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GOVERNOR

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

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DIRECTOR

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██████████, MI ██████████

Date Mailed: August 6, 2024
MOAHR Docket No.: 24-007390
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 31, 2024, via teleconference. Petitioner appeared and represented himself. ██████████ and ██████████ appeared as witnesses for Petitioner. Priya Johnson, Assistance Payments Supervisor, 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. 1-19.

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 ██████████ 2024, Petitioner applied for FAP benefits.
2. On June 18, 2024, MDHHS sent Petitioner a Notice of Case Action, indicating that his application for FAP was denied due to excess income (Exhibit A, pp. 15-16).
3. On June 25, 2024, Petitioner filed a Request for Hearing to 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 determined that Petitioner was ineligible for FAP benefits based on excess income.

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 2023), 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 Retirement, Survivors, and Disability Insurance (RSDI) income, MDHHS counts the gross amount as unearned income. BEM 503 (April 2024), pp. 29-30.

MDHHS determined that Petitioner received \$██████████ per month based on his RSDI income and employment income from ██████████ (Employer) (Exhibit A, p. 5). Petitioner did not dispute these amounts. 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. No evidence was presented that Petitioner had dependent care expenses, or court-ordered child support. MDHHS budgeted the standard deduction for a household of one, which was \$198.00. RFT 255 (October 2023), p. 1. MDHHS budgeted \$374.00 for the earned income deduction and \$184.00 for the medical deduction. Petitioner did not dispute these amounts. Therefore, MDHHS properly determined Petitioner's Adjusted Gross Income

(AGI) by subtracting the deductions listed above from Petitioner's total countable income, which equaled \$2,880.00.

Next, MDHHS is required to determine the excess shelter deduction. In calculating the excess shelter deduction of \$740.00, MDHHS considered Petitioner's verified housing expenses of \$1,500.00 and budgeted the heat and utility standard of \$680.00. BEM 554, pp. 16-17. FAP groups that qualify for the heat and utility standard do not receive any other individual utility standards. *Id.* Adding these amounts together equals \$2,180.00. To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$1,440.00, from Petitioner's total shelter amount of \$2,180.00 equals \$740.00. Therefore, MDHHS properly determined Petitioner's excess shelter deduction of \$740.00.

To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$740.00 from Petitioner's AGI of \$2,880.00 to equal \$2,140.00. A household of one with a net income of \$2,140.00 is not entitled to receive FAP benefits. RFT 260 (October 2023), p. 30.

At the hearing, Petitioner testified that his hours at Employer were reduced drastically. However, this change did not happen prior to MDHHS' determination or Petitioner's request for hearing. Accordingly, the record shows that MDHHS made the proper decision with the information that it had at the time. Petitioner was advised that he could reapply for FAP benefits at any time, pursuant to Department policies.

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 FAP application.

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

Interested Parties

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Via-First Class Mail:

Petitioner
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