

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

IN THE MATTER OF:

[REDACTED]

MAHS Reg. No.: 15-015130
Issue No.: 1001
Agency Case No.: [REDACTED]
Hearing Date: [REDACTED]
County: Kent-District 1 (Franklin)

ADMINISTRATIVE LAW JUDGE: Colleen Lack

HEARING DECISION

Following Petitioner'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 [REDACTED] [REDACTED] from Lansing, Michigan. [REDACTED] the Claimant, appeared on her own behalf. The Department was represented by [REDACTED], Family Independence Manager, and [REDACTED], Assistance Payments Worker.

ISSUE

Did the Department properly deny Claimant's application for Family Independence Program (FIP) benefits due to income in excess of program limits?

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 [REDACTED], Claimant applied for FIP for a group size of 2. (Department Exhibit A, pp. 3-17)
2. Claimant was receiving \$ [REDACTED] per month in Retirement Survivors Disability Insurance (RSDI) benefits. (Department Exhibit A, pp. 18 and 26-28)
3. On [REDACTED], a Notice of Case Action was issued to Claimant stating FIP was denied based on income in excess of program limits. (Department Exhibit A, pp. 19-22)
4. On [REDACTED], Claimant filed a hearing request contesting the Department's action.

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

The payment standard is the maximum benefit amount that can be received by the CG. Income is subtracted from the payment standard to determine the grant amount. BEM 515, p. 1.

The Department uses the eligible grantee payment standard for both of the following: the grantee is a member of the CG (EDG participation status of eligible adult); and the group is participating in the Kinship Care Pilot. BEM 515, p. 2.

FIP payment standards are found in RFT 210. BEM 515, p. 1. For a group size of 2, the eligible grantee FIP monthly assistance payment standard is \$403.00. RFT 210, (December 1, 2013), p. 1.

There is an Issuance Deficit Test for FIP. The Department compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. The group is ineligible for the benefit month if no deficit exists or the group has a deficit less than \$10. BEM 518, (July 1, 2013), p. 3.

For RSDI, the Department counts the gross benefit amount as unearned income. BEM 503, (July 1, 2015), p. 28.

A donation to an individual by family or friends is the individual's unearned income. Bridges counts the gross amount actually received, if the individual making the donation and the recipient are not members of any common eligibility determination group. BEM 503, p. 10.

The Department also uses past income to prospect income for the future unless changes are expected. The Department looks at the income from the past 30 days. BEM 505, (July 1, 2015) p. 5)

On [REDACTED], Claimant applied for FIP for a group size of 2. (Department Exhibit A, pp. 3-17) Claimant was receiving \$829.00 per month in Retirement Survivors Disability Insurance (RSDI) benefits. (Department Exhibit A, pp. 18 and 26-28) Additionally, the Department's case comment record reflects that on [REDACTED], income from donation or contribution from an individual outside the group was updated. (Department Exhibit A, p. 18) The Department's testimony explained that this was a previously reported and verified \$ [REDACTED] donation from the Claimant's father, which was included in the FIP budget as other unearned income. Accordingly, the Department determined Claimant was not eligible for FIP because the countable income of \$ [REDACTED] exceeded the \$ [REDACTED] payment standard for the group size. (Department Exhibit A, p. 24)

Claimant noted that the \$ [REDACTED] contribution from her father was not listed on her [REDACTED] FIP application. Claimant also reported only \$629.00 for her Social Security benefits on the application. (Department Exhibit A, pp. 3-17) Claimant testified that at the time of this application there was a decrease in her Social Security benefits and her father could not help her out anymore.

However, the case comment record documents that the Department did not receive verification that the donation income ended until [REDACTED]. (Department Exhibit A, p. 18.) Additionally, while this ALJ understands that the net amount of the monthly RSDI benefit Claimant actually receives may be less, the above cited BEM 503 policy requires the Department to count the gross amount of RSDI benefits.

Overall, the Department has established that Claimant was not eligible for FIP at the time of the [REDACTED], application due to income in excess of program limits. The Department acted in accordance with Department policy when it budgeted the gross amount of the RSDI benefit and considered the donation income within the past 30 days to prospect ongoing income. Further, even if the Department had only budgeted the income as Claimant reported it on her application, \$ [REDACTED] for her Social Security benefit, Claimant's income still exceeded the \$ [REDACTED] payment standard for the group size.

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 denied Claimant's application for FIP benefits due to income in excess of program limits.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

Colleen Lack

Colleen Lack
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

[REDACTED]

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:

