

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201321590
Issue No: 3015
Case No: [REDACTED]
Hearing Date: February 6, 2013
Kent County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne D. Sonneborn

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 received by the Department of Human Services (department) on January 2, 2013. After due notice, a telephone hearing was held on February 6, 2013. Claimant appeared and provided testimony. The department was represented by [REDACTED], a family independence manager, and [REDACTED], an assistance payments worker, both with the department's Kent County office.

ISSUE

Whether the department properly determined Claimant's Food Assistance Program (FAP) benefit eligibility?

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 receiving FAP benefits at all times pertinent to this hearing.
2. On December 20, 2012, the department mailed Claimant a Notice of Case Action (DHS 1605), informing Claimant that effective February 1, 2013, his FAP benefits allotment would be decreased to \$ [REDACTED] due to a change in Claimant's net unearned income amount. (Department Exhibits A-E)
3. On December 28, 2012, Claimant submitted a hearing request protesting the department's determination of his monthly FAP benefit allotment. (Request for Hearing)

CONCLUSIONS OF LAW

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 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).

The Food Assistance Program (FAP) was established pursuant to 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 administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.30001-3015. Department policies for the program are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

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.

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 250 and RFT 260.

In this case, the department determined Claimant's eligibility for FAP benefits for the benefit period effective February 1, 2013 based on the department's receipt of

verifications of Claimant's receipt of gross pay on November 9, 2012, November 16, 2012, November 21, 2012, and November 24, 2012 in the amounts of \$ [REDACTED], \$ [REDACTED], \$ [REDACTED] and \$ [REDACTED] respectively, which established that Claimant earns monthly income in the amount of \$ [REDACTED]. Specifically, Claimant was being paid weekly at his employment and the department determined his monthly income by multiplying her average weekly gross income of \$ [REDACTED] by a 4.3 conversion factor in accordance with the applicable department policy.

Claimant's countable income was then reduced by a 20% earned income deduction of \$ [REDACTED] and by a standard deduction of \$ [REDACTED] which resulted in an adjusted gross income of \$ [REDACTED]. An excess shelter deduction of \$ [REDACTED] was thereafter subtracted, leaving a monthly net income of \$ [REDACTED].

Claimant's excess shelter deduction of \$ [REDACTED] was determined by adding Claimant's monthly housing expenses to the new \$ [REDACTED] heat and utility standard amount (per RFT 255, effective October 1, 2012) and subtracting half of Claimant's adjusted gross income. Because Claimant's total monthly housing expense was not provided to the department, the department totaled only the \$ [REDACTED] standard heat and utility expense. Half of Claimant's adjusted gross income (\$ [REDACTED]) was then subtracted from Claimant's housing and utilities (\$ [REDACTED]) for an adjusted excess shelter deduction of \$ [REDACTED]. Since Claimant does not meet the senior/disabled/veteran criteria, the department may only deduct the non-SDV shelter maximum amount of \$ [REDACTED] from Claimant's adjusted gross income. BEM 556.

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. This issuance table provides that a household size of one with a monthly net income of \$ [REDACTED] is entitled to a \$ [REDACTED] monthly FAP allotment. RFT 260, p. 6. Therefore, the department's FAP eligibility determination was correct.

Consequently, this Administrative Law Judge finds that, based on the competent, material, and substantial evidence presented during the February 6, 2013 hearing, the department properly determined Claimant's FAP benefit allotment for the benefit period effective February 1, 2013.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined Claimant's FAP benefit allotment for the benefit period effective February 1, 2013. Accordingly, the department's action in this regard is **UPHELD**.

It is **SO ORDERED**.

/s/ _____
Suzanne D. Sonneborn
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: February 7, 2013

Date Mailed: February 8, 2013

NOTICE: Michigan Administrative Hearings System (MAHS) 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 Order. MAHS 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 this Order to Circuit Court within 30 days of the receipt of the Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - Misapplication of manual policy or law in the hearing decision,
 - Typographical errors, mathematical errors, or other obvious errors in the hearing decision that affect the substantial rights of Claimant;
 - The failure of the ALJ to address other relevant issues in the hearing decision.

201321590/SDS

Request must be submitted through the local DHS office or directly to MAHS by mail at:

Michigan Administrative Hearings System
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, MI 48909-07322

SDS/cr

cc:

