

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

IN THE MATTER OF:

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Reg. No.: 14-009459
Issue No.: 3001
Case No.: ██████████
Hearing Date: September 10, 2014
County: Wayne (57-Conner)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on September 10, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████
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ISSUE

Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits for September 1, 2014, ongoing?

FINDINGS OF FACT

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

1. Claimant was an ongoing recipient of FAP benefits.
2. On July 8, 2014, Claimant submitted a completed Semi-Annual Contact Report to the Department and attached current paystubs to the document.
3. On August 1, 2014, the Department sent Claimant a Notice of Case Action notifying Claimant that he was approved for monthly FAP benefits of \$63 effective September 1, 2014.
4. On August 8, 2014, Claimant filed a request for hearing disputing the Department's calculation of his FAP benefits, contending that his benefits had decreased even though none of his circumstances had changed.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

Additionally, Claimant disputed the decrease of his monthly FAP benefits from \$170 to \$63 effective September 1, 2014. At the hearing, the Department testified that the decrease was due to an increase in Claimant's gross monthly earned income as shown on the paystubs he submitted with his July 8, 2014, Semi-Annual Contact Report. Even though Claimant indicated in the Semi-Annual Report that his gross earned income had not changed by more than \$100, because he provided current paystubs with his completed document, the Department was required to reprocess Claimant's FAP eligibility. BAM 210 (July 2014), p. 10. The Department testified that, when it did so, it determined that Claimant's gross monthly earned income had increased, resulting in a decrease in monthly FAP benefits.

The Department presented a FAP net income budget showing the calculation of Claimant's FAP benefits for September 1, 2014, ongoing that was reviewed with Claimant. The budget showed gross monthly earned income totaling \$1,310 that the Department testified was based on the gross pay shown on the paystubs Claimant provided for June 7, 2014, to July 5, 2014 (\$579.32 on June 7, 2014; \$626.42 on June 21, 2014; and \$622.63 on July 5, 2014). Claimant argues that his pay as reflected on these paystubs shows pay for travel as well as pay for work. However, wages are the pay an employee receives from another individual or organization and include salaries, tips, commissions, bonuses, severance pay and flexible benefit funds not used to purchase insurance. BEM 501 (July 1, 2014). Claimant confirmed that he received the pay indicated on the paystubs. It is further noted that the Department collaterally contacted Claimant's employer and confirmed that the hours shown on the paystubs provided were consistent with his average biweekly hours. Therefore, the Department properly considered the total amount paid, as shown on the paystubs, as Claimant's earned income. The average of Claimant's biweekly pay from the three paystubs considered, multiplied by 2.15 in accordance with Department policy, results in gross monthly earned income of \$1,310, consistent with the amount identified as earned income on the FAP net income budget.

The deductions to income on the budget were also reviewed. Claimant acknowledged that he was the only member of his FAP group and that he was not a

senior/disabled/veteran (SDV) member of his group. Groups with earned income and no SDV members are eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter deduction up to \$478, which is based on monthly shelter expenses and the applicable utility standard.
- Court-ordered child support and arrearages paid to non-household members.
- Earned income deduction equal to 20% of the group's earned income.
- A standard deduction based on the FAP group size.

BEM 554 (May 2014), p. 1, 14-22; BEM 556 (July 2013), p. 3; RFT 255 (December 2013), p. 1.

The budget showed a standard deduction of \$151, the applicable standard deduction based on Claimant's one-person group size. RFT 255, p. 1. Based on his \$1,310 gross monthly earned income, his earned income deduction was \$262. Claimant confirmed that he had no child support or day care expenses. He also confirmed that he paid monthly rent of \$670, and the budget shows that the Department applied the \$553 heat and utility (h/u) standard, the most favorable standard applicable to a client. BEM 554, pp. 14-22. Based on this rent and the h/u standard, Claimant was eligible for an excess shelter deduction of \$478, the maximum available to non-SDV member groups.

When Claimant's \$1,310 gross monthly earned income is reduced by the \$151 standard deduction, his \$262 earned income deduction and the \$478 excess shelter deduction, Claimant's net income is \$419. Based on net income of \$419 and a FAP group size of one, under Department policy, Claimant is eligible for monthly FAP benefits of \$63. BEM 556 (July 2013), pp. 2-6; RFT 260 (December 2013), p. 6.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it calculated Claimant's FAP benefits for September 1, 2014, ongoing.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **9/11/2014**

Date Mailed: **9/11/2014**

ACE / pf

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

CC:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]