

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

IN THE MATTER OF:

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

Reg. No.: 2014-99
Issue No.: 3003
Case No.: ██████████
Hearing Date: October 23, 2013
County: Wayne (35)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 October 23, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████, Eligibility Specialist.

ISSUE

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

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 is an ongoing recipient of FAP benefits.
2. Claimant's group size is one and he receives \$1,105 monthly from the Social Security Administration (SSA).
3. On September 14, 2013, the Department sent Claimant a Notice of Case Action notifying him that his FAP benefits decreased to the amount of \$19 effective October 1, 2013, ongoing. Exhibit 1.
4. On September 23, 2013, Claimant filed a hearing request, protesting the Department's action. Exhibit 1.

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.

As a preliminary hearing, Claimant also received a subsequent Notice of Case Action in which it also decreased his FAP allotment. However, the subsequent Notice of Case Action is after Claimant's hearing request. This hearing decision will only address Claimant's Notice of Case Action dated September 14, 2013, in which his FAP benefits are reduced to the amount of \$19. See BAM 600 (July 2013), pp. 4-5. Claimant can file another hearing request to address the subsequent Notice of Case Action. BAM 600, pp. 4-5.

In this case, Claimant is an ongoing recipient of FAP benefits. On September 14, 2013, the Department sent Claimant a Notice of Case Action notifying him that his FAP benefits decreased to the amount of \$19 effective October 1, 2013, ongoing. Exhibit 1.

At the hearing, it was not disputed that Claimant's group size is one. Also, the Department presented Claimant's October 2013 FAP budget for review. See Exhibit 1.

Retirement, Survivors, and Disability Insurance (RSDI) is a federal benefit administered by the SSA that is available to retired and disabled individuals, their dependents, and survivors of deceased workers. BEM 503 (July 2013), p. 28. The Department counts the gross benefit amount as unearned income. BEM 503, p. 28.

The budget indicates Claimant's unearned income is \$1,105, which is comprised of Claimant's monthly RSDI. See Exhibit 1. Claimant did not dispute this amount.

The Department then applied the \$151 standard deduction applicable to Claimant's group size of one. BEM 550 (July 2013) p. 1; RFT 255 (October 2013), p. 1. This results in an adjusted gross income of \$954 (\$1,105 post earned income minus \$151 standard deduction). See Exhibit 1.

It should be noted that Claimant is senior/disabled/disabled veteran (SDV) member. For groups with one more SDV member, the Department allows medical expenses for the SDV member that exceeds \$35. BEM 554 (July 2013), p. 1. Claimant testified that

he does have medical and prescription expenses. However, the Department testified that it never received any verification of these medical expenses. Claimant agreed that he has not provided any of these verifications. Thus, Claimant is not eligible for this deduction at this time. See BEM 554, pp. 11-12. However, if Claimant has allowable medical expenses, he can submit the verifications any time to the Department for review to see if it can be applied as a medical deduction. See BEM 554, p. 1.

Claimant also indicated that he had bus/transportation costs. Allowable medical expenses can be used for the costs of transportation and lodging necessary to secure medical treatment or services. See BEM 554, pp. 9-10. Again, Claimant did not supply the verification and cannot be considered as an eligible deduction for this decision. Nevertheless, as stated previously, he can supply the verifications to the Department to see if it can be applied as a medical deduction.

Because the Department properly calculated Claimant's adjusted gross income, the Department then determined Claimant's excess shelter deduction. As previously stated, Claimant is a SDV member. For groups with one or more SDV member, the Department uses excess shelter and Claimant is not subject to the standard shelter maximum for non-SDV members of \$478. RFT 255, p. 1.

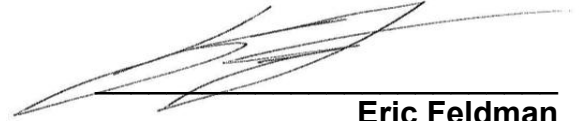
Claimant's monthly housing expenses are \$275, which Claimant did not dispute. See Exhibit 1. The Department gives a flat utility standard to all clients responsible for utility bills. BEM 554, pp. 11-12. The utility standard of \$553 (see RFT 255, p. 1.) encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$553 amount.

Furthermore, the total shelter obligation is calculated by adding Claimant's housing expenses to the utility credit; this amount is found to be \$828. See Exhibit 1. Then, the Department subtracts the total shelter amount from fifty percent of the \$954 adjusted gross income. Fifty percent of the adjusted gross income is \$477. Then, the Department subtracts the total shelter amount from fifty percent of the gross income, which results in an excess shelter deduction of \$351. See Exhibit 1.

Finally, the Department subtracts the adjusted gross income from the excess shelter deduction, which results in a net income of \$603. See Exhibit 1. 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 \$19, the same amount calculated by the Department. RFT 260 (October 2013), p. 6. Thus, the Department properly calculated Claimant's FAP Budget in accordance with department policy for the effective benefit period of October 1, 2013, ongoing.

DECISION AND ORDER

Accordingly, the Department's FAP decision is AFFIRMED.



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

Date Signed: October 28, 2013

Date Mailed: October 28, 2013

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

EJF/cl

2014-99/EJF

CC:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]