

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201038168
Issue No.: 3002
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: July 1, 2010
Wayne County DHS (18)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 held on July 1, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Manager, and [REDACTED] Specialist, appeared and testified.

ISSUE

Whether DHS properly reduced Claimant's Food Assistance Program (FAP) benefits to \$16 effective 7/1/10.

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 an ongoing FAP recipient.
2. Claimant had employment with Ace Hardware and reported an employment monthly income of \$725/month.
3. Claimant submitted a notice of unemployment benefits (Exhibit 5) to DHS in 5/2010 with the intention of reporting commencement of unemployment benefits and separation from his employer.

4. DHS did not receive Claimant's submission.
5. On 5/21/10, the DHS database, Bridges, recalculated Claimant's FAP benefits based on automatic reporting of unemployment compensation (UC) from a data exchange from Michigan Unemployment Agency.
6. Based on the added UC income, Claimant's FAP benefits were reduced to \$16/month beginning 7/1/10.
7. Claimant submitted a hearing request on 6/1/10 disputing the reduction of FAP benefits, specifically contending that the employment income should have been removed from Claimant's FAP benefits after Claimant reported commencement of unemployment benefits.

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 CML 400.10 *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Program Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 at 7. Changes must be reported within 10 days of receiving the first payment reflecting the change. *Id.* DHS is required to complete a budget when made aware of or the client reports a change in income that will affect eligibility or benefit level, or when a reported change results in the need to convert income to or from a standard monthly amount. BEM 505 at 7.

In the present case, Claimant contends he submitted a document concerning commencement of his unemployment compensation (UC) income. Exhibit 5. Claimant testified that the document was submitted through the DHS drop box. Claimant stated that he did not sign a drop box log which would have tended to verify that Claimant submitted the document to DHS. DHS testified that the document was not received. Based on the DHS testimony and Claimant's failure to sign the drop box log, it is found that Claimant did not submit the UC income document.

Even if it was found that Claimant submitted the UC income document, it would not necessarily follow that Claimant reported separation from his employment. Commencement of unemployment compensation signals to DHS that some change in employment occurred, but it is not a reporting of a specific employment change. The

change in employment could be a temporary lay-off, a permanent job separation or a reduced work schedule; these are all employment changes that could lead to receipt of UC benefits. It is still the client's responsibility to report changes, not for DHS to proactively request updates from clients. It is found that even if Claimant reported commencement of UC benefits, Claimant did not sufficiently report separation from his employer.

DHS had no other reason to know of Claimant's employment separation. As it is found that Claimant did not report that his employment stopped, it is also found that DHS had no reason to remove Claimant's employment income from the FAP benefit calculation. It is found that DHS properly reduced Claimant's FAP benefits for 7/2010.

As discussed in the hearing, DHS will consider Claimant's testimony that his employment ended as a report of an employment change. DHS is expected to process the change in accordance with their policies; if Claimant timely verifies the change, Claimant's FAP benefits would be affected for 8/2010.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly reduced Claimant's FAP benefits effective 7/1/10.



Christian Gardocki
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: 07/02/2010

Date Mailed: 07/02/2010

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 of the rehearing decision.

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