

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: 2010-15262  
Issue No: 3003  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
March 2, 2010  
Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

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, an in-person hearing was held on March 2, 2010, in Battle Creek. Claimant personally appeared and testified under oath.

The department was represented by Karen Doubleday (FIM).

ISSUE

Did the department correctly compute claimant's FAP allowance for the certification period, February 2010 to April 2010?

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 is a current FAP recipient with a household size of one.

(2) On January 12, 2010, the caseworker prepared a FAP eligibility budget for the period February through April 2010.

(3) Using the Bridges system, claimant was given a monthly FAP allowance of \$19. Claimant received proper notice of this amount.

(4) On January 12, 2010, claimant filed a timely hearing request disputing the amount of his FAP allowance.

(5) At the hearing, claimant's FAP eligibility budget was "hand calculated" as follows:

Gross Income UCB	\$1,664
Less Shelter Expense Mortgage	700
Less Heat & Utility allowance	555
Less: Child Support payments	<u>382</u>
Total deductions	\$1,637
Net FAP income	<u>27</u>
FAP allowance per tables	\$ 191

(6) Based on a sworn testimony presented at the hearing and the hand calculated budget prepared at the hearing, the previous FAP allowance (\$19) computer by Bridges is incorrect.

#### 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).

The department's current policy on the FAP eligibility budget process is as follows:

### **AGENCY/DEPARTMENT PHILOSOPHY**

The department's income budgeting policies are designed to support financial self-sufficiency by encouraging families to pursue all available means of income. We offer deductions from earned income so that families are financially advantaged by working. Stated **inaudible portion** outside income. BEM Item 518.

### **AGENCY POLICY**

#### **FIP, SDA, CDC, and FAP**

A group's financial eligibility monthly benefit amount is determined using:

- . Actual income (income that was already received and/or
- . Prospective income amount was not received but expected).

**Only countable income** is included in the determination (see BEM 500).

Each source of income is converted to a standard monthly amount unless the full monthly income will not be received (see Monthly Standard Amount). BEM 505.

The department's income and eligibility policies provide for a FAP budgeting system to determine FAP eligibility. FAP eligibility is calculated by the department's computer based on household size and earned and unearned income, if any. BEM 550; BAM 105, 110, 115 and

PRT, page 1.

The department's BEM provides that all earned and unearned income received by the household group must be counted as household income for Food Stamp eligibility purposes. BEM 500; 7 CFR 273.9.

The budget prepared under the direction of the case manager (FIM) shows the correct allowances permitted by policy for shelter expenses, heat and utility expenses and child support payments. These living expenses (\$1,637) were deducted from claimant's gross UCB income (\$1,664) for the period in question. After subtracting claimant's authorized FAP deductions from his UCB income, claimant had net FAP monthly income of \$27. Using the department's Food Assistance Program eligibility tables (RFT 260), page 1/36, effective October 1, 2009, a FAP recipient with net FAP income of \$27 is entitled to a monthly FAP allowance of \$191.

Since the previous Bridges budget awarded claimant only \$19 in monthly FAP benefits for the disputed period, the prior Bridges allotment is incorrect.

Based on a careful review of the evidence in the record, the Administrative Law Judge concludes that claimant is entitled to a monthly FAP allotment for the relevant eligibility period (February through April 2010) of \$191.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department incorrectly budgeted claimant's unearned income (UCB) and his FAP deductions for shelter expenses and heat and utilities and child support payments and incorrectly set claimant's monthly FAP allowance for the disputed eligibility period at \$19.

Based on the testimony in the record, the department is, hereby, ORDERED to issue claimant FAP benefits for the disputed eligibility period of \$191 per month.

Therefore, the department's actions are, hereby, REVERSED.

SO ORDERED.

/s/  
\_\_\_\_\_  
Jay W. Sexton  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: May 17, 2010

Date Mailed: May 17, 2010

**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.

JWS/tg

cc:

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