



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

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

Date Mailed: August 12, 2020
MOAHR Docket No.: 20-004435
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Landis Lain

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 August 5, 2020, from Lansing, Michigan. The Petitioner was represented by Petitioner [REDACTED]. The Department of Health and Human Services (Department or Respondent) was represented by April Nemec, Hearings Facilitator.

Respondent's Exhibit A pages 1-59 were admitted as evidence.

ISSUE

Did the Department properly determine that Petitioner's Food Assistance Program (FAP) benefits should be cancelled?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Application submitted for State Emergency Relief, consolidated inquiry and SOLQ pulled, and when processing application, adult home help provider income for Petitioner was added to case and RSDI income for Robert was updated, and a new FAP budget was completed.
2. FAP benefits were reduced to \$51 per month for July 1, 2020 – July 31, 2020.
3. A DHS-1605 Notice of Case Action sent to Petitioner.

4. Petitioner's case is due for a yearly FAP redetermination in July 2020.
5. The certification year ended July 31, 2020, this is why DHS-1605 states new benefit amount is only effective to July 31, 2020.
6. The eligibility summary and prior FAP budget showed \$200 per month FAP benefit amount.
7. On June 16, 2020, a Hearing request was received to contest the reduction and cancellation of FAP benefits.
8. On June 18, 2020, a DHS-170 Appointment Notice was sent for a scheduled telephone pre-hearing conference on June 26, 2020 at 8am.
9. It was noted when looking at the case that SSI income for Robert was not correct.
10. There was an old expense amount of \$227 that was still being deducted from SSI amount thus reducing the SSI amount used in the budget.
11. SOLQ shows there is no deduction taken from the gross SSI amount and this old expense amount should have been ended in the system.
12. Case was updated ending the \$227 expense, new FAP budget was completed, and FAP closed effective July 1, 2020, for excess income.
13. A DHS-1605 Notice of Case Action sent to Petitioner.
14. Updated budget and eligibility summary showed closure.
15. Hearing request was timely and FAP was restored.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his or her claim for assistance has been denied. MAC R 400.903(1). Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

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 Michigan Office of Administrative Hearings and Rules (MOAHR) may grant a hearing for any of the following:

- Denial of an application and/or supplemental payments.
- Reduction in the amount of program benefits or service.
- Suspension or termination of program benefits or service.
- Restrictions under which benefits, or services are provided.
- Delay of any action beyond standards of promptness.
- For FAP only, the current level of benefits or denial of expedited service.
BAM 600 (April 1, 2017), pp 3-4.

The client or AHR has 90 calendar days from the date of the written notice of case action to request a hearing. The request must be received in the local office within the 90 days. BAM 600, page 6

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.

Pertinent FAP policy indicates:

Federal regulations at 7 CFR 271; 273 provides standards for the determination of Food Assistance Program budgeting. The Department follows the program reference manual, tables, charts, schedules, Table 240-1.

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if not paid directly such as income paid to a representative. Income remaining after applying the policy in the income related items is called countable. This is the amount used to determine eligibility and benefit levels. Count all income that is not specifically excluded. BEM 500, page 1

Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives. BEM 500, pages 4-5

Always calculate income on a calendar month basis to determine eligibility and benefit amounts. Use income from a month specified in this item for the benefit month being considered. Budget the entire amount of earned and unearned countable income. Every case is allowed the standard deduction shown in Reference Tables Manual (RFT) 255.

Document income budgeting on either a manually calculated or an automated FAP worksheet. (BEM 550, page 1)

Use only available, countable income to determine eligibility. The Bridges Eligibility Manual (BEM) 500 series defines countable income. BEM 505 defines available income and income change processing. This item describes income budgeting policy.

In the instant case, Petitioner's household received total monthly \$ [REDACTED] in RSDI income.

Petitioner was receiving \$ [REDACTED] per month in unearned income. Total monthly income \$ [REDACTED]

Petitioner was given the standard deduction of \$161 + earned income deduction of 105. $\$2,019 - \$161 - \$105 = \$ [REDACTED]$ in adjusted gross income.

Petitioner pays \$107.82 per month in rent and she was given the heat and utility standard of \$518 for a total of \$626 in total shelter amount.

\$626 in total shelter amount - \$ [REDACTED] (50% of adjust gross income) = \$0 in Adjusted Excess shelter amount.

\$ [REDACTED] net income x .30 (net income divisor) = \$526.

The maximum monthly FAP benefit for a three-person group = \$509.

\$509 maximum benefit - \$ [REDACTED] (30% of net income) = \$0 in monthly FAP benefit allotment.


A review of Petitioner's case reveals that the Department budgeted the correct amount of income received by Petitioner at the time of determination. Petitioner's deductions and shelter allotment are governed by Food Assistance Program policy and cannot be changed by the Department or this Administrative Law Judge. If Petitioner provides the Department with information that Petitioner now receives less monthly earned income, the Department can reassess Petitioner's eligibility for increased Food Assistance Program benefits.

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 has established by the necessary competent, material and substantial evidence on the record that it was acting in accordance with Department policy when it determined that Petitioner was eligible for a \$0.00 per month in Food Assistance Program benefits. The Department has established its case by a preponderance of the evidence.

DECISION AND ORDER

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

LL/hb



Landis Lain
Administrative Law Judge
for Robert Gordon, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS


Genesee County via electronic mail

BSC2 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

Petitioner


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