

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]
WARREN MI 48092

Reg. No.: 2011-10992
Issue No.: 3002
Case No.: [REDACTED]
Hearing Date: January 19, 2010
Macomb County DHS (20)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 January 19, 2010. The claimant appeared and testified; Candido Rosario also appeared and testified on behalf of Claimant. On behalf of Department of Human Services (DHS), Sandra Kincaid, Specialist, appeared and testified.

ISSUE

Whether DHS properly redetermined Claimant's Food Assistance Program (FAP) benefits effective 12/2010.

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 an ongoing FAP benefit recipient.
2. Claimant's FAP benefits were scheduled to end 11/30/2010.
3. Claimant is part of a FAP benefit group of two persons.
4. Claimant receives a monthly gross employment income of \$1869; there is no other FAP benefit group income.
5. Claimant is responsible for property taxes in the amount of \$1250/year.
6. Claimant is responsible for property insurance in the amount of \$479/year.

7. Claimant has no other applicable expenses to the FAP budget.
8. On an unspecified date, DHS redetermined that Claimant is entitled to \$16/month in FAP benefits effective 12/2010.
9. On 11/29/10, Claimant requested a hearing disputing the DHS redetermination that Claimant is entitled to only \$16/month in FAP benefits effective 12/2010.

CONCLUSIONS OF LAW

The Food Assistance Program (formerly known as the Food Stamp 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 MCL 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 Reference Tables Manual (RFT).

Claimant testified that she requested a hearing disputing her 12/2010 FAP benefit issuance. Claimant did not mention any specific objection to her 12/2010 FAP benefit issuance other than she believed herself to be entitled to more than \$16/month in FAP benefits. BEM 556 outlines the proper procedures for calculating FAP benefits.

Claimant agreed that DHS properly calculated her gross employment income as \$1869/month. DHS is to count the gross employment income amount. BEM 501 at 5.

DHS gives a 20% credit for reported employment income. Multiplying Claimant's gross employment income by 80% results in a total countable employment income of \$1495.

Claimant's two-person FAP benefit group receives a standard deduction of \$141. RFT 255. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. The adjusted gross income amount is found to be \$1354.

DHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 at 1. For groups without a senior, disabled or disabled veteran (SDV) member, DHS considers the following expenses: child care and excess shelter (housing and utilities) up to a capped amount and court ordered child support and arrearages paid to non-household members. Claimant's only relevant expenses involve shelter.

Claimant stated that she owns a house that is paid for; thus, she has no monthly mortgage obligation. Claimant also stated that her property taxes are \$1250/year and is

responsible for paying \$479/year for property insurance. Those amounts may slightly differ from the amounts budgeted by DHS but the undersigned will give Claimant the benefit of the doubt for purposes of this decision. Those amounts are divided by 12 to convert the annual obligation to a monthly one. Claimant's monthly housing obligation is found to be \$144/month (dropping cents).

DHS gives a flat utility standard to all clients. BPB 2010-008. The utility standard of \$588 (see RFT 255) encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$588 amount. The total shelter obligation is calculated by adding Claimant's housing expenses (\$144) to the utility expenses (\$588); this amount is found to be \$732.

Clients only receive a credit in the FAP budget for what DHS calls an "excess shelter" expense. This expense is calculated by taking Claimant's total shelter expenses (\$732) and subtracting half of Claimant's adjusted gross income. Claimant's excess shelter amount is found to be \$55.

Claimant's net income is determined by taking Claimant's adjusted gross income (\$1354) and subtracting the excess shelter expense (\$55). Claimant's net income is found to be \$1299. Based on a FAP group of two persons with a net income of \$1299, Claimant's FAP benefit amount is calculated to be \$16, the same amount calculated by DHS. RFT 260 at 10. It is found that DHS properly calculated Claimant's FAP benefits for the benefit month of 12/2010.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly redetermined Claimant's FAP benefits effective 12/2010 as \$16/month. The actions taken by DHS are AFFIRMED.



Christian Gardocki
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 1/25/2011

Date Mailed: 1/25/2011

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

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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.

CG/jlg

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