

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

IN THE MATTER OF:

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Reg. No.: 14-003886
Issue No.: 3001
Case No.: ██████████
Hearing Date: August 25, 2014
County: WAYNE-DISTRICT (35)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 25, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ ██████████ Hearings Facilitator.

ISSUE

Did the Department properly deny Claimant's Cash (Family Independence Program (FIP) application effective June 1, 2014, due to 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 May 16, 2104, Claimant applied for FIP benefits.
2. Claimant's group size is two (Claimant plus son) and her son receives \$712 monthly in Retirement, Survivors and Disability Insurance (RSDI) income. See Exhibit 1, pp. 6-8.
3. On May 16, 2014, the Department sent Claimant a Notice of Case Action notifying her that her Cash (FIP) application was denied effective June 1, 2014, ongoing, due to the group's countable income exceeding the limits for the program. See Exhibit 1, pp. 4-5.

4. On May 23, 2014, Claimant filed a hearing request, protesting the Cash (FIP) denial. See Exhibit 1, p. 2.

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 State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

In this case, on May 16, 2104, Claimant applied for FIP benefits. Claimant's group size is two (Claimant plus son) and her son receives \$712 monthly in RSDI income. See Exhibit 1, pp. 6-8. On May 16, 2014, the Department sent Claimant a Notice of Case Action notifying her that her Cash (FIP) application was denied effective June 1, 2014, ongoing, due to the group's countable income exceeding the limits for the program. See Exhibit 1, pp. 4-5.

At the hearing, the Department presented a FIP/SDA – Income Test budget, which indicated that Claimant's income exceeded the payment standard for cash assistance. See Exhibit 1, pp. 9-10. Thus, the Department argued that Claimant's application was correctly denied as the household income at the time of application failed the income test. Claimant did not dispute that her group size was two or that her son receives \$712 in RSDI income. Claimant testified that she does not receive any form of income.

For FIP/SDA, the certified group must be in financial need to receive benefits. BEM 515 (July 2013), p. 1. Need is determined to exist when budgetable income is less than the payment standard established by the department. BEM 515, p. 1. Program, living arrangement, grantee status and certified group size are variables that affect the payment standard. BEM 515, p. 1.

The FIP monthly payment standard for an eligible grantee/group size of two is \$403. See RFT 210 (December 2013), p. 1. The eligibility determination group (EDG) means those persons living together whose information is needed to determine eligibility for assistance. BEM 515, p. 1. The certified group (CG) means those persons in the cash EDG who meet all non-financial eligibility factors. BEM 515, p. 1.

In the present case, Claimant is an eligible grantee and the certified group size is two. See BEM 515, pp. 2-3. Moreover, individuals having a FIP EDG participation status other than Excluded Adult or Excluded Child, are included in the FIP EDG. BEM 210 (July 2013), p. 2. The countable income and assets of individuals having an Eligible or Disqualified FIP EDG participation status are considered in determining FIP eligibility. BEM 210, p. 2. When cash assistance is requested for a dependent child, or a dependent child is a mandatory FIP EDG member, all of the following individuals who live together are in the FIP EDG: dependent child and the child's legal parent. BEM 210, p. 5. As such, Claimant and her son are part of the FIP EDG and the Department considers the son's countable income in determining FIP eligibility. BEM 210, p. 2.


Additionally, the department's income budgeting policies are designed to support financial self-sufficiency by encouraging families to pursue all available means of income. BEM 518 (July 2013), p. 1. Financial need must exist to receive benefits. BEM 518, p. 1. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test and the Child Support Income Test. BEM 518, p. 1. The Department counts the gross benefit amount of RSDI as unearned income. BEM 503 (January 2014), p. 1. Financial need exists if: there is at least a \$10 deficit after income is budgeted in the issuance deficit test and the group passes the child support income test. BEM 518, p. 2. If the group fails either test, the group is ineligible for assistance. BEM 518, p. 2.

Based on the above information and evidence, the Department properly denied Claimant's Cash (FIP) application effective June 1, 2014, in accordance with Department policy. As stated previously, Claimant's group size is two (Claimant plus son) and his RSDI is countable income. BEM 210, p. 2 and BEM 518, p. 2. As such, the budgetable income of \$712 (son's RSDI) is greater than the \$403 payment standard for an eligible grantee/group size of two. See RFT 210, p. 1 and Exhibit 1, pp. 9-10. Therefore, the Department properly denied Claimant's Cash (FIP) application due to excess income.

DECISION AND ORDER

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 Department policy when it properly denied Claimant's Cash (FIP) application effective June 1, 2014.

Accordingly, the Department's FIP decision is AFFIRMED.



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

Date Signed: **8/28/2014**

Date Mailed: **8/28/2014**

EJF/cl

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, 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

CC:

[REDACTED]
[REDACTED]
[REDACTED]
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