



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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Date Mailed: August 17, 2023
MOAHR Docket No.: 23-004068
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on August 10, 2023 via teleconference. Petitioner appeared and represented herself. Sara Estes, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly calculate 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 recipient of FAP benefits for a household of one.
2. On June 7, 2023, Petitioner submitted a FAP Renewal, reporting disability income (Exhibit A, pp. 10-12).
3. On July 6, 2023, MDHHS sent Petitioner a Notice of Case Action, indicating that she was approved for \$██████ in monthly FAP benefits for a household of one, beginning August 1, 2023 (Exhibit A, p. 6).
4. On July 10, 2023, Petitioner requested a hearing to dispute her FAP benefit rate (Exhibit A, p. 5).

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. MDHHS 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 disputed the calculation of her FAP benefit rate. On July 6, 2023, MDHHS determined that Petitioner was eligible for FAP benefits in the amount of \$█████ per month, beginning August 1, 2023 (Exhibit A, p. 6).

To determine whether MDHHS properly calculated Petitioner's FAP benefit amount, it is necessary to evaluate the household's countable income. BEM 500 (April 2022), pp. 1-5. MDHHS 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 (October 2022), p. 1. For the purposes of FAP, MDHHS must convert income that is received more often than monthly into a standard monthly amount. BEM 505, pp. 8-9. For Retirement, Survivors, Disability Insurance (RSDI) income, MDHHS counts the gross amounts as unearned income. BEM 503 (January 2023), pp. 29-30.

MDHHS determined that Petitioner's monthly countable income was \$1,618.00 based on the receipt of RSDI income (Exhibit A, p. 31). MDHHS also presented documentation confirming that Petitioner receives that amount in gross RSDI benefits on a monthly basis (Exhibit A, p. 13). Because the RSDI payment is received monthly, there was no need to further standardized the income. There was no evidence of other income. Therefore, MDHHS properly determined that Petitioner's countable income was \$1,618.00. Petitioner did not dispute this amount.

After income is calculated, MDHHS must determine applicable deductions. Petitioner's FAP group is considered a Senior/Disabled/Disabled Veteran (SDV) group. BEM 550 (April 2023), p. 1. SDV groups are eligible for the following deductions.

- Earned income deduction
- Dependent care expense
- Court ordered child support and arrearages paid to non-household members
- Standard deduction based on group size
- Medical expenses for SDV members that exceed \$35
- Excess shelter up to the maximum in RFT 255

BEM 550, p. 1; BEM 554 (April 2023), p. 1; BEM 556 (October 2023), p. 3.

No evidence was presented that Petitioner had earned income, dependent care expenses, court-ordered child support or verified medical expenses. MDHHS budgeted the standard deduction for a household of one, which was \$193.00. RFT 255 (February 2023), p. 1. To calculate Petitioner's Adjusted Gross Income (AGI), the standard deduction of \$193.00 was subtracted from the countable income of \$1,618.00 to equal \$1,425.00.

Next, MDHHS is required to determine the excess shelter deduction. In calculating the excess shelter deduction of \$502.00, MDHHS considered Petitioner's verified housing expenses of \$590.41 and budgeted the heat and utility standard of \$624.00. BEM 554, p. 16. Adding these amounts together, equals \$1,214.00 (dropping the cents). To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioners' AGI, or \$712.00, from Petitioner's total shelter amount of \$1,214.00 equals \$502.00. Thus, MDHHS properly calculated that the excess shelter deduction was \$502.00.

To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$502.00 from Petitioner's AGI of \$1,425.00 to equal \$923.00. A household of one with a net income of \$923.00 is entitled to receive \$23.00 per month in FAP benefits. RFT 260 (October 2022), p. 13.

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 MDHHS acted in accordance with Department policy when it calculated Petitioner's FAP benefit rate.

DECISION AND ORDER

Accordingly, MDHHS' decision is **AFFIRMED**.



LJ/tm

Linda Jordan
Administrative Law Judge

