



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: [REDACTED] June 30, 2017  
MAHS Docket No.: 17-006706  
Agency No.: [REDACTED]  
Petitioner: [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 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 [REDACTED], from [REDACTED], Michigan. Petitioner personally appeared and testified.

The Department of Health and Human Services (Department) was represented by Lead Worker, [REDACTED]. [REDACTED] testified on behalf of the Department. The Department submitted 17 exhibits which were admitted into evidence. The record was closed at the conclusion of the hearing.

### **ISSUE**

Did the Department properly determine Petitioner's Food Assistance Program (FAP) allotment?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on competent, material, and substantial evidence on the whole record, finds as material fact:

1. On [REDACTED], Petitioner submitted a Rent Adjustment Notification to the Department. [Hearing Summary; Dept. Exh. A, p 1].
2. On [REDACTED], the Department issued a Notice of Case Action informing Petitioner that her FAP benefits would be decreased to \$ [REDACTED] a month effective [REDACTED]. [Dept. Exh. C, pp 1-3; Dept. Exh. B, pp 2-4].

3. On [REDACTED], Petitioner submitted a Request for Hearing contesting the Department's negative action. [Request for Hearing].

### 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 income that is not specifically excluded is countable. BEM 500, p 3 (1/1/2016). Unearned income is all income that is not earned. *Id.* For Unemployment Benefits, *the gross amount* is counted as unearned income. BEM 503, p 34 (7/1/2016) (emphasis added). Gross income is the amount of income before any deductions such as taxes or garnishments. *This may be more than the actual amount an individual receives.* BEM 500, p 4 (1/1/2016) (emphasis added). Gross income includes amounts withheld from income for example, voluntary amounts, amounts to repay a debt and amounts to meet a legal obligation. *Id.*

Petitioner was receiving monthly unearned income of RSDI, SSI and State Supplemental benefits in the amount of \$ [REDACTED] at the time relevant to this matter. A standard deduction of \$ [REDACTED] was subtracted from the gross income of \$ [REDACTED] leaving an adjusted gross income of \$ [REDACTED]. ( $\$ [REDACTED] - \$ [REDACTED] = \$ [REDACTED]$ ).

Petitioner had only been reporting her RSDI of \$ [REDACTED]. Petitioner credibly testified that she was not aware that she had to report her \$ [REDACTED] in SSI income or the \$ [REDACTED] State Supplement, which adjusted her unearned income to \$ [REDACTED].

An excess shelter deduction is determined by adding Petitioner's rent of \$ [REDACTED] and the Heat and Utility Standard of \$ [REDACTED], for a total of \$ [REDACTED], and then subtracting half of Petitioner's adjusted gross income of \$ [REDACTED]. Half of the adjusted gross income of \$ [REDACTED], is \$ [REDACTED]. Therefore,  $\$ [REDACTED] - \$ [REDACTED] = \$ [REDACTED]$ , which is the adjusted excess shelter amount. (Dept. Exh. B, p 4). The adjusted excess shelter amount of \$ [REDACTED] is then subtracted from the adjusted gross income of \$ [REDACTED], resulting in a net income of \$ [REDACTED]. ( $\$ [REDACTED] - \$ [REDACTED] = \$ [REDACTED]$ ).

Federal regulations at 7 CFR 273.10 provide standards for income and the amount of household benefits. In accordance with the federal regulations, the Department has

prepared income and issuance tables which can be found at RFT 260. This issuance table provides that a household size of one with a net income of \$ [REDACTED] is entitled to a FAP allotment of \$ [REDACTED]. RFT 260, p 3 (10/1/2016). Therefore, the Department's FAP eligibility determination was correct based on Petitioner's receipt of RSDI, SSI and the State Supplement.


The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, finds that the Department acted in accordance with Department policy when it determined Petitioner was entitled to FAP benefits of \$ [REDACTED] a month.

### **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 decreased Petitioner's FAP allotment to \$ [REDACTED].

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

VLA/bb



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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

**DHHS**

[REDACTED]

**Petitioner**

[REDACTED]