

GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN DPA
DIRECTOR

[REDACTED]
Date Mailed: February 3, 2025
MOAHR Docket No.: 24-011952
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by videoconference on January 27, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Morgan Hafler, Assistance Payments Supervisor, and Joe Alls, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Food Assistance Program (FAP) benefits effective October 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 FAP recipient for a one-person FAP group and was receiving \$174 per month in FAP benefits through September 30, 2024. (Exhibit A, p. 1).
2. Petitioner is disabled and receives Supplemental Security Income (SSI) of \$ [REDACTED] per month and State SSI Payment (SSP) income in the prorated amount of \$ [REDACTED] per month.
3. On September 7, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) that decreased Petitioner's FAP benefits to \$172 per month due to a change in Petitioner's excess shelter deduction. (Exhibit A, pp. 18 – 19).

4. On September 20, 2024, the Department received a request for hearing from Petitioner disputing the reduction of Petitioner's monthly FAP benefit.
5. On October 2, 2024, Petitioner reported to the Department that her shelter expense increased to \$88 per month and the Department increased Petitioner's FAP benefit to \$178 per month effective November 1, 2024.

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 amount of her monthly FAP benefit. The Department decreased Petitioner's FAP benefits from \$174 per month to \$172 per month effective October 1, 2024 ongoing due to the decrease in the heat and utility standard effective October 1, 2024 and the corresponding effect on Petitioner's excess shelter deduction.

To determine whether the Department properly calculated Petitioner's FAP benefit amount, the Department begins with the client's countable earned and unearned income. BEM 500 (April 2022), pp. 1 – 5. For SSI and SSP, the Department counts the gross benefit amount as unearned income. BEM 503 (October 2024), pp. 35 – 37. In this case, the Department and Petitioner agreed that Petitioner's total monthly income was from SSI and SSP in the amount of \$ █.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. Because Petitioner is disabled, she is considered a senior/disabled/veteran (SDV) household. BEM 550 (February 2024), p. 1. Households with SDV members with unearned income may be eligible for the following deductions only:

- Standard deduction based on group size.
- Dependent care expense.
- Medical expense deduction for medical expenses of the SDV member in excess of \$35.

- Court ordered child support and arrearages paid to non-household members.
- Excess shelter deduction.

BEM 554 (October 2024) p. 1; BEM 556 (October 2024) pp. 4 – 6.

To explain how it determined Petitioner's monthly FAP benefit, the Department introduced a FAP net income budget at the hearing. (Exhibit A, p. 15). Petitioner was entitled to, and received, a \$204 standard deduction from her countable income based on her one-person FAP group size. BEM 550, p. 1; RFT 255 (October 2024). Petitioner did not report any medical expenses or health insurance premiums in excess of \$35, dependent care expenses, or court ordered child support expenses, and the Department properly did not include deductions for those expenses.

Next, the Department determines any excess shelter expense deduction. To start, the Department first calculates Petitioner's adjusted gross income (AGI) by subtracting the allowable deductions outlined above from the countable income. As discussed, the evidence established that Petitioner's gross income was \$ [REDACTED] and that she was only entitled to the standard deduction of \$204, which resulted in an AGI of \$ [REDACTED].

To complete the excess shelter deduction calculation, the Department reviews Petitioner's housing and utility expenses, if any. The Department testified, and Petitioner agreed, that Petitioner's reported housing expense was \$68 until she reported an increase in that expense to the Department on October 2, 2024. The Department and Petitioner also agreed that Petitioner is responsible for payment of her heat and other utilities. When a FAP group has heating and other utility expenses, separate from its housing expense, it is entitled to a heat and utility (h/u) standard amount to be included in the calculation of the excess shelter deduction, which is the highest amount available to FAP groups who pay utilities. BEM 554, p. 17. Effective October 1, 2024, the h/u standard amount is \$664. (RFT 255). The evidence established that the Department properly budgeted Petitioner's housing expense and used the h/u standard amount when calculating Petitioner's excess shelter expense. (Exhibit A, p. 17). FAP groups who pay for internet are also entitled to a standard deduction for that expense. BEM 556, p. 5; RFT 255. Petitioner testified that she does not have an internet expense and no deduction was included for that expense.

Once Petitioner's housing and utility expenses have been determined, the Department must add those amounts together for a total shelter amount and then subtract 50% of Petitioner's AGI from the total shelter amount. BEM 556 (May 2024), pp. 5 – 6. This determines Petitioner's excess shelter deduction. The total of Petitioner's monthly housing of \$68 and the h/u standard of \$664 was \$732. When 50% of Petitioner's \$ [REDACTED] AGI, in the amount of \$376, was subtracted from the total shelter amount of \$732, Petitioner's excess shelter deduction was \$356. When Petitioner's excess shelter deduction of \$356 is subtracted from her AGI of \$ [REDACTED], Petitioner's net income was \$ [REDACTED]. The Department's calculations were made consistent with policy.

Once the net monthly income has been determined in accordance with FAP policy, the Department determines what benefit amount Petitioner is entitled to, based on the group size, according to the Food Assistance Issuance Table found in RFT 260. Based on Petitioner's one-person FAP group size and net income of \$ [REDACTED], the Department properly determined Petitioner's monthly benefit amount of \$172 effective October 1, 2024 ongoing. RFT 260 (October 2024), p. 6.

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 effective October 1, 2024 ongoing.

DECISION AND ORDER

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

CML/mp



Caralyce M. Lassner
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 :

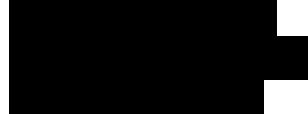
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Interested Parties

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Petitioner

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Via-First Class Mail :