

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No: 2009-12040  
Issue No: 3002, 1015  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
March 30, 2009  
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Tyra L. Wright

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon Claimant's request for a hearing. After due notice, a hearing was held on March 30, 2009. Claimant and her grandmother personally appeared and testified. A family independence manager represented the Department.

ISSUES

Did the Department properly compute the Claimant's Food Assistance Program (FAP) and Family Independence Program (FIP) benefits?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

- (1) Claimant is a FAP and FIP benefits recipient for a group size of three. She had been receiving [REDACTED] in monthly FIP benefits and [REDACTED] in monthly FAP benefits.

- (2) In December 2008, Claimant reported that she began working at a [REDACTED] [REDACTED]. On December 11, 2008, Claimant reported that she worked 20 hours a week at an hourly pay rate of [REDACTED] (Exhibit 10). The Department worker did not request verification because the reported income would cause a decrease in her benefits.
- (3) The Department worker calculated Claimant's FIP and FAP budgets for January 2009 using the income information Claimant provided. As a result of the income information Claimant provided, her January 2009 FIP budget decreased from [REDACTED] to [REDACTED] (Exhibit 9) and her FAP budget for January 2009 remained [REDACTED] (Exhibit 11).
- (4) On January 5, 2009, Claimant submitted an Employment Verification. (Exhibit 8). The Employment Verification stated that she expected to work 20 hours a week at an hourly pay rate of [REDACTED]. At another place on the verification, it states the work schedule "varies every week." The assistant manager at the [REDACTED] [REDACTED] signed the verification on December 18, 2008. (Exhibit 8).
- (5) On January 7, 2009, Claimant came into the Department office for an annual review. At that time, she produced paycheck stubs for December 19, 2008 (Exhibit 7) and January 2, 2009 (Exhibit 6). Claimant had not worked 20 hours each week.
- (6) On the same day, January 7, 2009, the Department worker gave Claimant a Verification Checklist, DHS-3503, requesting a paycheck stub for January 16, 2009 so that worker would have income information for a full 30 days.
- (7) Claimant provided the January 16, 2009 paycheck stub before the deadline.

- (8) On January 22, 2009, the Department worker calculated Claimant's FIP and FAP budgets for February 2009 based on the 30 days of income evidence from Claimant's employment paycheck stubs from December 19, 2008 through January 16, 2009. Claimant's FIP budget increased from [REDACTED] to [REDACTED] for February 2009. (Exhibit 4). Claimant's monthly FAP allotment for February 2009 remained [REDACTED]. (Exhibit 3).
- (9) Claimant disagreed with her FIP and FAP allotment amounts for January 2009 because she did not work 20 hours per week. Claimant wants to be reimbursed on the grounds that the income used to calculate her January 2009 budgets was incorrect, resulting in an improper reduction in her FIP benefits for January 2009.
- (10) The Department received Claimant's hearing request on January 7, 2009. (Exhibit 2).

#### CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the FAP program pursuant to MCL 400.10, et seq., and MAC R 400.3001-3015. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, et seq. The Department of Human Services (formerly known as the Family Independence Agency) administers the FIP program pursuant to MCL 400.10, et seq., and MAC R 400.3101-

3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Federal law requires that FAP recipients meet income eligibility standards to receive benefits:

**Income and deductions.**

(a) *Income eligibility standards.* Participation in the Program shall be limited to those households whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Households which contain an elderly or disabled member shall meet the net income eligibility standards for the Food Stamp Program. Households which do not contain an elderly or disabled member shall meet both the net income eligibility standards and the gross income eligibility standards for the Food Stamp Program. Households which are categorically eligible as defined in §273.2(j)(2) or 273.2(j)(4) do not have to meet either the gross or net income eligibility standards. The net and gross income eligibility standards shall be based on the Federal income poverty levels established as provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)). (7 CFR 273.9)

**CLIENT DEPARTMENT PHILOSOPHY**

A group's benefits for a month are based, in part, on a prospective income determination. A "best estimate" of income expected to be received by the group during a specific month is determined and used in the budget computation.

Get input from the client whenever possible to establish this "best estimate" amount. The client's understanding of how income is estimated reinforces reporting requirements and makes the client an active partner in the financial determination process.

**DEPARTMENT POLICY**

**FIP, SDA, CDC and FAP**

A group's financial eligibility and monthly benefit amount are determined using:

- actual income (income that was already received), and/or
- prospected income amounts (not received but expected).

Only **countable** income is included in the determination (see [PEM 500](#)).

Each source of income is converted to a **standard monthly amount**, unless a full month's income will not be received (see [Standard Monthly Amount](#) in this item). (PEM 501, p. 1)

### **VERIFICATION REQUIREMENTS**

Verify income at application and at redetermination. Verify changes that result in a benefit increase or when change information is unclear, inconsistent or questionable. (PEM 505, p. 12)

In this case, on December 11, 2008, Claimant reported that she worked 20 hours per week at [REDACTED] per hour. She did not have more than one paycheck stub in December 2008 to provide to the Department. Under PEM 505, the Department worker properly used the Claimant's statement of her income without requiring verification to calculate her January 2009 budgets for FIP and FAP.

When Claimant realized that she would not always receive 20 hours per week and had, in fact, been getting less than 20 hours per week, she provided the Department additional paycheck stubs in January 2009. As a result, the Department worker then had 30 days of income information that could be used to calculate claimant's February 2009 budgets. The Department worker recalculated her FIP and FAP budgets for February 2009. The evidence provided supports a finding that the Department acted properly in computing Claimant's January 2009 and February 2009 budgets based on the information provided to the Department at the time the budgets were calculated. The undersigned has reviewed the budgets and finds them to be correct.

