



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: June 26, 2017  
MAHS Docket No.: 17-006686  
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 June 15, 2017, from Detroit, Michigan. The Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Hearing Facilitator.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for Food Assistance Program (FAP) benefits for the month of February 2017?

### **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.
2. A Redetermination form was submitted by the Petitioner on December 8, 2016. [Exhibit A, pp. 3-9.] Petitioner also submitted paycheck stubs to document her income. [Exhibit A, pp. 14-16.]
3. The Department redetermined Petitioner's eligibility for FAP benefits and on January 9, 2017, it sent Petitioner a Notice of Case action which notified Petitioner that she had been approved for FAP benefits in the amount of \$ [REDACTED] per month effective January 1, 2017. The redetermination resulted in a decrease in Petitioner's FAP benefits.

4. On January 20, 2017, Petitioner filed a request for hearing disputing the Department's actions. [Exhibit A, p. 20.]
5. On February 1, 2017, Petitioner submitted paycheck stubs for January 2017. She submitted February 2017 paycheck stubs on March 17, 2017. The Department calculated new budgets with the verified income information for February and March. [Exhibit A, pp. 21-28, 32, 36-38, and 39-41.]
6. On the date of the scheduled hearing, in March 2017, Petitioner withdrew her request for hearing because she was advised she was eligible for a supplement for February 2017. [Exhibit A, p. 30.]
7. In April 2017, the Department determined that in accordance with policy Petitioner was not eligible for the supplement for the month of February 2017. Petitioner again requested a hearing. [Exhibit A, p. 31.]

### 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 Notice of Case Action dated January 9, 2017, which indicated Petitioner was approved for FAP benefits in the amount of \$ [REDACTED] per month. [Exhibit A, p.17.] At the hearing, the information used to calculate Petitioner's FAP benefits was reviewed on the record. Petitioner confirmed the information. The Department testified that Petitioner's income consisted of her earned income from employment and unearned income from social security. Under Department policy, the Department properly considered Petitioner's earned and unearned income (social security) when it calculated FAP benefits. BEM 503 (January 2017), p. 9.

When a client reports a change in income the Department completes a budget to determine continued eligibility. BEM 505 (April 2016), p. 10. Income decreases that result in a benefit increase must be effective no later than the first allotment issued 10 days after the date the change was reported, provided necessary verification was returned by the due date. Do **not** process a change for a month earlier than the month the change occurred. A supplement may be necessary in some cases. BEM 505 (April 2016), p. 10. Petitioner reported the change in her income in January 2017, however,

she did not submit verification of the change until February 1, 2017, with additional paycheck stubs in mid-March. Verification of the change in income was due no later than January 31, 2017, for it effect the February 2017 benefits. Petitioner submitted verification of her income for February 2017 on March 17, 2017.

The Department recalculated Petitioner's budget for February 2017 and determined that her benefit amount should be \$ [REDACTED]. The Department issued Petitioner \$ [REDACTED] additional benefits. The Department later determined that additional benefits to have been incorrectly granted, however, they did not seek recoupment of same. The change in Petitioner's income, per policy, should not have been considered for February 2017 based on the submission date of the income verification. For February 2017, Petitioner's benefits were subject to the budget as stated in the Notice of Case Action dated January 9, 2017. Petitioner argues that the change in benefits calculated for March 2017 (\$ [REDACTED]) should be the amount in benefits she was eligible for in February 2017.

The deductions applied to gross income in determining Petitioner's net income were also reviewed. Petitioner's gross countable earned income was reduced by the 20 percent earned income deduction. BEM 550 (January 2017), p. 1. Petitioner's FAP group size is 1. [Exhibit A, p. 17.] As a single member FAP group Petitioner was eligible for a standard deduction of \$151.00 which was applied in the budget for her benefits. RFT 255 (October 2016), p. 1. Petitioner's net income was properly calculated.

Petitioner confirmed that her monthly housing costs was \$ [REDACTED]. She was given a \$ [REDACTED] heat/utility standard. RFT 255 (October 2016) p. 1. 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 (July 2013), pp. 4-5.

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 February 2017. RFT 260 (October 2016), p. 8. Therefore, based on Petitioner's verified circumstances the Department acted in accordance with Department policy when it calculated Petitioner's FAP benefits for the certification period for February 2017.

**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 determined Petitioner's benefits for February 2017.

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



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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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]