

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.: 2010-29271

Issue No.: 3015

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:

May 20, 2010

Oakland County DHS (02)

ADMINISTRATIVE LAW JUDGE: Lynn M. 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 on May 20, 2010 from Detroit, Michigan. Claimant appeared and testified. Roslyn Boyle, Assistant Supervisor and Jonette Greene, ES appeared on behalf of the Department.

ISSUE

Whether the Department of Human Services (DHS) properly closed the Claimant's Food Assistance Benefits when it calculated Claimant's Food Assistance Program ("FAP") benefits beginning with benefit month, 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 had a FAP certification period beginning 10/26/09 through 3/31/10.

2. Claimant has a FAP benefit group of three.
3. Claimant's biweekly gross employment earnings were \$1348.87, \$1414.13 and \$1395.26 for representing 3 biweekly checks for the month of February 2010 and March 2010.
4. The Claimant's gross income based on these earnings is \$2980.00.
5. The Claimant's Net income is \$1993.00.
6. Both, the Claimant's gross income and net income, exceeds the allowable limits.
7. The Gross income limit for a group of three persons is \$1984 as established by RFT 250.
8. The Net income limit for a group of three persons is \$1526 as established by RFT 250.
9. Claimant's rent is \$611.58.
10. Claimant is responsible for paying heat.
11. DHS calculated Claimant's FAP budget for the benefits period beginning 4/1/10 and found the Claimant ineligible and the benefit amount to be \$0 as her gross income and net income per month exceeded the limits making the Claimant's FAP group ineligible to receive FAP benefits. Exhibit 1
12. Claimant filed a Hearing Request on 3/28/10 objecting to the termination of her FAP benefits by the Department.

#### 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 4/1/2010. Claimant does not dispute the wage information used by DHS in calculating the FAP budget. Claimant is disputing the finding of ineligibility due to excess income. BAM 556 directs how FAP benefits are calculated.

Claimant submitted bi-weekly pay stubs to verify her employment income. Three pay stubs were used to verify a gross income amount by the Department. The amount of the pay stubs covering February and March income in 2010 were \$1348.87, \$1414.13 and \$1395.26. The average check amount of \$1386 was multiplied by 2.15, to convert the income into a full month, results in a monthly gross income of \$2980. Thus, the Department properly computed the Claimant’s gross income and it exceeds the gross income limit of \$1984. This result makes the Claimant’s FAP group ineligible.

The Department’s computerized system found the claimant’s group was also ineligible for FAP utilizing the Net Income Test. BEM 556 requires calculating FAP benefits based on 80% of a client’s earned income. That total, dropping cents, is \$2384.00 ( $\$2980 \times .8$ ). BEM 556 also requires a standard deduction based on Claimant’s FAP group size (3 persons) of \$132. Subtracting the standard deduction from \$2384 creates an adjusted gross income of \$2252.

Claimant’s housing expense is \$840.90 and by paying heat, Claimant receives the maximum \$555 utility standard expense. Claimant’s total shelter expenses are calculated by

adding her housing expenses credit with utility expenses. Claimant's total shelter expense is \$1395.

Claimant's excess shelter amount is \$269; the difference between Claimants's housing costs (\$1395) and half of Claimant's adjusted gross income (\$1126). In Claimant's circumstances, the excess shelter amount (\$269) is less than the shelter maximum deduction of \$459.

The lesser of the excess shelter costs or maximum shelter deduction is to be subtracted from Claimant's adjusted gross income to determine Claimant's net income. In the present case, Claimant's net income is \$1993 (\$2252 - \$259) which exceeds the net income limit for a FAP group of 3 which is \$1526.

Based upon the foregoing analysis, it is found that the Department properly calculated the Claimant's FAP budget and properly denied the Claimant FAP benefits.

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 4/1/10. Accordingly, the Department's FAP reduction is AFFIRMED.



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

Date Signed: 05/25/10

Date Mailed: 05/26/10

**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

cc:

