

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: 2009-14564

Issue No: 3002

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

March 23, 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 23, 2009. The Claimant personally appeared and testified. Her mother also appeared and testified on her behalf. A program manager represented the Department.

ISSUE

Did the Department properly compute the Claimant's Food Assistance (FAP) 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 applied for FAP benefits on January 9, 2009 for a group size of four. (Exhibit 3). The group size included herself, her husband and two children.
- (2) Claimant's husband is employed at [REDACTED] where his gross pay is [REDACTED] weekly. The husband's income was the only earned income for the group.

- (3) Because Claimant's husband is paid weekly, in accordance with Department policies, the Department worker arrived at the group's total monthly earned income by multiplying his weekly gross income by 4.3 for a monthly earned income of [REDACTED]
- (4) By this calculation, the Department determined that the group's total earned income of [REDACTED] exceeded the income limit of \$3,534 for a group size of four.
- (5) Claimant disagreed with the Department on the grounds that it calculated her husband's weekly income by 4.3 to arrive at the group's monthly income.
- (6) The Department received Claimant's hearing request on February 6, 2009.

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).

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 505, pg. 1)

Standard Monthly Amount

A standard monthly amount must be determined for each income source used in the budget.

Stable and Fluctuating Income

Convert stable and fluctuating income that is received more often than monthly to a standard monthly amount. Use one of the following methods:

- Multiply weekly income by 4.3.
- Multiply amounts received every two weeks by 2.15.

- Add amounts received twice a month.

This conversion takes into account fluctuations due to the number of scheduled pays in a month.

Exception: Do **not** convert income for the month income starts or stops if a full month's income is not expected in that month. Use actual income received or income expected to be received in these months.

Example 1: On 10/18 the client reports being laid off from her job. She will receive one pay check in November. Stop budgeting the standard monthly amount for November. Process a change to budget only one week of wages for November. Process a change for December to remove the income entirely, unless the client reports another change.

Example 2: You are processing an application and are determining eligibility for August benefits. The client started a new job at the end of July and will be paid every two weeks. Her first check will be received on 8/7, but will be for only one week's wages. A full two-week pay check is expected on 8/21. Complete the August budget using the expected pays and do **not** convert the income to a standard monthly amount. (LOA2 will convert or not convert automatically if questions are answered correctly). Process a change for September to project a full month's pay and to convert to a standard monthly amount. (PEM 505, pg. 7-8)

Under PEM 500, all income that is "NOT specifically excluded" must be considered in calculating FAP benefits. (PEM 500, pg.1). The Department properly included the husband's earned income when determining eligibility for FAP benefits for January 2009.

Under PEM 505, the Department converts each source of income to a **standard monthly amount**, unless a full month's income will not be received. In this case, the husband is paid weekly. In accordance with PEM 505, the Department adjusts the income of individuals who are paid weekly by multiplying the weekly income by 4.3 to arrive at a monthly income figure.

Consequently, the Department properly determined that the husband's weekly earned income of [REDACTED] amounted to a monthly income of [REDACTED]. Claimant's group income of [REDACTED] -- comprised by her husband's earned income -- exceeded the income limit for a group size of four. The undersigned has reviewed the Claimant's budget for January 2009 and finds it to be correct.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department properly computed Claimant's FAP benefits.

Accordingly, the Department's action is AFFIRMED.

/s/

Tyra L. Wright
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 03/31/09

Date Mailed: 03/31/09

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

TW/dj

cc:

