Michigan Office of Administrative Hearings and Rules P.O. Box 30639 Lansing, MI 48909





**Date Mailed:** May 20, 2025 **Docket No.:** 25-011643

Case No.: Petitioner:

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Case No.: Petitioner:

# **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 May 12, 2025. Petitioner appeared for the hearing and represented herself. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Lori Turner, Eligibility Specialist. Taghreed Alriyati served as Arabic interpreter.

# <u>ISSUE</u>

Did the Department properly close Petitioner's Food Assistance Program (FAP) case?

#### 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 Semi-Annual, Petitioner's eligibility to receive FAP benefits was reviewed.
- 2. On or around February 10, 2025, Petitioner timely submitted a Semi-Annual to the Department. (Exhibit A, pp. 11-13)
- 3. Petitioner's household includes herself, her two wear old daughters and her two minor sons. Petitioner and her daughters are employed and earning income biweekly. Petitioner's sons each receive monthly RSDI/Social Security benefits.
- 4. On or around March 28, 2025, Petitioner requested a hearing disputing the Department's actions with respect to the FAP. Petitioner indicated that she did not receive her FAP benefits for March 2025.
- 5. On or around April 2, 2025, the Department sent Petitioner a Notice of Case Action advising that effective March 1, 2025, her FAP case was closed because the household income exceeded the income limit. (Exhibit A, pp. 30-34)

### **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 requested a hearing to dispute the closure of her FAP case effective March 1, 2025. The Department representative testified that after processing Petitioner's Semi-Annual, it determined that her household income was higher than the income limit for her group size. The Department presented the April 2, 2025, Notice of Case Action that was issued to Petitioner advising of the case closure due to excess gross income. (Exhibit A, pp. 30-34)

In order to be eligible for FAP benefits, FAP groups must have income below the applicable gross and/or net income limits based on their group size. There was no evidence that Petitioner's household includes a senior/disabled/veteran (SDV) member. Thus, Petitioner is subject to the gross income test. BEM 213 (October 2024); BEM 212 (October 2024); BEM 550 (October 2024); RFT 250 (October 2024). According to the Notice of Case Action issued on April 2, 2025, the Department applied a gross income limit for Petitioner's confirmed five person group size of RFT 250, p. 1. However, FAP applicants and recipients are eligible for enhanced authorization for Domestic Violence Prevention Services (DVPS), and the monthly categorical income limit (200% of the poverty level), from RFT 250, column D, applies as the standard for FAP gross income eligibility. BEM 213 (July 2014), pp. 1-2. For a five-person FAP group, the applicable 200% gross income limit is

The Department presented a FAP Budget which was thoroughly reviewed to determine if the Department properly concluded that Petitioner's household had excess income. (Exhibit A, pp. 27-29). The budget shows total income of which included in gross earned income and in gross unearned income.

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

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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. 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.

The budget shows earned income of biweekly earnings from employment for Petitioner in the amount of and her daughter in the amount of paid on February 28, 2025, and paid on March 14, 2025. When converted to a standard monthly amount, Petitioner's income is and not the calculated by the Department. For the Department considered paid on February 14, 2025, and 1973.20 paid on February 28, 2025. When converted to a standard monthly amount, income is for the Department considered paid on March 14, 2025, and 1942.45 paid on March 28, 2025. When converted to a standard monthly amount, income is petitioner did not dispute that the income amounts relied upon by the Department were accurate but testified that she works at a school and does not receive pay for summer months. Petitioner was advised to submit updated paystubs to the Department upon the ending of the school year. Upon review, Petitioner's household had gross earned income of and not as calculated by the Department. As will be discussed below, however, this minor error is harmless, as Petitioner's gross income is well above the income limit.
The Department considers the gross amount of money earned from RSDI/Social Security benefits in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (April 2024), p. 29-35. The budget reflects unearned income of which consisted of monthly RSDI/Social Security for each of Petitioner's two sons each in the amount of Petitioner confirmed that each of her two sons receives in monthly RSDI. Thus, the unearned income was properly calculated.
Upon review, based on the information provided by the Department during the hearing, Petitioner has gross income of earned and unearned), which is greater than both the gross income limit and categorial income limit reflected above. Because Petitioner's gross income is greater than the income limit for her five-person household group size, the Department properly closed her FAP case.

# **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 closed Petitioner's FAP case effective March 1, 2025.

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

ZAINAB A BAYDOUN 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. 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

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

<u>Via Electronic Mail:</u> Respondent

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**Interested Parties** 

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Via First Class Mail:

<u>Petitioner</u>

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