

4. As of July 2021, neither Petitioner nor Spouse reported to MDHHS child support, dependent care, or medical expenses.
5. As of July 2021, Petitioner reported to MDHHS monthly housing expenses of \$██████ and a responsibility for heating/cooling.
6. On July 29, 2021, MDHHS determined Petitioner to be eligible for \$██████ in FAP benefits beginning September 2021.
7. On ████████ 2021, Petitioner verbally requested a hearing to dispute FAP eligibility.

CONCLUSIONS OF LAW

The Food Assistance Program [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. MDHHS administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner verbally requested a hearing to dispute a determination of FAP benefits¹. Exhibit A, pp. 3-5. MDHHS testified that it initially determined Petitioner to be eligible for ████████ in monthly FAP benefits. After learning that Petitioner and Spouse received SSI benefits, MDHHS further reduced Petitioner's FAP eligibility. A Notice of Case Action dated July 29, 2021, stated that Petitioner was eligible to receive \$██████ in monthly FAP benefits beginning September 2021.² Exhibit A, pp. 24-25.

FAP benefit amounts are determined by a client's net income. BEM 556 outlines the factors and calculations required to determine a client's net income. FAP net income factors group size, countable monthly income, and relevant monthly expenses. MDHHS presented budget documents listing the calculations to determine Petitioner's FAP eligibility. Exhibit A, pp. 21-23. During the hearing, all relevant budget factors were discussed with Petitioner.

In determining Petitioner's FAP eligibility, MDHHS factored a benefit group size of two.³ Petitioner did not dispute the benefit group size.

¹ Clients may verbally request hearings to dispute ongoing FAP eligibility. BAM 600 (January 2020) p. 2.

² Though Petitioner was only eligible for ████████ in monthly FAP benefits, MDHHS has issued the maximum FAP issuance for a client's group size since March 2020. The extra benefits are a result of a temporary policy during the COVID-19 pandemic. As the policy is only temporary, a full analysis of Petitioner's FAP eligibility is still appropriate.

³ See BEM 212 for policies on determining group size for FAP benefits.

MDHHS factored that Petitioner's group's unearned income was \$ [REDACTED] per month. It was not disputed that Petitioner received \$ [REDACTED] and Spouse received \$ [REDACTED] in gross monthly RSDI. Exhibit A, pp. 14-18. For FAP benefits, gross RSDI is countable. BEM 503 (April 2019) p. 29. It was not disputed that Petitioner and Spouse each received \$ [REDACTED] (dropping cents) in monthly SSI. Exhibit A, pp. 14-18. For FAP, MDHHS is to count gross SSI benefits. BEM 503 (January 2020) p. 34. Adding Petitioner's and Spouse's RSDI and SSI results in [REDACTED] in countable monthly unearned income.

MDHHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (July 2021) p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: childcare, court-ordered child support and arrearages paid to non-household members, and a capped excess shelter expense. *Id.* For groups containing SDV members, MDHHS additionally considers the medical expenses above \$35 for each SDV group member(s) and an uncapped excess shelter expense. *Id.*

Spouse presented various documents claiming the following expenses: paper towels, home security, vehicle insurance, cable, internet, gas, cleaning products, lawn maintenance, snow removal, laundry detergent, toiletries, home maintenance, face masks, gloves, and dish soap.⁴ Exhibit 1, pp. 6-12. None of the expenses are countable in determining FAP eligibility.

MDHHS factored no medical, child support, or dependent care expenses for Petitioner's FAP eligibility. Spouse acknowledged that the FAP group had no such expenses. Thus, MDHHS properly counted the group's non-shelter expenses to be \$0.

The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. Petitioner's FAP benefit group size justifies a standard deduction of \$ [REDACTED] RFT 255 (October 2020) p. 1. The standard deduction and countable non-shelter expenses are subtracted from the countable monthly income to calculate the group's adjusted gross income. Petitioner's adjusted gross income is calculated to be \$ [REDACTED].

MDHHS testified that it calculated Petitioner's housing expenses from Spouse's reporting of \$ [REDACTED] in annual property taxes and [REDACTED] in monthly property insurance. Dividing Petitioner's reported property taxes by 12 and adding the amount to the reported monthly insurance results in [REDACTED] in monthly housing expenses.⁵ Petitioner was credited with a standard heating/utility (h/u) credit of [REDACTED]. RFT 255 (January 2021) p. 1. Generally, the h/u credit covers all utility expenses and is the maximum credit

⁴ Home security costs were considered as a potential housing expense. They are not a countable housing expense because they do not contribute to ownership or residency of the home. BEM 554 (July 2021) p. 14.

⁵ Spouse testified that he later reported to MDHHS annual property taxes of [REDACTED] and monthly insurance costs of [REDACTED]. Spouse's reporting is not relevant to the disputed determination because Spouse also admitted that these amounts were reported after receiving notice of the disputed FAP eligibility determination.

available.⁶ Adding Petitioner's housing and utility credits results in a total shelter obligation of \$975 (rounding to nearest dollar).

MDHHS only credits FAP benefit groups with an "excess shelter" expense. The excess shelter expense is calculated by subtracting half of the adjusted gross income from the total shelter obligation. Petitioner's excess shelter amount is [REDACTED]


The FAP benefit group's net income is determined by subtracting the excess shelter expense from the group's adjusted gross income; doing so results in \$[REDACTED] in net income for Petitioner's group. A chart is used to determine the proper FAP benefit issuance. RFT 260 (July 2021) p. 5. Based on Petitioner's group size and net income, Petitioner's proper FAP benefit issuance for September 2021 is [REDACTED] the same issuance amount was calculated by MDHHS. Thus, MDHHS properly determined Petitioner's FAP eligibility.

⁶ MDHHS allows additional credits for "actual utility expenses". Such expenses are only allowed for utility installation charges, water well installation and maintenance, and septic installation and maintenance. BEM 554 (October 2019) p. 15. There was no evidence of applicable exceptions.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for [REDACTED] in FAP benefits beginning September 2021. The actions taken by MDHHS are **AFFIRMED**.

CG/tm



Christian Gardocki
Administrative Law Judge

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

Via Email:

MDHHS-Wayne-17-Hearings
M. Holden
D. Sweeney
BSC4
MOAHR

**Via First Class Mail:
Petitioner**

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Authorized Hearing Representative

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