

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

IN THE MATTER OF:

██████████
██████████
██████████

Reg. No.: 14 006758
Issue No(s): 1001, 3001
Case No.: ██████████
Hearing Date: August 11, 2014
County: Macomb (20)

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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 August 11, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Hearing Facilitator and ██████████, Family Independence Specialist.

ISSUE

Did the Department properly reduce Claimant Family Independence Program (FIP) and Food Assistance Program (FAP) benefits after receiving updated income information?

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 is an ongoing FIP and FAP recipient.
2. On May 13, 2014, the Department sent Claimant a Redetermination form to be completed and returned by June 2, 2014.
3. Claimant returned the completed Redetermination on May 23, 2014 which included her husband's income information.
4. On June 25, 2014, the Department sent Claimant a Verification Checklist (VCL) which requested her husband's current wage information due by July 7, 2014.

5. Claimant timely provided her husband's current wage information.
6. On July 2, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FIP and FAP benefits had been decreased because her earned income amount had changed.
7. On July 7, 2014, Claimant filed a Request for Hearing 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).

the Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101 to .3131.

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 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

Additionally, all countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (January 2014), pp. 1 – 4. Further, Additionally, verifications are usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (January 2014), p. 1.

In this case, the Department requested that Claimant complete and return the Redetermination by June 2, 2014. Claimant timely returned the Redetermination which included information regarding her husband's income. The Department stated that prior to the receipt of the Redetermination, it had not calculated Claimant's husband's income when determining her eligibility for benefits. As a result, the Department sent Claimant a VCL requesting that she provide current wage information of her husband. Claimant complied and returned the information timely. Upon receipt, the Department began redetermining Claimant's eligibility for both FIP and FAP benefits.

FAP

The Department determined that Claimant's husband's gross monthly income to be \$1,547.00 which was based on a payroll summary provided by her husband's employer. Claimant does not have any earned income. However, Claimant testified that she received \$716.00 in Social Security Administration benefits. The Department testified that Claimant also received supplemental State income in the average amount of \$14.00. Accordingly, Claimant's unearned income is \$730.00.

The Department presented a FAP budget in which it listed Claimant's unearned income as \$765.00. The Department was unable to articulate how it arrived at \$765.00 in unearned income. Accordingly, it is found that the Department failed to properly calculate Claimant's eligibility for FAP benefits.

FIP

The Department testified that it used \$1547.00 in earned income to determine Claimant's eligibility for FIP benefits. Department policy requires that be a deduction of \$200 from each person's countable earnings and then deduct an additional 50 percent of each person's remaining earnings. BEM 518 (July 2013), p. 5. The Department stated that it allowed for the standard \$200.00 deduction and subtracted 50 percent of Claimant's husband's earned income which resulted in a net income of \$574.00. Claimant receives SSA benefits which causes her to be an ineligible grantee of FIP benefits. RFT 210 (December 2013), p. 1 The net income limit for a FIP eligible grantee is \$492.00. The net income limit for a FIP ineligible grantee is \$420.00. *Id.*

Department policy allows families to receive extended FIP benefits for up to six months, with a grant of \$10.00, when loss of FIP eligibility relates to income from employment of a FIP program group member. BEM 519 (July 2013), p. 1. Accordingly, the Department properly determined that because the group's net income exceeded the net income limit for FIP benefits, she was entitled to an extended FIP benefit of \$10.00 per month for six months.

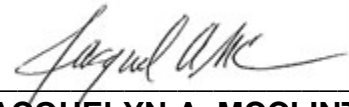
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with policy when it reduced Claimant's FIP benefits effective July 1, 2014 based upon the income information provided by Claimant at Redetermination. However, it is found that the Department did not act within policy when it calculated Claimant's eligibility for FAP benefits.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED** in part and **REVERSED** in part.

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. Redetermine Claimant's eligibility for FAP benefits effective July 1, 2014;
2. Issue supplements to Claimant for FAP benefits that she was eligible to receive but did not effective July 1, 2014; and
3. Notify Claimant in writing of its decision.



JACQUELYN A. MCCLINTON
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 19, 2014

Date Mailed: August 19, 2014

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

14-006758/JAM

JAM/cl

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