

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.: 2010-24063
Issue No.: 3002, 3003
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
March 31, 2010
Wayne County DHS (15)

ADMINISTRATIVE LAW JUDGE: Jan Leventer

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37 and Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan, on March 31, 2010. Claimant appeared and testified. [REDACTED], appeared and testified on behalf of the Department of Human Services (DHS).

ISSUE

Whether DHS properly calculated Claimant's Food Assistance Program (FAP) allotment?

FINDINGS OF FACT

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

1. Prior to March 1, 2010, DHS calculated Claimant's total gross monthly income to be \$1,591.

2. DHS reduced Claimant's FAP benefits to \$278 per month effective February 27, 2010, based on its income calculation.
3. Claimant disputes:
 - a. the use of the 2.15 multiplier number used to calculate her monthly income;
 - b. the \$144 standard deduction as it does not include her rent and bills;
 - c. the \$150 limit for the shelter deduction; and
 - d. the absence of a utility deduction.
4. Claimant requested a hearing by filing a written Notice with DHS on February 24, 2010.

CONCLUSIONS OF LAW

FAP, formerly known as the Food Stamp program, was established by the Food Stamp Act of 1977 and is implemented by Federal regulations found in Title 7 of the Code of Federal Regulations (CFR). DHS administers FAP pursuant to MCL 400.10 *et seq.* and Michigan Administrative Code Rules 400.3001-3015. DHS' FAP policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT). These manuals are available online at www.mich.gov.

In this case, DHS reduced Claimant's FAP benefits based on her income. BEM 500 states that income is a benefit or payment received by an individual which is measured in money. Earned income is income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Unearned income is all income that is not earned. Gross income is the amount of income before any deductions, such as taxes or

garnishments. Gross income may be *more* than the actual amount an individual receives. BEM 500, p. 3; *see also*, BEM 503.

BEM Item 505 states that a group's financial eligibility and monthly benefit amount are determined by converting the person's income to a standard monthly amount. The use of a conversion formula creates a monthly income figure that will not fluctuate (change) from month to month, making benefits more regular and predictable. A month is considered to be 4.3 weeks for purposes of this calculation. So, if a person has a weekly income, that amount of money is multiplied by 4.3 weeks to arrive at a monthly income amount. Similarly, if a person has a biweekly income, that number is multiplied by 2.15 weeks and the result is multiplied by 2 in order to arrive at a standardized monthly income figure. BEM 505, pp. 1, 6-7. I conclude that Claimant's countable income was calculated using the proper standardization formula in BEM 505.

Regarding the standard deduction, BEM 550 provides that every case is allowed the standard deduction shown in RFT 255. Looking then at RFT 255, the standard deduction for a recipient group of 4 is \$144. This standard deduction is not allocated for the purpose of any particular household expense, but is a more general deduction that reduces the amount of countable income with which a person is credited. I conclude that Claimant in this case received the benefit of this mandatory deduction.

BEM Item 554, "FAP Allowable Expenses and Expense Budgeting," states that DHS uses only certain specific expenses to determine net income for FAP eligibility and benefit levels. For a FAP family group that has no senior citizen, disabled person, or disabled veteran, the gross income calculation can be reduced by the following deductions to arrive at a net income amount: dependent child care expense, excess shelter costs, including utilities, up to the

maximum in RFT 255 (\$459), and court-ordered child support and arrearages that are paid out to non-household members. I conclude that, in this case, Claimant was entitled to \$150, as her shelter/utility expense exceeded the maximum for her group by only \$150. I conclude, therefore, that DHS correctly calculated the shelter deduction in this case. BEM 554, p. 1; *see also*, BEM 556, pp. 4-5.

I find that DHS calculated Claimant's countable income correctly. I find that DHS followed its policies and procedures in this process. DHS' reduction of Claimant's FAP benefits is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that DHS is AFFIRMED. DHS need take no further action.



Jan Leventer
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: April 9, 2010

Date Mailed: April 12, 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 90 days of the filing of the original request.

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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.

JL/pf

cc:

