

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: 2010-40299

Issue No: 3015, 6019

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

July 22, 2010

Lapeer County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on July 22, 2010. Claimant appeared and testified.

ISSUES

Did the Department of Human Services properly close Claimant's Food Assistance Program (FAP) case due to excess income?

Did the Department of Human Services properly stop Claimant's Child Development and Care (CDC) benefits due to excess 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) Claimant was an ongoing recipient of Food Assistance Program (FAP) benefits

under the Simplified Reporting category. Claimant was also receiving Child Development and Care (CDC) benefits. Claimant and her husband are self-employed.

(2) On March 30, 2010, Claimant was sent a Verification Checklist (DHS Form 3503) requesting verification of self-employment income and expenses.

(3) On April 4, 2010, Claimant submitted 2009 income tax information.

(4) On April 16, 2010, Claimant submitted detailed income and expense information.

(5) On May 17, 2010, Claimant's DHS case worker reviewed the income and expense information. After discounting expenses that are not allowed under DHS policy and expense verifications not acceptable under DHS policy, the worker calculated that a standard 25% expense figure was larger than properly verified expenses. Financial eligibility budgets were run using the updated income information. The budgets showed that Claimant was not eligible for Food Assistance Program (FAP) benefits or Child Development and Care (CDC) benefits due to excess income. Claimant was sent a Notice of Case Action (DHS-1605) describing the change in benefits.

(6) On May 20, 2010, Claimant submitted a request for hearing.

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 (DHS or department) 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 Program Reference Manual (PRM).

The Child Development and Care program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

At this hearing Claimant testified that she had met with a DHS supervisor and the Department's income policies and requirements had been discussed thoroughly. Claimant did not dispute that the expense receipts she had submitted were not acceptable under DHS policy. Claimant argued that the DHS case worker could have generated a phone call to her informing her that the receipts were not adequate and requesting additional information.

The Department policy on self-employment income states "allowable expenses are the higher of 25 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses." That language places the burden of adequate verifications on the client, not the DHS case worker. While the DHS case worker could have generated a phone call to Claimant informing her that the receipts were not adequate, the case worker is not required to do so. The Department action in determining Claimant's self-employment income was done in accordance with Department policy.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly closed Claimant's Food Assistance

Program (FAP) case and stopped Claimant's Child Development and Care (CDC) benefits due to excess income.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHELD.

/s/

Gary F. Heisler
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: July 23, 2010

Date Mailed: July 26, 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.

GFH/alc

cc:

