

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2011-46225

Issue No: 3003, 3008

[REDACTED]

DHS SSPC West

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the DHS client's (also referred to as "Claimant") request for a hearing received on July 28, 2011. After due notice, a telephone hearing was held on August 31, 2011. Claimant personally appeared and provided testimony.

**ISSUE**

Did the department properly determine that Claimant was not eligible for 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. Claimant submitted an online application for FAP benefits on July 5, 2011. (Department Exhibit 1). Claimant's group size is 2 (two).
2. On July 7, 2011, the department budgeted monthly gross income from Claimant ([REDACTED]) and from Claimant's mother (a group member) in the amount of [REDACTED]. The total gross income was [REDACTED]. (Department Exhibit 6A-F).
3. On July 19, 2011, the department mailed Claimant a Notice of Case Action (DHS-1605) denying the application for FAP due to excess income. (Notice of Case Action, Department Exhibits 6A-F).
4. On July 28, 2011, Claimant submitted a hearing request challenging the denial of his application for FAP benefits. (Request for a Hearing).

## CONCLUSIONS OF LAW

The client has the right to request a hearing for any action, failure to act or undue delay by the department. BAM 105. The department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

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 (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. All income is converted to a standard monthly amount. If the client is paid weekly, the department multiplies the average weekly amount by 4.3. If the client is paid every other week, the department multiplies the average bi-weekly amount by 2.15. BEM 505.

Claimant was receiving monthly earned income in the amount of [REDACTED] at the time relevant to this matter. Claimant received monthly RSDI income [REDACTED] plus SSI income [REDACTED] supplemental SSI for a total of [REDACTED]. Claimant's mother reported on her application that she received a pension from her former employer (United Parcel Services (UPS) in the amount of [REDACTED] per month. Thus, Claimant's total monthly gross income of [REDACTED] less the standard deduction of [REDACTED], leaves an adjusted gross income of [REDACTED]. 30 % of Claimant's net income of [REDACTED] is [REDACTED]. A claimant with a group size of two has a maximum net

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income limit of [REDACTED] RFT 250. Because Claimant's net income of [REDACTED] exceeded the allowable 100% net income limit of [REDACTED], Claimant is not eligible for FAP benefits.

**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 is AFFIRMED.

It is SO ORDERED.

/s/  
C. Adam Purnell  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 9/8/11

Date Mailed: 9/8/11

**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.

CAP/ds

[REDACTED]