



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: October 25, 2016
MAHS Docket No.: 16-013220
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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], from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist, and [REDACTED], Assistance Payments Worker.

ISSUE

Did the Department properly close the Petitioner's State Disability Assistance (SDA)?

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 recipient of SDA.
2. A Redetermination was completed by the Petitioner on [REDACTED], at which time the Petitioner reported employment and earnings of \$ [REDACTED] weekly. Exhibit A.
3. The Petitioner also provided the Department pay stubs, which demonstrated that the Petitioner was receiving ongoing \$ [REDACTED] weekly in employment earnings. Exhibit B.

4. The Department issued a Notice of Case Action dated [REDACTED], closing the Petitioner's SDA effective [REDACTED], due to her income exceeding the SDA payment standard limit of \$ [REDACTED] Exhibit C.
5. The Petitioner requested a timely hearing on [REDACTED] disputing the Department's closure of her SDA case.

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 State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

In this case, the Department closed the Petitioner's SDA case after completing a Redetermination. At Redetermination, the Petitioner reported new income from employment and earnings of \$ [REDACTED] weekly. Exhibit A. These earnings were also confirmed by the Petitioner by six pay stubs submitted by the Petitioner as part of the Redetermination Verification of Income. Exhibit B. These pay stubs indicated that Petitioner was regularly receiving \$ [REDACTED] weekly, except for one week where she received \$ [REDACTED]. Based upon the information provided by the Petitioner to the Department, the Department ran a budget and determined that the Petitioner's income exceeded the income limit for SDA. Exhibit C.

The Department presented a budget SDA Income Test, Exhibit B, to demonstrate why the Petitioner's SDA case closed. The budget was reviewed at the hearing. Based upon the budget presented, the Department correctly determined that the Petitioner's income was \$ [REDACTED] monthly. The Department deducted \$ [REDACTED] as the standard earned income deduction and then deducted an additional 50% of the balance or \$ [REDACTED] leaving net earned income of \$ [REDACTED]. The income payment standard for SDA is \$ [REDACTED] and thus, the Petitioner's net earned income exceeded the SDA payment standard, thereby causing the Petitioner to be ineligible to receive SDA based on her income. Exhibit B. The basis for the formula to determine SDA earnings eligibility is found in Department policy in BEM 518 (October 1, 2015), p. 5.

Department policy provides that financial need must exist in order to receive benefits. Financial need exists when the certified group passes the Issuance Deficit Test. To determine eligibility, the Issuance Deficit Test subtracts the budgetable income from the certified group's payment standard for that benefit month. BEM 518, p.1. In this case,

the Department pursuant to Department policy determined that the monthly income was \$█ Exhibit C. Thereafter, the Department applied the formula and determined that to the extent the countable income of \$█ exceeded the SDA payment standard of \$█ the Petitioner was no longer eligible to receive SDA. ($\$█ - \$█ = \$█ \div 50\% = \$█$) $\$█ - \$█ = \$█$ countable income. Department policy provides:

SDA, RCA and SDA Only

Deduct \$200 from each person's countable earnings. Then deduct an additional 50 percent of each person's remaining earnings. The total disregard **cannot** exceed countable earnings. Apply this disregard separately to each program group member's earned income. BEM 518, p. 5

FIP, RCA and SDA Only

Bridges 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, p. 3

The Petitioner at the hearing stated that she advised the Department that her income had changed; however, it could not be determined or established that the Department received any such notice of change in income or verification submitted by the Petitioner showing that the Petitioner's income had been reduced.


Thus, based upon the evidence presented at the hearing, the Department establish that it properly closed the Petitioner's SDA due to her countable income exceeding the SDA payment standard of \$█

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 closed the Petitioner's SDA benefits because her countable income exceeded the SDA \$█ payment standard.

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

LMF/jaf



Lynn M. Ferris

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

DHHS

[REDACTED]

Petitioner

[REDACTED]

Via email

[REDACTED]