

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

**IN THE MATTER OF:**

██████████  
██████████████████  
██████████████████

Reg. No.: 15-006014  
Issue No.: 1004; 3004  
Case No.: ██████████  
Hearing Date: May 18, 2015  
County: WAYNE-DISTRICT 57  
(CONNER)

**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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on May 18, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Health and Human Services (Department or DHHS) included ██████████ ██████████, Family Independence Specialist; and ██████████, Family Independence Manager.

**ISSUE**

Did the Department properly process Claimant's reported change in earned income (stopping employment) in accordance with Department policy?

**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 recipient of Family Independence Program (FIP) and Food Assistance Program (FAP) benefits. See Exhibit 1, pp. 9-11.
2. In December 2014, Claimant reported to the Department that she obtained employment.
3. As a result of her reported change in earned income (starting employment), Claimant's FAP and FIP benefits were decreased.

4. On December 22, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FIP benefits decreased to \$10 for February 1, 2015 to July 31, 2015. See Exhibit 1, pp. 4-8. Also, the Notice of Case Action notified Claimant that her FAP benefits decreased to \$59 effective February 1, 2015 to September 30, 2015. See Exhibit 1, pp. 4-8.
5. In February of 2015, Claimant reported that her employment had ended.
6. On February 18, 2015, the Department sent Claimant/employer a Verification of Employment (DHS-38), which was due back by March 2, 2015. See Exhibit 1, pp. 12-13.
7. On February 24, 2015, the Department received Claimant's employment verification, which indicated her last date of employment was February 6, 2015 and she received two pay stubs on February 6, 2015 (\$330) and on February 13, 2015 (\$330). See Exhibit 1, pp. 12-13.
8. Claimant indicated her employment ended on February 3, 2015 and did not dispute the amounts she received for February 2015; however, those amounts were for employment performed in January 2015. On or around February 8, 2015, Claimant also indicated that she informed the Department that her employment had ended.
9. On March 3, 2015, the Department sent Claimant a Notice of Case Action notifying her that her FIP benefits increased to \$403 effective March 1, 2015, ongoing and provided her a supplement of \$393 of FIP benefits for March 1, 2015 to March 31, 2015. See Exhibit 1, pp. 19-20.
10. On March 3, 2015, the Department sent Claimant a Notice of Case Action notifying her that her FAP benefits increased to \$282 effective April 1, 2015 to September 30, 2015 and provided her a supplement of \$298 of FAP benefits for March 1, 2015 to March 31, 2015. See Exhibit 1, pp. 19-22.
11. On April 10, 2015, Claimant filed a hearing request, protesting the Department's action. See Exhibit 1, pp. 2-3

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) 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-.3131.

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, 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 Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

### **Preliminary matters**

First, Claimant can request another hearing if she disputed the amount of her FAP benefits. See BAM 600 (April 2015), pp. 4-6.

Second, Claimant indicated in her hearing request that the Department owes her \$298 in FAP benefits and \$190 in FIP benefits for the month of February 2015. See Exhibit 1, p. 3. Claimant seeks this supplement due to her employment ending in early February 2015. As such, this ALJ will review whether the Department properly processed Claimant's reported change in earned income (stopping employment) to determine if supplemental benefits should be issued for February 2015.

### **FAP benefits**

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (January 2015), p. 10. Changes must be reported within 10 days of receiving the first payment reflecting the change. BAM 105, p. 10. Income reporting requirements are limited to earned income, which includes the starting or stopping of employment. See BAM 105, p. 11.

For FAP benefits, 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 (July 2014), p. 10. The Department does not process a change for a month earlier than the month the change occurred. BEM 505, p. 10. A supplement may be necessary in some cases. BEM 505, p. 10.

In this case, on or around February 8, 2015, Claimant timely reported that her employment had ended. It should be noted that Claimant's verification reported that her employment ended February 6, 2015, whereas Claimant argued her employment ended February 3, 2015. See Exhibit 1, pp. 12-13. Nevertheless, Claimant timely reported that her employment ended because it is within 10 days of February 3, 2015 or February 6, 2015. BAM 105, p. 10. Moreover, Claimant provided the necessary verifications by the due date. See Exhibit 1, pp. 12-13. Therefore, Claimant's FAP

benefits would increase effective March 2015, ongoing. BEM 505, p. 10. As such, the Department properly increased Claimant's FAP allotment effective March 1, 2015, ongoing. See Exhibit 1, pp. 11 and 19-22 (Claimant received a supplement for March 2015 and her benefits increased April 1, 2015, ongoing). Claimant is not entitled to a supplement for February 2015 in accordance with Department policy. See BEM 505, p. 10.

Also, for stopping income, the Department budgets the final income expected to be received in the benefit month. BEM 505, p. 7. The Department uses the best available information to determine the amount of the last check expected. BEM 505, p. 7. The Department uses information from the source and from the client. BEM 505, p. 7. The Department removes stopped income from the budget for future months. BEM 505, p. 7. Based on the above policy, the Department would budget Claimant's final income (two paystubs received in February 2015) in the February 2015 benefit month. See BEM 505, p. 7. Moreover, the evidence established that the Department removed the stopped income from the budget for the future months (i.e., March 2015). See Exhibit 1, pp. 19-22.

### **FIP benefits**

For FIP benefits, income decreases that result in a benefit increase must affect the month after the month the change is reported or occurred, whichever is earlier, provided the change is reported timely. BEM 505, p. 9. The Department does not process a change for a month earlier than the month the change occurred. BEM 505, p. 9. Supplements are not issued to correct underissuances caused by the group's failure to report timely. BEM 505, p. 9.

In this case, on or around February 8, 2015, Claimant timely reported that her employment had ended. It should be noted that Claimant's verification reported that her employment ended February 6, 2015, whereas Claimant argued her employment ended February 3, 2015. See Exhibit 1, pp. 12-13. Nevertheless, Claimant timely reported that her employment ended because it is within 10 days of February 3, 2015 or February 6, 2015. BAM 105, p. 10. Because the income decrease (employment ending) was reported timely and the change occurred in February 2015, Claimant's FIP benefit increase would be effective March 2015 (month affected after the change occurred). See BEM 505, p. 9. As such, the Department properly increased Claimant's FIP allotment effective March 1, 2015, ongoing. See Exhibit 1, pp. 11 and 19-22 (Claimant received a supplement for March 2015 and her benefits increased as well for April 1, 2015, ongoing). Claimant is not entitled to a supplement for February 2015 in accordance with Department policy. See BEM 505, p. 9.

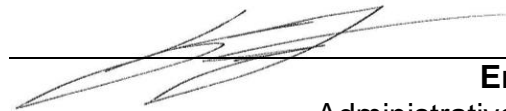
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Department removes stopped income from the budget for future months. BEM 505, p. 7. Based on the above policy, the Department would budget Claimant's final income (two pay stubs received in February 2015) in the February 2015 benefit month. See BEM 505, p. 7. Moreover, the evidence established that the Department removed the stopped income from the budget for the future months (i.e., March 2015). See Exhibit 1, pp. 19-20.

### **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 processed Claimant's reported change in earned income (stopping employment) to affect her FIP and FAP allotment (increase in benefits) for March 1, 2015, ongoing and Claimant is not entitled to a FAP and FIP supplement for February 2015 in accordance with Department policy.

Accordingly, the Department's FAP and FIP decision is **AFFIRMED**.



**Eric Feldman**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **5/19/2015**

Date Mailed: **5/19/2015**

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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 48909-8139

cc:

[REDACTED]