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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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Date Mailed: August 16, 2024
MOAHR Docket No.: 24-005961
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 August 8, 2024, via teleconference. Petitioner appeared and represented himself. ██████████ appeared as a witness for Petitioner. Devona Gilbert, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted at the hearing as MDHHS Exhibit A, pp. 1-33.

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 May 7, 2024, MDHHS sent Petitioner a Notice of Case Action, indicating that his FAP benefits decreased to \$153.00 per month, beginning June 1, 2024 (Exhibit A, p. 10). The FAP benefit rate was based on \$957.00 in unearned income (Exhibit A, p. 11). The reason for the decrease was a reported change in the Petitioner's shelter amount (Exhibit A, p. 11).
3. On May 13, 2024, MDHHS sent Petitioner a Notice of Case Action, indicating that his FAP benefits decreased to \$121.00 per month, beginning June 1, 2024 (Exhibit A, p. 15). The FAP benefit rate was based on \$██████████ in earned income and \$██████████

in unearned income (Exhibit A, p. 16). The reason for the decrease was a reported change in the Petitioner's income and shelter amount (Exhibit A, p. 16).

4. On May 14, 2024, Petitioner requested a hearing to dispute the calculation of his 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, Petitioner disputed the calculation of his FAP benefit rate of \$121.00 per month. FAP beneficiaries are entitled to dispute the benefit amount whenever they believe that the amount is incorrect. BAM 600 (February 2024), 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 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.*

MDHHS determined that Petitioner received ██████ in SSI and SSP income. Petitioner did not dispute this amount. At the hearing, Petitioner presented testimony that his SSI income had been reduced due to receiving employment income. However, there is no evidence that Petitioner reported this change to MDHHS prior to the determination or prior to requesting the hearing that is the subject of this appeal. Petitioner was advised to report changes in income to MDHHS. MDHHS also budgeted \$█████ in employment income for Petitioner. Petitioner did not dispute this amount. Thus, MDHHS properly determined that Petitioner's countable income for FAP was \$█████ per month.

After income is calculated, MDHHS must determine applicable deductions. Petitioner's FAP group is considered a Senior/Disabled/Disabled Veteran (SDV) group. BEM 550 (February 2024), 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 (February 2024), p. 1; BEM 556 (May 2024), p. 3.

MDHHS budgeted a \$119.00 earned income deduction (Exhibit A, p. 28). No evidence was presented that Petitioner had dependent care expenses, court-ordered child support or verified medical expenses. MDHHS budgeted the standard deduction for a household of one, which was \$198.00. RFT 255 (October 2023), p. 1. To calculate Petitioner's Adjusted Gross Income (AGI), the earned income deduction and standard deduction were subtracted from the countable income of \$1,548.00 to equal \$1,231.00 (Exhibit A, p. 28).

Next, MDHHS is required to determine the excess shelter deduction. In calculating the excess shelter deduction of \$655.00, MDHHS considered Petitioner's verified housing expenses of \$600.00. MDHHS budgeted the heat and utility standard of \$680.00 because Petitioner reported that he was paying for utilities. BEM 554, p. 16. Adding these amounts together equals a total shelter amount of \$1,280.00. To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$615.00, from Petitioner's total shelter amount of \$1,280.00 equals \$665.00. Thus, MDHHS properly calculated that the excess shelter deduction was \$665.00.

To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$665.00 from Petitioner's AGI of \$1,548.00 to equal \$566.00. A household of one with a net income of \$566.00 is entitled to receive \$121.00 per month in FAP benefits. RFT 260 (October 2023), p. 8.

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

LJ/pt



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

