



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: June 15, 2016  
MAHS Docket No.: 16-005888  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **HEARING DECISION**

Following Petitioner'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, an in-person hearing was held on June 8, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. [REDACTED] Petitioner's cousin testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing coordinator.

### **ISSUE**

The issue is whether MDHHS properly determined Petitioner's eligibility for Food Assistance Program (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. Petitioner was an ongoing FAP recipient and member of a 1-person FAP benefit group.
2. Petitioner received \$767/month in monthly unearned income.
3. Petitioner reported to MDHHS a responsibility for electricity and telephone.
4. On an unspecified date, MDHHS determined Petitioner was eligible for \$18 in FAP benefits, effective April 2016, in part, based on \$767 in monthly unearned income and obligations for electricity and telephone.

5. On [REDACTED], Petitioner requested a hearing to dispute the reduction of FAP eligibility.

### **CONCLUSIONS OF LAW**

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute the amount of FAP eligibility. The hearing request did not specify which benefit month was in dispute. Petitioner's testimony was vague, but a dispute about "this" month's benefits was identified. For purposes of this decision, "this month" will be construed to be the month of Petitioner's hearing request (April 2016).

BEM 556 details the procedures for determining FAP eligibility. MDHHS provided FAP-EDG Net Income Results (Exhibit 1, pp. 1-2) and FAP- Excess Shelter Deduction (Exhibit 1, p. 3). The documents verified all FAP budget factors used by MDHHS in determining Petitioner's eligibility. During the hearing, Petitioner was asked about each budget factor.

MDHHS factored Petitioner received \$767.00 in unearned income. Petitioner testimony conceded the amount to be correct.

[MDHHS] uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (October 2015), p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: child care, excess shelter (housing and utilities) up to a capped amount and court-ordered child support and arrearages paid to non-household members (see *Id.*). For groups containing SDV members, MDHHS also considers the medical expenses for the SDV group member(s) and an uncapped excess shelter expense. It was not disputed that Petitioner was aged.

Verified medical expenses for SDV groups, child support, and day care expenses are subtracted from a client's monthly countable income. MDHHS factored Petitioner had no day care or child support expenses.

MDHHS factored no medical expenses for Petitioner. Petitioner testimony alleged she had medical expenses but she could not state how much they were. Petitioner's testimony of medical expenses is questionable because it is presumed that Petitioner received Medicaid based on her status as an SSI recipient. Petitioner would not

concede she had Medicaid coverage (though her cousin conceded the issue). If Petitioner has occasional medical expenses, it is presumed the expenses would be less than \$35, and therefore, not countable because MDHHS applies a \$35 deductible to medical expenses. It is found MDHHS properly factored Petitioner had no medical expenses.

Petitioner's FAP benefit group receives a standard deduction of \$154. RFT 255 (October 2015), p. 1. The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. Petitioner's FAP group's adjusted gross income is found to be \$613.

MDHHS budgeted \$181 in monthly housing expenses. Petitioner conceded the amount to be correct. The amount was also consistent with the rent listed on a lease (Exhibit 1, p. 4).

Petitioner testified she was responsible for payment of electricity and telephone. MDHHS gave respective standard credits of \$119 and \$33 (see RFT 255).

Petitioner testimony conceded she was not responsible for a cooling expense. Petitioner's cousin testified Petitioner was confused and that Petitioner had an electric air conditioner for which Petitioner was responsible to pay for the costs of running. Even if Petitioner's cousin's testimony was accurate, Petitioner's cousin conceded that she reported expenses to MDHHS for Petitioner and that a cooling expense was not reported.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (4/2015), p. 11. If Petitioner did not report a cooling expense to MDHHS, MDHHS cannot be faulted for not factoring the expense. Petitioner was advised to report the expense to her specialist so that future FAP eligibility may be affected. Petitioner's total shelter obligation is found to be \$333.

MDHHS only credits FAP benefit groups with what is called an "excess shelter" expense. This expense is calculated by subtracting half of Petitioner's adjusted gross income from Petitioner's total shelter obligation. Petitioner's excess shelter amount is found to be \$27 (rounding up to nearest dollar).

The FAP benefit group's net income is determined by taking the group's adjusted gross income and subtracting the allowable excess shelter expense. Petitioner's FAP benefit group's net income is found to be \$586. A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Petitioner's group size and net income Petitioner's proper FAP benefit issuance is found to be \$18, the same amount calculated by MDHHS.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner's FAP eligibility to be \$18, effective April 2016. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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**Christian Gardocki**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

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

**DHHS**

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]