

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: 2009-23625  
Issue No: 3015  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
June 30, 2009  
Monroe County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 June 30, 2009. Claimant appeared and testified.

ISSUE

Did the Department of Human Services properly deny Claimant's Food Assistance Program (FAP) application due to excess income?

FINDINGS OF FACT

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

- (1) On May 15, 2009, Claimant applied for Food Assistance Program (FAP) benefits.
- (2) On May 15, 2009, the Department ran a Food Assistance Program (FAP) financial eligibility budget. The budget showed Claimant's gross income exceeded the program gross income limit. Claimant was given notice that his application was denied due to excess income.

(3) On May 15, 2009, Claimant submitted a request for hearing.

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 (DHS or department) 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).

Claimant raised the issue that he does not receive as much money as the Department used in his financial eligibility budget. Claimant explained that he is laid off from [REDACTED], the plant he works at is in Ohio, his UAW contract calls for him to receive 95% of his base pay in the form of Unemployment Compensation Benefits (UCB) and payment from [REDACTED]. Claimant testified that \$1,058.61 a week is what he is supposed to get. Claimant contested that the Department did not use all his expenses and child support in the determination. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

**PEM 500 INCOME**

**DEPARTMENT POLICY**

**All Programs**

This item discusses income for:

- Family Independence Program (FIP).
- State Disability Assistance (SDA).
- Child Development and Care (CDC).

**Note:** Applies to all CDC Income Eligible groups.

• Medicaid (MA) which, if policy differs, is divided into:

- FIP-related MA.
- SSI-related MA.
- Specific MA categories.

• Adult Medical Program (AMP).

• TMA-Plus (TMAP).

• Food Assistance Program (FAP).

The phrase “All Programs” in this item means all the programs listed above.

The group composition and program budgeting items specify whose income to count. The program budgeting items might also contain program-specific income deductions or disregards.

Income means benefits or payments measured in money. It includes money a person owns even if NOT paid directly such as stock dividends automatically reinvested and income paid to a representative.

Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit.

Unearned income means all income that is NOT earned income.

The item specifies whether the income is earned or unearned.

The amount of income counted may be more than the amount a person actually receives because it is the amount before any deductions including deductions for taxes and garnishments. The amount before any deductions is called the **gross** amount.

**Exception:** The amount of self-employment income before any deductions is called **total proceeds**. The **gross** amount of self-employment income means the amount after deducting allowable expenses from total proceeds, but before any other deductions.

Income remaining after applying the policy in this item is called **countable**.

Count all income that is NOT specifically excluded.

**CONTRIBUTION FROM FAMILY  
AND FRIENDS  
All Programs**

Money given to a person by family or friends is the person's unearned income. Count the gross amount actually received.

**RETIREMENT  
INCOME-OTHER  
All Programs**

Refer to the specific sections in this item for policies regarding:

- Railroad Retirement Board benefits.
- Retirement, Survivors and Disability Insurance (RSDI).
- U.S. Civil Service and Federal Employee Retirement System.

Other retirement income includes annuities, private pensions, military pensions, and state and local government pensions. Count the gross benefit as unearned income.

**Exception:** Sometimes benefits are reduced because of a previous overpayment. In such cases, the reduced amount is the gross amount.

See “[Returned Benefits.](#)”

**Note:** Allowances in pension benefits for the Medicare Part B premium are not considered a reimbursement and should be budgeted as unearned income.

In this case, the Administrative Law Judge has reviewed the Food Assistance Program (FAP) budget. The Department had incorrectly budgeted Claimant as receiving 95% (\$1,058.61) of his base pay from Chrysler AND Unemployment Compensation Benefits (UCB) from the State of Ohio. It was explained to Claimant that since his gross income exceeded the limits, the computer program did not allow entry of his expenses (child support, mortgage, utilities, etc). With the UCB removed from the budget Claimant is still receiving a weekly gross amount of \$1,058.61. That equates to a monthly gross amount of \$4552.

The federal regulations at 7 CFR 273.10 provide standards for the amount of a household's benefits. The department in compliance with the federal regulations has prepared

income limit and issuance tables which are set forth at Program Reference Manual Tables 250 and 260. The income limit table provides that a household with the size of Claimant's which is categorically eligible due to enhanced domestic violence authorization is not eligible if their income exceeds \$3,534. The table also provides that the gross income limit for a household with the size of Claimant's and no senior, disabled, or veteran members is \$2,297.

In this case, Claimant is still not eligible for Food Assistance Program (FAP) benefits because his \$4,552 gross monthly income exceeds the program income limits listed above.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly denied Claimant's Food Assistance Program (FAP) application due to excess income.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHELD.

/s/ \_\_\_\_\_  
Gary F. Heisler  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: July 21, 2009

Date Mailed: July 21, 2009

**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.

GFH [REDACTED]

cc:

[REDACTED]