



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: June 9, 2017
MAHS Docket No.: 17-005763
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 June 7, 2017, from Detroit, Michigan. Petitioner appeared and represented herself. Her friend, [REDACTED] was present but did not participate in the hearing. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly calculate Petitioner's Food Assistance Program (FAP) benefits for May 2017 ongoing?

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 is an ongoing recipient of FAP benefits.
2. Petitioner is the only member of her FAP group.
3. Petitioner receives [REDACTED] in gross monthly federal civil service disability payments.
4. Petitioner pays [REDACTED] in monthly housing expenses and is responsible for heating and/or cooling expenses.

5. Petitioner incurs recurring monthly medical expenses.
6. In connection with a reported change, the Department recalculated Petitioner's FAP budget.
7. On April 11, 2017, the Department sent Petitioner a Notice of Case Action notifying her that her FAP benefits were decreasing to █████ monthly effective May 1, 2017 (Exhibit A, pp. 4-7).
8. On April 17 and 24, 2017, the Department received Petitioner's request for hearing disputing the calculation of her FAP benefits.

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.

Petitioner requested a hearing to dispute the decrease in her monthly FAP benefits from █████ effective May 1, 2017. At the hearing, the Department explained that the reduction in benefits was due to the fact that (i) Petitioner's medical expenses had decreased, (ii) her shelter amount had changed, and (iii) her gross income was updated.

The Department presented a FAP net income budget used to show the calculation of Petitioner's monthly benefits for May 1, 2017 ongoing that was reviewed with Petitioner at the hearing (Exhibit B, pp. 8-10). The Department testified that Petitioner's sole income was █████ in unearned income, and Petitioner confirmed she received this amount in gross monthly federal civil service disability income. Under Department policy, the Department properly considered Petitioner's gross unearned civil service disability income when it calculated FAP benefits. BEM 503 (April 2017), p. 36.

The deductions applied to gross income in determining Petitioner's net income were also reviewed. Because Petitioner receives income based on a disability, she is a senior/disabled/veteran (SDV) member of her FAP group. See BEM 550 (January 2017), pp. 1-2. For FAP groups with one or more SDV members and no earned

income, the Department must reduce the household's gross monthly unearned income by the following deductions: the standard deduction (based on group size), child care expenses, child support expenses, verified out-of-pocket medical expenses in excess of [REDACTED], and the excess shelter deduction. BEM 554 (January 2017), p. 1; BEM 556 (July 2013), pp. 4-5.

Petitioner, who confirmed that she was the sole member of her household, was properly considered by the Department as a single-member FAP group. As a single-member FAP group, she was eligible for a [REDACTED] standard deduction. RFT 255 (October 2016), p. 1. Petitioner confirmed that she had no child care or child support expenses. Therefore, she was not eligible for a deduction for such expenses. The budget showed a medical expense deduction of [REDACTED], which, in consideration of the [REDACTED] threshold applied to medical expense deductions, means that Petitioner has monthly medical expenses totaling [REDACTED]. Although the individual amounts the Department testified it applied in calculating the total medical expenses are slightly less than [REDACTED], the error is to Petitioner's benefit. Petitioner did not dispute the Department's finding that she had [REDACTED] in monthly recurring medical expenses. When Petitioner's [REDACTED] gross RSDI unearned income is reduced by the [REDACTED] standard deduction and her [REDACTED] medical expense deduction, her adjusted gross income for FAP purposes is [REDACTED].

The final deduction available in the calculation of Petitioner's net income for FAP purposes, the excess shelter deduction, is equal to (i) the sum of a client's monthly shelter expenses and the applicable utility standard for any utilities the client is responsible to pay **less** (ii) 50% of the client's adjusted gross income, which in this case, is [REDACTED]. BEM 556, pp. 4-5.

The Department testified that in calculating Petitioner's excess shelter deduction it considered her monthly mortgage of [REDACTED]; Petitioner confirmed this amount and testified that it included her taxes and homeowner's insurance policy premium. The Department also found that Petitioner was responsible for heating and cooling expenses. An individual responsible for heating and/or cooling expenses is eligible for the [REDACTED] heat and utility (h/u) standard, the most beneficial utility standard available to a client. BEM 554, pp. 14-20; RFT 255, p. 1. Petitioner's total shelter expenses of \$[REDACTED] (the sum of her \$[REDACTED] rent and the [REDACTED]/u standard) exceed [REDACTED] of her adjusted gross income) by [REDACTED], rounded. Therefore, Petitioner is eligible for a [REDACTED] excess shelter deduction to her adjusted gross income.

When Petitioner's adjusted gross income of [REDACTED] is reduced by her [REDACTED] excess shelter deduction, Petitioner has net income of [REDACTED]. Based on net income of [REDACTED] and a group size of one, Petitioner was eligible for monthly benefits of \$[REDACTED] for May 2017 ongoing. RFT 260 (October 2016), p. 9. Therefore, based on her circumstances as of May 2017, the Department acted in accordance with Department policy when it calculated Petitioner's FAP benefits for May 1, 2017, ongoing.

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 calculated Petitioner's monthly FAP benefits for May 2017 ongoing.

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

AE/tm



Alice C. Elkin
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]
[REDACTED]
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