

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

IN THE MATTER OF:

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

Reg. No.: 2014-16971
Issue No.: 3001
Case No.: ██████████
Hearing Date: January 9, 2014
County: Wayne (82-17)

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 January 9, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant ██████████
██████████ Participants on behalf of the Department of Human Services (Department) included ██████████

ISSUE

Did the Department properly close Claimant's Food Assistance Program (FAP) case for excess net 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. Claimant was an ongoing recipient of FAP benefits.
2. In connection with a redetermination, the Department recalculated Claimant's FAP budget.
3. On November 20, 2013, the Department sent Claimant a Notice of Case Action notifying her that her FAP benefit period had not been renewed and her benefits ended as of November 1, 2013, because the group's net income exceeded the net income limit.

4. On November 27, 2013, Claimant filed a request for 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 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

Additionally, the Department explained that Claimant's FAP case closed because the group's net income exceeded the net income limit applicable to the group. The Department first explained that, although Claimant's household had six members (Claimant, her husband, and their four children), Claimant's oldest daughter, [REDACTED], was excluded from the FAP group because she was an ineligible student. Students between the ages of 18 and 49 enrolled half-time or more in a vocational school or college are not eligible for FAP benefits unless they meet one of the eligibility criteria outlined in policy, which includes participation in a work-study program, employment for at least 20 hours weekly, being mentally or physically unfit to work, or caring for a minor child. BEM 254 (July 2013), pp. 3-4. The evidence at the hearing established that [REDACTED] was a full-time college student and did not meet any of the criteria to make her eligible for FAP benefits. Therefore, the Department properly excluded her from the FAP group. This left five household members for the FAP group.

For a FAP group size of five, the net income limit is \$2,298. RFT 250 (October 2013), p. 1. The Department provided a net income budget showing its calculation of Claimant's net income at \$3,039. To arrive at this net income, the Department began with the household's gross monthly unearned income of \$3,646, which the Department testified was the sum of Claimant's husband's \$1,581 monthly Retirement, Survivors and Disability Income (RSDI) benefits, his \$1,277 monthly pension, Claimant's \$200 monthly RSDI, and the minor children's \$600 total RSDI. Claimant verified the income received by her household. The sum of all these income sources is actually \$3,658, slightly more than that calculated by the Department. Because the lower income figure used by the Department is more favorable to Claimant, that figure will be used to determine FAP eligibility.

Because Claimant's husband is a senior/disabled/veteral (SDV) member of the FAP group due to his disability, the group was eligible for a medical expense deduction for monthly medical expenses incurred by the husband in excess of \$35. BEM 554 (July 2013), p. 1. The Single Online Query (SOLQ), the Department's database exchange

with the Social Security Administration, showed that Claimant's husband did not have any Medicare Part B premium expenses. He testified that he paid \$350 monthly in health insurance premiums for coverage for his family. The net income budget shows that the Department considered \$315, the \$350 premium less the \$35 threshold, for medical expenses. Although Claimant's husband testified that he had additional medical expenses not reflected in the budget, he acknowledged that he had not disclosed these expenses in his redetermination. Therefore, the Department was not aware of any additional expenses and properly considered only the healthcare premium.

In addition to the medical expense deduction to Claimant's income, the evidence at the hearing established that Claimant's group was eligible for a standard deduction and an excess shelter deduction. A review of the FAP budget shows that the Department properly applied the \$190 standard deduction available to Claimant's FAP group size of five. BEM 556 (July 2013), p. 3; RFT 255 (December 2013), p. 1. In calculating Claimant's excess shelter deduction, the Department considered the group's monthly shelter expenses of \$1,118.95 and applied the heat and utility standard of \$553 applicable to all FAP recipients. RFT 255, p. 1; BEM 554 (July 2013), p. 1. Although Claimant's husband testified that he had an additional mortgage not considered in the calculation of his shelter expenses, he acknowledged that he had not disclosed this information in his redetermination. The excess shelter deduction based on the information presented to the Department is \$102. BEM 556, pp. 4-5.

After Claimant's total income of \$3,646 is reduced by the \$190 standard deduction, the \$315 medical expense deduction and the \$102 excess shelter deduction, her net income is \$3,039, consistent with the FAP budget. Because Claimant's net income of \$3,039 exceeds the \$2,298 net income limit applicable to her FAP group size, the Department acted in accordance with Department policy when it concluded that Claimant was not income eligible for FAP.

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 closed Claimant's FAP case.

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: January 13, 2014

Date Mailed: January 13, 2014

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted 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 Department, AHR or the claimant 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 the hearing decision is mailed.

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

ACE/pf

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Goddard
A. Elkin