

GRETCHEN WHITMER  
GOVERNOR

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

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██████████, MI ██████████

Date Mailed: January 11, 2024  
MOAHR Docket No.: 23-008806  
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 January 4, 2024 via teleconference. Petitioner appeared and represented herself. Kimberly Calhoun, Family Independence Manager, and Tracey Jones, Eligibility Specialist, 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.
2. On December 7, 2023, MDHHS sent Petitioner a Notice of Case Action, indicating that her FAP benefit rate increased to \$██████████ per month for a household of six (Exhibit A, p. 7).
3. On December 6, 2023, Petitioner filed a Request for A Hearing to dispute her FAP benefit rate (Exhibit A, pp. 4-6).

## 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, MDHHS determined that Petitioner was eligible for FAP benefits at a rate of \$██████ per month for a household of six. Petitioner disputed the FAP benefit amount. FAP beneficiaries are entitled to dispute their 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 Retirement, Survivors, and Disability Insurance (RSDI) income, MDHHS counts the gross amounts as unearned income. BEM 503 (January 2023), pp. 29-30.

MDHHS determined that Petitioner's household received \$██████ per month in RSDI. Petitioner did not dispute this amount. Because the RSDI payments were received 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 unearned income was \$██████ based on the household's RSDI income.

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, or court-ordered child support. MDHHS budgeted the standard deduction for a household of six, which was \$279.00. RFT 255 (October 2023), p. 1.

For the medical deduction, MDHHS budgeted the Standard Medical Deduction (SMD) of \$165.00 based on Petitioner's ongoing Medicare premium of \$174.70. An SDV group that has a verified one-time or ongoing medical expense of \$35.00 or more will receive the SMD. BEM 554, p. 9. 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. *Id.* Here, Petitioner had a verified ongoing medical expense of \$174.70. To calculate the medical deduction, MDHHS subtracted \$35.00 from \$174.70, which equals \$139.70. Because \$139.70 is less than \$165.00, Petitioner is entitled to the SMD.

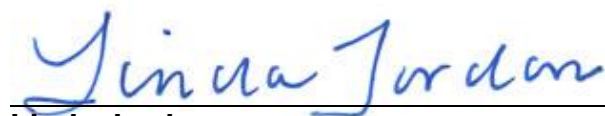
To calculate Petitioner's Adjusted Gross Income (AGI), the standard deduction of \$279.00 and the SMD of \$165.00 were deducted from the countable income of \$[REDACTED] to equal \$[REDACTED]. Next, MDHHS is required to determine the excess shelter deduction. In calculating the excess shelter deduction of \$3.00, MDHHS considered Petitioner's verified housing expenses of \$900.00 and budgeted the heat and utility standard of \$680.00. BEM 554, pp. 16-17. FAP groups that qualify for the heat and utility standard do not receive any other individual utility standards. *Id.* Adding these amounts together equals \$1,580.00. To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$[REDACTED], from Petitioner's total shelter amount of \$1,580.00 equals \$3.00. Therefore, MDHHS properly determined Petitioner's excess shelter deduction of \$3.00.

To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$3.00 from Petitioner's AGI of \$[REDACTED] to equal \$[REDACTED]. A household of six with a net income of \$[REDACTED] is entitled to receive \$[REDACTED] per month in FAP benefits. RFT 260 (October 2023), p. 44. 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

**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 :**

**DHHS**  
Denise Key-McCoggle  
Wayne-Greydale-DHHS  
27260 Plymouth Rd  
Redford, MI 48239  
**MDHHS-Wayne-15-Greydale-  
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**Interested Parties**

M. Holden  
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B. Cabanaw  
BSC4

**Via-First Class Mail :**

**Petitioner**

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