



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: February 2, 2017  
MAHS Docket No.: 17-000117  
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 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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on January 30, 2017, from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by Charles Walker, Pathways to Potential Success Coach.

**ISSUE**

Did the Department properly reduce the Petitioner's 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. The Petitioner is an ongoing recipient of FAP.
2. The Department reduced the Petitioner's FAP benefits because an FAP group member left the group on November 18, 2016.
3. The Petitioner's group member, [REDACTED], was admitted to a substance abuse facility on [REDACTED], 2016.
4. On December 7, 2016, the Department sent the Petitioner a Notice of Case Action advising the Petitioner that her FAP benefits were to be reduced to \$[REDACTED] as of January 1, 2017. Exhibit A.

5. At the time of the FAP benefit reduction on January 1, 2017, the Petitioner's group had two members, the Petitioner and [REDACTED] Exhibit A.
6. The Petitioner requested a timely hearing on [REDACTED] 2017, protesting the Department's actions.

### **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 was advised the an FAP group member, [REDACTED] left the FAP group on November 18, 2016, when he was admitted into a substance abuse treatment facility. The [REDACTED] County Adult Medical District advised the Department of the admission to the facility. The Petitioner did not dispute that the member left but believed he left on December 15, 2016. The Petitioner did not provide any written documentation to support the December 15, 2016, date. The Department relied on notification it received from the facility; and thus, the Department correctly determined that the group member was no longer in the group.

Once the group member was deemed no longer in the group, the Department recalculated the Petitioner's FAP benefits for a group size of two members, rather than three. The Petitioner verified that she receives Supplemental Security Income (SSI) in the amount of \$735 monthly, and the other FAP group member receives SSI in the amount of \$409.67. In addition, the Petitioner confirmed that she receives child support in the amount of \$544 monthly. The Petitioner's unearned income total \$1,688.67. In addition, the Petitioner confirmed that she and [REDACTED] the other FAP group member, each received the State SSI quarterly supplement; and each received \$14 monthly. When the \$28 quarterly supplement monthly amount for both FAP group member is added to \$1,688, the total group income is \$1,716. Based upon the reported income, which was confirmed by the Petitioner, the Department correctly determined the FAP group income. Exhibit A.

All countable earned and unearned income available to the client must be considered in determining the Petitioner's eligibility for program benefits. BEM 500 (July 2016), pp.

1-4. The Department considers the gross amount of money earned or received from Retirement, Survivors and Disability Insurance (RSDI) Social Security Income due to disability. BEM 503 (July 2016), pp. 31-32.

The deductions to income made by the Department were also reviewed. Petitioner has an FAP group of two members and is a senior/disabled/veteran (SDV) member of the group because she receives SSI. 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 (October 2016), p. 7; BEM 556 (July 2013), p. 3.

Based on Petitioner's confirmed two-person group size, the Department properly applied the \$151 standard deduction. RFT 255 (October 2014), p. 1.

The last calculation to determine the FAP benefit allotment is the excess shelter deduction.

In calculating Petitioner's excess shelter deduction, the Department considered Petitioner's \$650 monthly rental/housing expenses and \$526 heat and utility allowance as the Petitioner pays for heat. See BEM 554, pp. 16-19. A review of the excess shelter deduction and Department policy shows that the Department properly determined that Petitioner was eligible for an excess shelter deduction of \$393.50. BEM 556, pp. 4-5; RFT 255, p. 1.

The Petitioner also confirmed that her rent is \$650 and that she pays for heat. Based upon the rent and the Department's including a heat and utility allowance of \$526 because the Petitioner pays for her heating, the Department correctly determined the Petitioner's housing cost total to be \$1,176. The Department also correctly applied the standard deduction for a group of two of \$151, which is deducted from the group income of \$1,716 and leaves adjusted gross income of \$1,565. ( $\$1,716 - \$151 = \$1,565$ ). To determine the excess shelter deduction, the Department is to deduct from the total housing expense of \$1,176, one half of the adjusted gross income, which is \$782.50. ( $\$1,565 \div 2 = \$782.50$ ) The excess shelter deduction is then determined to be \$393.50. ( $\$1,176 - \$782.50 = \$393.50$ ). BEM 556; RFT 260 (October 2016), p. 8.

The final step to determine the FAP net income is to deduct the excess shelter expense from the adjusted gross income of \$1,565, which results in net income of \$1,171.50. ( $\$1,565 - \$393.50 = \$1,171.50$ ). Based upon this net income and a group size of two members, the FAP benefit amount is \$█. RFT 260, (October 1, 2016), p. 15.

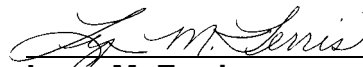
Thus, it is concluded that the Department correctly calculated the monthly FAP benefit amount and correctly reduced the FAP benefits because a group member left the group.

### **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 reduced the Petitioner's FAP benefits for her FAP group to \$■ monthly.

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

LMF/jaf



**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

**DHHS**

Denise Ezell  
3040 W Grand Blvd Ste 5-450  
Detroit MI 48202

**Petitioner**

[REDACTED]  
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BSC4  
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