

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

IN THE MATTER OF:



MAHS Reg. No.: 15-023547
Issue No.: 1001, 3001
Agency Case No.: [REDACTED]
Hearing Date: January 28, 2016
County: MUSKEGON

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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, telephone hearing was held on January 28, 2016, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] [REDACTED] [REDACTED] (Hearing Facilitator) represented the Department of Health and Human Services (Department).

ISSUE

Did the Department of Health and Human Services (Department) properly close Family Independence Program (FIP) benefits and reduce Food Assistance Program (FAP) benefits?

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 November 3, 2015, the Department received the Claimant's application for Family Independence Program (FIP) benefits, and she was an ongoing Food Assistance Program (FAP) recipient.
2. The Claimant was referred to the Partnership. Accountability. Training. Hope. (PATH) as a condition of receiving Family Independence Program (FIP) benefits.
3. The Claimant did not complete the Application Eligibility Period with the Partnership. Accountability. Training. Hope. (PATH) program after starting new employment on November 29, 2015.
4. The Claimant receives monthly earned income from employment in the gross monthly amount of \$ [REDACTED]

5. On December 8, 2015, the Department notified the Claimant that it would close her Family Independence Program (FIP) benefits and reduce her Food Assistance Program (FAP) benefits to \$ [REDACTED] per month.
6. On December 21, 2015, the Department received the Claimant's request for a hearing protesting the closure of Family Independence Program (FIP) benefits and the reduction of Food Assistance Program (FAP) benefits.

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.

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2015).

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. Department of Human Services Bridges Eligibility Manual (BEM) 505 (July 1, 2014), pp 7-8.

On November 3, 2015, the Department received the Claimant's application for Family Independence Program (FIP) benefits, and she was an ongoing Food Assistance Program (FAP) recipient. The Claimant was referred to the Partnership. Accountability. Training. Hope. (PATH) program as a condition of receiving FIP benefits. The Claimant did not complete the Application Eligibility Period with the PATH program because she had started full-time employment.

On December 11, 2015, the Claimant received a paycheck in the gross monthly amount of \$[REDACTED]. The Department multiplied this amount by the 4.3 conversion factor to determine that the Claimant was receiving a prospective monthly income if the gross monthly amount of \$[REDACTED]. The Claimant's adjusted gross income of \$[REDACTED] was determined by reducing her prospective monthly income by a 20% earned income deduction and the \$[REDACTED] standard deduction. The Claimant is entitled to a deduction for shelter expenses, which was determined by adding her \$[REDACTED] monthly housing expenses to the \$[REDACTED] heat and utility deduction, then subtracting 50% of her adjusted gross income. The Claimant's monthly shelter expenses exceed the maximum shelter deduction she is allowed by Department policy, therefore, the Department applied the maximum shelter deduction of \$[REDACTED] as directed by Department of Health and Human Services Bridges Eligibility Manual (BEM) 554 (October 1, 2015), p 1, and Department of Health and Human Services Reference Table Manual (RFT) 255 (October 1, 2015), p 1.

The Claimant's net income as a group of five was determined by reducing her adjusted gross income by the \$[REDACTED] maximum shelter deduction. A group of five with a net income of \$[REDACTED] is entitled to a \$[REDACTED] monthly allotment of FAP benefits.

The income limit to receive FIP benefits as a group of five is \$[REDACTED] Department of Health and Human Services Reference Table Manual (RFT) 210 (December 1, 2013), p 1. The evidence supports a finding that the Claimant did not qualify for FIP benefits after starting new full-time employment with an hourly rate of \$[REDACTED].

The Claimant testified that her employment did not last very long and that she lost her new job shortly after starting to receive her increase in earning.

The evidence on the record supports a finding that the Department properly determined the Claimant's eligibility for FIP and FAP benefits based on her reported circumstances as of December 8, 2015. Changes to the Claimant's circumstances that occurred after that date may affect her eligibility for future benefits, but the reduction of FAP benefits and denial of FIP benefits was a proper application of Department policy.

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 the Claimant's Family Independence Program (FIP) application and reduced her Food Assistance Program (FAP) benefits effective January 1, 2015.

DECISION AND ORDER

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



Kevin Scully
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Mailed: **2/2/2016**

KS/nr

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:

