

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 20121091  
Issue No: 3002  
[REDACTED]  
Hearing Date: October 27, 2011  
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing received on September 19, 2011. After due notice, a telephone hearing was held on October 27, 2011. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly calculate Claimant's rent, utilities and other expenses for purposes of determining FAP benefits?

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's group size is 1 (one).
2. Claimant was receiving a monthly FAP allotment of [REDACTED].
3. Claimant's FAP allotment was based, in part, on a [REDACTED] rent expense.
4. On September 12, 2011, the Department processed Claimant's redetermination information and verified that Claimant had monthly RSDI in the amount of [REDACTED], monthly SSI of [REDACTED] State SSI [REDACTED] per month (paid quarterly),<sup>1</sup> and that Claimant did not any pay rent but helps her roommate with utilities.<sup>1</sup> (Department Exhibits 1-5).

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<sup>1</sup> The Department took the position that Claimant's [REDACTED] FAP allotment was in error because Claimant did not have a \$650.00 rent expense as previously calculated.

5. Claimant's monthly gross income was [REDACTED].
6. On September 12, 2011, the Department mailed Claimant a Notice of Case Action (DHS-1605) which reduced Claimant's monthly FAP to [REDACTED]. (Department Exhibit 6).
7. Claimant submitted a hearing request on September 19, 2011 contesting the reduction of her FAP from [REDACTED]. (Request for a Hearing).

### **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 (DHS or department) 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 Program Reference Manual (BRM).

For FAP purposes, all earned and unearned income available to Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMP), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

All income is converted to a standard monthly amount. If the client is paid weekly, the department multiplies the average weekly amount by 4.3. If the client is paid every other week, the department multiplies the average bi-weekly amount by 2.15. BEM 505.

The Department, through its computer system known as "Bridges," uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554.

- For groups with no senior/disabled/disabled veteran (SDV) member, Bridges uses the following:
  - Dependent care expense.
  - Excess shelter up to the maximum in RFT 255.

- Court ordered child support and arrearages paid to non-household members. BEM 554.
- For groups with one or more SDV member, Bridges uses the following; see BEM 550:
  - Dependent care expense.
  - Excess shelter.
  - Court ordered child support and arrearages paid to non-household members.
  - Medical expenses for the SDV member(s) that exceed \$35. BEM 554.

Housing expenses include rent, mortgage, a second mortgage, home equity loan, required condo or maintenance fees, lot rental or other payments including interest leading to ownership of the shelter occupied by the FAP group. BEM 554. The expense must be a continuing one. BEM 554. Payments that exceed the normal monthly obligation are not deductible as a shelter expense unless the payment is necessary to prevent eviction or foreclosure, and it has not been allowed in a previous FAP budget. BEM 554. Additional expenses for optional charges, such as carports, pets, etc. are not allowed. BEM 554.

In this case, Claimant did not challenge the Department's calculation of her income. But Claimant disputed the Department's calculation of her rent expenses for purposes of FAP. Claimant did not pay rent, but she had an agreement with her roommate (the homeowner). The arrangement was that Claimant, rather than pay rent, would pay for utilities and assist with the homeowner's personal needs, etc. Claimant had no other expenses or income. Here Claimant was receiving monthly earned income in the amount of [REDACTED] at all times relevant to this matter. [REDACTED] minus the standard deduction of [REDACTED] equals an adjusted gross income of [REDACTED]. The adjusted gross income is subtracted by a [REDACTED] excess shelter deduction which equals [REDACTED] net income. According to RFT 260 a group size of 1 and a [REDACTED] net income results in a \$113.00 FAP allotment. The Department properly calculated Claimant's FAP allotment.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in determining Claimant's FAP eligibility.

The department's FAP eligibility is AFFIRMED.

It is SO ORDERED.

/s/  
C. Adam Purnell  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 10/28/11

Date Mailed: 10/28/11

**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.

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 date of the rehearing decision.

CAP/ds

■ [REDACTED]