



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 14, 2018  
MAHS Docket No.: 18-001266  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

**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 March 8, 2018, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

**ISSUE**

Did the Department properly decrease Petitioner's Food Assistance Program (FAP) benefits effective March 1, 2018?

**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 is a recipient of FAP benefits.
2. On December 12, 2017, Petitioner submitted a Change Report in which she reported that her son began employment.
3. The Department redetermined Petitioner's eligibility for FAP benefits.
4. On January 25, 2018, the Department sent Petitioner a Notice of Case Action which notified Petitioner that her FAP benefits decrease to [REDACTED] per month effective March 1, 2018.

5. On January 29, 2018, Petitioner filed a Request for Hearing disputing the Department's actions.
6. Following the Request for Hearing, the Department reviewed the case and determined that it used the incorrect unearned income amount.
7. On February 12, 2018, the Department sent Petitioner a Notice of Case Action which notified Petitioner that her FAP benefits will decrease to [REDACTED] per month effective March 1, 2018.

### **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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Department of Human Services) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101-.3131.

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.

Additionally, the training program decides if payments are from the Workforce Investment Act (WIA) and if payments are for on-the-job training (OJT). BEM 501 (July 2017), p. 5. Bridges counts OJT (or paid work experience) income as earnings. *Id.* The Department excludes payments from WIA training income that are **not** for OJT. BEM 501, p. 6. Further, training income that is not specifically addressed in policy is countable earned income. This includes vocational training or training allowances that cannot be excluded due to being OJT, WIA funded, MRS or reimbursements. *Id.*

In this case, Petitioner submitted a Change Report in which she reported that her son began working. On January 16, 2018, the Department received an Employment Verification which listed Petitioner's son's income. The Department redetermined Petitioner's eligibility for FAP benefits. Petitioner asserted that because her son receives payments from WIA training, his income should be excluded. However, as the above policy states, income will be counted if it is for OJT, which includes work experience.

Petitioner receives ██████ in RSDI income effective January 2018. Petitioner's son received earnings in the total amount of ██████ from December 29, 2017 through January 12, 2018. When an individual receives earnings biweekly, the income is multiplied by 2.15. BEM 554 (August 2017), p. 4. Thus, Petitioner's son's gross countable income is calculated at ██████ (██████). When Petitioner's son's income is added to her unearned income, the group's total income is ██████. Gross countable earned income is reduced by a 20 percent earned income deduction. BEM 550 (January 2017), p. 1. When the earned income deduction of ██████ is subtracted from the total income amount, the group's post earned income deduction income is ██████. Based on Petitioner's circumstances, she was eligible to receive a standard deduction of ██████ based on a three-person group size. RFT 255 (October 2017), p. 1.

Petitioner acknowledged that she has a heat and electric expense and pays rent in the amount of ██████. Petitioner was entitled to a shelter expense in the amount of ██████. BEM 554, pp. 13-15. Once the standard deduction and shelter deduction are subtracted from Petitioner's income, her net income is ██████.

On January 25, 2018, the Department sent Petitioner a Notice of Case Action, which notified her that her FAP benefits would decrease to ██████ per month effective March 1, 2018. It should be noted that the Department used the RSDI amount of ██████ which is the amount Petitioner received until December 31, 2017. The Department realized that it used the incorrect RSDI income and sent Petitioner another Notice of Case Action on February 12, 2018, which notified Petitioner that her FAP benefits would decrease to ██████ per month effective March 1, 2018. Accordingly, based upon a net income of ██████ with a group size of three, the Department properly determined that Petitioner was entitled to a FAP benefit amount of ██████ per month. RFT 260 (October 2017), p. 18.

### **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, if any, finds that the Department acted in accordance with Department policy when it determined that Petitioner was eligible for FAP benefits in the amount of ██████ per month effective March 1, 2018.

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

JAM/tlf



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**Jacquelyn A. McClinton**

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

**Via Email:**

[REDACTED]

**Petitioner – Via First-Class Mail:**

[REDACTED]