

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.: 2010-17347  
Issue No.: 3002, 3003  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
March 11, 2010  
Wayne County DHS (17)

ADMINISTRATIVE LAW JUDGE: Lynn Ferris

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was conducted by the undersigned on March 11, 2010. Claimant appeared and testified on his own behalf and with the assistance of an interpreter, [REDACTED]. Donna Roraback appeared on behalf of the department.

ISSUES

Whether the Department of Human Services (DHS) properly decrease the Claimant's Food Assistance Program ("FAP") benefits.

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 FAP recipient and began receiving benefits June 17, 2009. Exhibit 1.
2. Claimant has a FAP benefit group of four.

3. Claimant is part of a non-senior, non-disabled, and non veteran group.
4. Claimant timely reported a change in his income when he began receiving unemployment benefits on August 3, 2009.
5. Claimant's biweekly gross unearned income from unemployment is \$774.00.
6. Claimant's rent is \$700 per month.
7. Claimant is responsible for paying heat.
8. DHS calculated Claimant's monthly FAP benefit amount to be \$349.00 per month beginning 11/1/2009. Exhibit 2.
9. The Department sent a Notice of Case Action on October 16, 2009 advising the Claimant that the Food Assistance benefits would be decreased effective November 1, 1009 to \$349.00 per month. Exhibit 6.
10. Claimant filed a Hearing Request on October 21, 2009 objecting to the amount of his decrease in 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 Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Reference Table Manuals ("RFT").

DHS processed a FAP budget for Claimant beginning October 16, 2009. The budget was required because the Claimant had reported a change in his income and that he had begun receiving unemployment benefits. Claimant does not dispute any of the information used by

DHS in calculating the FAP budget. Claimant is disputing the calculated FAP benefit amount reduction to \$349.00 per month. BAM 556 directs how FAP benefits are calculated.

Claimant reported bi-weekly unemployment benefits of \$774.00. The bi-weekly check was multiplied by 2.15 to convert the income into a full month and results in a monthly gross income of \$1,664.

Claimant's income, representing his total monthly gross income, is derived from unearned income received as unemployment benefits.

BEM 556 also requires a standard deduction based on Claimant's FAP group size (4 persons) of \$144. Subtracting the standard deduction from \$1,664 creates an adjusted gross income of \$1520. ( $\$1664 - \$144 = \$1,520$ ).

Claimant's housing expense is \$700 and, by paying heat, Claimant receives the maximum \$555 utility standard expense. Claimant's total shelter expenses are calculated by adding his housing expenses credit (rent) with utility expenses. ( $\$700 + \$555 = \$1,255$ ); Claimant's total shelter expense is \$1255.

Claimant's excess shelter amount is \$495; the difference between Claimant's housing costs (\$1255) and half of Claimant's adjusted gross income (\$760). In Claimant's circumstances, the excess shelter amount (\$495) is more than the shelter maximum deduction of \$459. Exhibit 5.

The lesser of the excess shelter costs or maximum shelter deduction is to be subtracted from Claimant's adjusted gross income of \$1520 to determine Claimant's net income ( $\$1520 - \$459 = \$1,061$ ). In the present case, Claimant's net income is \$1,061. Per RFT 260 the correct amount of FAP benefits for a group of four with a net income of \$1061 is \$349 per month.

Based upon a review of the Department's budget, it is found that the Department properly calculated the Claimant's FAP benefits amount and that the benefits were decreased properly.

As explained to the Claimant during the hearing, an increase income can result in a decrease of FAP benefits as occurred in this case.

The Claimant is encouraged to report and verify any reductions in his unearned income received through unemployment benefits to DHS. By doing so, Claimant may, though not necessarily, be entitled to an increase in FAP benefits in future months.

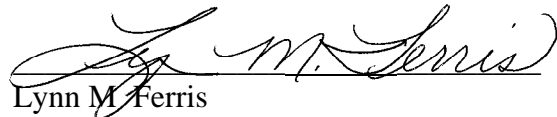
DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly calculated Claimant's FAP beginning November 1, 2009.

Accordingly, it is ORDERED

The Department's determination of the Claimant's FAP reduction is AFFIRMED.

The Claimant request for hearing is hereby DISMISSED.



Lynn M. Ferris  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 03/26/10

Date Mailed: 03/26/10

**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.

LMF/dj

2010-17347/LMF

cc:

