



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

Date Mailed: September 7, 2016
MAHS Docket No.: 16-010723
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, a telephone hearing was held on August 31, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner's Food Assistance Program (FAP) eligibility.

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 benefit recipient.
2. Petitioner was the only member of his FAP benefit group.
3. Petitioner had zero housing costs.
4. Petitioner's only utility obligation was for telephone.
5. On [REDACTED], MDHHS determined Petitioner to eligible for [REDACTED] in FAP benefits, effective August 2016, in part, based on \$0 housing costs and a telephone obligation.

6. On [REDACTED], Petitioner requested a hearing to dispute 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 FAP eligibility. Petitioner's hearing request specifically objected to an issuance of [REDACTED]. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 1-2) dated [REDACTED], stating Petitioner was eligible to receive [REDACTED]/month in FAP benefits, effective August 2016. Petitioner's FAP eligibility for August 2016 will be examined.

The presented Notice of Case Action included a budget summary of eligibility factors. All factors were discussed with Petitioner during the hearing. BEM 556 details the procedures for determining FAP eligibility.

Petitioner's hearing request seemed to object to MDHHS factoring that Petitioner was a 1-person FAP benefit group. Petitioner testimony conceded he was a 1-person FAP benefit group. It is found MDHHS properly determined Petitioner's FAP eligibility based on Petitioner being the only FAP group member.

MDHHS factored Petitioner employment income of [REDACTED]/month. Petitioner testimony conceded the amount accurately represented his income. Petitioner contended MDHHS should have determined his income based on an older and lesser amount of income.

Simplified reporting groups are required to report only when the group's actual gross monthly income (not converted) exceeds the SR income limit for their group size. BAM 200 (December 2013), p. 1. No other change reporting is required. *Id.*

It was not disputed Petitioner received FAP benefits while receiving an income that fell below the simplified reporting limit. At some unspecified time, Petitioner's income increased, but remained below the simplified reporting limit. Petitioner contended since he was not required to report the income increase, MDHHS improperly factored the income increase.

Simplified reporting is a policy that eases the reporting requirements for clients. Presumably, the policy was created so that clients did not have to report relatively minor fluctuations in employment income. Simplified reporting policy does not mandate MDHHS to ignore income increases.

It is found MDHHS properly factored Petitioner's income of [REDACTED]. MDHHS credits clients with a 20% employment income deduction; application of the deduction results in countable employment income of [REDACTED] (dropping cents).

[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 above [REDACTED] for each SDV group member(s) and an uncapped excess shelter expense. There was no evidence that Petitioner was an SDV members. For purposes of this decision, it will be assumed Petitioner was an SDV member.

Verified medical expenses for SDV groups, child support, and day care expenses are subtracted from a client's monthly countable income. Petitioner conceded not having day care, medical or child support expenses.

Petitioner's FAP benefit group size justifies a standard deduction of [REDACTED]. RFT 255 (July 2016), 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 [REDACTED].

Petitioner testimony conceded he reported no obligation for housing and no obligation for utilities other than telephone. In response, MDHHS issued a standard telephone credit of [REDACTED] (see RFT 255).

Petitioner questioned if MDHHS should have issued Petitioner some universal standard credit for housing or utilities. BEM 554 covers FAP budget expenses; the policy allows housing and utility credits for actual obligations only. It is found MDHHS properly factored Petitioner's actual total shelter costs (housing + utilities) to be [REDACTED].

MDHHS only credits FAP benefit groups with an "excess shelter" expense. The excess shelter 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 \$0.

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 [REDACTED]. 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 [REDACTED], 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 to be eligible to receive [REDACTED] in FAP benefits, effective July 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]

[REDACTED]

Petitioner

[REDACTED]