



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: January 17, 2017  
MAHS Docket No.: 16-018391

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Vicki Armstrong**

### **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 - 273.18; 42 CFR 431.200 - 431.250; 45 CFR 99.1 - 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on January 11, 2017, from Lansing, Michigan. Petitioner personally appeared and testified.

The Department of Health and Human Services (Department) was represented by Family Independence Manager [REDACTED] and Eligibility Specialist [REDACTED] [REDACTED] and [REDACTED] testified on behalf of the Department. The Department submitted [REDACTED] exhibits which were admitted into evidence. The record was closed at the conclusion of the hearing.

### **ISSUE**

Did the Department properly determine Petitioner's monthly Food Assistance Program (FAP) 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. On November 15, 2016, the Department's FAP determination was reversed and the Department was ordered to conduct a Redetermination of Petitioner's FAP benefits. [Dept. Exh. 1, 38-42).

2. The Department determined that Petitioner's FAP benefits were [REDACTED]. However, Petitioner was repaying a current overissuance of [REDACTED] a month. Therefore, Petitioner was eligible to receive [REDACTED]0 a month. [Dept. Exh. 1; Testimony of [REDACTED] and [REDACTED]].
3. On November 28, 2016, Petitioner submitted a Request for Hearing, contesting the Department's FAP determination because "none of the budget summary figures" were right.
4. In December, 2016, Petitioner was issued [REDACTED] a month in FAP benefits. [Dept. Exh. 32].

### 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.

For FAP purposes, all earned and unearned income available to Petitioner is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. BEM 500, pp 3-4 (1/1/2016). Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMP), alimony, and child support payments. BEM 500, p 4. *The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions.* BEM 500, p (1/1/2016)(Emphasis added).

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. BEM 505, p 1 (7/1/2016). Actual income is income that was already received. *Id.* Prospective income is income not yet received but expected. *Id.* Prospective budgeting is the best estimate of the client's future income. *Id.*

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. *Id.* at 9. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. *Id.*

Petitioner was receiving monthly earned income in the amount of [REDACTED] at the time relevant to this matter. Petitioner was being paid bi-weekly, and the Department determined the [REDACTED] by adding his gross pay of [REDACTED] from June 17, 2016 paystub to his paystub dated July 1, 2016 showing a gross amount of [REDACTED] for a total of [REDACTED], after the Department rounded the numbers. [REDACTED] [REDACTED]). This [REDACTED] was then divided by 2 for a gross amount of [REDACTED] every two weeks. Because Petitioner was receiving biweekly checks, the average gross pay of [REDACTED] was multiplied by a 2.15 conversion factor in accordance with the applicable Department policy. [REDACTED]). This resulted in [REDACTED] of monthly gross income.

Petitioner also received unearned income in the form of social security in the amount of [REDACTED]. The monthly gross income of [REDACTED] was added to the unearned income of [REDACTED] resulting in net income of [REDACTED] a month. (\$ [REDACTED] = [REDACTED]). The net income of [REDACTED] was then reduced by a 20% earned income deduction of [REDACTED] and a standard deduction of [REDACTED] leaving an adjusted gross income of [REDACTED].

An excess shelter deduction was determined by adding Petitioner's monthly housing expenses of [REDACTED] to the [REDACTED]0 standard heat and utility deduction under the Low Income Home Energy Assistance Program, and subtracting half of Petitioner's adjusted gross income, which brought Petitioner's total shelter amount to [REDACTED].

A client with a group size of one has a maximum FAP benefit amount of [REDACTED]. (RFT 260). Thirty percent of Petitioner's net income of [REDACTED] was subtracted from the maximum benefit amount of [REDACTED] resulting in a FAP issuance of [REDACTED]. However, there was a [REDACTED] monthly recoupment amount subtracted from Petitioner's [REDACTED] FAP allotment, resulting in Petitioner receiving [REDACTED] a month in FAP benefits.

In this case, once the budget was reviewed with Petitioner, Petitioner stated that he now understood and he had no further questions.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department acted in accordance with Department policy when it determined that Petitioner's monthly FAP allotment was [REDACTED].

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



A handwritten signature in cursive script that reads "Vicki 2. Armstrong".

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**Vicki Armstrong**  
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

