



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]

Date Mailed: November 26, 2024  
MOAHR Docket No.: 24-011100  
Agency No.: [REDACTED]  
Petitioner: [REDACTED] [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Colleen Lack**

**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 October 29, 2024, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Jennifer Richard, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-35.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for the Family Independence Program (FIP)?

**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 September [REDACTED] 2024, Petitioner applied for FIP. (Exhibit A, p. 2)
2. The Department verified Petitioner's income from child support and Retirement Survivors Disability Insurance (RSDI) benefits. The Department also budgeted \$[REDACTED] of other unearned income. (Exhibit A, pp. 7-16)

3. On September █ 2024, a Notice of Case Action was issued stating FIP was denied based on income in excess of program limits. (Exhibit A, pp. 26-33)
4. On September █ 2024, Petitioner applied for FIP. (Exhibit A, p. 2)
5. On September 25, 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 4-6)
6. On September █ 2024, a Notice of Case Action was issued stating FIP was denied based on income in excess of program limits. (Exhibit A, pp. 17-25)

### **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.

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.

Regarding child support, certified support means court-ordered support payments sent to the Department by the Michigan State Disbursement Unit (MiSDU). The amount of collections retained by the Department is excluded from the deficit test. Voluntary child support is countable in the eligibility determination. The Department excludes up to \$50 received from the voluntary support in the benefit month. The Department also excludes any portion of a payment which a court order or other legally binding agreement requires

to be sent directly to the group's creditor or service supplier; see BEM 500. BEM 518, July 1, 2023, p. 2.

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, November 1, 2023, p. 2.

The payment standard is the maximum benefit amount that can be received by the certified group (CG). 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, February 1, 2024, p. 1.

For a group size of two, the FIP eligible grantee monthly assistance standard is \$403.00. For a group size of two, the FIP ineligible grantee monthly assistance standard is \$274.00. RFT 210, April 1, 2017, p. 1. For the SDA cash assistance program, the payment standard is \$200.00. RFT 255, December 1, 2013, p. 1.

In this case, the testimony of the APS indicated the group size was two and the Department determined that the total countable income was \$[REDACTED] (APS Testimony). However, the APS appears to have been testifying based on the budget regarding SDA financial eligibility. The payment standards shown in the budget is the SDA payment standard of \$[REDACTED]. Further, the Child Support Income Test portion of the screen shot lists the result as (N/A). (Exhibit B, p. 1).

Additionally, it is unclear what the budgeted \$128.78 of other earned income was based on. (Exhibit A, pp. 7-16; Exhibit B, p. 1.) The income verifications the Department submitted showed: RSDI income of \$[REDACTED] monthly as of December 1, 2023; child support income of \$[REDACTED] in September 2024 for child LSJ; no child support income in September 2024 for child SKJ; and child support income of \$[REDACTED] in September 2024 for child SAJ.

Petitioner noted that she was told FIP was denied based upon exceeding the Federal Time Limit Maximum. A September [REDACTED] 2024 case comment confirms that Petitioner was told this was the reason for the denial when she called the Department about the FIP denial. (Petitioner Testimony; Exhibit A, p. 34). It appears that this was in error as there was no evidence presented indicating previously received FIP, let alone exceeded the Federal Time Limit Maximum. Rather, the Notices of Case Action indicate the denial were based on income exceeding program limits. (Exhibit A, pp. 17-33).

Overall, the Department has not met their burden to provide sufficient evidence to show it acted in accordance with Department policy when it determined Petitioner's eligibility for FIP. It is unclear what income test for FIP Petitioner did not pass and it does not appear that her income was properly budgeted.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for FIP.

### **DECISION AND ORDER**

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Petitioner's eligibility for FIP for the September ■ 2024 and September ■ 2024 applications in accordance with Department policy.

CL/dm

  
\_\_\_\_\_  
**Colleen Lack**  
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**  
Kimberly Kornoelje  
Kent County DHHS  
**MDHHS-Kent-**  
**Hearings@michigan.gov**

**SanbornB**

**BSC3HearingDecisions**

**MOAHR**

**Via-First Class Mail :**

**Petitioner**  
[REDACTED]  
[REDACTED]  
[REDACTED]