

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-013779  
Issue No.: 3008  
Case No.: [REDACTED]  
Hearing Date: November 18, 2014  
County: Eaton

**ADMINISTRATIVE LAW JUDGE:** Vicki Armstrong

**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 November 18, 2014, from Lansing, Michigan. Claimant personally appeared and testified. Participants on behalf of the Department of Human Services (Department) included Hearing Facilitator [REDACTED].

**ISSUE**

Did the Department properly decrease Claimant's monthly Food Assistance Program (FAP) benefits during Recertification?

**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 submitted the FAP Redetermination on August 22, 2014.
2. The Department mailed Claimant a Notice of Case Action on September 30, 2014, informing Claimant her FAP benefits had decreased based on changes in her shelter expenses and medical expense deductions.
3. Claimant's group size is 1. The monthly net income limit for a group size of 1 is [REDACTED].
4. Claimant submitted a hearing request on October 6, 2014 contesting the decrease in FAP benefits.

**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).

Clients have the right to contest a Department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600, p. 1 (10-1-2014). The Department will provide an Administrative Hearing to review the decision and determine the appropriateness. BAM 600, p. 1.

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.

All countable earned and unearned gross income available to the client must be considered in determining the client's eligibility for FAP benefits. 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 Department must count the gross benefit amount before any deductions, unless Department policy states otherwise. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500 (7-1-2014).

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 (7-1-2014). In most cases, the Department's estimate of the client's future monthly income will not equal the actual income that the client receives. However, as long as the Department uses the best available information to determine future income, and there is no concealed information or mathematical error, the Department's estimate will not be determined inaccurate.

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.

In determining Claimant's monthly net income, the standard deduction of \$154.00 was deducted from Claimant's gross monthly unearned SSI income of \$735.00 resulting in an adjusted gross income of \$581.00 a month. The Department determines a FAP group's net income by deducting certain allowable expenses. These expenses include

dependent care expenses, child support expenses, medical expenses and shelter expenses. BEM 554 (10-1-2014). Claimant had shelter expenses only. Effective August, 2014, Claimant's monthly rent was \$175.00 and she had a monthly heat/utility obligation. The Department properly gave Claimant the heat/utility (including telephone) standard of \$553.00. See RFT 255, effective 10/1/14.

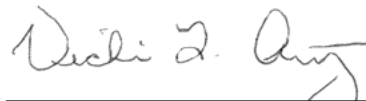
Claimant's total shelter expense was properly determined to be [REDACTED]. Pursuant to Departmental policy, 50% of [REDACTED] Claimant's adjusted gross income, must be deducted from her total shelter. [REDACTED]. Since Claimant's total shelter expense of [REDACTED] is more than 50% of the adjusted gross income of her FAP group, Claimant had an excess shelter expense of \$438.00. The Department was required to deduct any excess shelter expense from Claimant's adjusted gross income of [REDACTED] resulting in net income of [REDACTED]. BEM 556 (7-1-2013).

A client with a group size of one and a net income of [REDACTED] is entitled to a FAP allotment of [REDACTED], which is the amount of FAP benefits granted to Claimant for this period. RFT 260 (10-1-2014). Based on the evidence and testimony available during the hearing, the Department properly established Claimant is receiving the proper amount of FAP benefits.

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 decreased Claimant's FAP benefits.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



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Vicki Armstrong  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **11/25/2014**

Date Mailed: **11/25/2014**

VLA/sw

**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 48909-8139

cc:

