



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: May 23, 2019
MOAHR Docket No.: 19-003787
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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 May 22, 2019, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Nataki Johnson, Assistance Payments Supervisor.

ISSUE

Did the Department properly deny Petitioner's Family Independence Program (FIP) application?

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 March 20, 2019, Petitioner submitted an application for FIP benefits (Exhibit A).
2. Petitioner had unearned income in the form of child support (Exhibit C).
3. On March 21, 2019, the Department sent Petitioner a Notice of Case Action informing her that her FIP application was denied (Exhibit B).
4. On [REDACTED], 2019, Petitioner submitted a request for hearing 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).

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.

In this case, Petitioner submitted an application for FIP benefits on March 20, 2019. On March 21, 2019, the Department sent Petitioner a Notice of Case Action informing her that her FIP application was denied due to excess income. The Department presented a FIP budget to establish that Petitioner exceeded the income limit for the FIP program (Exhibit D).

To determine the amount of FIP benefits a client is eligible to receive, income received by the certified FIP group is subtracted from the payment standard, which is the maximum benefit amount that can be received by the certified group. BEM 515 (October 2015), p. 1; BEM 518 (October 2015), p. 1. The payment standard is dependent on the client's FIP certified group size. BEM 515, p. 3. In this case, the Department testified that there were two individuals in Petitioner's FIP group. Based on a certified FIP group size of two, the applicable payment standard is \$403. RFT 210 (April 2017), p. 1.

At the application for FIP benefits, the Department applies the qualifying deficit test to determine whether the client is eligible for FIP and the amount of the FIP grant. The qualifying deficit test compares (i) the group's budgetable income for the income month decreased by the qualifying earned income disregard to (ii) the certified group's payment standard for the benefit month, or, in this case, \$403. BEM 518, p. 3. The qualifying earned income disregard reduces each person's countable earnings by \$200 and then by an additional 20% of the person's remaining earnings. BEM 518, p. 5. Additionally, the Department will deduct \$50 of received voluntary or direct child support. BEM 518, p. 2. If the qualifying deficit test results in no deficit, the client is ineligible for FIP for the benefit month. BEM 518, p. 3.

Petitioner's household income consisted solely of child support payments. When calculating child support income, the Department uses the monthly average of the child support payments received in the past three calendar months, unless changes are expected. BEM 505, p. 4. If there are known changes that will affect the amount of the payments in the future, the Department will not use the previous three months. BEM 505, p. 4. If the past three months' child support is not a good indicator of future

payments, the Department will calculate an expected monthly amount for the benefit month based on available information and discussion with the client. BEM 505, p. 5.

According to the budget provided, the Department determined Petitioner's child support income was \$571.20. The Department presented Petitioner's child support Consolidated Inquiry Report. The document showed that Petitioner received child support income in the amount of \$527.13 in December 2018; \$616.47 in January 2019; and \$570 in February 2019. When averaging the amount of child support Petitioner received in the 3 months previous to her application, it results in a monthly amount of \$571.20. Therefore, the Department properly determined Petitioner's household income.

Petitioner's \$571.20 monthly income amount minus the \$50.00 child support exclusion results in \$521.20 in countable income. Petitioner's monthly countable income exceeds Petitioner's payment standard of \$403. Therefore, the Department properly concluded that Petitioner is not eligible for FIP benefits.

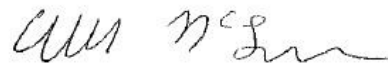
At the hearing, Petitioner contended it was not her intention to apply for FIP benefits for herself and her child. Petitioner alleged that she is disabled, and she was intending to apply for cash assistance related to her disability.

The State Disability Assistance (SDA) program provides financial assistance to disabled adults who are not eligible for FIP. BEM 100 (October 2018), p. 5. The FIP program provides financial assistance to families with children. BEM 100, p. 1. As Petitioner has a minor child, she is eligible for FIP, and therefore, not eligible for SDA. Thus, the Department acted in accordance with policy when it processed Petitioner's cash application as a FIP application.

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

EM/cg



Ellen McLemore

Administrative Law Judge
for Robert Gordon, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR 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

Via Email:

MDHHS-Wayne-18-Hearings
B. Sanborn
B. Cabanaw
BSC4- Hearing Decisions
MOAHR

Petitioner – Via First-Class Mail:

[REDACTED]
[REDACTED]
[REDACTED]