

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

IN THE MATTER OF:



Reg. No.: 2012-44936
Issue No.: 3002
Case No.: [REDACTED]
Hearing Date: June 7, 2012
County: Wayne DHS (18)

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 following Claimant's request for a hearing. After due notice, an in-person hearing was held on June 7, 2012 from Taylor, Michigan. Participants included the above named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED] Manager, and [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly determined Claimant's eligibility for Food Assistance Program (FAP) benefits effective 4/2012 as \$16/month.

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's FAP benefit eligibility was scheduled for redetermination beginning 4/2012.
3. Claimant was part of a FAP benefit group of one person.
4. Claimant received \$1360/month in gross Retirement, Survivors and Disability Insurance (RSDI).
5. Claimant verified \$166/month in medical expenses.

6. Claimant had a mortgage obligation of \$401.08/month.
7. On 3/28/12, DHS determined that Claimant was eligible for \$16/month in FAP benefits effective 4/2012.
8. On 4/4/12, Claimant requested a hearing to dispute the redetermined FAP benefit eligibility amount.

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).

Claimant disputed a \$16/month FAP benefit issuance effective 4/2012. In order to determine the correctness of a FAP benefit issuance, FAP benefit budget factors must be considered. BEM 556 outlines the proper procedures for calculating FAP benefit eligibility.

It was not disputed that Claimant received \$1360/month in gross RSDI benefits. For all programs, the gross amount of RSDI is countable income. BEM 503 at 20.

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. It was not disputed that Claimant was a disabled individual.

Verified medical expenses for SDV groups, child support and day care expenses are subtracted from Claimant's monthly countable income. It was not disputed that Claimant had \$166/month in medical expenses. DHS applies a standard \$35 copayment to verified medical expenses resulting in \$131 in budgetable medical expenses. Subtracting the budgetable medical expenses from Claimant's gross income results in a running budget income of \$1229.

Claimant's FAP benefit group received a standard deduction of \$146. 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 adjusted gross income. The adjusted gross income amount is found to be \$1083.

It was not disputed that Claimant had a housing obligation of \$401/month (dropping cents). DHS gives a flat utility standard to all clients. BPB 2010-008. The utility standard of \$553(see RFT 255) encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$553 amount. The total shelter obligation is calculated by adding Claimant's housing expenses to the utility credit (\$553); this amount is found to be \$954.

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 \$413 (rounding up).

The FAP benefit group's net income is determined by taking the group's adjusted gross income (\$1083) and subtracting the allowable excess shelter expense. The FAP benefit group net income is found to be \$670. 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 \$16, the same amount calculated by DHS (see Exhibit 1). It is found that DHS properly determined Claimant's FAP benefit eligibility for 4/2012 as \$16 /month.

Claimant was puzzled how his FAP benefit eligibility failed to increase from \$16/month based on newly reported medical expenses. FAP benefit eligibility is not dependent on a previous month's issuance. Thus, Claimant's concern is irrelevant to the correctness of the 4/2012 determination. As a courtesy, it was explained to Claimant that a \$16 FAP benefit issuance is based on a large range of net income. Thus, Claimant's net income, for purposes of FAP benefit eligibility could substantially decrease (or increase) and still result in no change in FAP benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's FAP benefit eligibility effective 4/2012 as \$16/motnh. The actions taken by DHS are AFFIRMED.



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

Date Signed: 6/15/12

Date Mailed: 6/15/12

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

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