



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

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Date Mailed: April 21, 2017
MAHS Docket No.: 17-003851
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 April 17, 2017, from Detroit, Michigan. Petitioner appeared and was unrepresented. ██████████
██████████ Petitioner's wife, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by ██████████, hearing facilitator.

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 as part of a 3-person FAP benefit group.
2. Petitioner reported to MDHHS housing costs of ██████████/month.
3. Petitioner reported to MDHHS no medical expenses.
4. On ██████████, MDHHS determined Petitioner to be eligible for ██████████ in FAP benefits, effective ██████████ in part, based on a housing cost of ██████████/month and ██████████ medical expenses.

5. On [REDACTED], Petitioner requested a hearing to dispute FAP eligibility.

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 noted a need for accommodation for his difficulty in sitting or standing for long periods. Petitioner was advised he could sit or stand as needed. Petitioner did not object to the accommodation and the hearing was conducted accordingly.

Petitioner requested a hearing to dispute a determination of FAP eligibility. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 39-43) dated [REDACTED]. The notice informed Petitioner he was eligible to receive [REDACTED] in FAP benefits, effective [REDACTED].

Petitioner's testimony noted he received a higher amount of FAP benefits before [REDACTED]. Petitioner's testimony implied a contention that the previous higher issuance should have been continued. A previous month's FAP benefit issuance is not relevant to a determination of ongoing FAP benefits. Thus, Petitioner's implied contention is rejected.

BEM 556 outlines the proper procedure for determining ongoing FAP benefits. The policy requires consideration of countable income and expenses. The presented written notice included a budget summary (Exhibit 1, p. 40) listing all relevant FAP-benefit factors. During the hearing, all relevant FAP-benefit factors were discussed with Petitioner.

MDHHS factored employment income of [REDACTED]. MDHHS presented 2 bi-weekly earning statements for Petitioner's spouse. The documents stated Petitioner's spouse received [REDACTED] on [REDACTED], and [REDACTED] on [REDACTED].

For FAP benefits, MDHHS converts bi-weekly stable income into a 30 day period by multiplying the income by 2.15 (see BEM 505 (April 2016), p. 4). Bridges counts gross [employment] wages... [other than exceptions such as earned income tax credit, census workers, flexible benefits...]. BEM 501 (July 2016), p. 7.

Petitioner's spouse's average bi-weekly pay was [REDACTED]. Multiplying Petitioner's spouse's average pay by 2.15 results in a gross countable income of [REDACTED], the same amount calculated by MDHHS.

MDHHS gives a 20% credit for reported employment income. Applying the 20% credit results in [REDACTED] in countable earned income for the FAP-benefit group.

Petitioner conceded he received monthly unearned income of [REDACTED]. Adding Petitioner's and his spouse's countable income results in a running income total of [REDACTED].

[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 \$35 for each SDV group member(s) and an uncapped excess shelter expense. It was not disputed Petitioner was a SDV member.

Verified countable medical expenses for SDV groups, child support, and day care expenses are subtracted from a client's monthly countable income. Petitioner conceded not having day care or child support expenses.

Petitioner alleged he had medical expenses that MDHHS should have factored. Presented evidence was not indicative that Petitioner reported medical expenses.

MDHHS presented Petitioner's Redetermination (Exhibit 1, p. 8-15). Petitioner signed the reporting document on [REDACTED] 6. Petitioner's specialist signed the document on [REDACTED] [REDACTED] (presumably on the date that Petitioner was interviewed). No medical expenses were reported.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (April 2016), p. 11. There was no evidence that Petitioner reported medical expenses to MDHHS after submitting a Redetermination in [REDACTED]. MDHHS cannot be expected to factor expenses that Petitioner did not report. It is found MDHHS properly factored [REDACTED] in medical expenses.

Petitioner contended that MDHHS should have factored his spouse's car payment of [REDACTED]/month and a loan payment. Neither car payments nor loan payments are allowable budget factors and were properly not factored by MDHHS.

Petitioner's FAP benefit group size justifies a standard deduction of [REDACTED] (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 budgeted Petitioner's housing obligation to be [REDACTED]/month. Petitioner alleged MDHHS should have factored a [REDACTED] housing obligation.

The presented Redetermination listed no written statement from Petitioner concerning housing costs. The document included a statement from Petitioner's specialist listing a [REDACTED] mortgage obligation. The obligation of [REDACTED] was consistent with receipts from Petitioner (see Exhibit 1, p. 24). Petitioner presented no evidence of reporting a [REDACTED] after submitting the Redetermination and before requesting a hearing.

The same analysis undertaken for medical expenses applies to housing costs. Again, MDHHS cannot be faulted for budgeting an alleged change in expenses when Petitioner does not report a change. It is found MDHHS properly calculated Petitioner's housing expense to be [REDACTED].

MDHHS credited Petitioner with the maximum heat/utility standard of [REDACTED] (see RFT 255). Petitioner's total shelter expenses are found to be [REDACTED].


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 [REDACTED] 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 [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]