDACTED] exceeds the CDC income limit of \$[REDACTED], the Department acted in accordance with Department policy when it denied Claimant's CDC application.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED IN PART with respect to CDC and REVERSED IN PART with respect to FAP.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Claimant's FAP case effective March 1, 2014;
2. Issue supplements to Claimant for any FAP benefits that she was entitled to receive but did not from March 1, 2014, ongoing; and
3. Notify Claimant in writing of its decision.



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**Zainab Baydoun**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 21, 2014

Date Mailed: March 21, 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

ZB/tm

cc: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]