



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: April 4, 2024
MOAHR Docket No.: 24-002070
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness

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 April 3, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by DeVona Gilbert, Hearings Facilitator.

A 56-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUES

Did the Department properly determine Petitioner's FAP group size?

Did the Department properly determine Petitioner's FAP benefit amount for January through December 2024?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On [REDACTED] [REDACTED] 2024, Petitioner applied for FAP benefits.
2. On her application for FAP benefits, Petitioner reported a household size of 3.

3. On January 29, 2024, the Department mailed a Verification Checklist to Petitioner. The form instructed Petitioner to submit information to verify her earnings from Covenant Healthcare and Active Angels by February 8, 2024.
4. On February 12, 2024, the Department mailed a Verification Checklist to Petitioner. The form instructed Petitioner to submit information to verify her assets by February 22, 2024.
5. Petitioner is unable to self-attest her assets for FAP due to a FAP Intentional Program Violation (IPV) received on or around October 1, 2023.
6. On February 15, 2024, the Department mailed a Notice of Case Action to Petitioner to notify her that she was eligible for FAP benefits of \$11.00 from January 16-31, 2024; \$23.00 from February 1-29, 2024; and \$3.00 from March 1, 2024, through December 31, 2024.
7. The Department utilized a group size of 2 because Petitioner is disqualified from receiving FAP benefits due to the October 1, 2023, IPV. Petitioner is an ineligible grantee. However, her income was used in calculating the FAP budget.
8. On February 21, 2024, Petitioner requested a hearing to dispute the Department's decision.

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 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.

A disqualified person is one who is ineligible for FAP because the person refuses or fails to cooperate in meeting an eligibility factor. Having an IPV is a reason for an individual to be disqualified. BEM 212, March 1, 2024, p. 8.

In this case, Petitioner's group size was determined to be 2. Petitioner's FAP IPV resulted in Petitioner being disqualified for benefits from October 1, 2023, through September 30, 2024. Because Petitioner is a disqualified person, the Department utilized a group size of 2.

Bridges budgets all earned and unearned income of a person disqualified for an IPV. BEM 550, February 1, 2024, p. 3.

The Department uses countable income to determine eligibility and benefit levels. Income remaining after applying the policy in the income related items is called countable. For FAP purposes, all earned and unearned income available to an applicant or recipient is countable. The Department uses gross income when determining countable income. Gross income is the amount of income before any deductions such as taxes or garnishments, and the amount counted may be more than the client actually receives. BEM 500.

Petitioner received the following earnings from her employment at Covenant Healthcare and Active Angels: \$2,734.00 in January 2024 and \$2,888.00 in February and March 2024.

In calculating the FAP budget, the Department considers child support payments received by a custodial party as unearned income. BEM 503, April 1, 2024, p. 6.

From January through March 2024, Petitioner received \$502.00 per month in child support. This was added to Petitioner's gross income resulting in a total income amount of \$ [REDACTED] in January 2024 (\$ [REDACTED] + \$ [REDACTED] and \$ [REDACTED] in February and March 2024 (\$ [REDACTED] + \$ [REDACTED]. Petitioner also received an earned income deduction of \$547.00 in January 2024 and \$578.00 in February and March 2024 which was subtracted from Petitioner's gross income amount resulting in Petitioner having a total income of \$ [REDACTED] in January 2024 (\$ [REDACTED] - \$ [REDACTED] and \$ [REDACTED] in February and March 2024 (\$ [REDACTED] - \$ [REDACTED].

Every case is allowed the standard deduction shown in RFT 255. BEM 550, p. 1. The standard income deduction for Petitioner's FAP group size of 2 was \$198.00. *Id.* After subtracting the standard deduction for Petitioner's gross income, the adjusted gross income in January 2024 would be \$ [REDACTED] (\$ [REDACTED] - \$ [REDACTED] and \$ [REDACTED] in February and March 2024 (\$ [REDACTED] - \$ [REDACTED].

Bridges, the Department's computer information system, uses certain expenses to determine net income for FAP eligibility and benefit levels. For groups with one or more senior/disabled/disabled veteran (SDV) member, Bridges uses the following: (1) dependent care expense; (2) excess shelter; (3) court ordered child support and arrearages paid to non-household members, and (4) medical expenses for the SDV member(s) that exceed \$35.00. BEM 554, p. 1. The evidence on the record establishes that Petitioner did not qualify for a dependent care, medical or child support expense deduction.

Petitioner's monthly housing expense was \$955.00. Petitioner was entitled to a heat and utility expense of \$680.00, which resulted in a total shelter amount of \$1,635.00 (\$955.00 + \$680.00). The Department was required to deduct 50% of Petitioner's adjusted gross income \$ [REDACTED] (.5 x \$2,491.00) in January 2024 and \$ [REDACTED] (.5 x

\$ [REDACTED] in February and March 2024 from the total shelter amount, which left an adjusted excess shelter amount of \$ [REDACTED] (\$ [REDACTED] - \$ [REDACTED] in January 2024, and \$ [REDACTED] in February and March 2024 (\$ [REDACTED] - \$ [REDACTED]

Petitioner was entitled to have her adjusted excess shelter amount or excess shelter deducted from her adjusted gross income, leaving a net income amount of \$2,101.00 (\$2,491.00 - \$390.00) and \$ [REDACTED] (\$ [REDACTED] - \$328.00) in February and March 2024.

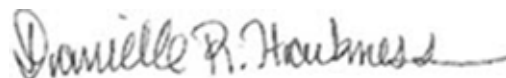
Petitioner did not dispute the income amounts that were used in computing her FAP budget. However, Petitioner testified that she disagreed with the Department's determination that she received a FAP IPV beginning October 1, 2023. Further, Petitioner argued that her income should not be considered if she was found to be an ineligible grantee.

Here, the Department properly determined that Petitioner is an ineligible grantee due to Petitioner's FAP IPV. No evidence was presented by Petitioner to show that the Department improperly determined that Petitioner was an ineligible grantee. Further, although Petitioner was disqualified due to an IPV, the Department properly used Petitioner's earned and unearned income in determining Petitioner's FAP benefits.

DECISION AND ORDER

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 determined Petitioner's FAP group size and FAP benefit amount.

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



Danielle R. Harkness
Administrative Law Judge

DH/nr

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
Elisa Daly
Saginaw County DHHS
411 East Genesee
Saginaw, MI 48607
**MDHHS-Saginaw-
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Interested Parties
Saginaw County DHHS
BSC2
M. Holden
N. Denson-Sogbaka
B. Cabanaw
MOAHR

Via-First Class Mail :

Petitioner
[REDACTED]
[REDACTED], MI [REDACTED]