



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: July 30, 2020
MOAHR Docket No.: 20-003488
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 July 22, 2020, from Lansing, Michigan. The Petitioner was represented by Petitioner [REDACTED]. The Department of Health and Human Services (Department or Respondent) was represented by Taylor Glenn, Hearings Facilitator.

Respondent's Exhibit A pages 1-52 were admitted as evidence.

ISSUE

Did the Department properly cancel Petitioner's Food Assistance Program benefits (FAP)?

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 November 25, 2019, the Department sent Petitioner a DHS Notice of Case Action was mailed to Petitioner indicating that her FAP benefits would be increased to \$194 per month for a group size of one; budgeted income \$0.
2. On January 30, 2020, a DHS-5501 Notice of Time Limited Food Assistance Countable Month was mailed to Petitioner. 1st Month January 2020.

3. On February 10, 2020, Petitioner called worker connect and asked to have the DHS-5501 TLFA letter she received explained to her. Worker explained to Petitioner that she failed to meet the work requirement. Petitioner is required to work at least 20 hours per week. Client stated she does work 20 hours per week and will submit pay stubs to reflect this.
4. February 27, 2020, Petitioner submitted Pay Stub from [REDACTED] Check Date January 24, 2020, Gross Earnings \$ [REDACTED], 35.15 hours worked as substitute teacher.
5. On February 28, 2020, a DHS-5501 Notice of Time Limited Food Assistance Countable Month was mailed to Petitioner, 2nd Month February 2020.
6. On March 12, 2020, worker updated case with submitted pay stub. Pay Stub is not a full 30 days, worker could not excuse TLFA months at this time. Worker advised Petitioner to send in all pay stubs for both jobs for January and February so TLFA can be reviewed. (See Bridges Case Comments Summary).
7. On March 17, 2020, a DHS-142 Time Limited Food Assistance Notice was mailed to Petitioner, stating requirements in order to received Food Assistance.
8. On March 17, 2020, a DHS-3503 Verification Checklist was mailed to Petitioner. Proofs requested for FAP are last 30 days wages, salaries, tips, and commissions due by March 27, 2020.
9. On March 17, 2020, Petitioner called worker connect to report that she is no longer working at either job at either school due to COVID-19. Worker let Petitioner know she has an outstanding Verification and she could send it the last paycheck from both jobs by March 27, 2020. (See Bridges Case Comments Summary).
10. On April 2, 2020, Petitioner submitted pay stubs from [REDACTED]. DBA [REDACTED], check date February 14, 2020, \$ [REDACTED], 9.5 hours between January 16, 2020 - January 31, 2020, check date February 28, 2020, \$ [REDACTED], 1.5 hours between February 1, 2020 - February 15, 2020.
11. On April 2, 2020, Petitioner submitted a pay stub from [REDACTED] and [REDACTED]. DBA [REDACTED], check date March 6, 2020, \$ [REDACTED], 20.16 hours between February 16, 2020 – February 29, 2020, check date March 16, 2020, \$ [REDACTED], 3 hours between February 16, 2020 – February 29, 2020.
12. On April 6, 2020, Income Verification was received, Bridges updated, Individual was given a 12% TLFA exemption for March 2020. Waiver due to COVID-19 ESA 2020-13 ABAWD effective March 23, 2020, FAP/MA approved.
13. On May 2, 2020, a DHS-1605 Notice of Case Action was mailed to Petitioner. June 1, 2020 – Ongoing FAP Closed Gross income exceeds limit.

14. On May 12, 2020, Petitioner submitted a new application reporting no income, laid off due to COVID-19.
15. On May 2, 2020, an interview was completed. Details noted in Interview Guide #IG1764755. Petitioner reported receiving Unemployment Benefits of \$190/week and Pandemic Unemployment of \$600/week.
16. On May 12, 2020, a DHS-1605 Notice of Case Action was mailed to Petitioner. June 1, 2020 - Ongoing FAP is denied for exceeding income limit.
17. On May 18, 2020, a Request for Hearing was submitted via District email regarding closure and denial of Food Assistance Program benefits.

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 received monthly \$3,397 in monthly unearned income.

Petitioner was given the standard deduction of \$161 for a total of \$3,236 in Adjusted Gross Income.

Petitioner pays \$211.45 per month in rent and she was given the heat and utility standard of \$518 for a total of \$725 in total shelter amount.

\$752 in total shelter amount - \$1,618 (50% of Adjust Gross Income) = \$0 in Adjusted Excess shelter amount.

Adjusted Gross Income \$3236 – \$0 excess shelter deduction = \$3,236 in monthly net income.

The maximum monthly net income for FAP eligibility for a one-person home is \$1,041.

Petitioner had excess income for purposes of FAP benefit eligibility.


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 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 \$00.00 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 (Clio) via electronic mail

BSC2 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

Petitioner

[REDACTED], MI [REDACTED]