

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201148094  
Issue No.: 3002  
Case No.: [REDACTED]  
Hearing Date: September 12, 2011  
Oakland County DHS (03)

**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 12, 2011. The claimant appeared and testified. [REDACTED], Assistance Payments Supervisor 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 May 1, 2011 based on a change in 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 change in his SSI income received from Social Security.
2. In April 2011 the Claimant and his wife each received SSI benefits in the amount of \$550. The Claimant and his wife also received from the Department a quarterly supplement of \$42 each (or \$14 per month). These amounts were confirmed by the Claimant.

3. Prior to April 2011 the Claimant and his wife were only receiving \$337 per month in SSI benefits due to a social security recoupment for overpaid SSI benefits. The Claimant's also received the quarterly supplement income from the Department.
4. The Claimant pays rent of \$400, which was correctly included in the FAP budget and granted the Claimant a utility allowance of \$588.
5. The Department correctly calculated the Claimant's FAP group income March 2011 to be \$702. Exhibit 1.
6. The Department correctly calculated the Claimant's FAP group income for April 2011 to be \$1038. Exhibit 2.
7. The Claimant's FAP benefits decreased when his SSI benefits increased.
8. The Claimant's FAP group consists of 2 members, and his rent is \$400 per month.
9. The Claimant requested a hearing protesting the Department's reduction in his FAP benefits beginning May 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 (May 2011 to present) were calculated based upon SSI income of \$550 per month for the Claimant and his wife, and \$14 received by each of them from the Department as a monthly quarterly supplement. The prior budget used a lower income of \$337 each, due to a recoupment by Social Security due to an overpayment of SSI benefits. The two FAP budgets submitted by the Department used this income for the appropriate periods and was the best available information. Exhibit 1 and Exhibit 2.

In preparing the March 2011 budget the Department correctly calculated the gross income of \$702 and deducted the standard deduction applicable to the Claimant (\$141) and determined the Claimant's adjusted gross income to be \$561. ( $\$337 + \$337 + \$28 - \$141 = \$561$ ). 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 \$400 in rent and is entitled to a utility allowance of \$588 applied to all FAP recipients. The Claimant's total housing expense is \$988. One half the adjusted gross income is deducted from the total housing expense to determine the excess shelter deduction. ( $\$561 \times .50 = \$280$ ) ( $\$988 - \$280 = \$708$ ). The Department correctly determined the excess shelter deduction. Exhibit 3.

To determine the final FAP benefit amount the excess shelter is deducted for the Adjusted Gross income ( $\$561 - \$708 = 0$ ) which determines the FAP group net income. Consulting RFT 260 determines the FAP benefits amount for two persons with \$0 in net income. The correct FAP benefit amount is \$367 (the maximum two individuals can receive). The Department correctly determined the FAP benefits.

For the period after March 2011 the Claimant now receives less FAP benefits because his FAP group income has increased and because the SSI recoupment has stopped. His current gross income is \$1038. ( $\$550 + \$550 + \$28 = \$1038$ ). The Department correctly deducted the standard deduction of \$141 and also correctly determined adjusted gross income to be \$897. ( $\$1038 - \$141 = \$897$ ).

The same rent and utility allowance figures were used but resulted in a lower excess shelter deduction. ( $\$400 + \$588 = \$988 - \$448$  ( $897 \times .50 = \$448$ ) = \$540 as the excess shelter deduction.

To determine the final FAP benefit amount for March 2011 the excess shelter is deducted from the Adjusted Gross income ( $\$897 - \$540 = 357$ ), which is the net income. Consulting RFT 260 determines the FAP benefits amount for two persons with \$357 in net income. The correct FAP benefit amount is \$259. The Department correctly determined the FAP benefits.


Based on the foregoing analysis, the Department correctly decreased the Claimant's Food Assistance beginning May 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 for May 2011 based on the unearned income presently being received by the Claimant from his SSI and income from the Department quarterly supplement received and therefore correctly calculated the Claimant's current FAP benefits.

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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 15, 2011

Date Mailed: September 15, 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.

LMF/hw

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