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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
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Date Mailed: September 19, 2023
MOAHR Docket No.: 23-004811
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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 September 11, 2023 via teleconference. Petitioner appeared and represented herself. Danielle Moten, Assistance Payments Worker, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly determine 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.
2. On February 23, 2023, Petitioner submitted a FAP Renewal to MDHHS (Exhibit A, p. 12).
3. On July 15, 2023, MDHHS sent Petitioner a Notice of Case Action, indicating that she was approved for \$[REDACTED] in monthly FAP benefits for a household of one, beginning August 1, 2023 (Exhibit A, p. 7). The FAP benefit rate was based on \$928.00 in unearned income (Exhibit A, p. 8).

4. On August 8, 2023, Petitioner requested a hearing to dispute the calculation of her FAP benefit rate (Exhibit A, pp. 3-4).

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 of \$[REDACTED] per month. FAP beneficiaries are entitled to dispute the benefit amount whenever they believe that the amount is incorrect. BAM 600 (March 2021), p. 5.

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 Supplemental Security Insurance (SSI) income, MDHHS counts the gross amounts as unearned income. BEM 503 (January 2023), p. 35. SSI is a benefit administered by the Social Security Administration (SSA). BEM 503, p. 35. Michigan SSI benefits include a basic federal benefit and an additional amount paid from state funds, known as the State SSI Payment (SSP). *Id.*

MDHHS determined that Petitioner received \$928.00 per month in SSI and SSP. Petitioner did not dispute the amount. Because Petitioner received the payments monthly, there was no need to standardize the amount further. There was no evidence of any other income available to Petitioner. Therefore, MDHHS properly determined that Petitioner's countable unearned income was \$928.00 based on SSI and SSP.

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 \$928.00 to equal \$735.00 (Exhibit A, p. 21).

Next, MDHHS is required to determine the excess shelter deduction. In calculating the excess shelter deduction of \$123.00, MDHHS considered Petitioner's verified housing expenses of \$490.00. MDHHS testified that it did not budget the heat and utility standard because Petitioner reported that she was not paying for any utilities. BEM 554, p. 16. At the hearing, Petitioner confirmed that she did not pay for utilities, but that she did pay for her cellphone. MDHHS testified that Petitioner did not report that she paid for a cellphone, and therefore, it was not included in the budget. No evidence was presented that Petitioner informed MDHHS regarding the cellphone expense prior to the hearing. Thus, the record shows that MDHHS properly calculated Petitioner's shelter expense as \$490.00 based on the information that it had at the time. To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$367.00, from Petitioner's total shelter amount of \$490.00 equals \$123.00. Thus, MDHHS properly calculated that the excess shelter deduction was \$123.00.

To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$123.00 from Petitioner's AGI of \$735.00 to equal \$612.00. A household of one with a net income of \$612.00 is entitled to receive \$[REDACTED] per month in FAP benefits. RFT 260 (October 2022), p. 9.

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

