

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: 201010632  
Issue No: 3002  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
January 20, 2010  
Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Jeanne M. VanderHeide

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 January 20, 2010. The Claimant appeared and testified. Diane Barnett, ES and Valeria Bell, FIM appeared on behalf of the Department.

ISSUE

Whether the Department properly computed the Claimant's Food Assistance ("FAP") benefits effective 8/1/09.

FINDINGS OF FACT

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

1. The Claimant's application for FAP benefits was processed on 9/8/09 after a transfer from Genesee County. (Exhibit 1, pp. 1-16).
2. A Food Assistance Budget was compiled. (Exhibit 1, pp. 20-35).
3. Claimant reported a household group of five (5) people.

4. Claimant testified that she has earned income in the amount of \$500.00 per month.
5. Claimant's husband had income of \$1057.00 per month based on paystubs for the month of August. (Exhibit 1, p. 19).
6. Claimant also receives \$800.00 per month in rent from a home that is owned. (Exhibit 1, p. 38).
7. The Claimant testified that her current rent and utilities are paid for by her employer. (See also Exhibit 1, p. 36). Claimant pays \$270.00 per month for the rental property. (Exhibit 1, p. 37). Claimant also is responsible for \$152.34 per month for home repair loan. (Exhibit 1, pp. 26-29). Claimant pays the equivalent of \$155.00 per month for property taxes and \$47.00 per month in home owner's insurance. (Exhibit 1, p. 39&40).
8. Following the budget, monthly FAP benefits were calculated in the amount of \$109.00. Said benefits increased to \$175.00 per month as of 10/1/09.
9. Claimant objected to the FAP calculation and filed this appeal. The Department received the Claimant's Request for Hearing on November 5, 2009.

#### 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 Program Administrative Manual ("PAM"), the Program Eligibility Manual ("PEM"), and the Program Reference Manual ("PRM").

The federal regulations define household income to include all earned income. 7 CFR 273.9(b). All monthly income must be converted to a nonfluctuating monthly amount. Only 80% of earned income is counted in determining FAP benefits. PEM/BEM 550. Under 7 CFR 273.9, as amended, \$135.00 is deducted from the gross income of FAP recipients in determining FAP grants. Under 7 CFR 273.9 deductions for excess shelter are also made. PEM/BEM 554. Id. There is a standard heat and utility deduction as well as a standard deduction for telephone bills. Id. The standard deductions are a set amount that is applied regardless of the actual expenses incurred by the Claimant.

When calculating the benefit amount, according to PEM/BEM 556, the Shelter set offs are added together to equal A. The income after deductions is divided by two and equals B.  $A - B = C$ . The lesser of C or the maximum shelter amount set forth in RFT 255 will be deducted from the reduced income in determining the final net amount. The amount of food assistance allotment is established by regulations at 7 CFR 273.10 based on a group's net income.

In the present case, according to the aforementioned policy on budgeting, Claimant's shelter costs equal  $\$270 + \$152 + 155 + 47 = \$624.00$  (A). 50% of the income less deductions = \$923 (B).  $(A - \$624) - (B - \$923) = \$0.00$ . Claimant, therefore, has a net monthly income of \$1,882.00. This was obtained by subtracting the standard deduction of \$163.00 and the excess shelter amount of \$0.00 from 80% of the gross income of \$1557.00 plus unearned income of \$800 from the rental property. A household of five people with a net monthly income of \$1,882.00 was entitled to a monthly FAP grant of \$228.00 per month for all relevant months. RFT 260.

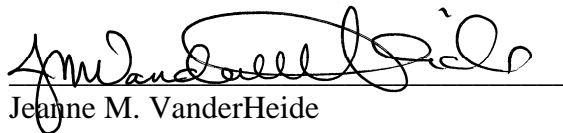
Based upon the foregoing facts and relevant law, it is found that the Department's determination is REVERSED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department improperly calculated the Claimant's FAP allotment.

Accordingly, it is ORDERED:

1. The Department's FAP calculation is REVERSED.
2. The Department shall reprocess Claimant's FAP case from August 1, 2009 through the present using the budget as set forth above.
3. The Department shall supplement Claimant with any lost benefits she was otherwise entitled to receive.



Jeanne M. VanderHeide  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 03/10/10

Date Mailed: 03/11/10

**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.

JV/dj

cc:

