

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.: 2009-33331
Issue No.: 3008/2006/6019
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
September 21, 2009
Wayne County DHS (35)

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

HEARING DECISION

This matter is before the undersigned Administrative Law Judge upon pursuant to MCL 400. 9; MCL 400.37 upon claimant's request for a hearing. After due notice a telephone hearing was held on September 21, 2009 claimant was present and testified, [REDACTED] appeared for the department and testified.

ISSUE

Did the Department properly reduce claimant's FAP benefits?

FINDINGS OF FACT

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

- (1) Claimant was a FAP recipient.
- (2) The department received notification on June 5, 2009 that claimant was receiving unemployment.
- (3) A new budget was completed on June 5, 2009 using both claimant's unemployment income and her employment income.

- (4) Claimant's FAP benefit was reduced to \$402 per month with an effective date of August 18, 2009.
- (5) Claimant attempted to report her change in income to the change reporting system telephone line in early June but was told to contact her worker.
- (6) Claimant testified that her worker told her she needed a letter from her employer confirming that her employment ended.
- (7) Claimant provided a letter dated July 14, 2009 from her former employer to the department on July 17, 2009.
- (8) Claimant requested hearing on August 13, 2009 contesting the reduction in her FAP benefits.

CONCLUSIONS OF LAW

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").

Clients are required to report changes in circumstance that potentially affect eligibility or benefit amount. Changes must be reported within 10 days after the client is aware of them. These include but are not limited to, changes in" Clients must report changes in circumstance that potentially affect eligibility or benefit amount. Changes must be reported within 10 days of receiving the first payment reflecting the change.

Income reporting requirements are limited to the following:

- Earned income:
 - Starting or stopping employment.
 - Changing employers.
 - Change in rate of pay.
 - Change in work hours of more than 5 hours per week that is
 - Expected to continue for more than one month.
- Unearned income:
 - Starting or stopping a source of unearned income.
 - Change in gross monthly income of more than \$50 since the last reported change. PAM 105, pp. 7-8.

Case workers are required to explain reporting requirements to clients at application, redetermination and when discussing changes in circumstances. Changes may be reported in person, by mail or by telephone. A DHS 2240, Change Report Form, may be used by clients to reports changes, but it is not mandatory. PAM 105 at 8.

In the present case, claimant credibly testified that she attempted to report through the telephone change reporting system the termination of her employment as of May 8, 2009. The department ran a budget on June 5, 2009 that included both employment earnings and unemployment benefits. Generally speaking, one cannot draw unemployment benefits during periods when one is employed and earning wages. Claimant provided a letter on July 17, 2009 from her former employer stating that she was laid off. The Department presented no proof that claimant had employment income during this period and it was improper for employment income to be included in the June 5, 2009 FAP budgeting.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department's reduction in claimant's benefit was improper and accordingly the Department's decision is REVERSED. Claimant's benefit shall be rebudgeted and reprocessed using only the unemployment income.



Aaron McClintic
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 10/22/09

Date Mailed: 10/22/09

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.

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