

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

**IN THE MATTER OF:**

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████████████████████

Reg. No.: 15-013924  
Issue No.: 1001;3008;5001  
Case No.: ██████████  
Hearing Date: September 21, 2015  
County: Macomb-District 12

**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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on September 21, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and her mother, ██████████. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearings Facilitator.

**ISSUE**

Did the Department properly calculate the amount of Claimant's Family Independence Program (FIP) and Food Assistance Program (FAP) benefits?

Did the Department properly process Claimant's application for State Emergency Relief (SER) Assistance?

**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 FIP and FAP benefits.
2. Claimant was approved for \$158 in FIP benefits as an ineligible grantee with one child. (Exhibit A, p. 15)
3. On or around July 8, 2015, Claimant submitted an application for SER assistance with rent to prevent eviction.

4. On July 17, 2015, the Department sent Claimant a State Emergency Relief Decision Notice informing her that she was approved for SER assistance in the amount of \$520 but that she would be required to make a payment towards the amount of assistance that she had requested, prior to the Department paying its approved amount. (Exhibit A, p. 4)
5. On July 17, 2015, the Department sent Claimant a Notice of Case Action informing her that effective August 1, 2015, her FAP benefit allotment was increasing to \$223 for a group size of two. (Exhibit A, pp. 2-3)
6. On July 28, 2015, Claimant requested a hearing disputing the Department's actions with respect to her FIP, FAP, and SER cases.

### **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).

#### **FIP**

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.

Claimant requested a hearing disputing the amount of her FIP benefits. At the hearing, the Department testified that Claimant was approved for FIP benefits in the maximum amount of \$158. The Department stated that Claimant is considered an ineligible grantee for FIP purposes, as she is a recipient of SSI benefits. Claimant confirmed that she receives SSI and that she has one child. Thus, based on RFT 210, the Department properly determined that Claimant was eligible to receive \$158 in monthly FIP benefits. RFT 210 (December 2013), pp. 1-2.

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 determined that Claimant was an ineligible grantee and approved her for FIP benefits for one child in the amount of \$158.

#### **FAP**

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.

In this case, Claimant disputed the Department's calculation of her FAP benefits in the amount of \$223 for the period of August 1, 2015, ongoing. (Exhibit A, pp. 2-3). The Department presented the FAP EDG Net Income Results Budget which was reviewed to determine if the Department properly calculated the amount of Claimant's FAP benefits. (Exhibit A, pp.7-9).

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (July 2015), pp. 1 – 5. The Department considers the gross amount of money earned from Supplemental Security Income (SSI) in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (July 2015), pp. 31-33. State SSI Payments (SSP) are issued quarterly in the amount of \$42 and the payments are issued in the final month of each quarter; see BEM 660. The Department will count the monthly SSP benefit amount (\$14) as unearned income. BEM 503, p.33; see RFT 248 (January 2015), p. 1. FIP benefits are considered the unearned income of the FIP head of household. BEM 503, pp. 14-15.

The Department concluded that Claimant had unearned income of \$905 which came from \$733 in SSI benefits, \$14 in SSP benefits, and \$158 in FIP benefits for Claimant and her child. Claimant confirmed the amounts relied on by the Department and upon further review, the Department properly calculated Claimant's gross unearned income.

The deductions to income on the net income budget were also reviewed. Claimant is a senior/disabled/veteran (SDV) member of the FAP group. BEM 550 (July 2015), pp. 1-2. Groups with one or more SDV members are eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Medical expenses for the SDV member(s) that exceed \$35.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (October 2014), p. 1; BEM 556 (July 2013).

In this case, Claimant did not have any earned income and there was no evidence presented that she had any out of pocket dependent care, child support, or medical expenses over \$35. Therefore, the budget properly did not include any deduction for earned income, dependent care expenses, child support, or medical expenses. Based

on her confirmed two-person group size, the Department properly applied the \$154 standard deduction. RFT 255 (October 2014), p. 1.

In calculating Claimant's excess shelter deduction of \$307, the budget shows that the Department considered Claimant's confirmed monthly rent of \$550. The Department also applied the \$77 water and/or sewer standard, the \$21 trash/garbage removal standard and the \$34 telephone standard. BEM 554; RFT 255 (October 2014), p. 1. The Department stated that Claimant was not eligible for the \$553 heat and utility (h/u) standard in calculating the excess shelter deduction because there were no verified heating and electric expenses on file.

Department policy provides that the \$553 mandatory heat and utility (h/u) standard is available only for FAP groups (i) that are responsible for heating expenses separate from rent or mortgage; (ii) that are responsible for cooling (including room air conditioners); (iii) whose heat is included in rent or fees **if** the client is billed for excess heat, has received the home heating credit in an amount greater than \$20 in the current month or the immediately preceding 12 months, or has received a Low-Income Home Energy Assistance Act (LIHEAP) payment or a LIHEAP payment was made on his behalf; (iv) whose electricity is included in rent or fees **if** the landlord bills the client separately for cooling; or (v) who have any responsibility for heating/cooling expense. BEM 554, pp. 16-19; RFT 255, p. 1. FAP groups not eligible for the h/u standard who have other utility expenses or contribute to the cost of other utility expenses are eligible for the individual utility standards that the FAP group has responsibility to pay. BEM 554, p. 19.

At the hearing, Claimant testified that she is responsible for heat and electric expenses at her home. Claimant stated that while the heat and electric bills are not in her name, she makes the payments towards the expenses monthly. Department policy indicates that a responsibility to pay means that the expense is in the name of a person in the FAP group. However, if the expense is in someone else's name, the Department is to allow the expense if the FAP group claims the expense and the service address on the bill is where they live. BEM 544, pp. 1-2. The expense must be verified in accordance with Department policy and the Department is not to budget expenses that require verification until proof of responsibility to pay is provided. BEM 554, p.3.

In this case, Claimant testified that she provided the Department with verification of her responsibility to pay heating and electric expenses. Claimant and her mother stated that the verification was provided shortly after the application for FAP benefits was submitted in April 2015. The Department explained its office process for receiving mail, scanning the documents received and uploading to a client's electronic case file. During the hearing, the Department reviewed Claimant's electronic case file while in the hearing room and stated that there was no record of any heating or electric expenses ever being received by the Department prior to the hearing request date. Claimant and her mother could not recall exactly when or on what date the verification was provided to the Department, thus, Claimant did not establish that she provided the Department with

sufficient verification of her responsibility to pay heating and electric expenses. As such, based on the information available at the time the budget was completed, the Department properly excluded the \$553 h/u standard and determined that Claimant was eligible for an excess shelter deduction of \$307.

After further review, the Department properly reduced Claimant's gross income of \$905 by the \$154 standard deduction and the \$307 excess shelter deduction, resulting in monthly net income of \$444. Based on net income of \$444 and a FAP group size of two, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for monthly FAP benefits of \$223. BEM 556; RFT 260 (October 2014), p. 6.

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 calculated Claimant's FAP benefits. Claimant is informed that should she provide sufficient verification of her heating and electric expense, the Department will recalculate the FAP budget and redetermine her eligibility for FAP benefits for future months.

### **SER**

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

SER assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses, which are considered relocation services. ERM 303 (October 2013), p.1. An individual will be eligible for SER if a court summons, order, or judgment was issued which will result in the SER group becoming homeless. ERM 303, pp. 3, 5-6. The Department will authorize the amount of SER assistance the SER group needs to keep or obtain permanent shelter, *up to the amount of the issuance maximum for relocation services*. ERM 303, p. 5 (emphasis added). The relocation service maximum payment for a SER group size of two (Claimant's household size) is \$520. ERM 303, p. 7.

In this case, on or around July 8, 2015, Claimant submitted an application for SER assistance with rent to prevent eviction. On July 17, 2015, the Department issued a SER Decision Notice informing Claimant that she was approved for SER in the amount of \$520 but that she would be required to make a payment towards the amount of assistance that she had requested, prior to the Department paying its approved amount. (Exhibit A, p. 4). Therefore, based on the above referenced policy and the evidence presented at the hearing, the Department properly determined that Claimant was eligible for a maximum of \$520 towards her request for SER assistance with rent to prevent eviction, as she confirmed that her group size was two.

Claimant disputed the Department's failure to make its approved \$520 payment towards her request for SER assistance. Department policy provides that if the SER group meets all eligibility criteria but has an income or asset copayment, shortfall, and/or contribution, verification of payment must be received in the local office within the 30-day eligibility period or no SER payment will be made and the client must reapply. ERM 103 (October 2013), p. 4; ERM 401 (October 2013), p. 2.

In this case, Claimant was required to provide verification by August 6, 2015, that she made the required payment towards her request for assistance prior to the Department making its approved \$520 payment to Claimant's landlord. At the hearing, the Department stated that it did not make its approved payment of \$520 because it did not receive verification that Claimant paid her required payment to her landlord within the authorization eligibility period.

Claimant testified that because her name and the father of her child's name are on the lease, they were each to split or share the costs of the money judgment. Claimant testified that she provided the Department with proof that she and the father of her child made the required payment towards the request for SER assistance. Initially, Claimant testified that she provided verification in the form of rental receipts to the Department on July 28, 2015. A search of Claimant's electronic case file established however, that on August 3, 2015, the Department received a rental receipt showing that Claimant made a \$590 payment to her landlord. The receipt was provided for review at the hearing. (Exhibit B).

The Department stated that it did not have a record of any other rental receipts or payment confirmation on file for Claimant. Claimant testified that she also provided the Department with the receipt showing that the father of her child made his portion of the required payment, which the Department disputed receiving. Despite being given an opportunity to provide this ALJ with a copy of the second receipt showing proof of payment made by the father of her child, Claimant failed to provide this ALJ with the receipt as instructed after the hearing. Thus, Claimant failed to establish that she provided the Department with sufficient proof that she made her required payment towards the request for assistance. As such, the Department was proper in not making its approved \$520 payment.

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 processed Claimant's SER application.

**DECISION AND ORDER**

Accordingly, the Department's FIP, FAP and SER decisions are **AFFIRMED**.



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**Zainab Baydoun**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **9/30/2015**

Date Mailed: **9/30/2015**

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**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.

