



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]
[REDACTED]

Date Mailed: April 7, 2017
MAHS Docket No.: 17-001828
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], specialist.

ISSUE

The issue is whether MDHHS properly denied Petitioner's application for 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. On [REDACTED] Petitioner applied for FIP benefits.
2. Petitioner was a member of a household that included a minor child.
3. Petitioner's gross monthly employment income was [REDACTED].
4. On [REDACTED], MDHHS denied Petitioner's FIP application due to excess income.

5. On [REDACTED], Petitioner requested a hearing to dispute the denial of FIP benefits.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193, and 42 USC 601 to 679c. MDHHS (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a denial of FIP benefits. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 5-8) dated [REDACTED]. The stated reason for FIP application denial was excess income.

Financial need must exist to receive benefits. BEM 518 (October 2015), p. 1. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test and the Child Support Income Test. *Id.* The only test relevant to the present analysis is the Issuance Deficit Test.

Bridges compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. *Id.*, p. 3. The group is ineligible for the benefit month if no deficit exists or the group has a deficit less than \$10. *Id.*

MDHHS presented documentation from theworknumber.com (Exhibit 1, pp. 1-2). The documentation listed Petitioner's earnings from employment income. Gross earnings of [REDACTED] on [REDACTED], and [REDACTED] on [REDACTED], were listed. MDHHS testimony indicated these were the earnings factored in Petitioner's FIP eligibility.

Bridges counts gross [employment] wages... BEM 501 (July 2014), p. 7. MDHHS converts bi-weekly stable income into a 30 day period by multiplying the income by 2.15 (see BEM 505 (April 2016), p. 4).

Multiplying Petitioner's average biweekly pays by 2.15 results in a gross converted monthly income of [REDACTED] (dropping cents). MDHHS calculated a converted income of [REDACTED] (see Exhibit 1, p. 3). For purposes of this decision, the lower amount of [REDACTED] will be accepted as accurate.

[For purposes of the Qualified Deficit Test,] at application, deduct [REDACTED] from each person's countable earnings. BEM 518 (October 2015), p. 5. Then deduct an additional 20 percent of each person's remaining earnings. *Id.* Petitioner's countable employment income for purposes of the Qualified Deficit Test is found to be [REDACTED], the same amount calculated by MDHHS (see Exhibit 1, p. 3).

Petitioner contended that MDHHS failed to factor her rent and utilities when determining FIP eligibility. Neither rent nor utilities are factored in FIP eligibility (see BEM 515). Relevant deductions include child support payments and farm loss. No allowable expenses were alleged by Petitioner. Petitioner's countable income is found to be [REDACTED] for purposes of the Qualified Deficit Test.

The FIP benefit amount is calculated by determining the payment standard (i.e. the maximum FIP grant for the group size). The payment standard for Petitioner's group size is [REDACTED]. RFT 210 (December 2013), p. 1. Petitioner's group's countable income ([REDACTED]) is subtracted from the payment standard to determine the FIP grant. Petitioner's countable income exceeds the FIP payment grant. Thus, Petitioner failed the Qualified Deficit Test. Accordingly, it is found that MDHHS properly denied Petitioner's FIP eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's FIP application dated [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



Christian Gardocki

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]

Petitioner

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