



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR



Date Mailed: May 3, 2024
MOAHR Docket No.: 24-003228
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford

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 25, 2024. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Priya Johnson, Assistance Payments Worker Supervisor.

ISSUE

Did the Department properly calculate Petitioner's Food Assistance Program (FAP) benefit amount?

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. Petitioner is a simplified change reporter. (Exhibit A, p. 21).
3. Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) from the Social Security Administration in the amount of [REDACTED] monthly. (Exhibit 1, pp. 16, 32).
4. On November 14, 2023, in connection with a State Emergency Relief (SER) application, the Department received a move-in summary sheet from Petitioner for the purposes of relocation assistance request. (Exhibit A, pp. 23-25). The move-in summary included the amount of the security deposit, administrative fees, and total amount due at move-in. However, the provided documentation did not provide

information regarding Petitioner's monthly rent amount, and the Department did not update Petitioner's rent increase amount at this time.

5. On March 6, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) informing her that her FAP benefits were being reduced to \$81 per month effective April 1, 2024. (Exhibit A, pp. 16-20). The Budget Summary on the NOCA indicated a rent amount of \$1,223 per month.
6. On March 6, 2024, the Department sent Petitioner a Simplified Six-Month Review form informing her that she would be receiving a Semi-Annual Contact Report form 6 months from her redetermination date. (Exhibit A, p. 21). Petitioner was informed that she should provide information to the Department if there were changes to her housing expenses.
7. On March 15, 2024, the Department received a request for hearing from Petitioner disputing the Department's action. With her request for hearing, Petitioner included a copy of her lease agreement, which indicated rent in the amount of \$1,421. (Exhibit A, pp. 3-5, 10-15).

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. 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 is disputing the Department's actions to reduce her FAP benefit amount. A NOCA dated March 6, 2024 stated that Petitioner was eligible to receive \$81 in FAP benefits beginning April 1, 2024. Petitioner testified that the Department action was inappropriate because it inaccurately noted her housing expense as \$1,223 per month as opposed to \$1,421 per month. Petitioner testified that she provided information regarding her rent increase to the Department on multiple occasions. (Exhibit 1, p. 1).

FAP benefit amounts are determined by a client's net income. BEM 556 outlines the factors and calculations required to determine a client's net income. FAP net income factors include group size, countable monthly income, and relevant monthly expenses. The NOCA dated March 6, 2024, included a summary of all relevant budget factors. (Exhibit A, p. 17.) During the hearing, the budget factors were discussed with Petitioner.

In determining Petitioner's FAP eligibility, the Department factored a benefit group including only Petitioner. Petitioner did not dispute the benefit group size of one.

The Department calculated an unearned income of [REDACTED] for Petitioner's group. Petitioner's testimony acknowledged receipt of [REDACTED] in gross monthly RSDI. For FAP benefits, gross RSDI is countable. BEM 503 (January 2023) p. 29. For purposes of FAP eligibility, Petitioner's unearned income is [REDACTED]

The Department uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (February 2024), p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, the Department considers the following expenses: childcare, excess shelter (housing and utilities) up to a capped amount and court-ordered child support and arrearages paid to non-household members. Id. For groups containing SDV members, the Department additionally considers an uncapped excess shelter expense and the medical expenses above \$35 for each SDV group member(s). As a disabled individual, Petitioner is entitled to the SDV deductions noted above.

Petitioner's testimony acknowledged having no child support or dependent care. The Department afforded medical expenses as a standard medical deduction of \$165 for Petitioner's out-of-pocket cost for Medicare Part B Premiums. Thus, Petitioner's non-shelter expenses total \$165.

Petitioner's FAP benefit group size justifies a standard deduction of \$198. RFT 255. The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction and countable non shelter expenses are subtracted from the countable monthly income to calculate the group's adjusted gross income. Subtracting the standard deduction (\$198) and countable non-shelter expenses (\$165) from the group's countable income [REDACTED] results in an adjusted gross income of [REDACTED]

The Department credited Petitioner with monthly housing expenses of \$1,223. Petitioner responded that her rent increased to \$1,421 in November 2023. Whether the Department properly calculated Petitioner's housing expenses depends on when Petitioner reported the increase.

The Department testified that it did not have knowledge of the rent increase amount until March 2024, when Petitioner requested a hearing which included a copy of her lease agreement. The Department acknowledged that Petitioner attempted to provide information regarding her housing expense in November 2023 but the information provided was not sufficient as it did not identify a rent amount. Therefore, the only housing expense information the Department was able to use at the time of the NOCA

was the \$1,223 housing expense. It is found that the Department properly factored \$1,223 as Petitioner's housing expense.¹

The Department credited Petitioner with a standard heating/utility (h/u) credit of \$680. RFT 255 (October 2023), p. 1. Adding Petitioner's housing expenses and utility credits results in total shelter expenses of \$1,903.

The Department only credits FAP benefit groups with an "excess shelter" expense. The excess shelter expense is calculated by subtracting half of Petitioner's adjusted gross income from Petitioner's total shelter obligation. Petitioner's excess shelter expenses are \$1,036.

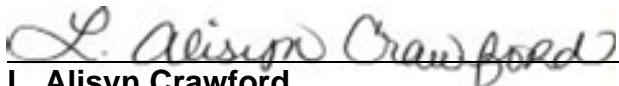
The FAP benefit group's net income is determined by subtracting the excess shelter expense from the group's adjusted gross income; doing so results in [REDACTED] in net income for Petitioner's group. A chart is used to determine the proper FAP benefit issuance. RFT 260 (October 2023) p. 10. Based on Petitioner's group size and net income, Petitioner's proper FAP issuance for April 1, 2024, is \$81; the same amount was calculated by the Department. Thus, the Department properly determined Petitioner's FAP eligibility.

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 eligibility based on the housing expense information they had at the time of review.

DECISION AND ORDER

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

LC/ml


L. Alisyn Crawford
Administrative Law Judge

¹ At the hearing, the Department testified that Petitioner's FAP eligibility was updated to reflect the updated housing expense of \$1,421 and that her FAP benefit would increase effective April 1, 2024. For FAP benefits, the Department must act on changes reported by clients within 10 days. BAM 220 (November 2023) p. 7. As 10 days have elapsed since Petitioner verified housing expenses, the Department was advised to update Petitioner's FAP eligibility as soon as possible.

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

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Interested Parties

BSC4

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Via First Class Mail:

Petitioner

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