

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: 201115251
Issue No: 3002; 3003
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
March 23, 2011
Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 hearing was held on March 23, 2011.

ISSUE

Was the claimant's FAP allotment computed and allocated correctly?

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 a FAP applicant in Wayne County.
- (2) Claimant's benefit application of January 6, 2011 indicated that she had been working for the [REDACTED], but left employment on [REDACTED], 2011.
- (3) Claimant stated that she had no income at the time of application.

- (4) The Department processed claimant's benefit application on January 7, 2011.
- (5) During this processing, the Department consulted the Work Number database, which showed that claimant was still employed, but did not show income for the year 2010.
- (6) The Department processed claimant's FAP application as if claimant was still working and receiving income.
- (7) Claimant's gross earned income was thus incorrectly calculated.
- (8) Claimant was considered income ineligible for FAP benefits, and her application was denied on January 7, 2011.
- (9) The Department did not attempt to resolve the discrepancy between the claimant's application statements and the Work Number database results.
- (10) Claimant filed for hearing on January 14, 2011, alleging that DHS incorrectly computed her FAP budget by taking into account the incorrect Work Number figures.
- (11) Claimant was represented at hearing by [REDACTED] of [REDACTED] [REDACTED].

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 must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. BEM, Item 500. A standard deduction from income of \$132 is allowed for certain households. 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 \$459 for non-senior/disabled/veteran households. BEM, Items 500 and 554; RFT 255; 7 CFR 273.2. Only heat, electricity, sewer, trash and telephone are allowed deductions. 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.

However, before determining eligibility, the client must be given a reasonable opportunity to resolve any discrepancy between their statements and information from another source. BAM 130.

In this case, the Administrative Law Judge has reviewed the FAP budget, and finds that the Department incorrectly computed the claimant's gross income. The Department used Work Number database information to determine eligibility, as proscribed by BEM 500. However, this database information was clearly in conflict with claimant's application statements, where she wrote that she had left the job in question on December 16, 2010—three weeks before the application in question.

Policy does not allow the Department to simply process information from one source and then stop. Policy explicitly requires for the Department to resolve discrepancies between claimant statements and other sources of information. Even if the undersigned were to take into account the Department's statement regarding claimant's failure to turn in a resignation letter to the [REDACTED], this argument does not consider the more relevant fact that claimant had no income during the time in question. Even if claimant still officially had her job, she had not received significant income during the time period surrounding the application, and the Department should have resolved that discrepancy before denying the application out of hand.

The correct action would have been to request additional verifications, or send employment verifications to the [REDACTED]. The Department failed to do so, and was thus in error. Therefore, as the Department failed to reconcile the discrepancies between the claimant's application statements and the Work Number database source, the Department was in error when it used the claimant's past income in the FAP budget calculations.

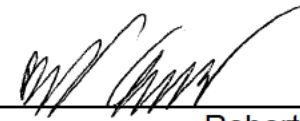
DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to deny claimant's FAP application was incorrect.

Accordingly, the Department's decision is REVERSED.

The Department is ORDERED to reprocess claimant's FAP application of

January 6, 2011, according to the proper policies found in the Bridges Administrative and Eligibility Manuals.



Robert J. Chavez
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 04/11/11

Date Mailed: 04/19/11

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.

RJC/dj

cc:

