

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: 2009-27201
Issue No: 4013, 2001,
3002
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
July 27, 2009
Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 telephone hearing was conducted from Detroit, Michigan on July 27, 2009. The Claimant appeared and testified. Esther Beneson, FIM, and Bernice Wagg, FIS, appeared on behalf of the Department.

ISSUES

1. Did the department properly deny claimant's State Disability Assistance (SDA) application?
2. Did the department properly deny claimant's Adult Medical Program (AMP) application?
3. Is claimant receiving the correct monthly Food Assistance Program (FAP) allotment?

FINDINGS OF FACT

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

1. Claimant applied for SDA, AMP and FAP benefits on April 10, 2009.
2. Claimant has income from his employment with [REDACTED]. (Claimant Exhibit 1 pp. 1-2)
3. Claimant has expenses for shelter.
4. The department ran a SDA budget resulting in a denial of SDA benefits due to excess income. (Department Exhibit 5)
5. The department denied AMP benefits due to excess income.
6. The department ran a FAP budget and determined that claimant is entitled to \$116 in FAP benefits per month. (Department Exhibit 3)
7. Claimant requested a hearing on May 13, 2009 to contest the denial of the SDA and AMP benefits, and to contest the amount of the FAP benefits.

CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference manual (PRM).

Financial need must exist to receive FIP benefits. One step in determining financial need exists is called a "Deficit Test." To perform the deficit test, the program group's budgetable income is subtracted from the eligible group's payment standard for the benefit month. PEM 518. For a group of one, the payment standard for an eligible grantee is \$269. RFT 225. Under PEM 518, the group is not eligible for the benefit month if the budgetable income is greater than the payment standard.

Deductions are made from earned income so that families are financially advantaged by working. PEM 518. \$200 is deducted from each person's countable earnings then an additional 20% is deducted from the earnings. PEM 518. Under PEM 505, the claimant's actual gross earnings are to be used and converted to a monthly standard. Income received every two weeks is multiplied by 2.15 to take into account fluctuations due to the number of scheduled pays in a month. PEM 505.

In the present case, the claimant disagrees with amount of income the department used in the SDA budget. Department added the bi-weekly gross earnings from April 2009 (\$347.74 and \$362.24) and divided by 2 to get an average bi-weekly earning of \$354.99. The average bi-weekly earning of \$354.99 was then multiplied by 2.15 to obtain the standardized gross monthly income of \$763.

Claimant's budgetable income was determined to be \$451. This was calculated by deducting \$200 from his standardized monthly earnings of \$763, leaving \$563. An additional 20% (\$112) was also deducted from the \$563 in remaining income resulting in the calculated budgetable income of \$451. Claimant's budgetable income of \$451 exceeded the \$269 SDA payment standard for his group size.

Based upon the foregoing facts and relevant law, it is found that the department's SDA denial is AFFIRMED.

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (1115)(a)(1) of the Social Security Act, and is administered by the Department of Human Services (DHS or department) pursuant to MCL 400.10, *et seq.* Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Income eligibility for AMP exists when the program group's net income does not exceed the program group's AMP income limit. PEM 640. A claimant's gross earnings are counted toward net income. PEM 500. For the AMP program, income from an extra pay check in a month is not budgeted. Therefore, biweekly income is multiplied by 2 for conversion to a monthly income. PEM 640. The income limit for a group of one person is \$316. RFT 236.

In the present case, according to the aforementioned policy on budgeting, claimant has a net monthly income of \$709. This was calculated by adding claimant's gross bi-weekly income of \$347 and \$362 in April 2009. Claimant's net monthly income of \$709 exceeds the \$316 income limit for his group size.

Based upon the foregoing facts and relevant law, it is found that the department's AMP denial is AFFIRMED.

The Food Assistance Program, 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), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM), and the Program Reference Manual (PRM).

The federal regulations define household income to include employment income. 7 CFR 273.9(b). Stable income received every two weeks is multiplied by 2.15 to take into account fluctuations due to the number of scheduled pays in a month. PEM 505. Gross countable earned income is reduced by 20 %. PEM 550. Under 7 CFR 273.9, as amended, \$135 is deducted from the countable gross income of FAP recipients in determining FAP grants. Under 7 CFR 273.9 deductions are made for excess shelter expenses.

In the present case, according to the aforementioned policy on budgeting, claimant has a standardized gross monthly income of \$763. This was calculated by adding the bi-weekly gross earnings (\$347.74 and \$362.24) and divided by 2 to get an average bi-weekly earning of \$354.99. The average bi-weekly earning of \$354.99 was then multiplied by 2.15 resulting in the monthly standard of \$763.

Claimant's net monthly income of \$279 was obtained by reducing the standardized gross monthly income of \$763 was reduced by 20% (\$153) to \$610 then subtracting the standard deduction of \$135 and the excess shelter expense of \$196. The amount of a monthly food assistance allotment is established by regulations. 7 CFR 273.10. A household of one person with a net monthly income of \$279 is entitled to a monthly FAP grant of \$116 per month. RFT 260.

Claimant testified that these figures were correct when the budget was calculated on the May 6, 2009. However, since that date claimant testified that his earnings have decreased and his rent has increased. Department testified that they have been receiving copies of claimant's bi-weekly pay stubs and adjusted the budget accordingly on May 29, 2009. Department testified that the pay stubs since [REDACTED] show that claimant's earning have remained approximately the same.

Department testified that they have exchanged phone messages with claimant to discuss his case, but the messages left by claimant did not specify a rent increase. Claimant testified that while his rent increased in [REDACTED], he waited until the July 29, 2009 hearing to provide documentation of the rent increase to the department.

Based upon the foregoing facts and relevant law, it is found that the department's May 6, 2009 FAP determination is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly denied the SDA and AMP application and properly calculated claimant's and FAP benefits on May 6, 2009.

Accordingly, the department's SDA, AMP and FAP determinations are AFFIRMED.

/s/

Colleen Lack
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 08/28/09

Date Mailed: 09/01/09

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 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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.

CL/dj

cc:

