

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

IN THE MATTER OF:

██████████
██████████
████████████████████

Reg. No.: 14-007159
Issue No.: 3001
Case No.: ██████████
Hearing Date: AUGUST 18, 2014
County: MACOMB-DISTRICT 20

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on August 18, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Hearings Facilitator.

ISSUE

Did the Department properly deny Claimant's application for Food Assistance Program (FAP) benefits based on excess income?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On June 4, 2014, Claimant applied for FAP benefits.
2. Claimant's household has three members: Claimant, her living-together-partner (LTP) and father of her minor child, and the child.
3. The LTP has biweekly earned income of \$1280.
4. On July 2, 2014, the Department sent Claimant a Notice of Case action notifying her that her FAP application was denied because of excess income.
5. On July 9, 2014, Claimant requested a hearing disputing the Department's actions.

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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

Additionally, Claimant requested a hearing disputing the July 2, 2014 Notice of Case Action denying her June 4, 2014 FAP application on the basis of excess income. At the hearing, the Department testified that Claimant's FAP application was denied because her group's net income exceeded the applicable net income limit. Claimant's FAP group has three members. BEM 212 (July 2014), p. 1. In order to be eligible for FAP benefits, a FAP group of three must have net income not exceeding \$1628. RFT 250 (December 2013), p. 1, column B.

The Department presented a net income budget showing the calculation of Claimant's household's net income, which was reviewed with Claimant at the hearing. The Department testified that the gross monthly earned income shown on the budget was based on the LTP's gross biweekly pay of \$1280, which Claimant confirmed. This biweekly pay, multiplied by 2.15 in accordance with Department policy, results in gross monthly earned income of \$2752, as shown on the budget. BEM 505 (July 2013), pp. 7-8.

Because the LTP had earned income but there were no senior/disabled/veteran (SDV) members in Claimant's FAP group, the group was eligible for the following deductions to the LTP's income under Department policy:

- an earned income deduction equal to 20% of LTP's gross monthly earned income (BEM 556 (July 2013), p. 3);
- a standard deduction of \$151 based on Claimant's three-person group size (RFT 255 (December 2013), p. 1; BEM 556, p. 4);
- an excess shelter deduction, which takes into account Claimant's \$412 in monthly housing expenses and the heat and utility standard (RFT 255, p. 1; BEM 554 (May 2014), pp. 1, 12-15); and
- expenses for child care and child support (BEM 554, p. 1).

Claimant confirmed that the group had no day care or child support expenses. A review of the FAP budget shows that the Department properly applied an earned income deduction equal to 20% of Claimant's LTP's gross monthly income, or \$551 in this case,

and the \$151 standard deduction. BEM 556 (July 2013), p. 3; RFT 255 (December 2013), p. 1.

In determining that Claimant's excess shelter deduction, the Department testified that it considered the group's monthly shelter expenses of \$412, which Claimant verified, and the \$553 heat and utility standard. RFT 255, p. 1; BEM 554 (May 2014), pp. 1, 14-19. A review of the Department's calculation shows that, based on the household's adjusted gross income, the Department acted in accordance with Department policy when it concluded that Claimant was not eligible for an excess shelter deduction. BEM 556, pp. 4-5.

After Claimant's household's total income of \$2752 is reduced by the \$551 earned income deduction and the \$151 standard deduction, the household's net income is \$2050, consistent with the FAP budget.

Because Claimant's net income of \$2050 for her FAP group size of three exceeded the applicable \$1628 net income limit, the Department acted in accordance with Department policy when it concluded that Claimant was not eligible for FAP benefits and denied her FAP application. RFT 250, p. 1; RFT 260 (December 2013), p. 26.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it denied Claimant's FAP application.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **8/25/2014**

Date Mailed: **8/25/2014**

ACE / tlf

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]