



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

Date Mailed: January 15, 2025
MOAHR Docket No.: 24-013137
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 January 8, 2025, from Detroit, Michigan. Petitioner appeared for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by Karen Smalls, Assistance Payments Supervisor.

ISSUE

Did the Department properly calculate the amount of Petitioner's 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. Petitioner was an ongoing recipient of FAP benefits. In connection with a redetermination, Petitioner's eligibility to receive FAP benefits was reviewed.
2. On an unverified date, the Department sent Petitioner a notice advising Petitioner that effective November 1, 2024, the household was approved for FAP benefits in the amount of \$79.
3. On or around November 25, 2024, Petitioner requested a hearing disputing the amount of his monthly FAP benefits. (Exhibit A, pp. 3-5)

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.

In this case, Petitioner disputed the calculation of his FAP benefits. The Department representative testified that after processing Petitioner's redetermination, it concluded that Petitioner was eligible for \$79 in FAP benefits for November 1, 2024, ongoing. The Department presented a FAP EDG Net Income Results Budget which was thoroughly reviewed to determine if the Department properly calculated Petitioner's FAP benefits. (Exhibit A, pp. 12-13).

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. BEM 500 (April 2022), pp. 1-5. 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. 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.

The budget shows earned income of [REDACTED] which the Department testified consists of Petitioner's monthly employment earnings as an adult home help provider. A consolidated inquiry verifying the income was presented for review and shows that for the month of August 2024, which appeared to be the month of the redetermination, Petitioner was paid [REDACTED] (Exhibit A, p.11). Based on the information available to the Department at the time the redetermination was processed, the Department properly determined that the household had earned income of [REDACTED]

The Department considers the gross amount of money earned from Retirement Survivors Disability Insurance (RSDI) or Social Security in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (April 2024), pp. 29-32. The Department concluded

that Petitioner's household had unearned income in the total amount of [REDACTED] which included Petitioner's monthly RSDI. Petitioner confirmed the unearned income amount and an SOLQ was presented in support of the Department's testimony. Thus, the Department properly calculated the unearned income.

The deductions to income on the net income budget were also reviewed. Petitioner's FAP group includes a senior/disabled/veteran (SDV) member. BEM 550 (October 2024), pp. 1-2. Petitioner's FAP group is eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.
- Medical expenses for the SDV member(s) that exceed \$35.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (October 2024), p. 1; BEM 556 (October 2024), p. 1-8.


The Department properly applied an earned income deduction of \$145, which is 20% of [REDACTED] earned income calculation. There was no evidence presented that Petitioner had any out-of-pocket dependent care, child support, or medical expenses that were submitted to the Department for consideration and therefore, the budget properly did not include any deduction for dependent care, child support, or medical expenses. See BEM 554. The Department properly applied a standard deduction of \$204 which was based on Petitioner's confirmed group size of one. RFT 255 (October 2024), p. 1. With respect to the calculation of the excess shelter deduction, the Department representative testified that based on information received from Petitioner during the redetermination, he was responsible for housing expenses totaling \$1,300 which consisted of his share of the mortgage and homeowners' association fees. Petitioner confirmed that he pays \$1,300 in monthly housing expenses. Because Petitioner confirmed that he was not responsible for heat, electric, water, or other utility expenses, the Department properly only considered the \$30 telephone standard. Upon review, the Department properly determined that Petitioner was eligible for an excess shelter deduction of \$651.

After further review, the Department properly determined Petitioner's income and took into consideration the appropriate deductions to income. Based on net income of [REDACTED] Petitioner's one person FAP group is eligible for \$79 in monthly FAP benefits. RFT 260 (October 2024), p. 10. 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 calculated Petitioner's FAP benefits.

DECISION AND ORDER

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

ZB/ml



Zainab A. Baydoun
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

Tracey Jones

Oakland County Southfield District III

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Interested Parties

BSC4

M Holden

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Via First Class Mail:

Petitioner

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[REDACTED] MI [REDACTED]