



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

Date Mailed: November 13, 2024
MOAHR Docket No.: 24-009443
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness

HEARING DECISION

The hearing was conducted before Administrative Law Judge (ALJ) L. Alisyn Crawford. Because ALJ Crawford is unavailable, the undersigned reviewed the record, including the recording of the hearing, and issued this Hearing Decision based on the evidence presented. See Mich Admin Code, R 792.10106(7).

On August 23, 2024, Petitioner, [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP), Family Independence Program (FIP), and Child Development and Care (CDC) denial. As a result, a hearing was scheduled to be held on September 16, 2024. The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) had Eligibility Specialist/Hearing Facilitator, Shyla Coleman, appear as its representative.

A 24-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

A 7-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit B.

A 14-page packet of documents provided by Petitioner was admitted collectively as Petitioner's Exhibit 1.

ISSUE

Did the Department properly deny Petitioner's application for FAP, FIP, and CDC 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] 2024, Petitioner applied for FAP, FIP, and CDC benefits.
2. Petitioner's household consists of Petitioner and Petitioner's child.
3. On Petitioner's [REDACTED] 2024, application, Petitioner reported employment at [REDACTED] averaging 37 hours per week, receiving [REDACTED] per hour, and being paid on a bi-weekly basis.
4. On or around August 12, 2024, the Department verified via The Work Number that Petitioner received [REDACTED] in gross earnings on July 5, 2024, and [REDACTED] in gross earnings on July 19, 2024, from Petitioner's employment at [REDACTED].
5. The Department determined that Petitioner had a countable net income of [REDACTED] which exceeded the limit to be eligible for FAP, FIP, and CDC benefits.
6. On August 12, 2024, the Department mailed a notice of case action to Petitioner to notify Petitioner that Petitioner's application for FAP, FIP, and CDC benefits was denied because Petitioner's income exceeded the limit to be eligible.
7. On August 16, 2024, Petitioner requested a hearing to dispute the Department's denial.

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).

In this case, the Department determined that Petitioner's income exceeded the income limit for FAP, FIP, and CDC benefits.

To determine a client's countable income, the Department must use past income to prospect income for the future, unless changes are expected. BEM 505, October 1, 2022), p. 6. In general, the Department uses income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month. *Id.* If income from the past 30 days does not appear to accurately reflect what is expected to be received in the benefit month, and fluctuations of income during the past 60 or 90 days appear to accurately reflect the income that is expected to be received in the benefit month, then the Department uses income from the past 60 or 90 days. *Id.*

Based on the evidence presented, Petitioner received total gross pay of [REDACTED] over the 2 most recent biweekly pay periods before Petitioner applied for FAP, FIP, and CDC benefits [REDACTED] + [REDACTED]. This equals an average biweekly pay of [REDACTED] [REDACTED]). The biweekly pay is multiplied by 2.15 to calculate a standard monthly amount of [REDACTED] [REDACTED] x 2.15). Thus, Petitioner's countable gross income was [REDACTED] per month.

FAP

The FAP 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

For a client to be eligible for FAP benefits, the client's household income must not exceed the applicable monthly income limit by family size. RFT 250, October 1, 2023, p. 1. The applicable monthly gross income limit for a household size of 2 was \$2,137.00. *Id.*

Petitioner's total net household income of [REDACTED] per month exceeded the net income limit for a household size of 2 because the income limit was [REDACTED] per month, and Petitioner's net household income was greater than [REDACTED] per month. Therefore, the Department properly determined that Petitioner's net household income exceeded the limit to be eligible for FAP benefits.

FIP

The 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.

Financial need must exist to receive FIP benefits. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test, and the Child Support Income Test. BEM 518, July 1, 2023, p. 1.

At application, the Department's computer system, Bridges, performs the qualifying deficit test by subtracting budgetable income from the certified group's payment standard for the application month; see BEM 515. BEM 518, July 1, 2023, p. 1.

