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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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██████████, MI ██████████

Date Mailed: February 1, 2024
MOAHR Docket No.: 23-009540
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 23, 2024. ██████████ Petitioner's husband and adult household member appeared on behalf of Petitioner with the assistance of an Arabic interpreter. Donita White, Eligibility Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS offered documents into evidence at the hearing, which were admitted as MDHHS Exhibit A, pp. 1-35.

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 November 16, 2023, Petitioner submitted a FAP Renewal to MDHHS (Exhibit A, p. 7).
3. On December 9, 2023, MDHHS sent Petitioner a Notice of Case Action indicating that Petitioner was approved for FAP benefits for a household of two at a rate of \$██████████ per month, beginning January 1, 2024 (Exhibit A, p. 31).

4. On December 10, 2023, MDHHS sent Petitioner a Notice of FAP Closure indicating that FAP benefits would be terminated, effective December 31, 2023, for failure to complete the mid-certification form (Exhibit A, p. 29).
5. On December 19, 2023, Petitioner filed a Request for Hearing FAP benefits (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 sent a Notice of Case Closure due to a worker not processing Petitioner's FAP Renewal. MDHHS stated that this was in error and that the renewal was subsequently processed and Petitioner was approved for FAP benefits in the amount of \$[REDACTED] per month. Petitioner disputed the calculation of the FAP benefit rate. Clients are entitled to dispute the calculation of their FAP benefit rate whenever they believe that it 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 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.* SSP are issued in the final month of each quarter. *Id.*, p. 36. Whenever an SSA-issued independent living or household of another payment is budgeted, MDHHS counts the corresponding monthly SSP benefit amount as unearned income. *Id.* The SSP payment for a couple in an independent living situation is \$21.00 or \$10.50 each. RFT 248 (January 2024), p. 1.

MDHHS budgeted \$[REDACTED] for the household's earned income based on monthly SSI and SSP. Petitioner did not dispute this amount and the amount is supported by the record. There was no need to further standardize the monthly income and there was no

evidence of other household income. Thus, MDHHS properly determined that Petitioner's countable household income for FAP was \$ [REDACTED]

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 two, which was \$198.00. RFT 255 (October 2023), p. 1. To calculate Petitioner's Adjusted Gross Income (AGI), the standard deduction of \$198.00 was subtracted from the countable income of \$ [REDACTED] to equal \$ [REDACTED] (Exhibit A, p. 21).

Next, MDHHS is required to determine the excess shelter deduction. In calculating the excess shelter deduction of \$326.00, MDHHS considered Petitioner's verified housing expenses of \$264.79 and the heat and utility standard of \$680.00. BEM 554, p. 16. At the hearing, MDHHS testified that the verified housing expenses were based on the household's annual property taxes and homeowner's insurance. Petitioner testified that housing expenses have since increased but failed to present evidence that MDHHS was notified of the changes prior to determining the FAP benefit rate. Petitioner was advised to report any changes to MDHHS. Thus, the record shows that MDHHS properly calculated Petitioner's shelter expense as \$945.00 based on the information that it had at the time (\$264.79 plus \$680.00 equals \$945.00, rounding up). To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$619.00, from Petitioner's total shelter amount of \$945.00 equals \$326.00. Thus, MDHHS properly calculated that the excess shelter deduction was \$326.00.

To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$326.00 from Petitioner's AGI of \$ [REDACTED] to equal [REDACTED]. A household of two with a net income of \$ [REDACTED] is entitled to receive \$ [REDACTED] per month in FAP benefits. RFT 260 (October 2023), 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 the MDHHS acted in accordance with Department policy when it determined 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

Yvonne Hill
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**MDHHS-Oakland-DistrictII-
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Interested Parties

M. Holden
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Via-First Class Mail :

Petitioner

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