



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: July 20, 2016  
MAHS Docket No.: 16-007843  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

### **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, a telephone hearing was held on July 13, 2016, from Lansing, Michigan. [REDACTED], the Petitioner, appeared on her own behalf. [REDACTED], husband, appeared as a witness for Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED], Family Independence Manager (FIM), and [REDACTED], Family Independence Specialist (FIS).

During the hearing proceedings, the Department's Hearing Summary packet was admitted as marked, Exhibits A and B.

### **ISSUE**

Did the Department properly calculate Petitioner's Food Assistance Program (FAP) monthly allotment?

### **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 is an ongoing recipient of FAP benefits.
2. Petitioner's FAP group was receiving \$ [REDACTED] in FAP benefits each month. (Hearing Summary)

3. On May 19, 2016, the Department received a completed Semi-Annual Contact Report from Petitioner and an April 29, 2016, paycheck stub. (Exhibit A, pp. 1-4)
4. On the Semi-Annual Contact Report it was marked that the household's gross income had not changed by more than \$ [REDACTED] from the listed amount and no one had a change in earnings because they changed, started, or stopped a job. (Exhibit A, p. 2)
5. The Department made no changes to Petitioner's FAP budget based on no changes being reported on the Semi-Annual Contact Report. (FIS Testimony and Exhibit A, p. 3)
6. On June 1, 2016, a Notice of Case Action was issued to Petitioner stating FAP was approved with a monthly allotment of \$ [REDACTED] effective July 1, 2016, through December 31, 2016. (Exhibit B, pp. 5-8)
7. On June 6, 2016, Petitioner filed a hearing request contesting the FAP determination noting that the Department failed to update her husband's income. (Hearing Request)

### **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.

BEM 550 addresses the FAP income budgeting. In calculating the FAP budget, the entire amount of earned and unearned countable income is budgeted. Gross countable earned income is reduced by a 20 percent earned income deduction. Every case is allowed the standard deduction shown in RFT 255. BEM 550, (October 1, 2015), pp. 1.

Additionally, a client must cooperate with the local office in determining initial and ongoing eligibility, including completion of necessary forms, and must completely and truthfully answer all questions on forms and in interviews. BAM 105, April 1, 2016, p. 9.

In this case, Petitioner is an ongoing recipient of FAP benefits. Petitioner's FAP group was receiving \$ [REDACTED] in FAP benefits each month. (Hearing Summary)

On May 19, 2016, the Department received a completed Semi-Annual Contact Report from Petitioner and an April 29, 2016, paycheck stub. (Exhibit A, pp. 1-4) On the Semi-Annual Contact Report it was marked that the household's gross income had not changed by more than \$ [REDACTED] from the listed amount and no one had a change in earnings because they changed, started, or stopped a job. (Exhibit A, p. 2)

The Department made no changes to Petitioner's FAP budget based on no changes being reported on the Semi-Annual Contact Report. (FIS Testimony and Exhibit A, p. 3) The Department explained that one pay stub does not necessarily establish a change in the monthly household income, particularly when the Semi-Annual Contact Report was completed reporting no changes regarding the household's gross monthly income. Similarly, the Department did not seek additional income verification because no change in income was reported. (FIM and FIS Testimony) Accordingly, on June 1, 2016, a Notice of Case Action was issued to Petitioner stating FAP was approved with a monthly allotment of \$ [REDACTED] effective July 1, 2016, through December 31, 2016. (Exhibit B, pp. 5-8)

Petitioner contests the FAP determination and asserted that the Department failed to update her husband's income. The hearing request asserts that Petitioner gave the Department all the information and they are not updating. (Hearing Request)

Overall, the evidence supports the Department's determination to process Petitioner's Semi-Annual Contact Report and approve ongoing FAP benefits with no changes based on the information available at the time of the case action. The copy of the April 29, 2016, bi-weekly paycheck stub, with no further explanation, does not necessarily indicate the monthly income changed by more than \$ [REDACTED]. It was not made clear on the documentation provided to the Department whether this paycheck stub was for an unusual number of hours or if this was expected to be the new amount for the ongoing income. (Exhibit A, pp. 3-4) Further, that paycheck stub was submitted with the Semi-Annual Contact Report, on which Petitioner indicated there were no changes regarding income. (Exhibit A, 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 Petitioner's monthly FAP allotment based on the information available at that time.

**DECISION AND ORDER**

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



CL/mc

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**Colleen Lack**  
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]

**Petitioner**

[REDACTED]