



GRETCHEN WHITMER  
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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Date Mailed: November 15, 2024  
MOAHR Docket No.: 24-011795  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness**

**HEARING DECISION**

On October 15, 2024, Petitioner's spouse, ██████████, requested a hearing on behalf of Petitioner, ██████████, to dispute Petitioner's eligibility for Food Assistance Program (FAP) benefits beginning November 1, 2024. As a result, a hearing was scheduled to be held on November 14, 2024, pursuant to MCL 400.9, 7 CFR 273.15, and Mich Admin Code, R 792.11002. Petitioner's spouse appeared at the hearing on Petitioner's behalf. The Department of Health and Human Services (Department) was represented by Jennifer Richard, Assistance Payments Supervisor.

A 27-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

A 44-page packet of documents was admitted collectively as Petitioner's Exhibit 1.

A 23-page of documents was admitted as Petitioner's Exhibit 2.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for FAP benefits beginning November 1, 2024?

**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 submitted a redetermination and a 2023 Schedule C wherein \$██████████ in gross income was reported.
2. Petitioner's daughter received \$██████████ in unearned income.

3. Petitioner's household's monthly housing costs were \$ [REDACTED] and because Petitioner reported that Petitioner pays for heat and internet service, Petitioner received the heat/utility standard of \$ [REDACTED] and an internet standard of \$ [REDACTED]
4. On October 4, 2024, a Notice of Case Action was issued stating that Petitioner was approved for \$180.00 in FAP benefits from November 1, 2024, through October 31, 2025.
5. On October 15, 2024, Petitioner's spouse requested a hearing on behalf of Petitioner to dispute the Department's determination.

### **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 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.

The Department uses countable income to determine eligibility and benefit levels. Income remaining after applying the policy in the income related items is called countable. For FAP purposes, all earned and unearned income available to an applicant or recipient is countable. The Department uses gross income when determining countable income. Gross income is the amount of income before any deductions such as taxes or garnishments, and the amount counted may be more than the client actually receives. BEM 500.

On [REDACTED] 2024, Petitioner submitted a redetermination and a 2023 Schedule C to verify Petitioner's self-employment.

The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. If allowable expenses exceed the total proceeds, the amount of the loss cannot offset any other income except for farm loss amounts; see Farming Expenses in this item. BEM 502, June 1, 2024, p. 3. Allowable expenses are the higher of 50 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses. *Id.*

In this case, Petitioner was determined to have \$ [REDACTED] in self-employment income. Petitioner's gross income of \$ [REDACTED] was divided by 12 resulting in Petitioner having a monthly self-employment income of \$ [REDACTED]. Petitioner was then given the standard

deduction of 50% resulting in Petitioner having self-employment income of \$ [REDACTED]. Petitioner's household receives \$ [REDACTED] in unearned income. Therefore, Petitioner was found to have a total of \$ [REDACTED] in total income (\$ [REDACTED] + \$ [REDACTED]). An earned income deduction of 20% (.20 x \$ [REDACTED]) was subtracted from Petitioner's group's total income amount resulting in \$ [REDACTED].

Every case is allowed the standard deduction shown in RFT 255. BEM 550, p. 1. The standard income deduction for Petitioner's FAP group size of 5 was \$254.00. After subtracting that standard deduction from Petitioner's group's gross monthly income, the adjusted gross income would be \$ [REDACTED] (\$ [REDACTED] - \$ [REDACTED]). BEM 550.

Bridges, the Department's computer information system, uses certain expenses to determine net income for FAP eligibility and benefit levels. For groups with one or more senior/disabled/disabled veteran (SDV) member, Bridges uses the following: (1) dependent care expense; (2) excess shelter; (3) court ordered child support and arrearages paid to non-household members, and (4) medical expenses for the SDV member(s) that exceed \$35.00. BEM 554, p. 1. The evidence on the record establishes that Petitioner's group did not qualify for a dependent care, medical or child support expense deduction.

Petitioner's monthly housing expense was \$ [REDACTED]. Petitioner was entitled to a standard heat and utility expense of \$ [REDACTED] and an internet expense of \$ [REDACTED] which resulted in a total shelter amount of \$ [REDACTED]0 (\$ [REDACTED] + [REDACTED]0 + \$ [REDACTED]). The Department was required to deduct 50% of Petitioner's adjusted gross income (.5 x \$ [REDACTED]) from the total shelter amount, which left an adjusted excess shelter amount of \$ [REDACTED] (\$ [REDACTED] - \$ [REDACTED]).

Petitioner was entitled to have Petitioner's adjusted excess shelter amount or excess shelter deducted from Petitioner's adjusted gross income, leaving a net income amount of \$ [REDACTED] (\$ [REDACTED] - \$ [REDACTED]). BEM 550.

In the October 15, 2024, request for hearing, Petitioner's spouse disputed the Department's income calculation. However, no evidence was provided on behalf of Petitioner to show that based on the information that the Department had at the time of the redetermination, that the Department's determination was contrary to the law and Department policy.

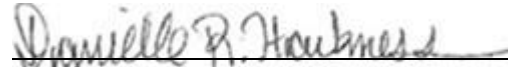
Based on the evidence presented, Petitioner failed to establish that the Department improperly determined Petitioner's group's eligibility for FAP benefits beginning November 1, 2024.

**DECISION AND ORDER**

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 eligibility for FAP benefits beginning November 1, 2024.

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

DH/pt



**Danielle R. Harkness**  
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**

Kimberly Kornoelje  
Kent County DHHS  
121 Martin Luther King Jr St SE  
Ste 200  
Grand Rapids, MI 49507  
**MDHHS-Kent-Hearings@michigan.gov**

**Interested Parties**

BSC3  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MOAHR

**Via-First Class Mail:**

**Petitioner**

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**Authorized Hearing Rep.**

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