



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

Date Mailed: April 24, 2018  
MAHS Docket No.: 18-000637  
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 MCL 400.37, and 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, an in-person hearing was held on April 23, 2018, from [REDACTED]. The Petitioner was represented by himself. A [REDACTED] was present to type the words spoken by those present on a screen for Petitioner, as the [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED], Family Independence Manager.

**ISSUE**

Did the Department properly reduce the Petitioner's Food Assistance (FAP) 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 is an ongoing recipient of FAP benefits in the amount of [REDACTED] per month.
2. During a redetermination for January 2018, the Petitioner's property taxes for his home were updated and verification of taxes was provided showing the Petitioner had property taxes in the amount of [REDACTED] which included [REDACTED] of [REDACTED] and [REDACTED] of [REDACTED] Exhibit D.

3. The Department issued a Notice of Case Action on January 10, 2018 which approved the Petitioner for [REDACTED] in FAP benefits beginning February 2018. Exhibit C.
4. The Petitioner is disabled, a FAP group size of one, pays for heat and owns his home.
5. The Petitioner requested a hearing on January 17, 2018 protesting the reduction of his Food Assistance benefits.

### **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 Department completed a redetermination regarding the Petitioner's FAP benefits and reduced his FAP benefits to [REDACTED] a month. The reduction occurred due to the updating of the Petitioner's annual property taxes. The Department discovered at redetermination that the Department had been using an old tax bill which did not accurately reflect the Petitioner's current taxes. The old tax bill which was previously used was from 2012 and 2013 and listed a much higher annual tax amount. Exhibit A. Once the new lower tax amount was used to as a shelter cost, the shelter deduction given to Petitioner also reduced resulting in lower FAP benefits. Exhibit B.

The Food Assistance budget was presented at the hearing and was reviewed. The budget included unearned income for Petitioner of [REDACTED] which he receives from [REDACTED]. The Petitioner is a FAP group of one person. The Petitioner's shelter expenses included a [REDACTED] for property taxes for his home for a monthly expense of \$116 and a heat allowance of [REDACTED] for heating expense. The Petitioner is also disabled so he is considered an SDV group.

The deductions to income on the net income budget were also reviewed. Petitioner has a FAP group of one member and is a senior/disabled/veteran (SDV) member of the group. BEM 550 (February 2016), pp. 1-2. Groups with one or more SDV members are eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Medical expenses for the SDV member(s) that exceed \$35.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (August 2017), p. 7; BEM 556 (April 2018), p. 3.

In this case, Petitioner did not have any earned income and there was no evidence presented that he had any dependent care, or paid child support. The Petitioner was not credited with medical expenses as none were presented. Therefore, the budget properly did not include any deduction for earned income, dependent care expenses, child support and medical expenses. Based on his confirmed one-person group size, the Department properly applied the \$160 standard deduction. RFT 255 (October 2017), p. 1.

In calculating Petitioner's excess shelter deduction, the Department determines the eligible monthly shelter costs. The Department properly considered Petitioner's property taxes of [REDACTED] monthly and included a [REDACTED] heat and utility allowance as the Petitioner pays for heat. See BEM 554, pp. 16-19. A review of the excess shelter deduction budget and Department policy shows that the Department properly determined that Petitioner was eligible for an excess shelter deduction of [REDACTED] BEM 556, pp. 4-5; RFT 255, p. 1.

In determining monthly net income of [REDACTED] 50% of the adjusted gross income of [REDACTED] is deducted from the shelter expenses of [REDACTED]. The excess shelter deduction is then deducted from adjusted gross income to determine net monthly income. [REDACTED]. Based on net income of [REDACTED] and a FAP group size of one, the Department acted in accordance with Department policy when it concluded that Petitioner was eligible for monthly FAP benefits of [REDACTED] BEM 556; RFT 260 (October 2017), p. 6. See Exhibit D.

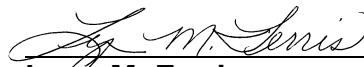
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it reduced the Petitioner's FAP benefit amount to [REDACTED]

**DECISION AND ORDER**

Accordingly, the Department's decision is

**AFFIRMED.**

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

[REDACTED]

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