



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: December 5, 2024  
MOAHR Docket No.: 24-011344  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

**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 November 18, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Doris Reynolds, Assistance Payments Supervisor and Tamika Trammell, Eligibility Specialist.

**ISSUE**

Did the Department properly deny Petitioner's application for 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 or around [REDACTED] 2024, Petitioner submitted an application requesting FIP benefits. Petitioner's household includes herself, her husband, and one minor child. (Exhibit A, pp. 6-13)
  - a. On the FIP application, Petitioner reported that she is employed with CVS Health an average of 40 hours per week and paid biweekly at a rate of [REDACTED] per hour. (Exhibit A, pp. 6-13)
2. In connection with the application, Petitioner participated in an interview on or around September 30, 2024, and subsequently, submitted paystubs to the Department as verification of her income. The paystubs submitted show that Petitioner had gross

earnings of [REDACTED] on August 23, 2024; [REDACTED] on September 6, 2024; and [REDACTED] on September 20, 2024. (Exhibit A, pp. 14-18)

3. On or around September 30, 2024, the Department sent Petitioner a Notice of Case Action denying the FIP application on the basis that the group's countable income exceeds the application income limit. (Exhibit A, pp. 21-25)
4. On or around October 8, 2024, Petitioner requested a hearing disputing the denial of the FIP application. (Exhibit A, pp. 3-4)

### **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 disputed the denial of her [REDACTED] 2024, FIP application and the Department's determination that her household income exceeded the application income limit.

The FIP is not an entitlement. In order to receive FIP benefits, financial need must exist. Financial need is established, in part, when a client passes the qualifying deficit test and/or the issuance deficit test. Need is determined to exist when budgetable income is less than the payment standard, which is the maximum benefit amount that can be received by the certified group. BEM 518 (July 2023), pp. 1-6; BEM 515 (February 2024), pp. 1-5. At application, the Department performs the qualifying deficit test and compares the budgetable income using the qualified earned income disregard for the income month, to the certified group's payment standard for the application month. The group will be ineligible for FIP for the application month if no deficit exists. BEM 518, pp. 1-6. Thus, if Petitioner's group's income is less than the payment standard for the month being tested, the group will be eligible for FIP benefits. The FIP monthly assistance payment standards (based on EDG participation status and FIP certified group size) are found in RFT 210. For Petitioner's three-person eligible grantee household, the FIP monthly assistance payment standard is [REDACTED]. See RFT 210 (April 2017), pp. 1-2.

At the hearing, the Department presented a FIP Income Test Budget in support of its determination that Petitioner's household had excess income. (Exhibit A, pp. 19-20). The budget shows earned income of [REDACTED] which the Department representative testified

was calculated using the following paystubs: [REDACTED] paid on August 23, 2024, and [REDACTED] paid on September 6, 2024. Petitioner confirmed that the income amounts relied upon by the Department were correct and the pay stubs were presented for review during the hearing. (Exhibit A, pp. 14-18). The Budget also properly shows the \$200 earned income disregard, as well as a \$663 deduction to earned income to account for the 20% earned income deduction. The Department representative testified, and the budget shows that Petitioner's household had countable income of [REDACTED] which is greater than the [REDACTED] payment standard based on her group size of three. Thus, the budget properly shows that Petitioner's household failed the qualifying deficit test.


Petitioner testified that her husband has a comprehensive medical history and medical conditions that prevent him from employment. Notwithstanding Petitioner's testimony with respect to her husband's medical conditions, the evidence established that Petitioner's household does not meet the financial need criteria to receive FIP benefits, as the group's income is well above the payment standard.

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 determined that Petitioner's household was not eligible for FIP benefits due to excess income and denied her [REDACTED] 2024, FIP application.

#### **DECISION AND ORDER**

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

ZB/ml

  
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**Zainab A. Baydoun**  
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**

Keisha Koger-Roper  
Wayne-District 31 (Grandmont)  
17455 Grand River  
Detroit, MI 48227

**MDHHS-Wayne-31-Grandmont-Hearings@Michigan.gov**

**Interested Parties**

BSC4  
B Sanborn  
MOAHR

**Via First Class Mail:**

**Petitioner**

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