

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.: 2010-53643  
Issue No.: 3003  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: October 6, 2010  
Wayne County DHS (17)

**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 held on October 6, 2010. Claimant appeared and testified, as did her spouse [REDACTED]. [REDACTED], FIM appeared on behalf of the department.

**ISSUE**

Whether the Department of Human Services (DHS) properly calculated the Claimant's Food Assistance budget and properly determine the gross earned income of the Claimant's son when it calculated Claimant's Food Assistance beginning with benefit month August 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 redetermination on 8/03/10. As a result of the redetermination the claimant's FAP benefits were reduced. Exhibit 1
2. The claimant's FAP benefits reduced because the claimant's son had earnings which had previously not been included in the claimant's FAP budget.
3. The department utilized pay stubs from the last 30 days prior to the redetermination. The pay stubs utilized by the department was for the he paid. And being July 30, 2010 the claimant's gross earned income was

\$688.76 for the pay. July 16, 2010 the claimant's gross earned income was \$662.47. Exhibit 2

4. The claimant properly computed the gross monthly earned income from the claimant's son's employment to be \$1452. This amount was included in the calculation of the group's gross income. Exhibit 3
5. The claimant's spouse received SSI in a monthly amount of \$688. This amount was confirmed at the hearing as correct by the claimant. Exhibit 2
6. The claimant's housing expense was \$924.28. The claimant was afforded a heating expense in the amount of \$588. The Claimant's Excess Shelter Deduction is \$658. Exhibit 5.
7. The claimant's FAP budget as calculated by the department is correct and the benefit amount of \$211 is also correct. The claimant's FAP benefits increased due to the annual cost of living granted to FAP recipient computing benefits. Exhibit 4
8. The Claimant's Net income is \$1050.00. Exhibit 4
9. Both the Claimant's gross income and net income is within the allowable limits.
10. As the claimant's group is an SDV group, the claimant's spouse is disabled and receives SSI, the Gross income limit is not applicable to the group. RFT 250.
11. The Net income limit for a group of three persons is \$1526 as established by RFT 250.
12. DHS calculated Claimant's FAP budget for the benefits period beginning 10/1/10 and found the Claimant eligible and the benefit amount to be \$211.
13. The claimant requested a hearing on September 2, 2010 protesting the amount of earned income attributed to her son and utilized in computing the group's FAP benefits. The department received the request for the hearing on September 2, 2010.

### **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 Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

DHS processed a FAP budget for Claimant beginning 8/31/2010. Claimant did dispute the earned income wage information used by DHS in calculating the FAP budget. A thorough review of the earned income calculation demonstrates that the department properly calculated the earned income.

Claimant submitted bi-weekly pay stubs to verify the employment income. Two pay stubs were used to verify a gross income amount by the Department. The amount of the pay stubs covering July 2010 were, \$688.66, and \$662.47. The average check amount of \$675.61 was multiplied by 2.15 to convert the income into a full month, results in a monthly gross earned income of \$1452. The Department properly computed the Claimant's total gross income to be \$2140. ( $\$688 + \$1452$ )

Claimant's housing expense is \$840.90 and by paying heat, Claimant receives the maximum \$588 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 \$658.

Claimant's excess shelter amount is \$658; the difference between Claimant's housing costs (\$1512) and half of Claimant's adjusted gross income (\$854) ( $\$1708 \div 2 = \$854$ ).

The shelter costs are to be subtracted from Claimant's adjusted gross income. To determine Claimant's adjusted gross income several items must be deducted from the gross income amount of \$2140. The first deduction is the earned income deduction which is 80% of the earned income ( $\$1452 \times .8 = \$291$ ) and deducting it from the total income of \$2140 and deducting the standard deduction for a FAP group of 3 person of \$141. RFT 255. The Adjusted Gross income is correct as calculated at \$1708.

The final step is to determine net income. Net income is determined by taking adjusted gross income of \$1708 and deducting the shelter expense of \$658 which yields net income of \$1050.

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The Food assistance amount is then determined by consulting a table found in RFT 260 which sets forth the benefit entitlement amounts based upon net income and group size of 3 persons. In this case the Claimant's monthly FAP benefit amount of \$211 is correct.

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



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

Date Signed: 10/07/2010

Date Mailed: 10/07/2010

**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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