



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: April 28, 2016  
MAHS Docket No.: 16-004021  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

### **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 April 27, 2016, from Detroit, Michigan. The Petitioner was represented by the Petitioner himself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator. Huda Qandah, a Department translator served as an [REDACTED] translator.

### **ISSUE**

Did the Department properly calculate the Petitioner's Food Assistance Program (FAP) benefit amount?

### **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 Petitioner is an ongoing recipient of FAP benefits and currently receives \$ [REDACTED] per month.
2. The Department issued a Notice of Case Action dated February 1, 2016, advising the Petitioner that the Redetermination was completed and that as of March 1, 2016, the benefit amount for FAP would be a \$ [REDACTED] a month. Exhibit 1.

3. The Petitioner has an FAP group of three (3) members, pays rent of \$ [REDACTED] and also pays for heat. Exhibit 5.
4. The Petitioner, his spouse and daughter all receive Supplemental Security Income (SSI) in the total amounts of \$ [REDACTED], \$ [REDACTED] and \$ [REDACTED] respectively. The Petitioner and his spouse also received SSP quarterly benefits, which amounts to \$ [REDACTED] monthly in unearned income. All these amounts were confirmed by the Petitioner at the hearing as correct.
5. The Petitioner completed a Redetermination dated January 11, 2016, by the due date, February 1, 2016. Exhibit 4.
6. The Petitioner requested a timely hearing on March 24, 2016.

### **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 Department reviewed the Petitioner's FAP benefits pursuant to a Redetermination completed by the Petitioner in February 2016. After reviewing the Redetermination, the Department determined that the Petitioner was entitled to \$ [REDACTED] per month in FAP benefits. Exhibit 1. The Department issued a Notice of Case Action dated February 1, 2016, advising the Petitioner that the Redetermination was completed and that as of March 1, 2016, the benefit amount for FAP would be a \$ [REDACTED] a month. Exhibit 1.

All countable earned and unearned income available to the client must be considered in determining the Petitioner'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.

The deductions to income on the net income budget were also reviewed. Petitioner 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 \$35.00.
- 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, Petitioner did not have any earned income; and there was no evidence presented that he had any dependent care, child support, or medical expenses over \$35.00. The Petitioner 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 three-person group size, the Department properly applied the \$ [REDACTED] standard deduction. RFT 255 (October 2014), p. 1.

The FAP budget was reviewed during the hearing; and pursuant to that review and confirmed by the Petitioner, it was determined that the unearned income received by the Petitioner and his wife and child including quarterly supplement payments totaled \$ [REDACTED] ( $\$ [REDACTED] + \$ [REDACTED] + \$ [REDACTED] + \$ [REDACTED] + \$ [REDACTED] = \$ [REDACTED]$  Exhibits 4 and 5. Thus, the Department determined the income correctly. The next step was the Department applied a standard deduction to the total income of \$ [REDACTED] for a group of three members. Once this deduction was made, the adjusted gross income was determined to be \$ [REDACTED] ( $\$ [REDACTED] - \$ [REDACTED] = \$ [REDACTED]$  BEM 554, (October 2015), pp. 16-19; BEM 556 (July 1, 2013) pp. 4-5; RFT 255, p. 1.

The Petitioner's housing costs were also reviewed at the hearing. The Petitioner confirmed paid rent in the amount of \$ [REDACTED] monthly and also paid for heat. The Petitioner was granted a heating allowance of \$ [REDACTED] per month; and when added to his rent, the Petitioner's total shelter expenses equaled \$ [REDACTED] RFT 255 (October 1, 2015), p. 1. The excess shelter is determined by adding rent and the heat and utility (h/u) allowance together to get total housing expense. Thereafter, the Department correctly deducted 50% of the adjusted gross income or \$ [REDACTED] leaving an adjusted excess shelter amount of \$ [REDACTED] ( $\$ [REDACTED] - \$ [REDACTED] = \$ [REDACTED]$  Exhibit 5, p. 26.

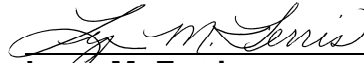
The final calculation was also reviewed so that net income could be determined. The excess shelter deduction of \$ [REDACTED] was deducted from the adjusted gross income of \$ [REDACTED] leaving net income of \$ [REDACTED]. An FAP group of three individuals with a net income of \$ [REDACTED] is entitled to \$ [REDACTED] in monthly fact benefits. RFT 260, (October 1, 2015), p. 6.

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 the Petitioner's FAP benefits to be \$ [REDACTED] per month.

**DECISION AND ORDER**

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

LMF/jaf



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**Lynn M. Ferris**  
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]

**cc:**

[REDACTED]