



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: February 10, 2017  
MAHS Docket No.: 16-018902  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Eric J. Feldman**

### **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 three-way telephone hearing was held on January 25, 2017, from Detroit, Michigan. The Petitioner was present for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator. [REDACTED] served as translator during the hearing.

### **ISSUE**

Did the Department properly deny Petitioner's Cash Assistance (Family Independence Program (FIP)) application effective November 16, 2016?

### **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 October 26, 2016, Petitioner applied for Cash Assistance (FIP) benefits.
2. Petitioner's total household size is eight.
3. Petitioner resides with his children who are all under the age of 18 and attend school, except for his one adult son who is 19-years-old and already graduated high school.

4. Petitioner's FIP certified group size is seven and his adult son is excluded from the FIP group because he is an adult. BEM 210 (January 2016), p. 1.
5. Petitioner received [REDACTED] in monthly Retirement, Survivors, and Disability Insurance (RSDI) income and his daughter received [REDACTED] monthly RSDI income, which resulted in a total gross income of [REDACTED] Exhibit A, pp. 3 and 4.
6. Petitioner's is ineligible for FIP benefits because the group's total countable income of [REDACTED] exceeds the FIP payment standard of [REDACTED] for a group size of seven.
7. On November 15, 2016, the Department sent Petitioner a Notice of Case Action notifying him that his Cash Assistance (FIP) application was denied effective November 16, 2016 because the group's countable income exceeded the limit for the program. Exhibit B, pp. 1-5.
8. On December 9, 2016, Petitioner filed a hearing request, protesting the Department's action. Exhibit A, pp. 7-8.

### **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.

On October 26, 2016, Petitioner applied for Cash Assistance (FIP) benefits. On November 15, 2016, the Department sent Petitioner a Notice of Case Action notifying him that his Cash Assistance (FIP) application was denied effective November 16, 2016 because the group's countable income exceeded the limit for the program. Exhibit B, pp. 1-5.

First, the Department properly determined that Petitioner's FIP group composition was seven. Petitioner does reside with his children and his total household is eight; however, one of the household members is his adult son who is 19-years-old and already graduated high school. Based on this information, Petitioner's adult son would be excluded from the FIP group because he is adult and does not meet policy requirements of a dependent child to be included in the FIP group. See BEM 210 (January 2016), pp. 1-2 and 5. Petitioner remaining children are all under the age of 18

and attend school. Therefore, for purposes of the FIP benefits, Petitioner's certified group size is seven. See BEM 210, pp. 1-2 and 5.

Next, policy states that the certified group (CG) must be in financial need to receive benefits. BEM 515 (October 2015), p. 1. Need is determined to exist when budgetable income is less than the payment standard established by the department. BEM 515, p. 1.

The payment standard is the maximum benefit amount that can be received by the CG. BEM 515, p. 1. Income is subtracted from the payment standard to determine the grant amount. BEM 515, p. 1. In this case, the eligible grantee maximum payment standard for a group size of seven is \$905. See RFT 210 (December 2013), p. 1.

Additionally, the department's income budgeting policies are designed to support financial self-sufficiency by encouraging families to pursue all available means of income. BEM 518 (October 2015), p. 1. Financial need must exist to receive benefits. BEM 518, p. 1. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test and the Child Support Income Test. BEM 518, p. 1. Financial need exists if: there is at least a [REDACTED] after income is budgeted in the issuance deficit test and the group passes the child support income test. BEM 518, p. 2. If the group fails either test, the group is ineligible for assistance. BEM 518, p. 2. The Department certifies FIP denial or closure in its system (Bridges) for the benefit month unless the group meets the conditions for temporary ineligibility or extended FIP. BEM 518, pp. 2-3. Exception, at application, the certified group must have a deficit of at least \$1 in the qualifying deficit test to be eligible for FIP. BEM 518, p. 3. If the certified group fails this test, certify the FIP denial in Bridges. BEM 518, p. 3.

In the present case, the Department presented the FIP/SDA – Income Test budget for review (hereinafter referred to as the "FIP budget"). See Exhibit B, p. 6. The Department calculated Petitioner's total unearned income to be [REDACTED], which comprised of Petitioner's [REDACTED] in monthly RSDI income and his daughter's [REDACTED] in monthly RSDI income. Exhibit A, pp. 3 and 4; and Exhibit B, p. 6. Policy states that the Department counts the gross RSDI benefits amount as unearned income for FIP benefits. See BEM 503 (July 2016), p. 28. Based on this policy, the undersigned Administrative Law Judge (ALJ) finds that the Department properly calculated Petitioner's total unearned income to be [REDACTED]. Petitioner's FIP group received no other form of income. Based on this information, the Department concluded that Petitioner's countable income of [REDACTED], exceeded the [REDACTED] payment standard for a group size of seven, resulting in ineligibility for FIP benefits due to excess income. See Exhibit B, p. 6. Petitioner, though, argued that the Department should take into consideration his shelter and utility expenses that he responsible to pay for, such as water, electricity, and rent, and apply them as an income deduction. However, the undersigned ALJ reviewed policy and found that the Department is unable to take such shelter expenses into consideration and apply them as an income deduction. BEM 518 states the only form of income deductions that can be applied for the FIP benefits is earned income deductions and paid-out child support. See BEM 518, pp. 5-6.


Accordingly, the undersigned ALJ concludes that the Department properly denied Petitioner's Cash Assistance application because the group's countable income exceeded the limits for this program. See BEM 515, p. 1; BEM 518, pp. 1-6; and RFT 210, p. 1.

**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 denied Petitioner's Case Assistance (FIP) application effective November 16, 2016.

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

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**Eric J. Feldman**  
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]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

CC: [REDACTED]  
[REDACTED]