STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

RICK SNYDER
GOVERNOR

SHELLY EDGERTON
DIRECTOR

[redacted]
[redacted]
[redacted] MI [redacted]

Date Mailed: September 13, 2018
MAHS Docket No.: 18-008128
Agency No.: [redacted]
Petitioner: [redacted]

ADMINISTRATIVE LAW JUDGE: John Markey

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 September 12, 2018, from Lansing, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Latanya Johnson, Eligibility Specialist, and Rachel Smith, Assistance Payments Supervisor. During the hearing, three multi-page documents were offered and admitted as Exhibit A through Exhibit C.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefits, effective August 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 was an ongoing FAP recipient in a FAP group of one.

2. On July 20, 2018, the Department issued to Petitioner a Notice of Case Action informing Petitioner that his FAP benefits would be reduced from $123 to $121 per month, effective August 1, 2018, as a result of a universal change to the standard deduction from $160 per month to $154 per month. Exhibit A, pp. 1-2.

3. On August 1, 2018, Petitioner filed a hearing request with the Department objecting to the Department's calculation of his monthly FAP 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 the present case, the Department issued to Petitioner a Notice of Case Action, dated July 20, 2018, informing Petitioner that his monthly FAP benefits were being reduced from $123 to $121 "due to a change in the FAP standard deduction." Prior to August 1, 2018, the monthly standard deduction for a group of one was $160. RFT 255 (October 2017), p. 1. Effective August 1, 2018, the monthly standard deduction for a group of one was reduced to $154. RFT 255 (August 2018), p. 1. As a result of this change, Petitioner's eligibility for FAP benefits was affected, and Petitioner filed a request for hearing.

Regulations governing the hearing and appeal process for recipients of FAP benefits in Michigan who, as a group, are affected by a federal or state-initiated change in the law affecting all recipients are found in 7 CFR 273.12(e) and Mich Admin Code, R 792.10101 to R 792.10137 and R 792.11001 to R 792.11020. Rule 792.11002(2) states that "[a] hearing shall not be granted when either state or federal law requires automatic grant adjustments for classes of recipients, unless the reason for an individual appeal is incorrect grant computation."

Similarly, the Department's policy provides that the Michigan Administrative Hearing System will not grant a hearing regarding the issue of a mass update required by state or federal law unless the reason for the request is an issue of incorrect calculation of program benefits or patient-pay amount. BAM 600 (August 2018), p. 8.

Petitioner does not have a right to protest the reduction of the standard deduction that caused a $2 per month reduction in his FAP benefits. However, BAM 600 does provide him with the right to a hearing contesting the current level of benefits.

The Department calculated Petitioner's FAP benefit amount by taking into account Petitioner's reported and verified income and expense information. Petitioner had total

income of [redacted], all of which was unearned. The standard deduction of $154 was then taken out, resulting in adjusted gross income of [redacted]. Petitioner did not report any child care, medical, or child support expenses. Thus, those deductions are not applicable. However, Petitioner is eligible for the excess shelter deduction. Petitioner had housing costs of $200.78 and was eligible for the h/u standard of $537. Added together, Petitioner had monthly shelter expenses of $739. The excess shelter deduction is calculated by subtracting from the $739 one half of the adjusted gross income of [redacted], which is [redacted]. The remaining amount, if it is greater than $0, is the excess shelter deduction. In this case, the remaining amount when you subtract [redacted] from $739 is [redacted], which the Department properly calculated as Petitioner's excess shelter deduction. Petitioner's net income is then calculated by subtracting the excess shelter deduction ([redacted]) from the adjusted gross income ([redacted]), which equals a net income of [redacted].

The Food Assistant Issuance Table shows $121 in benefits for [redacted] net income for a household of one. RFT 260 (October 2017), p. 4. This is the amount determined by the Department and is correct. The Department acted in accordance with Department policy when it determined Petitioner's FAP benefits, effective August 1, 2018.

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 Petitioner's FAP benefits, effective August 1, 2018. Accordingly, the Department's decision is **AFFIRMED**.

JM/dh

John Markey
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

Lori Duda
30755 Montpelier Drive
Madison Heights, MI 48071

Oakland County (District 2), DHHS

BSC4 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

Petitioner

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[redacted]
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