



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]

Date Mailed: August 2, 2018
MAHS Docket No.: 18-006332
Agency No.: [REDACTED]
Petitioner: [REDACTED] k

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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. After due notice, a telephone hearing was held on July 26, 2018, from Lansing, Michigan. Petitioner was represented by herself. The Department of Health and Human Services was represented by Shana Hook, Hearing Facilitator, and LeeAnn Mason, Eligibility Specialist.

ISSUE

Did the Department of Health and Human Services (Department) properly determine Petitioner's eligibility for Food Assistance Program (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. On May 14, 2018, the Department sent Petitioner a New Hire Client Notice (DHS-4635) with a due date of May 24, 2018. Exhibit A, p 1.
2. On June 1, 2018, the Department received the New Hire Client Notice (DHS-4635) and a paycheck for the gross weekly amount of \$375. Exhibit A, pp 3-5.
3. On June 4, 2018, the Department notified Petitioner that her Food Assistance Program (FAP) benefits would close effective July 1, 2018. Exhibit A, pp 6-7.
4. Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$924. Exhibit A, pp 12-14.

5. On June 11, 2018, the Department notified Petitioner that she was eligible for Food Assistance Program (FAP) benefits with a \$59 monthly allotment effective June 1, 2018, which was a reduction from her previous monthly allotment. Exhibit A, pp 8-10.
6. On June 14, 2018, the Department received Petitioner's request for a hearing protesting the amount of Food Assistance Program (FAP) she is eligible for.

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.

Reinstatement restores a closed program to active status without completion of a new application. Closed programs may be reinstated where the client complied with program requirements before negative action date. Department of Health and Human Services Bridges Administrative Manual (BAM) 205 (July 1, 2015), p 1.

Petitioner was an ongoing FAP recipient as a group of two when the Department sent her a New Hire Client Notice (DHS-4635) with a due date of May 24, 2018. When the form was not returned in a timely manner, the Department closed her FAP benefits.

The Department received the required income verification on June 1, 2018, and the Department reinstated Petitioner's FAP benefits as directed by BAM 205 after redetermining her eligibility for ongoing benefits with the additional source of income.

All earned and unearned income available is countable unless excluded by policy. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross

amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2017).

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. Department of Human Services Bridges Eligibility Manual (BEM) 505 (October 1, 2017), pp 7-8.

Petitioner provided the Department with a copy of a paycheck stub on June 1, 2018, showing that a member of her FAP benefit group received earned income from employment in the gross weekly amount of \$375. This amount was used to determine a prospective monthly income by multiplying it by the 4.3 conversion factor as required by BEM 505. This was the best information available at the time to determine earned income received within the household. When this earned income is added to Petitioner's RSDI benefits and the 20% earned income deduction is subtracted, Petitioner's FAP benefit group receives a totaling monthly income of \$1,730. Petitioner's adjusted gross income of \$1,408 was determined by reducing the total monthly income by the \$160 standard deduction.

Petitioner is entitled to a \$433 excess shelter deduction, which was determined by adding her \$600 monthly housing expense to the \$537 standard heat and utility deduction, then subtracting 50% of her adjusted gross income.

Petitioner's net income of \$975 was determined by reducing her adjusted gross income by the excess shelter deduction. A group of two with a net income of \$975 is entitled to a \$59 monthly allotment of FAP benefits. Department of Health and Human Services Reference Table Manual (RFT) 260 (October 1, 2017).

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 Petitioner's eligibility for Food Assistance Program (FAP) benefits effective June 1, 2018.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/hb



Kevin Scully
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) 763-0155; 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

Carisa Drake
190 East Michigan
Battle Creek, MI 49016

Calhoun County (District 21), DHHS

BSC3 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

Petitioner

[REDACTED]
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[REDACTED], MI [REDACTED]