

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.: 2010-32666
Issue No.: 3002
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
May 24, 2010
Oakland County DHS (2)

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 conducted from Detroit, Michigan on May 24, 2010. Claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly reduced Claimant's Food Assistance Program benefits beginning 5/1/10 due to commencement of unemployment income.

FINDINGS OF FACT

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

1. As of 3/2010, Claimant was an ongoing Food Assistance program (FAP) recipient receiving \$367/month in FAP benefits.

2. As of 3/2010, Claimant is part of a non-senior, non-disabled, non-disabled veteran FAP benefit group of two persons.
3. As of 3/2010, Claimant has monthly rent expenses of \$805/month, is responsible for a heat obligation and claims monthly dependent care expenses of \$300/month.
4. On 3/26/10, DHS received notice that Claimant began receiving gross Unemployment Compensation (UC) of \$774/2 weeks. Exhibit 2.
5. Of Claimant's UC income, \$50/2 weeks was contributed by the [REDACTED]
[REDACTED]
6. Claimant receives approximately \$12/month in child support.
7. On 3/26/10, DHS budgeted Claimant's UC income causing a reduction in FAP benefits to \$163/month effective 5/2010. Exhibit 3.
8. Claimant submitted a hearing request on 4/15/10 regarding the 5/2010 reduction in her FAP benefits.

CONCLUSIONS OF LAW

The Food Assistance Program (formerly known as the Food Stamp 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 MCL 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 Reference Tables Manual (RFT).

DHS processed a FAP benefit reduction for Claimant to be effective 5/2010. DHS processed the budget in response to a notice that Claimant began receiving UC income.

Claimant does not dispute any of the information used by DHS in calculating the FAP budget. Claimant is disputing the calculated FAP benefit reduction to \$163 per month. BEM 556 directs how FAP benefits are calculated.

Claimant receives \$774/2 weeks in gross UC income. Of the \$774, \$50 comes from “stimulus” money which is part of the [REDACTED]. Per Bridges Policy Bulletin 2010-008, DHS is not to budget the “stimulus” portion of the UC income.

Biweekly income is multiplied by 2.15 to convert the income into a full thirty days of income. BEM 505. Multiplying the budgetable portion of UC income (\$724) by 2.15 results in a 30 day gross income amount of \$1556.

Claimant testified she received very erratic child support. DHS did not indicate Claimant received child support. DHS appears to be budgeting approximately \$12/month in child support based on the submitted budget. Exhibit 3. This amount would be consistent with Claimant’s testimony that she received erratic and nominal child support payments payment and the FAP budget (Exhibit 3) which indicates a total monthly income of \$1568.

Claimant’s total gross employment income is found by adding her gross budgetable UC income (\$1556) with her monthly child support of \$12. The total FAP group gross income is \$1568/month.

DHS is crediting Claimant with \$300/month in dependent care expenses. This amount was not disputed.

Claimant receives a standard deduction of \$132. RFT 255. The standard deduction is a standard credit given to FAP groups based on their group size.

Claimant's adjusted gross income is \$1136. That amount is calculated by taking Claimant's FAP group income (\$1568) subtracting the standard deduction (\$132) and subtracting Claimant's dependent care expenses (\$300).

Claimant's housing expense is \$805 and by paying heat, Claimant receives the maximum \$555 utility standard expense. Note that a client may be responsible for payment of other utilities; however, by paying heat, Claimant receives the maximum utility credit. Claimant's total monthly shelter expense is \$1360.

Claimant's excess shelter amount is \$792; the difference between Claimants' housing costs (\$1360) and half of Claimant's adjusted gross income (\$568). In Claimant's circumstances, the excess shelter amount (\$792) is more than the shelter maximum deduction of \$459. As a FAP group without a senior, disabled or disabled veteran member, Claimant's excess shelter is capped at the \$459 amount.

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 \$677. Per RFT 260 the correct amount of FAP benefits for a group of 2 with a net income of \$677 is \$163 per month. It is found that DHS properly calculated Claimant's FAP benefits for 5/2010 to be \$163/month.

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 to \$163 per month effective 5/2010.

Christian Gardocki

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

Date Signed: 6/7/2010

Date Mailed: 6/7/2010

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 date of the rehearing decision.

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