



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR

[REDACTED]

Date Mailed: March 8, 2016  
MAHS Docket No.: 15-024055  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Kevin Scully**

**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 After due notice, telephone hearing was held on March 02, 2016, from Lansing, Michigan. Participants on behalf of Petitioner included [REDACTED] and her husband [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 the Petitioner's Family Independence Program (FIP) 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. The Petitioner was an ongoing Family Independence Program (FIP) recipient.
2. On October 30, 2015, the Department received the Petitioner's completed Redetermination (DHS-1010) form.
3. On November 13, 2015, the Department received a copy of the Petitioner's Schedule C-EZ tax return showing gross self-employment income of \$ [REDACTED]
4. On November 30, 2015, the Department notified the Petitioner that it would close her Family Independence Program (FIP) effective January 1, 2015.

5. On December 18, 2015, the Department received the Petitioner's request for a hearing protesting the closure of Family Independence Program (FIP) 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.

Individuals who run their own businesses are self-employed. This includes but is not limited to selling goods, farming, providing direct services, and operating a facility that provides services such as adult foster care home or room and board. A person who provides child care in his/her home is considered to be self-employed. Rental income is sometimes counted as unearned income and sometimes as self-employment. The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. Allowable expenses are the higher of 25 percent of the total proceeds or actual expenses if the client chooses to claim and verify the expenses. Department of Human Services Bridges Eligibility Manual (BEM) 502 (October 1, 2015), p 1.

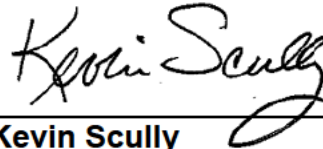
The Petitioner was an ongoing FIP recipient when the Department initiated a routine review of her eligibility to receive continuing benefits. On October 30, 2015, the Department received the Petitioner's completed Redetermination (DHS-1010) form. The Petitioner had reported self-employment income in the gross annual amount of \$ [REDACTED] but failed to document any self-employment expenses. When the Petitioner's annual income is reduced by the standard 25% self-employment expenses deduction and divided by 12 months, this results in an \$ [REDACTED] gross monthly income. The countable income limit to receive FIP benefits is \$ [REDACTED]. Therefore, the Department closed the Petitioner's FIP benefits.

While the Petitioner's income tax return supports a finding that the Petitioner's actual expenses may exceed 25% of self-employment income, BEM 502 requires the Department to obtain expense receipts to verify actual expenses against gross income.

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 closed the Petitioner's Family Independence Program (FIP) benefits.

**DECISION AND ORDER**

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



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

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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:



DHHS



Petitioner

