

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. 17,264
)
Appeal of)

INTRODUCTION

The petitioner appeals a decision of PATH finding that she is not eligible for the Reach Up Financial Assistance (RUFA) program.

FINDINGS OF FACT

1. The petitioner lives with her husband and two children, aged fourteen and fifteen. In July 2001, she became unable to work due to surgery on her hands. She expects she will be able to return to work in October 2001.

2. The petitioner and her family receive Food Stamp, VHAP and Dr. Dynasaur benefits. In July 2001, the petitioner applied for RUFA (formerly ANFC) benefits for her family. She reported at that time that the family's gross income was \$1,266.35 per month based on her husband's earnings.

3. On August 13, 2001, the petitioner was notified that her application had been denied due to excess income and resources. She appealed that decision and PATH determined that her resources were no longer disqualifying. However, it

continued to maintain that her family's income was still too high for the program.

4. The petitioner believes that PATH is incorrect to use her family's gross income and that she should have received additional expense deductions for shelter costs and credit card debt, the latter of which includes several VHAP co-payments made by the family. She asserts that the family is unable to meet its expenses with its current income.

ORDER

The decision of PATH finding the petitioner ineligible for RUFA benefits is affirmed.

REASONS

The RUFA regulations provide that only persons who have income under a certain standard of need can be eligible for benefits. W.A.M. 2239. That standard of need is calculated by adding together three items: the basic need (which for a family of four is \$985), W.A.M. 2245.2; the housing allowance (which is \$388), W.A.M. 2245.3; and a special needs housing allowance of up to \$90 if there are excess shelter costs (the maximum of \$90 was granted in this case), W.A.M. 2245.23(3). The needs allowance in this case was correctly calculated as \$1,075 per month. Because RUFA funding is insufficient to meet 100 percent of each family's need, the sum total of those

figures is then reduced to a figure representing 52 percent of the total need. W.A.M. 2245.24. This reduction results in a maximum need figure of \$760.76 for a family of four. Four person families with countable income above that figure are not eligible for RUFA benefits. W.A.M. 2239.

In order to determine the countable income of any family, the regulations dictate that PATH starts with the gross earned income of the family group. W.A.M. 2253.12. From that gross earned income, the family receives an income "disregard" consisting of the first \$150 of income and 25 percent of the remainder. W.A.M. 2253.33. The calculation sheet provided by the Department shows that the petitioner received a \$429.08 disregard from her family's \$1,266.35 in gross income which is consistent with the "disregard" figures found in the regulations. There are no provisions in the regulations for the deduction of credit card, housing or medical expenses from gross income.¹ The family's countable net income was correctly determined to be \$837.47 (\$1,266.35 - \$429.08).

The petitioner's countable income of \$837.47 is in excess of the \$760.76 standard of need found in the regulations. The petitioner was thus correctly determined to have been ineligible for RUFA based on excess income. The petitioner's

¹There are provisions for the deduction of business expenses related to self-employment income and for dependent child-care expenses. W.A.M. 2253.2 and 2253.3. The petitioner's family does not have expenses in either of these categories.

assertion that her four-person family is unable to pay its bills on \$1,266.35 per month is quite credible in light of the regulation's own findings that the actual need standard for a family of four is \$1463.00 per month. However, the program admittedly only pays 52 percent of that need and, in the absence of any legal argument that this reduction is illegal, PATH's decision must be upheld as consistent with its regulations. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 17.

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