



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

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Date Mailed: September 20, 2017  
MAHS Docket No.: 17-010773  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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 September 19, 2017, from Detroit, Michigan. Petitioner appeared and was unrepresented. ██████████, Petitioner's sister, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by ██████████, manager.

**ISSUE**

The issue is whether MDHHS properly determined Petitioner's Food Assistance Program (FAP) eligibility.

**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 FAP benefit recipient.
2. Petitioner was a member of a 2-person FAP-benefit group.
3. Petitioner did not report utility expenses to MDHHS.
4. On August 2, 2017, MDHHS determined Petitioner to be eligible for \$██████/month in FAP benefits, effective August 2017, in part, based on factoring no utility obligations.
5. On August 7, 2017, Petitioner requested a hearing to dispute the FAP determination.

## CONCLUSIONS OF LAW

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner's hearing request asserted a dispute of a reduction of FAP eligibility. Petitioner testimony that the reduction being disputed began in August 2017. MDHHS presented a Notice of Case Action (Exhibit A, pp. 1-2) dated August 2, 2017. The notice informed Petitioner of an approval of \$█/month in FAP benefits beginning August 2017.

The presented notice included a summary of most FAP-budget factors (see Exhibit A, p. 2). MDHHS also presented additional August 2017 budget pages (Exhibit A, pp. 3-5). During the hearing, all relevant budget factors were discussed. BEM 556 outlines the factors and calculations required to determine FAP eligibility.

MDHHS factored \$█/month in gross employment income. Petitioner testimony agreed that the amount was accurate. Clients receive a 20% credit for reported employment income making the countable employment income to be \$█

MDHHS factored \$█ in unearned income. Petitioner testimony agreed that the budgeted amount was accurate. Petitioner's running countable income total is found to be \$█

[MDHHS] uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (October 2015), p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: child care, excess shelter (housing and utilities) up to a capped amount and court-ordered child support and arrearages paid to non-household members (see *Id.*). For groups containing SDV members, MDHHS also considers the medical expenses above \$█ for each SDV group member(s) and an uncapped excess shelter expense. There was no evidence that Petitioner had any SDV members in her group.

Verified countable medical expenses for SDV groups exceeding \$█ child support, and day care expenses are subtracted from a client's monthly countable income. Petitioner testimony conceded she had no such expenses.

Petitioner's FAP benefit group size justifies a standard deduction of \$█ (see RFT 255). The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction is subtracted from the

countable monthly income to calculate the group's adjusted gross income. Petitioner's FAP group's adjusted gross income is found to be \$[REDACTED]

MDHHS factored \$[REDACTED] housing costs for Petitioner. Petitioner testimony conceded the amount was accurate.

MDHHS factored no utility obligations for Petitioner. Petitioner testified she was responsible for an electric and heat obligation.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BEM 105 (October 2016) p. 5. Changes [in income] must be reported within 10 days of receiving the first payment reflecting the change. p. 11. Other changes must be reported within 10 days after the client is aware of them. *Id.*, p. 12.

Petitioner testimony conceded that she did not report any utility obligation to MDHHS until the date of hearing. Petitioner's reporting may affect her future FAP eligibility but has no effect on FAP benefits from August 2017. MDHHS cannot be faulted for failing to credit Petitioner with an obligation that was previously unreported.


MDHHS only credits FAP benefit groups with an "excess shelter" expense. The excess shelter expense is calculated by subtracting half of Petitioner's adjusted gross income from Petitioner's total shelter obligation. Petitioner's excess shelter amount is found to be \$[REDACTED]

The FAP benefit group's net income is determined by taking the group's adjusted gross income and subtracting the allowable excess shelter expense. Petitioner's FAP benefit group's net income is found to be \$[REDACTED]. A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Petitioner's group size and net income Petitioner's proper FAP benefit issuance for August 2017 is found to be \$[REDACTED] the same amount calculated by MDHHS.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for \$[REDACTED] in FAP benefits beginning August 2017. The actions taken by MDHHS are **AFFIRMED**.

CG/jaf

  
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**Christian Gardocki**  
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]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
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