To perform the issuance deficit test, Bridges subtracts budgetable income from the certified group's payment standard for the benefit month. BEM 518, July 1, 2023, p. 1

To meet the child support income test, the FIP group's countable income plus the amount of certified support (or amount of support to be certified) must be less than the certified group's payment standard. BEM 518, July 1, 2023, p. 1.

Upon certification of eligibility results, the Department's computer system (Bridges) automatically notifies the client in writing of positive and negative actions by generating the appropriate notice of case action. The notice of case action is printed and mailed centrally from the consolidated print center. BAM 220, July 1, 2023, p. 2.

The payment standard is the maximum benefit amount that can be received by the certified group. Income is subtracted from the payment standard to determine the grant amount; see BEM 518. The grant amount is for shelter, heat, utilities, clothing, food and items for personal care. It is not to be used to purchase lottery tickets, alcohol or tobacco. It is also not to be used for gambling, illegal activities, massage parlors, spas, tattoo shops, bail-bond agencies, adult entertainment, cruise ships or other nonessential items. The Department is to determine the correct payment standard based on the program, certified group size, and living arrangement (SDA) or grantee status (FIP/RCA). FIP/RCA payment standards are found in RFT 210. BEM 515, January 1, 2022, p. 1.

The Department converts stable and fluctuating income that is received more often than monthly to a standard monthly amount. The Department uses the following methods: multiply weekly income by 4.3; multiply amounts received every two weeks by 2.15; add amounts received twice a month. This conversion takes into account fluctuations due to the number of scheduled pays in a month. BEM 505, October 1, 2022, p. 8.

For a group size of 2, the FIP eligible grantee monthly assistance standard is \$403.00. RFT 210, April 1, 2017, p. 1.

Petitioner received a standard deduction of \$200.00 [REDACTED] - \$200.00 = [REDACTED] and an additional 20% earned income deduction (.20 x [REDACTED] = [REDACTED] BEM 518, July 1, 2023, p. 5. No evidence was presented that Petitioner qualified for a child support, spousal, or farm loss deduction. Thus, Petitioner's net earned income was [REDACTED] per month [REDACTED] - \$200.00 - [REDACTED]

Petitioner's total countable income of [REDACTED] per month exceeded the payment standard for a household size of 2 because the payment standard was \$403.00 per month, and Petitioner's countable income was greater than \$403.00 per month. Therefore, the Department properly determined that Petitioner's countable income exceeded the payment standard to be eligible for FIP benefits.

CDC

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

For a client to be eligible for CDC at application, the client's gross household income must not exceed the monthly gross income limit by family size. RFT 270, January 1, 2024, p. 3. The gross income limit for a family size of 2 is \$3,286.00. *Id.* Since Petitioner has a household size of 2, \$3,286.00 is the applicable gross income limit for Petitioner.

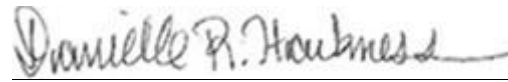
Petitioner's total gross household income is [REDACTED] per month. Petitioner's total gross household income exceeds the gross income limit for a household size of 2 because the income limit is \$3,286.00 per month, and Petitioner's gross household income is greater than [REDACTED] per month. Therefore, the Department properly determined that Petitioner's gross household income exceeded the limit to be eligible for CDC.

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 its policies and the applicable law when it denied Petitioner's application for FAP, FIP, and CDC benefits.

IT IS ORDERED that the Department's decision is **AFFIRMED**.

DH/ml



Danielle R. Harkness
Administrative Law Judge

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 Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via Electronic Mail:

DHHS

Jeanenne Broadnax
Wayne-Taylor-DHHS
25637 Ecorse Rd.
Taylor, MI 48180
MDHHS-Wayne-18-Hearings@michigan.gov

Interested Parties

BSC4
M Holden
B Cabanaw
N Denson-Sogbaka
B Sanborn
C Leonard
M Vogel
L Brewer-Walraven
MOAHR

Via First Class Mail:

Petitioner

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