

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201145795  
Issue No.: 3003  
Case No.: [REDACTED]  
Hearing Date: September 8, 2011  
Macomb County DHS (36)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on September 8, 2011. The Claimant appeared and testified. [REDACTED], ES and APW appeared on behalf of the Department.

**ISSUE**

Whether the Department correctly reduced the Claimant's Food Assistance (FAP) benefits based on earned income.

**FINDINGS OF FACT**

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

1. The Claimant is an ongoing recipient of FAP benefits and currently receives \$2 per month. Exhibit 1.
2. The Department pursuant to a redetermination updated the FAP budget based on earned income. Exhibit 1.
3. The Department issued a Notice of Case Action on June 23, 2011 reducing the Claimant's FAP benefits to \$2, effective 7/1/11.
4. The Department used a housing expense of \$1406.97. This figure included the Claimant's mortgage amount of \$1073.20 and also included 1/12 of the annual cost of \$3,179 (annual property taxes), and 1/12 of \$826 in homeowners

insurance. The Department based its information on the shelter verification information provided by the Claimant. Exhibit 4.

5. The Department granted the Claimant the maximum shelter deduction available of \$458.
6. The Department correctly determined the excess shelter deduction to be \$458. Exhibit 3.
7. The Claimant's FAP group is composed of 4 members and is not a SDV group as no one is disabled or over 65 years of age.
8. The Department also utilized pay stubs submitted by the Claimant as verification for the months of April and May 2011 covering the previous 30 days. The earned income used to determine the monthly income amount was \$816, (4/20/11); \$856, (5/6/11); \$760, (5/13/11); and \$856, (5/20/11). Exhibit 2.
9. The Claimant requested a hearing on July 22, 2011 protesting the reduction of her food assistance benefits.

### **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 (formerly known as the Family Independence Agency) administers the FAP program pursuant to CML 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 Bridges Reference Manual (BRM).

The Department prepared a FAP budget as a result of a medical redetermination and decreased the Claimant's FAP benefits based upon earned income and housing expense. The Department correctly calculated the monthly earned income to be \$3534. Monthly income is determined by totaling all the income for the prior 30 days, in this case \$3288 and dividing by 4 (number of pays) to get the weekly average amount which is \$822. The weekly average is then multiplied by 4.3 to get the monthly income of \$3534. The Department correctly determined the monthly earned income in accordance with Department policy. BEB 505 pages 6 and 7.

The Department deducted \$707 from the monthly income (20% of \$3534) and the standard deduction for a group of 4 persons, \$152 and determined the adjusted gross income to be \$2675. RFT 255.

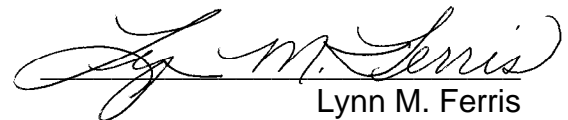
The Shelter expenses were also correctly computed based upon information provided regarding mortgage expense and 1/12 of the annual taxes and insurance, which were correctly determined to total \$1406.97 and added to this a utility standard of \$588 for a total of \$1995. To determine the excess shelter deduction one half of the adjusted gross income (\$1337) is deducted from the total shelter amount of \$1995, which results in an excess shelter amount of \$658. The excess shelter deduction however is limited to \$458. BEM 554, page 8, RFT 255.

The last step which must be done before FAP benefit amount can be determined is to determine net income. Net income is the adjusted gross income minus the excess shelter deduction. ( $\$2675 - \$458 = \$2217$ ). Consulting RFT 260, page 20 of 36, provides that a 4 person FAP group with \$2217 in net income is entitled to \$2 of FAP benefits per month.

The Department also correctly determined that medical expenses of the Claimant could not be considered as a deductible expense when computing FAP benefits as the Claimant's FAP group does not have a senior (Over 65 years of age) or disabled member. BEM 554, page 8.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law finds that the Department correctly calculated the Claimant's FAP benefits and its determination reducing the Claimant's FAP benefits is AFFIRMED.



Lynn M. Ferris  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: September 9, 2011

Date Mailed: September 9, 2011

**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.

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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.

LMF/hw

cc:

