



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: June 9, 2017  
MAHS Docket No.: 17-005970  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Denise McNulty

### **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 May 30, 2017, from Lansing, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED] Assistance Payment Supervisor, and [REDACTED] Assistance Payment Worker.

### **ISSUE**

Did the Department properly calculate Petitioner's 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 ongoing recipient of FAP benefits. [Exhibit A, pp. 8-9, 13-15.]
2. Petitioner receives \$ [REDACTED] monthly in unearned income after a recoupment deduction of \$ [REDACTED]. Petitioner receives Supplemental Security Income (SSI). [Exhibit A, pp. 6, 11.]
3. Petitioner is the only member of his FAP group.
4. Petitioner's monthly rent decreased from \$ [REDACTED] to \$ [REDACTED] and he is not responsible for heat and/or cooling expenses. [Exhibit A, p. 14.]

5. Petitioner reported that he no longer pays monthly child support. Petitioner previously paid \$ [REDACTED] monthly in child support. [Exhibit A, p. 14]
6. In connection with a mid-certification contact notice, the Department sent the Petitioner an April 11, 2017, Notice of Case Action informing him that he was approved for monthly FAP benefits of \$ [REDACTED] [Exhibit A, pp. 5-7.]
7. On April 26, 2017, the Department received Petitioner's verbal hearing request disputing the reduction of his monthly FAP benefits from \$ [REDACTED] to \$ [REDACTED] [Exhibit A, p. 4.]
8. Petitioner voluntarily left the hearing prior to the Department's proofs being presented.

### **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).

#### **FAP**

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 his monthly FAP benefits, from \$ [REDACTED] to \$ [REDACTED] following a mid-certification contact notice. At the hearing, the information used to calculate Petitioner's FAP benefits from the April 11, 2017, Notice of Case Action was reviewed on the record. Petitioner left the hearing prior to the review of the information used in the calculations of his benefits. He made several statements, prior to leaving, in which the information was confirmed. The Department testified that Petitioner's sole income consisted of his Supplemental Security Income (SSI) of \$ [REDACTED] less the recoupment amount of \$ [REDACTED]. Under Department policy, the Department properly considered Petitioner's SSI income when it calculated FAP benefits. BEM 503 (January 2017), p. 33.

The deductions applied to gross income in determining Petitioner's net income were also reviewed. Because Petitioner receives SSI based on a disability, he is a senior/disabled/veteran (SDV) member of a FAP group of one. See BEM 550 (January 2017), p. 1. 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 he was the sole member of his household, was properly considered by the Department as a single-member FAP group. As a single-member FAP group, he was eligible for a \$ [REDACTED] standard deduction. RFT 255 (October 2016), p. 1. Petitioner confirmed that he had no child care or child support expenses and had no medical expenses. Petitioner notified the Department in the March 1, 2017, Mid-Certification Contact Notice, that he was no longer paying \$ [REDACTED] in child support and that he did not expect that status to change. He further reported that his rent payment had been reduced from \$ [REDACTED] to \$ [REDACTED] per month. Therefore, he was not eligible for a deduction for medical expenses, child care or child support. When Petitioner's \$ [REDACTED] gross SSI unearned income is reduced by the \$ [REDACTED] standard deduction, his 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 his monthly rent of \$ [REDACTED] which Petitioner confirmed. [Exhibit A, pp. 14 and 16.] The Department also found that Petitioner was not responsible for heating and cooling expenses and that there were no other allowable additions or deductions. [Exhibit A, pp. 10 and 19.] BEM 554, pp. 14-20; RFT 255, p. 1.

When Petitioner's adjusted gross income of \$ [REDACTED] is reduced by his \$ [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. 8. Therefore, the Department acted in accordance with Department policy when it calculated Petitioner's FAP benefits for the certification period including May 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 decreased Petitioner's FAP benefits to \$ [REDACTED] per month effective May 1, 2017.

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



DM/nr

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Denise McNulty  
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]