



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: January 31, 2017  
MAHS Docket No.: 16-019109  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Darryl Johnson

### **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 January 26, 2017, from Lansing, Michigan. The Petitioner appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Assistance Payments Supervisor [REDACTED] [REDACTED]

### **ISSUE**

Did the Department properly deny Petitioner's application for State Emergency Relief and close her 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 on-going FAP recipient who applied for SER on November 9, 2016.
2. During the application process, Petitioner provided the Department with a statement (Exhibit A Pages 6-7) which disclosed that she had a savings bond valued at \$ [REDACTED]
3. During a telephone interview on November 10, 2016, Petitioner reported that she has "no income but does have savings bond asset she lives on." (Page 11.)

4. On November 28, 2016, the Department mailed to Petitioner a SER Decision Notice (Pages 17-19) informing Petitioner that her application was denied because her assets exceeded the amount needed to resolve the emergency.
5. On December 9, 2016, the Department mailed to Petitioner a Notice of Case Action (Pages 14-16) informing Petitioner that her FAP would be closed as of January 1, 2017, because her assets exceeded the eligibility limit.
6. On December 19, 2016, the Department received Petitioner's hearing request, protesting the denial of the SER application, and the closure of her FAP.

### **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.

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

In this case, Petitioner provided the Department with evidence that she had a savings bond, purchased by her father (Pages 6-7) in 2003 that is payable to her or to her father. The bond had, at that time, a value of \$ [REDACTED]. Those documents were received by the Department on November 23, 2016, although they were printed on September 21, 2016. Petitioner testified that she had already cashed the bond when she applied for SER and used it to pay outstanding obligations such as utilities, taxes, and a debt to her mother. However, she verified to the Department that she still had the bond; she did not provide verification that she had cashed the bond and used the proceeds to pay outstanding bills.

Petitioner also testified that her father had purchased a number of bonds, and she indicated there could be other bonds in her name. She said that she had cashed in other bonds in the past, and used the proceeds to pay her living expenses and debts.

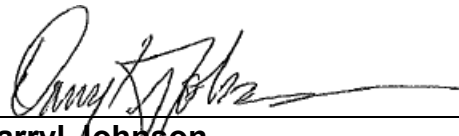
As explained in BEM 400 (7/1/16) p. 5, FAP has an asset limit of \$5,000. Assets include "investments", and "investments" includes "U. S. Savings bond". BEM 400, p. 24. Petitioner exceeded the asset limit, and thereby became ineligible for FAP.

SER has an asset limit. Countable assets include bonds and other investments. ERM 205 (10/1/15) p. 2. Only the first \$ [REDACTED] in cash is excluded as a countable asset. ERM 205, p. 1. The amount of cash in excess of the protected cash asset limit is deducted from the cost of resolving the emergency and is called the asset copayment. Petitioner was requesting \$ [REDACTED] to help with heat, \$ [REDACTED] to help with electricity, and \$ [REDACTED] to help with water/sewer. The total she was requesting was \$ [REDACTED]. There is no dispute that her \$ [REDACTED] savings bond exceeded her need. Therefore, the Department could not provide her with any SER.

### **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, if any, finds that the Department acted in accordance with Department policy when it closed Petitioner's FAP and denied her SER application.

DJ/mc



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**Darryl Johnson**  
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]