

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: 2009-5758  
Issue No: 3019  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
January 29, 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 January 29, 2009. Claimant personally appeared and testified.

ISSUE

Did the Department properly close the Claimant's Food Assistance Program (FAP) case 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) Claimant was receiving FAP benefits for a group size of two.

(2) On August 26, 2008, a budget was computer generated to determine the claimant's continued eligibility.

(3) The Department worker included earned income of [REDACTED], which exceeds the income limit of [REDACTED] for a group size of two.

(4) In computing Claimant's earned income, the Department worker included her wages as a school bus driver.

(5) The Department worker erred in computing the budget because Claimant received no earned income in July 2008 and August 2008. Claimant's job as school bus driver ended in June 2008.

(6) At the hearing, the Department representative asserted that the Department worker had erred.

(7) Claimant disagreed with the Department's decision to close her FAP case on the grounds that the Department calculation of her income was incorrect.

(8) The Department received her hearing request on October 28, 2008.

#### 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)

Under PEM 500, all income that is “NOT specifically excluded” must be considered in calculating FAP benefits. (PEM 500, pg.1). The Department representative contends that the Department erred in computing Claimant’s income. Despite the fact that Claimant’s job as a bus driver ended at the end of the school year in June, the Department worker improperly continued claimant’s monthly income on her budget as if Claimant were still working. Under these circumstances, it is found that the Department closed Claimant’s FAP case based on inaccurate income information.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department improperly closed Claimant’s FAP allotment.

Accordingly, the Department's allotment decision is REVERSED.

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

Date Signed: February 2, 2009

Date Mailed: February 5, 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 of 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.

TLW

cc:

[REDACTED]