

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]  
[REDACTED]  
[REDACTED]

Reg. No: 2011-38668  
Issue No: 3015  
Case No: [REDACTED]  
Hearing Date:  
August 11, 2011  
Jackson County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

**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 August 11, 2011. Claimant personally appeared and provided testimony.

**ISSUE**

Whether the department properly determined that Claimant was not eligible for Food Assistance Program (FAP) 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. The claimant submitted a redetermination for his FAP benefits on June 1, 2011. (Department Exhibits 1-4).
2. A phone interview was conducted with the claimant and a budget was prepared to determine FAP benefit eligibility/allotment.
3. The department determined that the countable group income was over the allowable amount for eligibility and sent the claimant a notice of case action (DHS 1605) stating that his FAP benefits were to close due to his income being over the allowable limit. (Department Exhibits 27-30).
4. The claimant filed a hearing request on June 14, 2011.

## **CONCLUSIONS OF LAW**

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

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).

For FAP purposes, all earned and unearned income available to Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMP), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

In the case at hand, the claimant indicated two different amounts that were reflected on his paychecks. The claimant testified the first amount was indicative of his normal paychecks but the second contained overtime and was out of the ordinary. The department then used the first paycheck and disregarded the second for budgeting purposes. The claimant's earned income was calculated at \$1978.00 per month and the claimant's daughter had income of \$733.00 per month. The claimant was then given an earned income deduction of \$543.00, a standard deduction of \$141.00, and an excess shelter deduction of \$244.00, which resulted in a net income of \$1,783.00.

Federal regulations at 7 CF 273.10 provide standards for income and the amount of household benefits. In accordance with the federal regulations, the department has prepared income and issuance tables which can be found at RFT 260.

The claimant has a group size of three. A claimant with a group size of 3 has a maximum net income limit of \$1,526.00. RFT 250. Because the claimant's net income of \$1,783.00 exceeded the allowable 100% net income limit of \$1,526.00, the claimant is not entitled to FAP benefits for the time period in question.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in determining Claimant's FAP eligibility.

The department's FAP eligibility determination is AFFIRMED. It is SO ORDERED.

/s/ \_\_\_\_\_  
Christopher S. Saunders  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: August 15, 2011

Date Mailed: August 16, 2011

**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.

CS/tg

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