



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

Date Mailed: June 26, 2024
MOAHR Docket No.: 24-003154
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on June 17, 2024. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Avery Smith, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefits effective April 1, 2024?

Did the Department properly close Petitioner's State Disability Assistance (SDA) case effective April 1, 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. Petitioner is over 60 years old (Exhibit A, p. 6) and was an ongoing recipient of FAP and SDA.
2. In or around October 2023, Petitioner began receiving Supplemental Security Income (SSI). Petitioner current receives \$943 per month in SSI. (Exhibit A, pp. 6 – 8).

3. On March 1, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) decreasing Petitioner's FAP benefits to \$67 per month for his group of one based on an increase in his income, and closing his SDA case effective April 1, 2024 due to countable income exceeding the program limits. (Exhibit B, pp. 1 – 8).
4. On March 8, 2024, the Department received Petitioner's request for hearing in which Petitioner disputed the actions set forth in the NOCA. (Exhibit A, pp. 3 – 5).
5. On March 15, 2024, the Department sent Petitioner a NOCA decreasing Petitioner's FAP benefits to \$63 per month for his group of one based on an increase in Petitioner's income. The NOCA was effective April 1, 2024. (Exhibit A, pp. 12 – 13).

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).

FAP

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. 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.

Petitioner requested a hearing to dispute a decrease in his FAP benefits. On March 15, 2024, Petitioner's FAP benefits were decreased to \$63 per month effective April 1, 2024 for a group of one.

To determine whether the Department properly calculated Petitioner's FAP eligibility and benefit amount, the Department considers all countable earned and unearned income available to the Petitioner. BEM 500 (April 2022), pp. 1 – 5; BEM 505 (October 2023), p. 1. For SSI income, the Department counts the current gross benefit amount as unearned income. BEM 503 (January 2023), p. 35. Clients who receive SSI also receive State SSI Payments (SSP), which are issued quarterly. BEM 503, p. 35. When a client is living independently, payments are counted as unearned income and budgeted on a prorated monthly basis for purposes of FAP. BEM 503, pp. 36 – 37; RFT (January 2024), p. 1.

In this case, the Department introduced evidence that Petitioner has gross SSI income of \$943 per month. (Exhibit A, pp. 6 – 8). Because Petitioner receives SSI, is a group of one, and lives independently, he also receives SSP of \$14 per month. The

Department budgeted \$957 of total unearned income per month. (Exhibit A, pp. 9 – 10). Petitioner did not dispute the Department's calculation of his gross income.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. Specific and limited deductions are permitted, depending on the source of countable income and the group's composition. Because Petitioner is over 60 years of age, he is considered a senior/disabled/veteran (SDV) household for purposes of FAP. BEM 550 (February 2024), p. 1. Households with SDV members with unearned income may be eligible for the following deductions only:

- Standard deduction based on group size.
- Dependent care expense.
- Medical expense deduction for medical expenses of the SDV member in excess of \$35.
- Court ordered child support and arrearages paid to non-household members.
- Excess shelter deduction.

BEM 554 (February 2024) p. 1; BEM 556 (March 2024) pp. 3 – 6.

All groups are entitled to a standard deduction in an amount determined by the group size. BEM 550, p. 1. Groups of 1 to 3 receive a standard deduction of \$198 RFT 255 (October 2023). The Department deducted \$198 from Petitioner's countable income, as shown on the budget as well as the NOCA. (Exhibit A, pp. 9, 13).

SDV groups who verify one-time or ongoing medical expenses in excess of \$35 for the SDV member will receive a standard medical deduction of \$165 unless the group has actual medical expenses in a higher amount and verify those actual expenses. BEM 554, p. 9. Neither the Department nor Petitioner assert Petitioner has medical expenses in excess of \$35 or that Petitioner has any dependent care expenses or court ordered child support expenses. Therefore, no deduction for those expenses are reflected on the budget.

The Department then calculates Petitioner's adjusted gross income (AGI) by subtracting the available deductions set forth above from total countable income. The Department properly determined Petitioner's AGI to be \$759, based on \$957 in countable income reduced by the \$198 standard deduction. (Exhibit A, p. 9).

Next, the Department determines any excess shelter deduction. BEM 554, p. 13. To calculate this amount, if a client reports housing and utility expenses, the Department will perform a calculation, by adding together the client's monthly housing and applicable utility standards and subtracting that amount from half of the client's AGI, to determine the amount of any excess shelter deduction the client may be entitled to. BEM 556, pp. 5 – 6; BEM 554, p. 17; RFT (October 2023). In this case, the Department testified that Petitioner did not report any housing or utility expenses at the time it calculated Petitioner's budget for the March 15, 2024 NOCA. Petitioner did not offer

any evidence or testimony that he reported any housing or utility expenses to the Department prior to the NOCA. Therefore, the Department properly determined Petitioner's excess shelter deduction to be \$0. (Exhibit A, p. 9). Because Petitioner had no further adjustment to his AGI of \$759, the Department properly determined Petitioner's net income to be \$759. (Exhibit A, p. 9). The Department's calculations were made consistent with policy.

Once the net monthly income has been determined under the FAP program, the Department determines what benefit amount Petitioner is entitled to, based on the group size, according to the Food Assistance Issuance Table found in RFT 260. Based on Petitioner's one person FAP group size and net income of \$759, Petitioner's monthly benefit, beginning April 2024, is \$63. RFT 260 (October 2023), p. 11. This is consistent with the evidence presented. Therefore, based on the information available to it at the time it calculated Petitioner's FAP budget, the Department acted in accordance with Department policy in calculating Petitioner's monthly FAP benefit for April 2024 ongoing.

It is noted that the Department testified that on April 11, 2024, Petitioner reported a housing expense of \$41 for his association dues and that the Department processed that change and issued a NOCA increasing Petitioner's monthly FAP benefit effective May 1, 2024. If Petitioner has any additional housing or utility expenses, he may report those to the Department and request it to review his eligibility for additional benefits at that time.

SDA

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

Petitioner requested a hearing to dispute closure of his SDA benefits. The Department closed Petitioner's SDA case due to excess income.

In order to be eligible for SDA benefits, an individual must be in financial need. For purposes of SDA, financial need exists when the individual passes the income deficit test. BEM 518 (July 2023), p. 1; BEM 515 (February 2024), p. 1. Ongoing SDA recipients are subject to the issuance deficit test. BEM 518, p. 3. To perform the issuance deficit test, the Department subtracts budgetable income from the applicable payment standard (APS) for the benefit month. BEM 518, p. 1. The APS is the maximum benefit amount that can be received by the certified group. BEM 515, p. 1. The SDA APS for Petitioner is \$200, as he is an individual living alone in an independent living arrangement. RFT 225 (December 2013), p. 1. Financial need exists if there is at least a \$10.00 deficit after budgetable income is subtracted from the APS. BEM 518, p. 3. If there is no deficit, the group is not eligible for assistance. BEM 518, pp. 2 – 3.

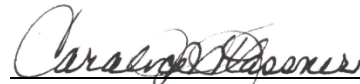
In this case, the Department did not present an SDA budget but testified that Petitioner had \$943 per month in SSI income and Petitioner confirmed this amount. SSI is unearned income, and the gross amount of current SSI is counted to determine eligibility for SDA benefits. BEM 503 (January 2023), pp. 1, 35. There was no evidence that Petitioner was eligible for any disregards or deductions to income. BEM 518, pp. 5 – 6. Therefore, Petitioner's countable unearned income amount was \$943. Because Petitioner's countable SSI income of \$943 and exceeds the \$200 SDA APS for Petitioner, the Department properly closed Petitioner's SDA case due to excess income.

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 benefit amount effective April 1, 2024 and when it closed Petitioner's SDA case due to excess income effective April 1, 2024.

DECISION AND ORDER

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

CML/nr



Caralyce M. Lassner
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

Yaita Turner
Oakland County Southfield District III
25620 W. 8 Mile Rd
Southfield, MI 48033
**MDHHS-Oakland-6303-
Hearings@michigan.gov**

Interested Parties

BSC4
M. Holden
N. Denson-Sogbaka
B. Cabanaw
L. Karadsheh
MOAHR

Via-First Class Mail :

Petitioner

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