



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: September 18, 2017  
MAHS Docket No.: 17-010368  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

**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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a hearing was held on September 13, 2017, from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly calculate the Petitioner's Food Assistance 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. The Petitioner timely completed a redetermination for May 1, 2017.
2. The Department issued a Notice of Case Action on June 27, 2017 closing the Petitioner's FAP benefits effective June 30, 2017. The Department determined that Petitioner was not eligible for FAP benefits due to excess income for the group. Exhibit 1.
3. The Department completed a FAP budget for June 2017 which was incorrect because there was no Earned Income Deduction included when calculating group income. Exhibit 3

4. The Department completed a FAP budget for July 2017 because the Petitioner disputed the income as being incorrect. No pay stubs were provided by the Department at the hearing.
5. The Petitioner's FAP group has 3 members, and the Petitioner pays rent in the amount of [REDACTED], and one of her sons receives unearned income of [REDACTED] and a [REDACTED] quarterly supplement for an unearned income total of [REDACTED]
6. The Petitioner requested a timely hearing on July 6, 2017 protesting the Department's actions.

### **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.

In this case, the Petitioner challenged the Department's determination of her FAP benefit amount for July 2017 and closure for June 2017 due to excess income. The Department presented the following evidence in support of its actions. The budget for June 2017 was presented and was determined to be incorrect as no earned income deduction was included in the budget for the earned income included in the budget and thus was incorrect. Exhibit 3. Department policy requires that a 20% earned income deduction be included and deducted from earned income when determining net earned income. This was not done by the Department when completing the June 2017 budget. BEM 556 (June 2017), p. 3; RFT 295 (December 2013), p. 1. Therefore, based upon the evidence and budget presented the budget as calculated by the Department is incorrect.

In addition, the Petitioner disputed the earned income amount in the June 2017 and July 2017 FAP budgets as incorrect and testified that she provided pay stubs to the Department during the redetermination. The Department did not provide any proof of how it determined earned income for either June 2017 or July 2017, and thus did not meet its burden of proof. In addition, the Department did not include an excess shelter calculation in its proofs for either the June 2017 or July 2017 budgets, and thus it could

not be determined if the excess shelter determination was correctly calculated and what rent was used.

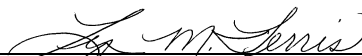
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it determined the Petitioner's June FAP benefits as it did not include any earned income deduction.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it failed to demonstrate how the earned income was determined for the June and July 2017 FAP budget.

**DECISION AND ORDER**

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

LF/tm



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**Lynn M. Ferris**

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]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

CC: [REDACTED]  
[REDACTED]