

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: 2011 14113
Issue No: 3003
Case No: [REDACTED]
Hearing Date:
February 9, 2011
Wayne County DHS (18)

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 claimant's request for a hearing. After due notice, a telephone hearing was held in Detroit, Michigan on February 9, 2011. The Claimant appeared on his own behalf. Titicia Rosen, FIM appeared on behalf of the Department.

ISSUE

Whether the Claimant's Food Assistance (FAP) Budget was properly computed

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 is a Food Assistance (FAP) recipient and currently receives FAP benefits of \$16 per month. Exhibit 4
- (2) Since applying for FAP benefits in 2009, the Claimant began receiving unemployment benefits in December 2010, and the Department's computer system recalculated the Claimant's FAP budget based upon the information it received in December 2010.

- (3) The Department's information indicated that the Claimant was receiving Unemployment benefits as of December 11, 2010, \$258 gross per week. Exhibit 2
- (4) The Claimant confirmed receipt of UCB on that date but resumed working at his job after that date and received only one week of unemployment benefits.
- (5) The Claimant did not report to the Department that he was receiving unemployment benefits within ten days of receiving those benefits and also did not report returning to work and any change in income.
- (6) The Claimant's FAP benefits were decreased by the Department due to the change in the Claimant's unearned income from receipt of unemployment benefits by notice of Case Action dated December 31, 2010. Exhibit 6
- (7) The Department correctly determined the Claimant's gross monthly unearned income from unemployment benefits to be \$1001. Exhibit 3 and 4
- (8) The Department also credited the Claimant for \$588 in utility deductions and did not include the Claimant's current rent as no rent was reported nor was a shelter verification in the Claimant's file. Exhibit 5
- (9) The Department's calculation of the Claimant's FAP benefits for the month of February 2011 in the amount of \$16.00 is correct.
- (10) At the hearing, the claimant testified he paid rent in the amount of \$425 per month and had resumed working in December. The Department did not include the Claimant's rent in the calculation of the Claimant's FAP

budget as it had no knowledge of the rent amount or a verification of the rent amount. T

- (11) Four original pay stubs of the Claimant's were in the hearing file and were date stamped as received by the Department January 7, 2010. Since the hearing, copies of these pay stubs have been provided to the Department by fax after the hearing so they can be placed in the Department's file for consideration.
- (12) The Claimant requested a hearing on January 7, 2011 regarding his food assistance benefit amount. The Claimant's request was received by the Department on January 7, 2011.

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 Bridges Reference Manual (BRM).

When determining eligibility for FAP benefits, the household's total income both earned and unearned income must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. BEM 500. A standard deduction from income of \$141 is allowed for a household of one. Certain non-reimbursable medical expenses above \$35 a month may be deducted for senior/disabled/veteran group members. Another deduction from income is provided if

monthly shelter costs are in excess of 50% of the household's income after all of the other deductions have been allowed, up to a maximum of \$300 for non-senior/disabled/veteran households. BEM, Items 500 and 554; RFT 255; 7 CFR 273.2. A standard Utility deduction of \$588 is granted to all individuals. RFT 255. BEM 554. Any other expenses are considered non-critical, and thus, not allowed to be deducted from gross income. Furthermore, RFT 255 states exactly how much is allowed to be claimed for each deduction.

In this case, the Administrative Law Judge has reviewed the FAP budget numbers contained in the Notice of Case Action and finds that the Department properly computed the claimant's gross income. The monthly gross unearned income amount must be counted and was determined by first deducting from the gross amount of \$258 a federal stimulus supplement in the amount of \$25 which cannot be included when computing gross income as required by BPB 2010-008. Subtracting \$25 leaves gross weekly income of \$233. In order to determine the gross monthly income the weekly income of \$233 is multiplied by 4.3 as required by policy which yields \$1001 which is the monthly gross income used by the Department in computing the Claimant's FAP benefits. BEM 500 Exhibits 3 and 4

WHEN TO COMPLETE A BUDGET

FIP, SDA, RAP, CDC and FAP

Client reporting requirements **do not** necessarily affect when a budget must be completed.

Complete a budget when either:

The Department is made aware of or the client reports a change in income that will affect eligibility or benefit level.

The Department correctly ran a new FAP budget based upon its discovery of the receipt of unemployment benefits. The Budget as computed is correct and is based on the Department's best estimate of income for the month the change occurred. BEM 505.


The Claimant is urged to provide the Department with his current monthly rent and current earned income from his employment so a correct FAP budget can be calculated for future months. Clients are required to report any change to the Department within 10 days of an occurrence of change. BAM 105 and BAM 200

The Administrative Law Judge has reviewed the FAP budget and found no errors as it is based on the best information available to the Department at the time the budget was computed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to award claimant a FAP allotment of \$16 for the months of February 2011 was correct.

Accordingly, the Department's decision is AFFIRMED.



Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 02/15/11

Date Mailed: 02/16/11

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.

LMF/dj

cc:

