

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201258242  
Issue No: 3015, 6019  
Case No: [REDACTED]  
Hearing Date: July 11, 2012  
Washtenaw 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 hearing was held on July 11, 2012. Claimant appeared and testified.

**ISSUE**

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

Did the Department of Human Services properly close Claimant's Child Development and Care (CDC) case for 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) and Child Development and Care (CDC) benefits.
2. On March 27, 2012, Claimant submitted a Semi-Annual Contact Report (DHS-1046) and verification of a change in income.
3. On May 7, 2012, the Department ran financial eligibility budgets and determined that Claimant had excess income for both the Food Assistance Program (FAP) and Child Development and Care (CDC). Claimant was sent a Notice of Case Action (DHS-1605) indicating the Department's determination.
4. On May 17, 2012, 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).

During the hearing the financial eligibility budgets for both programs were reviewed and explained. Claimant stated it appeared that the mathematical calculations were correct but she was concerned that a garnishment of her husband's wages was being included in the group's gross income calculations. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

## **BEM 500 INCOME OVERVIEW**

### **DEPARTMENT POLICY**

#### **All Types of Assistance (TOA) DEFINITIONS All TOA Income**

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if **not** paid directly such as income paid to a representative.

#### **Earned Income**

Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Some rental income is considered earned; see [BEM 504](#), Income from Rental/Room and Board.

#### **Unearned Income**

Unearned income is all income that is not earned.

#### **Gross Income**

Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives.

Garnishment or Other Withholding Gross income includes amounts withheld from income which are any of the following:

- Voluntary.
- To repay a debt.
- To meet a legal obligation.

Some examples of amounts which may be withheld, but are still considered part of gross income are:

- Income taxes.
- Health or life insurance premiums.
- Medicare premiums.
- Union dues.
- Loan payments.
- Garnishments.
- Court-ordered or voluntary child support payments.

The policy cited above shows that garnishments are considered as part of gross income. After that common point, the separate assistance programs have specific rules which would govern any income exceptions, deductions, or reductions. The specific rules of the Food Assistance Program (FAP) and Child Development and Care (CDC) were discussed during the hearing.

### **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) and Child Development and Care (CDC) case for excess income.

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

/s/

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Gary F. Heisler  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: July 16, 2012

Date Mailed: July 17, 2012

**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 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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/tb

cc:

