



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], MI [REDACTED]

Date Mailed: August 9, 2024
MOAHR Docket No.: 24-007536
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 August 1, 2024. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Brenda Johnson, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner’s Food Assistance Program (FAP) eligibility for April 1, 2024 ongoing?

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 March 4, 2024, the Department received paystubs from Petitioner for purposes of her FAP redetermination. Further, Petitioner’s paystubs indicated the following weekly earnings:

Pay Date	Pay Amount
February 13, 2024	\$ [REDACTED]
February 21, 2024	\$ [REDACTED]
February 27, 2024	\$ [REDACTED]

3. On March 25, 2024, the Department sent a NOCA to Petitioner informing her that her FAP benefits would be reduced to \$23 a month effective April 1, 2024 for a household size of two. (Exhibit A, pp. 12-16). The Notice's budget summary showed Petitioner's earned income as \$ [REDACTED] and housing costs as \$150. (Exhibit A, p. 13).
4. On May 7, 2024, Petitioner submitted a Residential Lease Agreement and Move In Cost Summary from Village Square Apartments to the Department to show proof of her current rent amount. (Exhibit B, pp. 1-8). The provided lease agreement displayed a rent amount of \$775. (Exhibit B, p. 1).
5. On May 22, 2024, the Department sent a NOCA to Petitioner informing her that her FAP benefits would increase to \$146 per month effective June 1, 2024 due to changes in her housing costs. (Exhibit A, pp. 22-26). The Notice's budget summary showed a housing cost of \$775. (Exhibit A, p. 23).
6. On June 26, 2024, the Department received a request for hearing from Petitioner disputing the Department's action regarding her FAP case. (Exhibit A, pp. 3-4).

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 requested a hearing to dispute the FAP benefit amount determined by the Department for April 2024 ongoing. At the hearing, Petitioner's FAP budget for April 2024 was reviewed to determine her FAP eligibility for April 2024 ongoing.

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits. BEM 500 (April 2022), pp. 1-5. The Department 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), pp. 1-2. In prospecting income, the Department is required to use income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, pp. 5-6. A standard monthly amount must be determined for each income source used in the

budget. BEM 505, pp. 7-8. Income received biweekly is converted to a standard amount by multiplying the average of the biweekly pay amounts by the 2.15 multiplier. BEM 505, pp. 7-9. Income received weekly is multiplied by a 4.3 multiplier. BEM 505, pp. 7-9. Income received twice per month is added together. BEM 505, pp. 7-9. An employee's wages include salaries, tips, commissions, bonuses, severance pay, and flexible benefit funds not used to purchase insurance. The Department counts gross wages in the calculation of earned income. BEM 501 (January 2024), pp. 6-7.

Here, the budget summary provided on the March 25, 2024 Notice showed gross earned income of \$ [REDACTED] (Exhibit A, p. 13), which the Department testified was based on submitted paystubs as follows:

Pay Date	Pay Amount
February 13, 2024	\$ [REDACTED]
February 21, 2024	\$ [REDACTED]
February 27, 2024	\$ [REDACTED]

Based on the average weekly pay on these paystubs, the Department properly concluded that Petitioner's standard monthly earned income was \$ [REDACTED]

The deductions to income on the net income budget were also reviewed. For FAP groups with no SDV members and with earned income, the Department must determine the groups' net income by reducing the household's gross countable monthly income by the following deductions: the earned income deduction, the standard deduction, childcare expenses and child support expenses, and the excess shelter deduction. BEM 554 (February 2024), p. 1; BEM 556 (January 2024), pp. 3-5.

The earned income deduction is 20% of the earned income, which in this case is \$ [REDACTED] (20% times \$ [REDACTED] = \$ [REDACTED]). The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. Petitioner's FAP benefit group size of two justifies a standard deduction of \$198, as shown on the net income budget provided by the Department. RFT 255 (October 2023), p. 1. There was no evidence presented that Petitioner had childcare or child support expenses, and the budget properly showed no deduction for those expenses. Petitioner's adjusted gross income (AGI) is determined by subtracting allowable non-shelter expenses from the countable gross monthly income. Subtracting the \$198 standard deduction and the \$509 earned income deduction from Petitioner's countable income of \$ [REDACTED] results in an AGI of \$1,834.

In calculating the last deduction, the excess shelter deduction, the Department credited Petitioner with a monthly housing expense of \$150 for rent and the heat and utility standard of \$680, which is the maximum allowable amount for all utilities paid by an individual, which resulted in a total shelter amount of \$830. To determine the excess shelter deduction, the Department subtracts half of Petitioner's AGI, or \$917, from

Petitioner's total shelter obligation of \$830. Because this calculation results in a negative amount, Petitioner's excess shelter deduction amount is \$0.

Petitioner's FAP net income is determined by subtracting the \$0 excess shelter expense from the Petitioner's \$1,834 AGI, and doing so results in \$1,834 in net income. Based on Petitioner's monthly net income and household group size of two, she was eligible for \$23 per month in FAP benefits. RFT 260 (October 2023), p. 26. Therefore, the Department acted in accordance with Department policy when it determined that Petitioner was eligible for FAP benefits in the amount of \$23 per month effective April 2024 based on her net monthly income and group size.

On May 7, 2024, Petitioner provided verification proofs to the Department regarding her recent move and rent increase to \$775. With this change, Petitioner's net monthly income was \$ [REDACTED]. Therefore, Petitioner's updated monthly net income with a household group size of two made her eligible for \$146 per month in FAP benefits. RFT 260 (October 2023), p. 26. Because the change was reported on May 7, 2024, the FAP benefits were properly increased beginning June 2024. BAM 220 (November 2023), p. 10. The Department acted in accordance with policy when it determined Petitioner's FAP benefit amount effective June 1, 2024 ongoing.

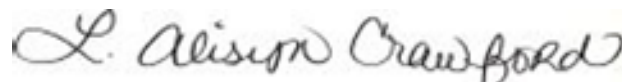
During the hearing, Petitioner stated that she has endured unfair treatment and discrimination from the Department. Complaints alleging misconduct or mistreatment by a state employee cannot be considered by an ALJ in an administrative hearing and must be referred to the Department or its customer service unit in accordance with Michigan Administrative Code, Rule 792.11002(3).

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.

DECISION AND ORDER

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

LC/nr



L. Alisyn Crawford
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
Keisha Koger-Roper
Wayne-District 31 (Grandmont)
17455 Grand River
Detroit, MI 48227
MDHHS-Wayne-31-Grandmont-Hearings@Michigan.gov

Interested Parties

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MOAHR

Via-First Class Mail :

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