

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201139386
Issue No.: 3002
Case No.: [REDACTED]
Hearing Date: July 21, 2011
Macomb County DHS (12)

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 July 21, 2011 from Detroit, Michigan. The Claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

Whether DHS properly terminated Claimant's Food Assistance Program (FAP) benefits, effective 7/2011 due to excess income by Claimant.

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 FAP benefit recipient.
2. Claimant was part of a household and FAP benefit group of one person.
3. Claimant received \$1766.40/month in Retirement Survivor, Disability Insurance (RSDI).
4. Claimant received \$629/month in gross employment income.
5. Claimant had a \$96.40/month medical expense.
6. Claimant had a \$517.50/month housing obligation.

7. On an unspecified date, DHS determined Claimant was ineligible for FAP benefits effective 7/2011 due to excess income.
8. On 6/15/11, Claimant requested a hearing to dispute the FAP benefit termination.

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). DHS administers the FAP pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015. DHS regulations are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT). Updates to DHS regulations are found in the Bridges Policy Bulletin (BPB).

The undersigned will refer to the DHS regulations in effect as of 6/2011, the estimated month of the DHS decision which Claimant is disputing. Current DHS manuals may be found online at the following URL: <http://www.mfia.state.mi.us/olmweb/ex/html/>.

In the present case, Claimant disputed the termination of FAP benefits effective 7/2011. Claimant had no basis for the dispute other than depending on the FAP benefits he was receiving. The undersigned has no authority to determine Claimant's dependence but can review the DHS determination for its accuracy. BEM 556 outlines the proper procedures for calculating FAP benefits.

It was not disputed that Claimant received \$629/month in gross employment income. DHS only counts 80% of a FAP member's reported monthly gross employment income in determining FAP benefits. 80% of Claimant's employment income is \$503 (dropping cents).

It was also not disputed that Claimant received \$1766.40 in gross RSDI. For all programs, the gross amount of RSDI is countable income. BEM 503 at 20. Adding Claimant's countable employment income and RSDI is \$2269 (dropping cents).

DHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 at 1. For groups without a senior (over 60 years old), 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. For groups containing SDV members, DHS also considers the medical expenses for the SDV group member(s) and

the full excess shelter expense. Claimant's FAP benefit group is an SDV group by virtue of Claimant's status as a disabled and/or senior individual.

Verified child support, day care and medical expenses (medical expenses for SDV groups only) are subtracted from Claimant's monthly countable income to determine Claimant's adjusted gross income. DHS only counts monthly medical expenses above \$35.

It was not disputed that Claimant had a \$96 (dropping cents) Medicare premium obligation. Applying the \$35 deductible to the expenses and subtracting the expense from Claimant's income results in a running income total of \$2208.

Claimant's one-person FAP benefit group received a standard deduction of \$141. RFT 255. The standard deduction is given to all FAP benefit groups though the amount varies based on the benefit group size. The standard deduction is also subtracted from the countable monthly income to calculate the group's final adjusted gross income. The adjusted gross income amount is found to be \$2067.

Claimant testified that his monthly shelter obligation was \$517.50. 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 to the utility credit (\$588); this amount is found to be \$1105.50.

DHS only credits FAP benefit groups with what DHS calls an "excess shelter" expense. This expense is calculated by taking Claimant's total shelter obligation and subtracting half of Claimant's adjusted gross income. Claimant's excess shelter amount is found to be \$72. It should be noted that DHS calculated an excess shelter expense of \$119 (see Exhibit 1), likely due to budgeting a slightly higher rent obligation for Claimant. For purposes of this decision, the undersigned will adopt the more favorable (to Claimant) excess shelter amount as the correct amount.

Claimant's net income is determined by taking Claimant's adjusted gross income (\$2067) and subtracting the allowable excess shelter expense (\$119). Claimant's net income is found to be \$1948. A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Claimant's group size and net income, Claimant's FAP benefit amount is found to be \$0, the same amount calculated by DHS. It is found that DHS properly found Claimant to be ineligible for FAP benefits effective 7/2011 due to excess income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's FAP benefits effective 7/2011. The actions taken by DHS are AFFIRMED.

Christian Gardocki

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

Date Signed: July 22, 2011

Date Mailed: July 22, 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.

CG/hw

cc:

