

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

IN THE MATTER OF:



Registration No: 2011-44436  
Issue Nos: 3002  
Case No: [REDACTED]  
Hearing Date: August 18, 2011  
Livingston County DHS

Administrative Law Judge: Mark A. Meyer

**HEARING DECISION**

In accordance with MCL 400.9, MCL 400.37, and 1999 AC, R 400.903 a hearing was held in this matter on August 18, 2011. Claimant appeared at hearing and provided testimony. The Department of Human Services (the Department) was represented by agency personnel.

**ISSUE**

In dispute was whether the Department properly computed Claimant's monthly Food Assistance Program (FAP) allotment.

**FINDINGS OF FACT**

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

1. On July 6, 2011, Claimant applied for FAP benefits. During her interview, Claimant stated that her public assistance benefits case was still active in Arizona. (Department's Exhibits D-1; D-2; Department's hearing summary, dated July 26, 2011.)
2. Based on this information, Claimant's application for July 2011 FAP benefits was denied, but she was approved for assistance effective August 1, 2011. (Department's Exhibit D-3.)
3. From this determination, Claimant submitted a request for hearing. (Claimant's hearing request, dated July 14, 2011.)
4. At the hearing, however, Claimant informed the Administrative Law Judge that she was not disputing the denial of FAP benefits for the month of July 2011, but rather the amount of her FAP allotment beginning on

August 1, 2011. According to Claimant, she incurs housing expenses that were not included by the Department in her FAP budget. (Claimant's hearing testimony, August 18, 2011.)

### **CONCLUSIONS OF LAW**

The hearing and appeals process for applicants and recipients of public assistance in Michigan is governed by 1999 AC, R 400.901 through 400.951, in accordance with federal law. An opportunity for hearing must be granted to an applicant who requests a hearing because his claim for assistance is denied or not acted on with reasonable promptness, and to any recipient who is aggrieved by Department action resulting in suspension, reduction, discontinuance, or termination of assistance. Rule 400.903(1). An applicant or recipient holds the right to contest an agency decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The Department must provide an administrative hearing to review the decision and determine its appropriateness. Bridges Administrative Manual (BAM) 600, p. 1.

Here, the Department computed Claimant's FAP budget for the period beginning August 1, 2011, using information provided by Claimant during the application process. Based on this information, her monthly FAP allotment was determined to be [REDACTED] for a group size of one. From this determination, Claimant filed a request for hearing.

FAP – formerly known as the Food Stamp Program – was established by the Food Stamp Act of 1977, 7 USC 2011, *et seq.*, as amended, and is implemented through federal regulations found in 7 CFR 273.1 *et seq.* The Department administers the FAP under MCL 400.10, *et seq.*, and Rules 400.3001 through 400.3015. Agency policies pertaining to the FAP are found in the BAM, Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT). The goal of the FAP is to ensure sound nutrition among children and adults. BEM 230B, p. 1.

In completing a FAP budget to determine eligibility or benefit level, the entire amount of countable and available income, both earned and unearned, is used. BEM 505, p 2; BEM 550, p. 1. The Department determines FAP eligibility and benefit amount using: (1) actual income (income that was already received), and (2) prospective income (income amounts not received but expected). BEM 505, p. 1.

For FAP budgeting purposes, gross countable earned income is reduced by a twenty percent earned income deduction (if earned income is present). Any unearned income is added to the remaining amount, and that total is then reduced by a standard deduction determined by FAP group size. BEM 550, p. 1; BEM 556, pp. 2-3; RFT 255. The result of these reductions is the adjusted gross income.

In the present matter, Claimant received no earned income. However, she reportedly received [REDACTED] per month in unearned income. From that amount, a standard deduction for a FAP group size of one ([REDACTED]) was subtracted, leaving an adjusted gross income of [REDACTED].

An excess shelter deduction, if any, is then subtracted from the adjusted gross income. To determine the excess shelter deduction, the client's actual housing expenses (e.g., rent, mortgage, taxes, property insurance) are added to a heat/utility standard – currently [REDACTED]. (See RFT 255.) From this total amount is subtracted the product of the client's adjusted gross income multiplied by fifty percent. The difference results in the adjusted excess shelter amount unless the group does not contain a senior, disabled, or veteran (SDV) eligible member. See BEM 556, p. 4. For a non-SDV group, it is necessary to use the excess shelter maximum found in RFT 255.

Here, Claimant failed to report any housing expenses to the Department when she applied for FAP benefits. Using the current heat/utility standard of [REDACTED] it was properly determined that Claimant's net monthly income after all deductions was [REDACTED]

Federal regulations found at 7 CFR 273.10 provide standards for net income and corresponding amounts of household FAP benefits. In accordance with these regulations, the Department prepared income and issuance tables that are found at RFT 250 and 260. According to RFT 260, a client with a group size of one and a determined monthly net income of [REDACTED] is entitled to a monthly FAP allotment in the amount of [REDACTED]. RFT 260, p. 18. Based on the information available to it at the time, the agency properly computed Claimant's FAP budget in this matter.

When asked by the Administrative Law Judge at hearing whether she knew what her actual housing expenses were, and whether she had documentation to support that amount, Claimant stated that she did not yet have that information. Claimant was then encouraged to provide this information to the Department so that her FAP budget could be recomputed to determine whether she was entitled to an increased monthly allotment.

**DECISION AND ORDER**

Based on the above findings of fact and conclusions of law, the Administrative Law Judge decides that the Department properly computed Claimant's monthly FAP allotment for the period beginning August 1, 2011.

The Department's action is AFFIRMED.

It is SO ORDERED.

/s/ \_\_\_\_\_  
Mark A. Meyer  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 8/19/11

Date Mailed: 8/19/11

**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.

Claimant may appeal this Decision and Order to the Circuit Court for the county in which he/she resides within 30 days of the mailing of this Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

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