



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: February 14, 2018
MAHS Docket No.: 18-000213
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 telephone hearing was held on February 12, 2018, from Detroit, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by ██████████, Family Independence Manager, and ██████████ Eligibility Specialist.

ISSUE

Did the Department properly calculate Petitioner's Food Assistance Program (FAP) benefits for January 2018 ongoing?

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. Petitioner is the only member of his FAP household.
3. Petitioner received ██████████ in monthly Retirement, Survivors, Disability Insurance (RSDI) benefits beginning January 2018; Petitioner receives RSDI benefits due to a disability.
4. Petitioner has monthly housing expenses of ██████████.

5. In connection with a redetermination, the Department determined that it had been budgeting an incorrect housing expense in calculating Petitioner's monthly FAP allotment.
6. On December 27, 2017, the Department sent Petitioner a Notice of Case Action notifying him that he was approved for monthly FAP benefits of [REDACTED] effective January 2018 (Exhibit A, pp. 7-8).
7. On January 5, 2018, the Department received Petitioner's request for hearing disputing the Department's actions concerning his FAP and Medical Assistance, or Medicaid (MA), cases (Exhibit A, pp. 2-5).

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).

Petitioner requested a hearing disputing the Department's actions concerning his FAP and MA cases. At the hearing, he explained that he wished to proceed with a hearing concerning only the calculation of his FAP benefits and agreed to withdraw his request for hearing concerning his MA case. Accordingly, Petitioner's hearing request concerning his MA case is dismissed. The hearing proceeded to address Petitioner's FAP calculation.

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 disputed the reduction in his FAP benefits effective January 1, 2018. The Department explained that, because Petitioner had a slight increase in his monthly RSDI beginning January 2018 and because it had been budgeting the incorrect housing expense, once the new income amount and corrected housing expenses were budgeted, Petitioner was eligible for [REDACTED] in monthly FAP benefits beginning January 2018.

When an individual is eligible for FAP, the amount of FAP benefits the individual is eligible to receive is dependent on the household's size and net income. Net income is the difference between a client's gross income and deductions the client is eligible to

receive under Department policy. BEM 556 (July 2013), pp. 2-7. The budget on the December 27, 2017 Notice of Case Action shows the income and deductions the Department used in calculating Petitioner's net income.

The Notice shows that in calculating Petitioner's FAP benefits for January 2018 ongoing, the Department considered Petitioner's [REDACTED] in monthly RSDI benefits as his sole income source. Petitioner confirmed his RSDI benefit amount. Because Petitioner receives income based on a disability, he is a senior/disabled/veteran (SDV) member of his FAP group. See BEM 550 (January 2017), pp. 1-2. For FAP groups with one or more SDV members and no earned income, in calculating net income for FAP purposes, the Department must reduce the household's gross monthly unearned income by the following deductions: the standard deduction (based on group size), child care expenses, child support expenses, verified out-of-pocket medical expenses in excess of [REDACTED] and the excess shelter deduction, which is based on verified shelter expenses and the applicable utility standard. BEM 554 (August 2017), p. 1; BEM 556 (July 2013), pp. 4-5.

Petitioner, who confirmed that he was the sole member of his household, was properly considered by the Department as a single-member FAP group. As a single-member FAP group, he was eligible for a \$ [REDACTED] standard deduction. RFT 255 (October 2017), p. 1. Because Petitioner confirmed that he had no expenses for child care or child support and that he had not verified any monthly out-of-pocket medical expenses in excess of [REDACTED] the Department properly budgeted [REDACTED] in deductions for those items. When Petitioner's gross [REDACTED] is reduced by the [REDACTED] standard deduction, his adjusted gross income is \$ [REDACTED].

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, pp. 4-5. Petitioner confirmed that his monthly housing expenses were [REDACTED]. The Department applied [REDACTED] heat and utility standard, the most favorable utility standard, in calculating Petitioner's total monthly housing expenses. RFT 255, p. 1; BEM 554, p. 15. Therefore, Petitioner's monthly housing expenses total [REDACTED], the sum of his monthly mortgage and the heat and utility standard. Petitioner's monthly shelter expenses reduced by 50% of his adjusted gross income ([REDACTED]) results in an excess shelter deduction of [REDACTED].

Petitioner's adjusted gross income reduced by his excess shelter deduction, the final deduction applied in calculating net income, results in Petitioner having net income of [REDACTED]. Based on a single-person FAP group size and net income of [REDACTED], Petitioner was eligible for monthly FAP benefits of [REDACTED] RFT 260 (October 2017), p. 3.

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, based on his

circumstances and Department policy, the Department acted in accordance with Department policy when it concluded that Petitioner was eligible for monthly FAP benefits of [REDACTED] effective January 2018 ongoing.

DECISION AND ORDER

Pursuant to Petitioner's withdrawal of his request for hearing concerning his MA case, Petitioner's MA hearing is DISMISSED.

The Department's FAP decision is **AFFIRMED**.



AE/tm

Alice C. Elkin
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]
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