

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201334275
Issue No: 3015
Case No: [REDACTED]
Hearing Date: April 3, 2013
DHS SSPC Central

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 March 8, 2013. After due notice, a telephone hearing was held on April 3, 2013. Claimant appeared and provided testimony. The department was represented by [REDACTED], an eligibility specialist with the department's SSPC Central office.

ISSUE

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

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Following a March 6, 2013 hearing, Administrative Law Judge Susanne Harris issued a decision on the record wherein she determined that the department did not act in accordance with policy in denying Claimant's January 11, 2013 application for FAP benefits because the department failed to include all allowable expenses in Claimant's budget, including child support arrearages. The department was therefore ordered to redetermine Claimant's eligibility for FAP benefits retroactive to January 11, 2013 using properly verified income and all allowable expenses including child support arrearages. ALJ Harris subsequently issued a written Hearing Decision on March 20, 2013 reflecting her ruling on the record.
2. On March 6, 2013, the department redetermined Claimant's January 11, 2013 application for FAP benefits and again denied the

application because Claimant's gross income exceeds the limit for the FAP program. (Department Exhibits 2-8)

3. On March 8, 2013, Claimant requested a hearing, protesting the closure of her FAP benefits. (Request for Hearing)

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in sections 400.901 to 400.951 of the Michigan Administrative Code (Mich Admin Code). An opportunity for a hearing shall be granted to an applicant who requests a hearing because her claim for assistance has been denied. Mich Admin Code 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. Department of Human Services Bridges Administrative Manual (BAM) 600 (2011), p. 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 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.

Department policy further requires that the department use certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554. For groups with no senior/disabled/disabled veteran (SDV) member, Bridges uses the following: (i) dependent care expense; (ii) excess shelter up to the maximum in RFT 255; and (iii) court ordered child support and arrearages paid to non-household members. BEM 554.

Department policy further provides that a non-categorically eligible, non-SDV FAP group must have income below the gross and net income limits. BEM 550.

In this case, Claimant provided employment verification information that reflected her receipt of monthly earned income in the amount of \$ [REDACTED]. When Claimant's countable income of \$ [REDACTED] was reduced by a 20% earned income deduction of \$ [REDACTED] ($\$ [REDACTED] \times .20$), as well as a standard deduction of \$ [REDACTED] and a child support deduction of \$ [REDACTED], Claimant's adjusted gross income was \$ [REDACTED]. An excess shelter deduction of \$ [REDACTED] was then subtracted from Claimant's adjusted gross income leaving a monthly net income of \$ [REDACTED].

However, while Claimant's monthly net income of \$ [REDACTED] was below the maximum net income limit of \$ [REDACTED] for a FAP group size of two, Claimant's gross income of \$ [REDACTED] nonetheless exceeded the gross income limit of \$ [REDACTED] for a FAP group size of two. RFT 250.

Accordingly, the Administrative Law Judge finds that, based on the competent, material, and substantial evidence presented during the April 3, 2013 hearing, the department acted in accordance with policy in denying Claimant's January 11, 2013 application for FAP benefits because Claimant's gross income exceeds the limit for the FAP program.

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 denying Claimant's January 11, 2013 application for FAP benefits because Claimant's gross income exceeds the limit for the FAP program. Accordingly, the department's actions are **UPHELD**.

IT IS SO ORDERED.

/s/

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

Date Signed: April 11, 2013

Date Mailed: April 11, 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.

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:

