

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

IN THE MATTER OF:



Reg. No.: 201149862  
Issue No.: 3002  
Case No.: [REDACTED]  
Hearing Date: September 22, 2011  
Wayne County DHS (35)

**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 22, 2011. The Claimant appeared and testified. [REDACTED], Assistance Payments Supervisor, and [REDACTED], Assistance Payments Worker, appeared on behalf of the Department of Human Services.

**ISSUE**

Whether the Department correctly computed and reduced the Claimant's Food Assistance (FAP) benefits effective August 1, 2011 due to the Department's failure to budget the Claimant's unearned 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 Department reduced the Claimant's FAP benefits as a result of a mid certification review where the Department discovered that the Claimant's unearned income from RSDI received from Social Security had not been included when the Department calculated the Claimant's FAP budget.
2. The Claimant currently receives \$34 per month in FAP benefits.
3. The Claimant receives RSDI income of \$1068.40 per month.

4. The Claimant's FAP group has one member, and the Claimant is disabled so the FAP group is given SDV status.
5. The Claimant pays rent of \$250, which was correctly included in the FAP budget and the Department granted the Claimant a utility allowance of \$588 (applied to all FAP recipients).
6. The Department correctly calculated the Claimant's FAP group income for August 1, 2011, in the amount of \$1068.40. This amount was confirmed as correct by the Claimant. Exhibit 1.
7. The Claimant's FAP benefits decreased as a result of the Department correctly including his RSDI income in his FAP budget.
8. The Claimant requested a hearing on August 8, 2011 protesting the Department's reduction in his FAP benefits beginning August 1, 2011.

### **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 Claimant's current FAP benefits (August 2011 to present) were calculated based upon RSDI income of \$1068.40 per month for the Claimant. The prior FAP budgets calculated by the Department did not include the Claimant's RSDI income, and thus the Claimant received the maximum \$200 in FAP benefits based on no income.

In preparing the August 2011 FAP budget, the Department correctly calculated the gross income of \$1068.40 and deducted the standard deduction applicable to the Claimant (\$141). The Department determined the Claimant's adjusted gross income to be \$927. ( $\$1068 - \$141 = \$927$ ). BEM 554. Exhibit 1.

The excess shelter deduction, which is a credit to reduce net income to take into account housing costs, was also correctly calculated to take into account the Claimant's housing expenses. The Claimant pays \$250 in rent and is entitled to a utility allowance of \$588 (applied to all FAP recipients). The Claimant's total housing expense is \$838. One half the adjusted gross income is deducted from the housing expense to determine

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the excess shelter deduction. ( $\$927 \times .50 = \$463$ ) ( $\$838 - \$463 = \$375$ ). The Department correctly determined the excess shelter deduction. Exhibit 2.

To determine the final FAP benefit amount, the excess shelter is deducted from the Adjusted Gross Income ( $\$927 - \$375 = \$552$ ) which determines the FAP group net income. Consulting RFT 260 determines the FAP benefits amount for one person with \$552 in net income is entitled to receive FAP benefits of \$34. The Department correctly determined the FAP benefits.

Based on the foregoing analysis, the Department correctly decreased the Claimant's Food Assistance beginning August 1, 2011.

### **DECISION AND ORDER**

The Administrative Law Judge based on the above findings of fact and conclusions of law, finds that the Department correctly reduced the Claimant's FAP benefits effective August 1, 2011 based on the unearned income presently being received by the Claimant from RSDI and therefore correctly calculated the Claimant's current FAP benefits. The Department's determination of FAP benefit amount is correct and is AFFIRMED.



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

Date Signed: September 26, 2011

Date Mailed: September 26, 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.

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 of the rehearing decision.

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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 error , or other obvious errors in the hearing decision that effect the substantial rights of the 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  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

cc:

