



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

Date Mailed: August 30, 2022
MOAHR Docket No.: 22-003266
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 August 25, 2022, from Detroit, Michigan. Petitioner was present and represented himself. The Department of Health and Human Services (Department) was represented by Crystal Thomas, Eligibility Specialist.

ISSUE

Did the Department properly deny Petitioner's application for State Disability Assistance (SDA) and 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] 2022, Petitioner applied for SDA/FIP cash assistance benefits.
2. On July 11, 2022, Petitioner submitted documentation that he was receiving \$ [REDACTED] per month from a family friend.
3. Petitioner's household consisted of himself, his wife, his minor child and his adult child.
4. Petitioner had Retirement, Survivors and Disability Insurance (RSDI) income in the gross amount of \$ [REDACTED] per month and Supplemental Security Income (SSI) benefits in the gross amount of \$ [REDACTED] per month.
5. Petitioner's son had RSDI income in the gross amount of \$ [REDACTED] per month.

6. The Department denied Petitioner's FIP/SDA application.
7. On ██████████ 2022, 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).

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.

For FIP benefits, the EDG means those individuals living together whose information is needed to determine FIP eligibility. BEM 210 (July 2021), p. 2. The FIP EDG participation status explains the role the individual plays in the FIP eligibility determination. BEM 210, p. 2. Individuals having a FIP EDG participation status other than Excluded Adult or Excluded Child, are included in the FIP EDG. BEM 210, p. 2. The countable income and assets of individuals having an Eligible or Disqualified FIP EDG participation status are considered in determining FIP eligibility. BEM 210, p. 2. The FIP EDG includes the dependent child, the child's legal parents and the child's legal siblings who meet the definition of dependent. BEM 210, p. 5. A FIP EDG member, who receives SSI, has a FIP EDG participation status of Other Adult or Other Child. BEM 210, p. 8. The income, assets and needs of an SSI recipient are not considered in determining eligibility for the FIP EDG. BEM 210, p. 8.

The Department testified that the FIP EDG only included Petitioner's wife and Petitioner's minor child. Per policy, Petitioner's adult child cannot be included in the FIP EDG, as that child does not meet the definition of a dependent child. Additionally, Petitioner conceded that he is an SSI recipient, and therefore, cannot be included in the FIP EDG. Thus, the Department properly determined that the FIP EDG was a group size of two, that only included Petitioner's wife and minor child.

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 EDG group, with

an ineligible grantee, as Petitioner is an SSI recipient. The Department uses the ineligible grantee payment standard when the grantee is not a member of the program group. RFT 210 (April 2017), p. 1. Based on a certified FIP group size of two using the ineligible grantee standard, the applicable payment standard is \$[REDACTED]. RFT 210, 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, \$[REDACTED] BEM 518, p. 3. The qualifying earned income disregard reduces each person's countable earnings by \$[REDACTED] and then by an additional 20% of the person's remaining earnings. BEM 518, p. 5. If the qualifying deficit test results in no deficit, the client is ineligible for FIP for the benefit month. BEM 518, p. 3.

The Department presented the FIP EDG group income test budget (Exhibit A, p. 10). The Department only included Petitioner's minor child's income, as he was the only FIP EDG member with income. The Department included \$[REDACTED] in unearned income. Petitioner conceded that he receives \$[REDACTED] in RSDI benefits on behalf of his minor child. When determining FIP eligibility, the Department included the gross RSDI benefit amount. BEM 503 (April 2022), p. 29. Therefore, the Department properly determined the group's unearned income.

The group's \$[REDACTED] monthly income well exceeds Petitioner's payment standard of \$[REDACTED]. Therefore, the Department properly concluded that Petitioner is not eligible for FIP benefits.

SDA

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

In this case, Petitioner submitted an application for SDA benefits on [REDACTED], 2022. The Department determined that Petitioner was not eligible for SDA benefits due to excess income.

For SDA benefits, financial need must exist to receive benefits. BEM 518 (January 2020), p. 1. Financial need exists when the certified group passes the Issuance Deficit Test. BEM 518, p. 1. To perform the issuance deficit test, the Department subtracts budgetable income from the certified group's payment standard for the benefit month. BEM 518, p. 1. The Department compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. BEM 515, p. 3. The group is ineligible for the benefit month if no deficit exists or the group has a deficit less than \$[REDACTED]. BEM 518, p. 3.

The payment standard is dependent on the client's SDA certified group size. BEM 515, p. 3. For SDA, group size consists of either a single adult or adult and spouses living together. BEM 214 (April 2019), p. 1. In this case, Petitioner was married and living with his spouse. Therefore, Petitioner has a group size of two. Based on a certified SDA group size of two, the applicable payment standard is \$[REDACTED]. RFT 225 (December 2013), p. 1.

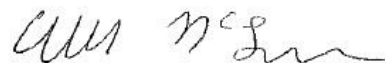
All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. BEM 500 (July 2017), pp. 1–5. For RSDI, the Department counts the gross benefit amount as unearned income. BEM 503 (January 2020), p. 28. The Department includes the gross amount of current Social Security Administration (SSA)-issued SSI as unearned income. BEM 503 (January 2020), p. 34. Whenever an SSA-issued independent living or household of another payment is budgeted, the Department will include the monthly SSP payment amount as unearned income. BEM 503, p. 35. SSI amounts withheld to recoup overpayments due to an Intentional Program Violation (IPV) are also included in the gross amount. BEM 503, p. 33. Amounts deducted by an issuing agency to recover a previous overpayment or ineligible payment are not part of gross income. BEM 500 (July 2017), p. 6. These amounts are excluded as income. BEM 550, p. 6.

The Department presented Petitioner's unearned income report showing that as of January 1, 2022, Petitioner received gross monthly RSDI benefits in the amount of \$[REDACTED]. Petitioner's RSDI income alone places him over the income limit. Petitioner's [REDACTED] monthly RSDI income subtracted by the \$[REDACTED] payment standard results in a standard monthly income of \$[REDACTED]. As there is no deficit, Petitioner is not eligible for SDA benefits. Therefore, the Department acted in accordance with policy when it denied Petitioner's SDA 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/SDA application. Accordingly, the Department's decision is **AFFIRMED**.

EM/tm



Ellen McLemore
Administrative Law Judge

