



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
DIRECTOR

[REDACTED]

Date Mailed: February 10, 2025  
MOAHR Docket No.: 24-012892  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner**

**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 hearing was held by telephone on January 13, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Corlette Brown, Hearings Facilitator, and Helen Woodruff, Assistance Payments Worker.

**ISSUE**

Did the Department properly deny Petitioner's Family Independence Program (FIP) cash assistance effective November 1, 2024 ongoing due to excess income?

**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 October 3, 2024, the Department received an application from Petitioner for FIP benefits for herself and her three minor children (Children). (Exhibit A, pp. 6 – 12).
2. At all times relevant to her application, Petitioner's sole source of income was Retirement, Survivors, and Disability Insurance (RSDI) benefits in the amount of \$[REDACTED] per month. (Exhibit A, p. 17).
3. On October 15, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) that denied Petitioner FIP benefits for failure to comply with school attendance requirements and failure to pursue other benefits. The NOCA was issued in error. (Exhibit A, pp. 1, 13 – 14).

4. On November 13, 2024, the Department received a request for hearing from Petitioner disputing that she failed to comply with the school attendance requirements. (Exhibit A, pp. 3 – 4).
5. On November 15, 2024, the Department reprocessed Petitioner's FIP application and sent her a NOCA that denied Petitioner FIP benefits due to excess income. (Exhibit A, pp. 19 – 20).

### **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.

Petitioner requested a hearing to dispute the Department's denial of her application for FIP benefits. The Department initially denied Petitioner's application in error for failure to provide verification of school enrollment. The Department subsequently acknowledged that the denial due to school enrollment verifications was issued in error, and it reprocessed Petitioner's FIP application and denied FIP benefits due to excess income.

In order to be eligible for FIP benefits, the certified group (CG) must be in financial need. BEM 518 (July 2023), p. 1; BEM 515 (February 2024), p. 1. For purposes of FIP, financial need exists at application when the CG passes the qualifying deficit test. BEM 518, p. 1.

The Department performs the qualifying deficit test by subtracting budgetable income from the CG's payment standard (PS) for the application month. BEM 518, p. 1; see also BEM 515. The PS is the maximum benefit amount that can be received by the CG. If the CG passes the applicable tests, the CG's countable income is subtracted from the PS to determine the CG's FIP grant amount. BEM 515, p. 1. At application, the CG must have countable income that is at least \$1 less than the PS to pass the qualifying deficit test. BEM 518, p. 2. If there is no deficit, the group is ineligible for assistance.

Countable income is all income that is not specifically excluded. BEM 500 (April 2022), p. 3. The gross amount of RSDI income is counted as unearned income. BEM 503 (October 2024), pp. 30 – 32. The Department must use the group's income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month. BEM 505 (October 2023), p. 6. For FIP, budgetable income is the

amount of countable income minus any allowable earned income deductions and court ordered support payments. BEM 505, p. 3; BEM 518 (July 2023), pp. 1, 5.

Although the Department did not introduce a budget in support of its decision, there was no dispute that Petitioner receives \$[REDACTED] per month in RSDI income, has no other income, and there was no evidence that Petitioner has any court ordered support payments. Therefore, because Petitioner's CG's only income is from RSDI, the CG's budgetable income is the gross amount of RSDI in the amount of \$[REDACTED]. For FIP groups such as Petitioner's, the CG includes herself and Children, for a CG of four. BEM 210, p. 2; BEM 515, p. 1. Because there was no evidence that anyone in Petitioner's group was an ineligible grantee, the PS for Petitioner's four-person group is \$597. BEM 515, p. 1; RFT 210 (April 2017), pp. 1 – 2.

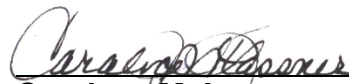
When the CG's budgetable income of [REDACTED] is subtracted from the CG's PS of \$[REDACTED], the result is \$0. Therefore, there is no deficit under the qualifying deficit test and Petitioner's CG is not eligible for FIP benefits.

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 Petitioner was ineligible for FIP benefits.

#### **DECISION AND ORDER**

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

CML/mp



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**Caralyce M. Lassner**

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**  
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**Interested Parties**  
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**Via-First Class Mail :**

**Petitioner**  
