



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: January 30, 2018  
MAHS Docket No.: 17-008711  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Denise McNulty**

**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; 42 CFR 438.400 to 438.424; 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 September 19, 2017, from Detroit, Michigan. The Petitioner represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator, and [REDACTED], Family Independence Specialist.

**ISSUE**

1. Whether the Department properly decreased Petitioner's Food Assistance Program (FAP) benefits effective July 1, 2017?
2. Whether the Department properly closed Petitioner's Family Independence Program (FIP) benefits effective July 1, 2017?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was a FIP and FAP benefits recipient.
2. The Department became aware of a change in Petitioner's income. Based on the change, a new budget was calculated with regards to Petitioner's FIP and FAP benefits.

3. The Department sent Petitioner a Notice of Case Action, dated June 16, 2017, notifying her of the changes to her benefits.
4. The Department received Petitioner's request for a hearing on June 26, 2017, disputing the Department's actions.

### **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).

#### **FIP**

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.

Cash assistance is available to eligibility determination groups who meet all of the non-financial and financial requirements that are needed to determine eligibility and calculate benefit amounts. BEM 209 (July 2017), p. 1.

A group's benefits for a month are based, in part, on a prospective income determination. A best estimate of income expected to be received by the group during a specific month is determined and used in the budget computation. BEM 505 (October 2016), p. 1. Petitioner began employment which resulted in an increase in income. The Department must complete a budget when it becomes aware of a change in income which might affect an individual's eligibility. BEM 505 (October 2017), p. 10.

The Department determines budgetable income using countable, available income for the benefit month being processed. BEM 505, p. 3. For income increases that result in a benefit decrease, action must be taken and notice issued to the client within the Standard of Promptness (FAP - 10 calendar days, FIP/SDA - 15 workdays). The effective month is the first full month that begins after the negative action effective date. BEM 505, p. 7

In this case, the Department presented an income budget, and a income test budget both were reviewed at the hearing. Based on the paycheck stubs presented, it was determined that Petitioner's monthly countable income was \$██████. The Department applied the earned income deduction standard of \$██████ 50% earned income deduction and determined Petitioner's net income to be \$██████. BEM 518 (October 2015), p. 5. Petitioner's group consists of two people: herself and her child. The payment standard for a group of two is \$██████. RFT 210 (April 2017), p. 1. A deficit of at least \$██████ is

required to receive a cash benefit. If the deficit is less than \$ [REDACTED] no financial need exists, and the group is not eligible to receive benefit. BEM 518, p. 4. Petitioner did not have a deficit of at least \$ [REDACTED] between her income and the payment standard and, therefore, was not eligible for benefits.

The Department mailed Petitioner a Notice of Case Action on June 16, 2017, notifying her that her benefits would close on July 1, 2017. The Department properly closed her FIP benefits in accordance with policy.

### **FAP**

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.

Petitioner disputed the decrease in her FAP benefits. The Department issued Petitioner a Notice of Case Action on June 16, 2017, notifying her that her benefits would decrease due to an increase in earned income.

As noted above, the Department became aware of an increase in Petitioner's earned income and a new budget was prepared in accordance with policy. The Department presented a net income budget which was reviewed at the hearing.

Petitioner's earned income was determined to be \$ [REDACTED] based on paycheck stubs. The earned income deduction of \$ [REDACTED] the standard deduction of \$ [REDACTED] and the excess shelter deduction were applied. RFT 255 (October 2016), p. 1. Petitioner did not provide the Department with any documentation regarding any dependent care, medical or child support expenses; and therefore, she was eligible for any deductions in those categories. After all of the applicable deductions were applied Petitioner's net income was determined to be \$ [REDACTED] 30% of her net income was deducted from the maximum benefit a group of two could receive (\$357). Petitioner's monthly FAP benefit amount was calculated to be \$ [REDACTED] RFT 260 (October 2016), p. 1.

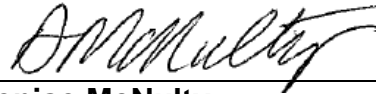
The Department acted in accordance with policy when it decreased Petitioner's FAP benefits due to an increase in her earned income.

### **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 Petitioner's FIP benefits and decreased her FAP benefits.

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

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**Denise McNulty**

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]

**Petitioner**

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