

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012 233593
Issue No.: 3003
Case No.: [REDACTED]
Hearing Date: March 14, 2012
Wayne County DHS (19)

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 March 14, 2012. The Claimant appeared and testified. [REDACTED] a witness, also appeared on behalf of the Claimant. [REDACTED], FIS appeared and testified on behalf of the Department.

ISSUE

Whether the Department correctly reduced the Claimant's FAP benefits as a result of his RSDI income increase?

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 Claimant was an ongoing FAP recipient and received \$200 in FAP benefits per month, until September 2011 when his group size changed and his son was added to his group.
2. In December 2012 the Claimant received \$656 in RSDI benefits.
3. In January, 2012 the Claimant received \$680 in RSDI benefits.
4. As a result of the increase in RSDI income, the Claimant's FAP benefits fluctuated in January (decreased). Exhibits 5 and 6.

5. Due to the Claimant's failure to provide shelter verification in February 2012, the Claimant's FIP benefits in the amount of \$138 were not included in the FAP budget income resulting in a FAP benefit increase. Exhibits 7 and 8.
6. In February 2012 the Department included the Claimant's correct RSDI income of \$680, but did not include the FIP income in the amount of \$138, due to no updated shelter verification being received. The SSI received by the Claimant in the amount of \$38, and a quarterly supplement in the amount of \$14 for a total unearned income were also included. Exhibit 7 and 8.
7. At all times relevant to this matter, the Claimant's rent was \$375.
8. The Claimant currently receives \$310 in FAP benefits, as of March 1, 2012.
9. The Department recomputed Claimant's FAP budget, as his RSDI increased and included RSDI income in the amount of \$680 per month for January 2012. Exhibit 5.
10. The Claimant confirmed the RSDI income for November 2011 was \$656 and for January 2012 the RSDI amount was \$680.
11. The Department issued a Notice of Case Action on February 8, 2012 and reduced the Claimant's FAP benefits for March 1, 2012 to \$310 per month.
12. The Claimant's FAP group consists of 2 members and Claimant pays \$375 in rent. The Claimant is an SDV group because he receives RSDI.
13. The Claimant requested a hearing on February 12, 2012, protesting that the Department incorrectly calculated his FAP benefits and improperly decreased his benefits for his food assistance in March 2012.

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).

Additionally, in this case the Claimant's FAP benefits have fluctuated due to the recalculation of benefits to include unearned income from RSDI (which increased in December 2011). Prior to December the Claimant received \$656 in RSDI income. A number of factors have caused the fluctuations in FAP benefits for the months of December 2011 through March 2012 which were examined at the hearing.

The factors causing the fluctuations in FAP benefit amounts had to do with income fluctuations; in December 2011 the Department included FIP income of \$158, which caused a decrease in FAP due to an income increase. In January 2012 the Department reinstated FIP income again, and thus included \$158 in FIP income and the new RSDI amount of \$680, which again increased the unearned income causing FAP benefits to decrease.. After review it is determined that the income and the benefits were properly calculated to be \$310 for January 2012. In February 2012, the Department did not include the \$158 in FIP income, which was due to a shelter verification not being received from the Claimant and FIP benefits being suspended which caused the FAP benefits to increase. The unearned income used for March to determine March FAP benefits was as follows: \$680 RSDI, \$38 SSI, \$14 quarterly supplement and \$158 FIP. In March 2012 the Department included the correct income amounts and correct rent when calculating the benefits.. As explained at the hearing, FAP benefits are based on income received each month by the FAP group, if the income changes or fluctuates, FAP benefits will change accordingly; as a general rule when income is increased and all other parameters in the FAP calculation remain unchanged, FAP benefits go down, when income is decreased, FAP benefits go up.

The excess shelter deduction, which is a credit to reduce net income to take into account housing costs, was correctly calculated to take into account the cost of housing expenses for rent of \$375. The Claimant was also granted a utility allowance of \$553 per month (applied to all FAP budget excess shelter calculations). One half the adjusted gross income was deducted from the housing expense (utility allowance) to determine the excess shelter deduction.

The FAP budgets for December 2011, January 2012, February 2012 and March 2012 were reviewed with the Claimant at the hearing, as well as the excess shelter deductions. The budgets as presented, Exhibits 5 – 10, were carefully reviewed and the income calculations used were reviewed and confirmed by the Claimant and the Department. Based upon the evidence presented, and the testimony of the parties, the Department correctly calculated FAP benefit amounts for the months in question.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law finds that the Department correctly calculated the Claimant's FAP benefits for December 2011, January, February 2012 and March 2012. Therefore, its determination

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of FAP benefit amounts for December 2011, January, February and March 2012 are AFFIRMED.

Accordingly it is ORDERED:



Lynn M. Ferris
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: March 16, 2012

Date Mailed: March 16, 2012

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request. (60 days for FAP cases).

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail to:

Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

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cc:

