

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201315184  
Issue No: 3015  
Case No: [REDACTED]  
Hearing Date: January 16, 2013  
Jackson County DHS

**ADMINISTRATIVE LAW JUDGE:** Suzanne D. Sonneborn

**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 by the Department of Human Services (department) on December 3, 2012. After due notice, a telephone hearing was held on January 16, 2013. Claimant appeared and provided testimony and Claimant's brother, Eric Draper, also appeared and provided testimony on Claimant's behalf. The department was represented by [REDACTED], an eligibility specialist, and [REDACTED], a general services program manager, both with the department's Genesee Jackson County office.

**ISSUE**

Whether the department properly determined Claimant's Food Assistance Program (FAP) benefit eligibility for the benefit period effective November 1, 2012 through November 30, 2012 and for the benefit period beginning January 1, 2013?

**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 was receiving FAP benefits at all times pertinent to this hearing in the amount of \$ [REDACTED] (Department Hearing Summary)
2. On October 23, 2012, Claimant applied for Medicaid (MA) and retroactive Medicaid benefits. (Department Exhibits 1-7)
3. On November 20, 2012, the department mailed Claimant a Notice of Case Action (DHS 1605), informing Claimant that his application for MA benefits had been approved and would be subject to a deductible in the amount of \$ [REDACTED]. Specifically, Claimant was advised that he would become

eligible for MA benefits when his allowable expenses exceeded the deductible amount. (Hearing Testimony, Ben Carmody)

4. On December 2, 2012, Claimant submitted a hearing request regarding the department's determination of his MA and FAP benefit eligibility. (Request for Hearing)
5. At the January 16, 2013 hearing in this matter, Claimant testified that he understands and no longer challenges the department's determination of his MA eligibility.

### **CONCLUSIONS OF LAW**

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600. The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

The Food Assistance Program (FAP) was established pursuant to 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 administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.30001-3015. Department policies for the program are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

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.

Federal regulations at 7 CF 273.10 provide standards for income and the amount of household benefits. In accordance with the federal regulations, the department has prepared income and issuance tables which can be found at RFT 250 and RFT 260.

In this case, the department determined Claimant's eligibility for FAP benefits for the benefit period effective November 1, 2012 through November 30, 2012 and for the benefit period beginning January 1, 2013 based on the department's verification of Claimant's receipt of monthly RSDI benefits in the amount of \$1265.00. (Department Exhibits 19-24)

Claimant's total monthly income of \$ [REDACTED] was then reduced by a standard deduction of \$ [REDACTED] which left an adjusted gross income of \$ [REDACTED]. An excess shelter deduction of \$ [REDACTED] was then subtracted from Claimant's adjusted gross income leaving a monthly net income of \$ [REDACTED].

Claimant's excess shelter deduction of \$ [REDACTED] was determined by adding Claimant's monthly housing expenses to the \$ [REDACTED] standard heat and utility amount and subtracting half of Claimant's adjusted gross income. Because the department lacked verification of a monthly housing expense, the department reported this amount as zero which, when added to the \$ [REDACTED] standard heat and utility amount, resulted in a total housing expense of \$ [REDACTED]. Half of Claimant's adjusted gross income (\$ [REDACTED]) was then subtracted from Claimant's housing and utilities (\$ [REDACTED]) for an adjusted excess shelter amount of \$ [REDACTED]. Since Claimant does not meet the senior/disabled/veteran criteria, the department may only deduct the non-SDV shelter maximum amount of \$ [REDACTED] from Claimant's adjusted gross income. BEM 556.

Federal regulations at 7 CF 273.10 provide standards for income and the amount of household benefits. In accordance with the federal regulations, the department has prepared income and issuance tables which can be found at RFT 250 and RFT 260. RFT 260 provides that a household size of one with a monthly net income of \$1100.00 is entitled to a \$16.00 monthly FAP allotment. Therefore, the department's FAP eligibility determination for the benefit period effective November 1, 2012 through November 30, 2012 and for the benefit period effective January 1, 2013 was correct.

Consequently, the Administrative Law Judge finds that, based on the competent, material, and substantial evidence presented during the January 16, 2013 hearing, the department properly determined Claimant's FAP eligibility for the benefit period effective November 1, 2012 through November 30, 2012 and for the benefit period effective January 1, 2013.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined Claimant's FAP eligibility for the benefit period effective November 1, 2012 through November 30, 2012 and for the benefit period effective January 1, 2013. Accordingly, the department's actions in this regard are **UPHELD**.

**IT IS SO ORDERED.**

/s/ \_\_\_\_\_  
Suzanne D. Sonneborn  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: January 17, 2013

Date Mailed: January 18, 2013

**NOTICE:** Michigan Administrative Hearings 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 Order. MAHS 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 this Order to Circuit Court within 30 days of the receipt of the 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 errors, or other obvious errors in the hearing decision that affect the substantial rights of Claimant;
  - The failure of the ALJ to address other relevant issues in the hearing decision.

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

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

SDS/cr

cc:

