



RICK SNYDER
GOVERNOR

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

MIKE ZIMMER
DIRECTOR

[REDACTED]

Date Mailed: April 13, 2016
MAHS Docket No.: 16-001323
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 April 11, 2016, from Madison Heights, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED] supervisor.

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 2-person FAP benefit group.
2. Petitioner and his spouse received a total of \$1,375.00 in monthly unearned income.
3. Petitioner reported and verified to MDHHS \$205.00 in monthly medical expenses.
4. On [REDACTED], MDHHS determined Petitioner was eligible for \$168 in FAP benefits, effective February 2016, in part, based on \$1,375.00 in monthly

unearned income and \$170.00 in countable medical expenses (see Exhibit 1, pp. 22-24).

5. On [REDACTED], Petitioner requested a hearing to dispute the reduction of FAP eligibility (see Exhibit 1, pp. 25-26).

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 a reduction in FAP eligibility. Petitioner's hearing request suggested confusion at why Petitioner's FAP eligibility decreased when his income was unchanged. MDHHS testimony responded that a portion of his spouse's income was previously unbudgeted; after the income was included, Petitioner's FAP eligibility decreased. MDHHS' response was consistent with a budget from January 2016 (Exhibit 1, pp. 16-18) which verified less income than budgeted in February 2016.

It should be noted that the MDHHS response was provided only as a courtesy. A FAP eligibility determination is calculated independently of previous months' eligibility. Thus, Petitioner's FAP eligibility for February 2016 will be evaluated, however, it will not be evaluated in contrast to the previous month's eligibility. BEM 556 directs MDHHS to factor a FAP group's countable income and allowable expenses.

MDHHS provided FAP- EDG Net Income Results (Exhibit 1, pp. 19-20) and FAP- Excess Shelter Deduction (Exhibit 1, p. 21). The documents verified all FAP budget factors used by MDHHS in determining Petitioner's eligibility. During the hearing, Petitioner was asked if he disputed each of the budget factors.

Petitioner testimony conceded his FAP group received \$1,375.00/month in unearned income. The testimony was consistent with presented income documents (Exhibit 1, pp. 2-10) verifying Petitioner received \$945 in RSDI and his wife received issuances of \$231 and \$199 in RSDI.

[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 disabled and/or 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; Petitioner testimony conceded he had no such expenses. MDHHS factored Petitioner had \$205.00 in medical expenses. Applying a required \$35 deductible results in \$170.00 in countable medical expenses.

Petitioner testified he had more than \$170.00 in monthly medical expenses. As an example, Petitioner testified he paid a monthly expense for a special telephone connection needed due to his wife's poor health. Petitioner testimony conceded he did not report to MDHHS proof of medical expenses beyond \$170.00 before the hearing.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (4/2015), p. 11. Petitioner is not entitled to budget credits for expenses that were unreported. It was mildly troubling that MDHHS could not adequately explain how Petitioner's medical expenses were calculated, however, MDHHS need not verify their calculation if Petitioner cannot even claim that additional expenses were reported. During the hearing, Petitioner was advised he can always report and submit proof of his medical expenses to MDHHS for consideration in future FAP eligibility. It is found MDHHS properly calculated Petitioner's medical expenses to be \$170.00.

Petitioner's FAP benefit group receives a standard deduction of \$154.00. 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 \$1,051.00.

MDHHS budgeted \$407.36 in housing expenses. Petitioner conceded the amount to be correct.

Petitioner brought proof of his water bill to the hearing; the bill need not be considered. MDHHS credited Petitioner with a utility standard of \$539.00 (see RFT 255). The utility standard incorporates all utilities and is the maximum credit available. Petitioner's total shelter expenses are found to be \$946.36.

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 \$421.00 (rounding 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 \$630.00. 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 \$168.00, 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 \$168.00, effective February 2016. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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]

Petitioner

[REDACTED]