

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201254344
Issue No.: [REDACTED]
Case No.: [REDACTED]
Hearing Date: June 21, 2012
County: Oakland DHS (04)

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, a telephone hearing was held on June 21, 2012 from Detroit, Michigan. Participants included the above named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly determined Claimant's eligibility for Food Assistance Program (FAP) benefit eligibility effective 6/2012.

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 was the only member of a FAP benefit group.
3. Claimant received \$592/two weeks in unemployment compensation (UC) income.
4. Claimant paid \$599/month in rent.
5. On 5/17/12, DHS determined that Claimant was eligible for \$16/month in FAP benefits effective 6/2012.
6. On 5/21/12, Claimant requested a hearing to dispute the FAP benefit issuance.

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 6/2012. Claimant's primary complaint was that DHS reduced her benefit eligibility from \$200 in the previous month despite no change in her circumstances. Prior FAP benefit determinations are irrelevant to the correctness of the determination for 6/2012. The evidence tended to show that previous FAP benefit issuances did not factor Claimant's unemployment income; but again, this is irrelevant to determining whether the 6/2012 FAP benefit determination was correct. BEM 556 outlines the proper procedures for calculating FAP benefit eligibility.

It was not disputed that Claimant received \$592/two weeks in UC benefits. Claimant contended that DHS should have budgeted the UC income amount after payment of taxes. Generally, DHS is to count the gross amount of UC in calculating FAP benefits. BEM 503 at 24. The only exceptions to budgeting gross UC income are when the income is reduced by employment income or recoupment; neither circumstance was applicable in the present case.

DHS converts biweekly non-child support income into a 30 day period by multiplying the income by 2.15. BEM 505 at 6. Multiplying the bi-weekly UC income by 2.15 results in a countable income of \$1272 (dropping cents).

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.

Verified medical expenses for SDV groups, child support and day care expenses are subtracted from Claimant's monthly countable income. Claimant noted that she had medical expenses. Because Claimant was neither a senior, disabled person nor a disabled veteran, the medical expenses are appropriately not counted in a FAP budget.

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 \$1126.

There was some confusion concerning Claimant's housing obligation. Claimant contended that her rent recently increased but conceded that at the time of the FAP determination in dispute, she reported to DHS a rent of \$599/month. DHS initially thought Claimant was credited with a rent amount of \$450 before realizing that Claimant was given a \$599/month credit for rent. Thus, there was ultimately no disagreement that \$599/month was the correct rent amount to budget in determining Claimant's FAP benefit eligibility.

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.

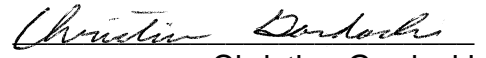
The total shelter obligation is calculated by adding Claimant's housing expenses to the utility credit (\$553). This amount is found to be \$1152.

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 \$589. However, because Claimant's FAP benefit group does not have an SDV member, Claimant's excess shelter amount is capped; the current cap amount is \$458. RFT 255 at 1.

The FAP benefit group's net income is determined by taking the group's adjusted gross income (\$1126) and subtracting the allowable excess shelter expense. The FAP benefit group net income is found to be \$668. 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. It is found that DHS properly determined Claimant's FAP benefit eligibility for 6/2012 as \$16 /month.

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 6/2012 as \$16/month. The actions taken by DHS are AFFIRMED.


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

Date Signed: June 25, 2012

Date Mailed: June 25, 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

CG/hw

CC:

