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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: July 31, 2024
MOAHR Docket No.: 24-006807
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 July 23, 2024, via teleconference. Petitioner appeared and represented herself. Nicole Smith, Eligibility specialist, and Verenie Davis, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted as MDHHS Exhibit A, pp. 1-47.

ISSUE

Did MDHHS properly deny Petitioner's application for Food Assistance Program (FAP) benefits?

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 May 9, 2024, MDHHS sent Petitioner an Employment Verification Form requesting verification of ██████████ (Daughter) employment at ██████████ (Exhibit A, p. 7).
2. On May 21, 2024, Petitioner applied for FAP benefits (Exhibit A, p. 11). Petitioner listed Daughter as a household member (Exhibit A, p. 12).
3. On June 7, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that Petitioner's application for FAP was denied due to excess income (Exhibit A, pp. 43-44).
4. On June 11, 2024, Petitioner requested a hearing regarding the FAP application denial (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 denied Petitioner's application for FAP due to excess income. Petitioner argued that MDHHS did not properly determine the income for the household because Daughter's income should not have been included in the FAP budget calculation.

For FAP, MDHHS must determine the FAP group composition in order to verify eligibility for benefits. To determine FAP group composition, MDHHS considers (i) who lives together; (ii) the relationships of the people who live together; (iii) whether the people living together prepare food together; and (iv) whether the person resides in a special living situation which requires the consideration of other factors. BEM 212 (March 2024), p. 1. Parents and their children under age 22 who live together must be in the same group regardless of whether the children have their own spouse or a child who lives in the group. *Id.*

At the hearing, Petitioner testified that Daughter was 18 years old, not attending school and that they purchased and prepared food together. There was no evidence that Daughter was a disqualified person or a non-group member under BEM 212, pp. 9-10. Additionally, Daughter was not eligible for the student earnings disregard because she was no longer under the age of 18 and she was not attending school. BEM 501 (January 2024), p. 2. Thus, as an adult household member under age 22 and Petitioner's daughter, MDHHS properly determined that Daughter was part of the FAP group and that her income should be included in the FAP budget calculation.

MDHHS is required to consider all earned and unearned income available to the household. BEM 500 (April 2022), pp. 1-5. A group's FAP benefit rate is based on actual income and prospective income. BEM 505 (October 2023), p. 1. Prospective income is the best estimate of income expected to be received by the group during a specific month. *Id.* To determine a group's prospective income, MDHHS is required to seek input from the client whenever possible. *Id.* Each source of income is converted into a standard monthly amount. *Id.*

MDHHS determined that Petitioner's monthly earned income was \$ [REDACTED] based on Petitioner's employment at [REDACTED] and Daughter's employment at [REDACTED] (Exhibit A, p. 41). MDHHS testified that the amount of income was based on paystubs that it received for Petitioner's and Daughter's employment. Petitioner did not dispute the amounts that MDHHS used for her income or for Daughter's income. Additionally,

MDHHS determined that Petitioner received \$[REDACTED] per month is child support income. Petitioner did not dispute this amount. Accordingly, the total income for the household was \$[REDACTED] (Exhibit A, p. 41). Petitioner was entitled to an earned income deduction of \$966.00 and the standard deduction of \$208, which brought the adjusted gross income (AGI) to \$3,781.00. See BEM 550 (February 2024), p. 1.

There was no evidence presented that Petitioner's household was a senior/disabled/disabled veteran (SDV) household under BEM 554 (February 2024), p. 1. Non-SDV groups are entitled to deductions for dependent care expenses, excess shelter up to the maximum in the Reference Table Manuals (RFT) 255 and court-ordered child support and arrearages paid to non-household members. BEM 554, p. 1. There was no evidence of dependent care expenses or court-ordered child support paid to non-household members. Regarding the excess shelter deduction, MDHHS budgeted \$800.00 for Petitioner's monthly housing expenses and \$680.00 for the heat/utility (h/u) standard, which brought her total shelter amount to \$1,480.00 (Exhibit A, p. 42). See BEM 554, pp. 13-17. Petitioner did not dispute these amounts.

To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$1,890.00, from Petitioner's total shelter amount of \$1,480.00 equals a negative number. Therefore, MDHHS properly determined that Petitioner's excess shelter deduction was \$0.00. To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$0.00 from Petitioner's AGI of \$3,781.00 to equal \$3,781.00. A household of four with a net income of \$3,781.00 is not eligible to receive FAP benefits. RFT 260 (October 2023), p. 52.

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 denied Petitioner's application for FAP.

DECISION AND ORDER

Accordingly, MDHHS' 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

Via-Electronic Mail:

DHHS
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Kent County DHHS
121 Martin Luther King Jr St SE
Grand Rapids, MI 49507
MDHHS-Kent-Hearings@michigan.gov

Interested Parties
BSC3
M Holden
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N Denson-Sogbaka
MOAHR

Via-First Class Mail:

Petitioner
[REDACTED]
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