



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: November 16, 2022
MOAHR Docket No.: 22-004725
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

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 November 14, 2022. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Valarie Foley, Hearings Facilitator.

ISSUE

Did the Department properly reduce Petitioner's Food Assistance Program (FAP) benefit rate?

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 receiving \$250.00 per month in benefits.
2. At the time of Redetermination, Petitioner was aged [REDACTED].
3. Petitioner receives \$ [REDACTED] per month in survivors Retirement Survivors Disability Insurance (RSDI) benefits.
4. In June 2022, Petitioner underwent the redetermination process.
5. On June 29, 2022, the Department issued a Notice of Case Action to Petitioner informing her that effective July 1, 2022 through May 31, 2023, she was approved for \$20.00 per month in FAP benefits based upon \$ [REDACTED] in earned income, \$ [REDACTED] in unearned income, the \$177.00 standard deduction, \$762.40 in rent, the heat and utility standard deduction (H/U) of \$559.00, and a group size of one.

6. Petitioner had the following wages for September 2022:

September 1, 2022	\$ [REDACTED]
September 15, 2022	\$ [REDACTED]
September 29, 2022	\$ [REDACTED]

7. In September 2022, Petitioner requested a hearing but later withdrew that request.
8. On October 12, 2022, Petitioner submitted another request for hearing disputing the reduction in her FAP benefit rate.

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, Petitioner disputes the Department's reduction and calculation of her FAP benefit rate. To determine whether the Department properly calculated Petitioner's FAP benefit rate, the evaluation first starts with consideration of all countable earned and unearned income available to the group. BEM 500 (April 2022), pp. 1-5. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (November 2021), p. 1. In prospecting income, the Department is required to use income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, pp. 4-9. A standard monthly amount must be determined for each income source used in the budget. BEM 505, pp. 8-9. Petitioner receives a gross monthly RSDI check of \$ [REDACTED]; therefore, there is no need to further standardize her income. Petitioner also receives bi-weekly pay from employment. Petitioner had the following earnings: September 1, 2022 \$ [REDACTED]; September 15, 2022 \$ [REDACTED]0; and September 29, 2022 \$ [REDACTED]. Income which is received biweekly should be averaged and multiplied by 2.15 to determine the standardized income. BEM 505, p. 8. Petitioner's standardized income from employment is \$ [REDACTED].

No other evidence was presented indicating that Petitioner had other sources of income. Therefore, Petitioner's total gross income is \$ [REDACTED].

After consideration of income, the Department considers all appropriate deductions and expenses. Petitioner is aged [REDACTED]; therefore, she is considered a senior per policy and is therefore eligible for the following deductions to income:

- Dependent care expense.
- Medical expense deduction
- Excess shelter deduction.
- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.
- 20% earned income deduction.

BPG Glossary (January 2021), p. 64; BEM 550 (January 2022), pp. 1; BEM 554 (October 2021), p. 1; BEM 556 (October 2021), pp. 3-6.

The Department properly budgeted the standard deduction of \$177.00. RFT 255 (October 2021), p. 1; BEM 556, p. 4. No evidence was presented that Petitioner has dependent care or child support expenses. In addition, no evidence was presented of any verified medical expenses. Per policy, "an SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35 for an SDV person(s) will receive the Standard Medical Deduction (SMD). The SMD is \$165. If the group has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD." BEM 554, p. 9. Finally, Petitioner receives the 20% earned income deduction of \$170.00.

After consideration of each of these deductions, Petitioner's Adjusted Gross Income (AGI) would be calculated by subtracting each item from the gross income for a total of \$ [REDACTED].

Once the AGI is calculated, the Department must then consider the Excess Shelter Deduction. BEM 554, p. 1; 7 CFR 273.9(d)(6). The Excess Shelter Deduction is calculated by adding Petitioner's housing costs to any of the applicable standard deductions and reducing this expense by half of Petitioner's AGI. BEM 556, pp. 4-7; 7 CFR 273.9(d)(6)(ii). The Department properly budgeted Petitioner's rental expense of \$763.00. The Department also properly budgeted the H/U of \$559.00. The H/U covers all heat and utility costs including cooling except actual utility expenses (repairs or maintenance). BEM 554, p. 16. When a client is not responsible for heating and/or cooling costs, the client may receive utility standard deductions for non-heat electric, water and/or sewer, telephone, cooking fuel, and trash as applicable. BEM 554, p. 22-25. The expenses and factors outlined here are the only expenses considered for purposes of calculating the FAP budget and determining eligibility. After each item is considered, Petitioner's total housing cost is added together (\$1,322.00) and reduced by 50% of Petitioner's AGI (\$845.00) to calculate an excess shelter cost of \$477.00. *Id.*

Next, Petitioner's excess shelter cost is subtracted from the AGI to determine the Net Income of \$ [REDACTED]. *Id.* Finally, Petitioner's Net Income is compared against the Food Assistance Issuance Tables found in RFT 260 for a monthly FAP benefit rate of \$20.00. BEM 556, p. 6; RFT 260 (October 2021), p. 17.

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 calculated Petitioner's FAP benefit rate.

DECISION AND ORDER

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

AMTM/cc



Amanda M. T. Marler
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-Electronic Mail :

Interested Parties

MDHHS-Wayne-19-Hearings
BSC4-HearingDecisions
D. Sweeney
M. Holden
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED] MI [REDACTED]