



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 30, 2018
MAHS Docket No.: 18-001767
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; 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 March 22, 2018, from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly process the change in income due to unreported income discovered pursuant to a Wage Match when calculating FAP benefits for February 2018?

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 completed a Semi Annual Contact Report in a timely manner on February 1, 2018. Exhibit A.
2. On January 24, 2018 the Department sent a Wage Match Notice due February 23, 2018. The Petitioner returned the completed Wage Match on January 30, 2018. Exhibit B.
3. The Department issued a Notice of Case Action January 30, 2018 which decreased the Petitioner's FAP benefits effective February 1, 2018 to [REDACTED] and approved ongoing thereafter.

4. The Petitioner requested a timely hearing on February 8, 2018 protesting 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).

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.

In this case, The Petitioner does not dispute the amount of her FAP benefits as determined by the Department after the Semi Annual Report was completed for February 1, 2018 ongoing and the Watch Match Notice was completed and returned which decreased the FAP benefits due to unreported earned income. Petitioner is seeking a review of the effective date of the change reducing the FAP benefits for February 1, 2018 instead of March 1, 2018.

In this case upon return of the Wage Match Notice the Department determined that due to unreported earned income the Petitioner's FAP benefits would be certified. BAM 220 (January 2018), p. 1.

Department policy found in BAM 220 governs when a change is to be processed and effective. In this case the Department issued an adequate notice which is defined as a written notice sent to the client at the same time the action takes effect (not pended). Adequate Notice can be issued when a change is reported in writing and signed by an eligible group member and the new benefit level ineligibility can be determined based solely on the written information or can be based upon changes reported on a Semi Annual Contact Report. BEM 220, p. 4.

In this case, the Petitioner's Semi Annual Review was in process and was required to be completed by February 28, 2018 or Petitioner's benefits would close. In addition, all proof of changes required verification by February 1, 2018. Exhibit A. When the Department received the Wage Match information from the employer on January 30, 2018 which verified wages, the Department was required to certify the Semi Annual including income in Bridges by the last day of the sixth month of the benefit period to affect benefits no later than the seventh month February 2018. BAM 210 (January 2018), p. 11-12. (emphasis supplied). In this case the Petitioner indicated in the Semi

Annual Contact report a change in earnings because employment stopped. The Petitioner did not report the earned income from employment started in September 2017. The Petitioner completed the Semi Annual and the Wage Match Notice sent to Petitioner was completed and was received by the last day of the sixth month January 30, 2018 and, therefore, the Department correctly processed the verified income to be certified.

BAM 210 provides how the Semi Annual must be processed:

The client's gross earned income from his/her most current budget is pre-filled on the DHS-1046. If the client's gross income has changed by more than \$100 from the pre-filled amount on the form, he/she must return verification of his/her past 30 days of earnings with his/her completed DHS-1046.

If the client indicates his/her gross earned income has **not** changed by more than \$100, verification of the past 30 days is not required. However, income **must** be budgeted and EDDBC run if a client checks "No" to the questions, but supplies proof of income.

Note: Run EDDBC so Bridges will recognize the DHS-1046 has been processed.

In this case the Petitioner answered the income had not changed by more than [REDACTED] and even though incorrect, the Department was not required to seek verification. However, once the income was verified by the employer in the wage match and the income could be certified, the income was required to be budgeted and EDDBC run even though the Petitioner checked "no" to income change because proof of income was supplied and verified on January 30, 2018. The Department correctly certified the income based upon the employment verification of income which income was not disputed by the Petitioner and thus was properly budgeted for February 2018.

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 did act in accordance with Department policy when it reduced the Petitioner's FAP benefits for February 2018.

DECISION AND ORDER

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

LF/tm



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