



Date Mailed: FEBRUARY 26, 2025
Docket No.: 25-004438
Case No.: [REDACTED]
Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি উকুমেন্ট। দয়া করে কেউ দ্রষ্টাদেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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; 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 via telephone conference on February 20, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did MDHHS properly calculate Petitioner's household budget to determine her monthly Food Assistance Program (FAP) benefit amount?

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 for a group size of one. Petitioner's household does not contain a Senior, Disabled, or Disabled Veteran (S/D/V) group member.
2. On [REDACTED] 2024, Petitioner applied for State Emergency Relief (SER). Petitioner reported that she is employed at [REDACTED] LLC. (Employer).
3. MDHHS updated Petitioner's FAP case with income information from December.

4. On January 7, 2025, MDHHS issued a Notice of Case Action to Petitioner, informing her that her FAP case is closed due to excess gross income, effective February 1, 2025 ongoing (Exhibit A, pp. 8-11).
5. MDHHS updated Petitioner's case using income information from pay periods ending December 20, 2024 and January 3, 2025 (Exhibit A, pp. 14-17).
6. On January 30, 2025, MDHHS issued a Notice of Case Action to Petitioner, informing her that she was approved to receive \$39.00 in monthly FAP benefits for a group size of one, effective February 1, 2025 ongoing (Exhibit A, pp. 18-22).
7. On January 15, 2025, MDHHS received a verbal hearing request from Petitioner disputing the monthly amount of FAP benefits that she is eligible to receive (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 [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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

On [REDACTED] 2024, Petitioner applied for SER, providing MDHHS with earned income information from employment. MDHHS then used this income information to review Petitioner's FAP eligibility. MDHHS is required to evaluate each change reported and determine if it affects eligibility. BAM 220 (November 2023), p. 1. When MDHHS updated Petitioner's FAP household budget, they determined that she was eligible to receive \$39.00 in monthly FAP benefits. Petitioner verbally requested a hearing to dispute the determination of her monthly FAP benefit amount.¹

FAP benefit amounts are determined by a client's net income. BEM 556 outlines the factors and calculations required to determine a client's net income. FAP net income factors group size, countable monthly income, and relevant monthly expenses. MDHHS presented budget documentation from the Notice of Case Action issued on

¹ Clients may verbally request hearings to dispute ongoing FAP eligibility. BAM 600 (June 2024) p. 2.

January 30, 2025, listing the calculations used to determine Petitioner's FAP eligibility (see Exhibit A, p. 19). During the hearing, all relevant budget factors were discussed with Petitioner.

MDHHS determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. In prospecting income, MDHHS 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 (October 2023) pp. 5-6. In this case, MDHHS initially determined that Petitioner had excess gross income for FAP eligibility. Upon review, MDHHS determined that the income information relied upon did not reflect Petitioner's usual, expected pay since it included overtime pay. MDHHS then used income information from December 20, 2024 for \$ [REDACTED] and January 3, 2025 for \$ [REDACTED] to review Petitioner's eligibility (see Exhibit A, pp. 14-17). A standard monthly amount must be determined for each income source used in the budget, which is determined by multiplying average biweekly pay by 2.15 and average weekly pay by 4.3. BEM 505, pp. 8-9. Petitioner is paid biweekly. MDHHS properly determined Petitioner's standard monthly amount to be \$ [REDACTED] in monthly gross earned income.

Petitioner stated that she also receives rental income from a boarder in her home. MDHHS testified that no verification of this income has been received by the Department at this time. Petitioner was advised that she must submit verification of this income to MDHHS. Petitioner testified that she has no other household income. Therefore, MDHHS relied upon \$ [REDACTED] in total household income.

MDHHS will reduce the gross countable earned income by 20 percent, known as the earned income deduction. BEM 550 (October 2024), p. 1. Petitioner is entitled to an earned income deduction of \$ [REDACTED].

MDHHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (October 2024) p. 1. For groups without a S/D/V member, such as Petitioner's, MDHHS considers the following expenses: a standard deduction, childcare, court-ordered child support and arrearages paid to non-household members, and a capped excess shelter expense. BEM 554, p. 1.

Petitioner's FAP benefit group size of one justifies a standard deduction of \$204.00. RFT 255 (October 2024), p. 1. MDHHS properly included the standard deduction in Petitioner's household budget. Petitioner testified that the household does not pay any child support or dependent care expenses. Thus, MDHHS properly counted the group's non-shelter expenses to be \$204.00.

MDHHS calculated Petitioner's housing expenses to be \$860.08 in monthly mortgage payments and a responsibility to pay her utilities. Petitioner testified that she now pays \$1,700.00 in monthly housing payments. MDHHS testified that Petitioner had not submitted a verification of this updated monthly payment but instead had only submitted

a document showing her past due balance. Since MDHHS did not receive updated housing expense verification, MDHHS properly relied upon \$860.08 in monthly housing expenses. Petitioner was credited with a standard heating/utility (h/u) credit of \$664.00. RFT 255, p. 1. Generally, the h/u credit covers all utility expenses and is the maximum credit available in the amount of \$664.00. BEM 503, p. 17; RFT 255, p. 1. A FAP group who is responsible for paying for an internet service (at least the basic service) is eligible for the internet standard. This expense is separate from any of the utility standards. BEM 554, p. 26; RFT 255, p. 1. MDHHS only credits FAP benefit groups with an "excess shelter" expense. The excess shelter expense is calculated by subtracting half of the adjusted gross income from the total shelter obligation. BEM 554, p. 1; RFT 255, p. 1. This results in an excess shelter amount over the maximum shelter deduction, which for a non-S/D/V group is \$712.00.

The FAP benefit group's net income is determined by subtracting the excess shelter expense (\$712.00) from the group's adjusted gross income (\$ [REDACTED]); doing so results in \$ [REDACTED] in net income for Petitioner's group. Based upon Petitioner's group size and net income, she is eligible to receive \$39.00 in monthly FAP benefits for a one-person FAP group. RFT 260 (October 2024) p. 12. Therefore, MDHHS properly determined Petitioner's monthly FAP benefit amount to be \$39.00.

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 MDHHS acted in accordance with Department policy when it determined Petitioner to be eligible for \$39.00 in monthly FAP benefits.

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



DANIELLE NUCCIO
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

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Interested Parties

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