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

IN THE MATTER OF:

Reg. No.: 15-010728
Issue No.: 3008
Case No.: [redacted]
Hearing Date: August 03, 2015
County: WAYNE-DISTRICT 41

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on August 3, 2015, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Health and Human Services (Department) included [redacted], Hearing Liaison.

ISSUE

Did the Department properly calculate the Claimant's Food Assistance (FAP) benefits?

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of Food Assistance. The Department reduced the Claimant FAP benefits after conducting a redetermination.

2. The Claimant has unearned income in the amount of $733 and receives a monthly supplement of $14. The Claimant's group size is one person. The Claimant pays rent in the amount of $182 and pays heat and electricity. Exhibit 2 and 3

3. The Claimant previously paid rent in the amount of $395. Exhibit 4

4. The Department issued a Notice of Case Action on [redacted], decreasing the Claimant's FAP benefits to $147 effective [redacted]. Exhibit 1

5. The Claimant requested a hearing on [redacted] protesting the reduction of benefits.

CONCLUSIONS OF LAW

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

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, 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 Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Claimant sought a review of how the Department determined his FAP benefit amount after it was reduced after a redetermination for June 2015. The Department presented evidence at the hearing as to how it determined the benefits amount as follows:

At the hearing, the Department presented the FAP EDG Net Income Results Budget for July 1, 2015, which was reviewed to determine if the Department properly concluded that Claimant was eligible to receive $147 in monthly FAP benefits. Exhibits 2 and 3

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (July 2014), pp. 1 – 4. The Department considers the gross amount of money earned from Supplemental Security Income (SSI) in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (July 2014), pp. 31-32. State SSI Payments (SSP) are issued quarterly in the amount of $42 and the payments are issued in the final month of each quarter; see BEM 660. The Department will count the monthly SSP benefit amount ($14) as unearned income. BEM 503, p.33; see RFT 248 (January 2015), p. 1.

The Department concluded that Claimant had unearned income of $747 which it testified came from $733 in SSI, and $14 in SSP benefits for Claimant. Although the Department did not present a SOLQ in support of its testimony, Claimant confirmed that Claimant receives these amounts and they were correct. Therefore, the Department properly calculated Claimant's gross income.

The deductions to income on the net income budget were also reviewed. Claimant is the only member of his FAP group and is a senior/disabled/veteran (SDV) member of the group. BEM 550 (February 2014), pp. 1-2. Groups with one or more SDV members are eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Medical expenses for the SDV member(s) that exceed $35.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (October 2014), p. 1; BEM 556 (July 2013), p. 3.

In this case, Claimant did not have any earned income and there was no evidence presented that he had any dependent care, child support, or medical expenses over $35. The Claimant was specifically asked if he paid Medicare Part B premiums and it was determined he did not. Therefore, the budget properly did not include any deduction for earned income, dependent care expenses, child support, or medical expenses. Based on his confirmed one-person group size, the Department properly applied the $154 standard deduction. RFT 255 (October 2014), p. 1.

In calculating Claimant's excess shelter deduction, the Department considered Claimant's $182 monthly rental/housing expenses, and because the Claimant pays for heat/electricity, the Claimant is eligible for the $553 heat and utility (h/u) standard in calculating the excess shelter deduction. See BEM 554, pp. 16-19. A review of the excess shelter deduction budget and Department policy shows that the Department properly determined that Claimant was eligible for an excess shelter deduction of $439. BEM 556, pp. 4-5; RFT 255, p. 1. Exhibit 3

After further review, the Department properly reduced Claimant's gross income of $747 by the $154 standard deduction, resulting in adjusted gross income of $593. In determining monthly net income of $593, the shelter expenses are determined by deduction from them, 50% of the adjusted gross income ($735 -$296 = $439). The excess shelter deduction is then deducted from adjusted gross income to determine net monthly income ($593 - $439 = $154). Based on net income of $154 and a FAP group size of one, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for monthly FAP benefits of $147. BEM 556; RFT 260 (October 2014), p. 2.

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 calculated Claimant's FAP benefits for July 1, 2015, ongoing. As explained at the hearing the Claimant's food assistance was reduced because he now pays less rent. The rent was reduced from $395 to $182 which increased the adjusted gross income. Exhibit 3 and 4

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 reduced the Claimant's food assistance benefits to $147.

DECISION AND ORDER

Accordingly, the Department's decision is

AFFIRMED.

Lynn M. Ferris
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **8/4/2015**

Date Mailed: **8/4/2015**

LMF / hw

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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: [redacted]