

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-35735  
Issue No.: 3003  
Case No.: [REDACTED]  
Hearing Date: April 17, 2013  
County: Wayne (82-18)

**ADMINISTRATIVE LAW JUDGE:** Eric Feldman

**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 April 17, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED]

**ISSUE**

Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits effective April 1, 2013?

**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  applied for benefits for:  received benefits for:

- |  |   |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP).        | <input type="checkbox"/> Adult Medical Assistance (AMP).    |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input type="checkbox"/> Medical Assistance (MA).                  | <input type="checkbox"/> Child Development and Care (CDC).  |

2. On February 12, 2013, the Department sent Claimant a Redetermination. Exhibit 1.

3. On March 5, 2013, Claimant returned a completed Redetermination. Exhibit 1.

4. On March 19, 2013, the Department sent Claimant a Notice of Case Action indicating that his FAP allotment is \$16, effective April 1, 2013.
5. On March 19, 2013, Claimant filed a hearing request, protesting his FAP allotment.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

At the hearing, the FAP Budget (Exhibit 1) for the benefit period of April 1, 2013, ongoing was reviewed. Claimant verified the amount used by the Department to determine his unearned income. The Department properly calculated Claimant's unearned income from his Retirement, Survivors and Disability Insurance to be \$1,439. BEM 503 (November 2012), p. 21. Claimant also confirmed that his FAP group size was one. A review of the FAP budget shows that the Department properly applied the \$148 standard deduction applicable to Claimant's group size. RFT 255 (October 2012), p 1.

Claimant is a Senior/Disabled/Veteran (SDV) member of his FAP group, eligible for a deduction for verified medical expenses he incurred in excess of \$35. BEM 554 (October 2012), p. 1. A review of the FAP Budget (Exhibit 1) showed a medical deduction in the amount of \$70. The Department presented as evidence an SOLQ Report (Exhibit 1), which showed that Claimant received Part B Medicare Premium in the amount of \$104.90. Thus, Claimant was eligible for the \$70 medical deduction (\$104.90 less the \$35 threshold). BEM 554, p. 1. Claimant did not dispute this amount.

Thus, the adjusted gross income is calculated by subtracting the \$148 standard deduction and \$70 medical deduction from Claimant's \$1,439 unearned income. This amount is found to be \$1,221. BEM 556 (October 2011), pp. 1-6.

Because Claimant is an SDV member of his FAP group, he is also eligible for shelter expenses above the standard amount. BEM 554, p. 1; RFT 255, p. 1. Claimant's monthly housing expense is \$278.40. (Exhibit 1) The Department gives a flat utility standard to all clients. BEM 554, pp. 11-12. The utility standard of \$575 (RFT 255, p. 1) encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$575 amount. The total shelter obligation is calculated by adding Claimant's housing expenses to the utility credit; this amount is found to be \$853. Then, the Department subtracts the total shelter amount from 50% of the adjusted gross income (\$1,221); this amount is found to be \$243. BEM 556, pp. 1-6. It should be noted that Claimant testified that he had additional shelter expenses that included homeowners and higher taxes. However, Claimant testified that he did not state this information in his redetermination nor present any documents to the Department at anytime before today's hearing. Moreover, the shelter expense must be reported to the Department in order for it to be factored into the budget. Thus, the Department properly calculated Claimant's shelter expenses.

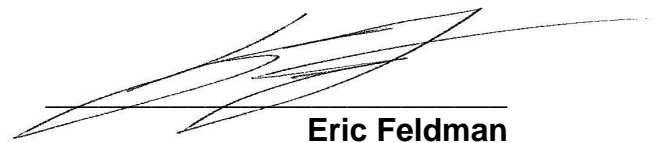
Finally, the FAP group net income is determined by taking the group's adjusted gross income and subtracting the allowable excess shelter expense. BEM 556, pp. 1-6. The FAP benefit group's net income is found to be \$978 (\$1,221 adjusted gross income less the \$243 in shelter expenses). A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Claimant's group size and net income, Claimant's proper FAP benefit issuance is found to be \$16, the same amount calculated by the Department. RFT 260 (December 2012), p. 9. Thus, the Department properly

calculated Claimant's FAP Budget in accordance with department policy for the effective benefit period of April 1, 2013, ongoing.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated above and on the record, finds that the Department  did act properly  did not act properly.

Accordingly, the Department's  AMP  FIP  FAP  MA  SDA  CDC decision is  AFFIRMED  REVERSED for the reasons stated above and on the record.



**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: April 22, 2013

Date Mailed: April 22, 2013

**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 affect the substantial rights of the claimant:
  - 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

2013-35735/EJF

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

EJF/pf

cc:

