

## ISSUE

Did the Department properly determine Petitioner's monthly Food Assistance Program (FAP) benefit?

## 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 is a disabled individual who, effective January 1, 2026, receives gross Retirement, Survivors, and Disability Insurance (RSDI) income of REDACTED per month and pays Medicare Part B premiums of \$202.90. (Exhibit A, pp. 8, 27, 33).
1. On November 14, 2025, the Department interviewed Petitioner during a FAP redetermination. Petitioner reported that he had a roommate, REDACTED (DE) and purchased and prepared food separately from DE. He also reported that he received REDACTED in RSDI income, paid \$83 per month for Medicare Part B, paid \$450 per month for rent, and paid for heat and other utilities. (Exhibit A, pp. 9 – 16).
2. On November 14, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that approved him for FAP benefits of \$24 per month effective December 1, 2025, for a one-person FAP group. The NOCA reflected that the Department budgeted Petitioner's reported RSDI income of REDACTED, a medical deduction of \$165, and considered a \$450 housing expense and his payment of heat and other utilities, when it determined his eligibility. The NOCA informed Petitioner that if he disputed the Department's actions, the Department must receive a request for hearing on or before February 12, 2026. (Exhibit A, pp. 17 – 18).
3. On February 18, 2026, the Department received a request for hearing from Petitioner, disputing the amount of his monthly FAP benefit. (Exhibit A, pp. 3 – 5).
4. On February 20, 2026, the Department received a copy of correspondence addressed to Petitioner by the Social Security Administration (SSA), dated February 16, 2026. The correspondence informed Petitioner that effective January 2026, his Medicare Part B premiums increased from \$185 per month to \$202.90 per month. The correspondence further informed him that the SSA would deduct past-due premiums from his February 2026 RSDI income. (Exhibit A, p. 33).
5. On February 26, 2026, the Department received a receipt from Petitioner, which reflected that Petitioner paid DE \$1,100 for rent for the period of March 1 to March 31, 2026. (Exhibit A, p. 35).
6. On March 16, 2026, the Department received several documents from Petitioner, including one page of a 14-month lease entered into by Petitioner and DE on January 9, 2026. The document reflected that Petitioner and DE agreed to pay \$700

for their first month's rent and \$1,100 per month for the remainder of the lease. (Exhibit A, p. 36).

### **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, the Department sent Petitioner a NOCA on November 14, 2025, that approved him for FAP benefits of \$24 per month effective December 1, 2025, based on Petitioner's RSDI income, a medical deduction of \$165, a \$450 rent expense, and his payment of heat and other utilities, among other things. The NOCA informed Petitioner that if he disputed the Department's actions, the Department must receive a request for hearing on or before February 12, 2026. On February 18, 2026, Petitioner requested a hearing to dispute his monthly FAP benefit amount.

Although clients have the right to contest a decision by the Department affecting eligibility or benefit levels whenever they believe the decision is incorrect, a request for hearing must be received in the Department's local office within 90 calendar days of the date of the written NOCA. BAM 600 (July 2025), pp. 1, 6 – 7. However, clients may also request a hearing regarding the current level of their FAP benefits at any time. BAM 600, pp. 5 – 6. Therefore, although Petitioner's request for hearing to dispute the November 14, 2025, NOCA was untimely, the hearing proceeded to address the current level of Petitioner's FAP benefits as of the day he requested a hearing only.

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 (January 2026), pp. 1 – 5. The gross amount of a client's RSDI income is counted as unearned income for purposes of FAP benefits. BEM 503 (October 2025), p. 31. The gross amount of RSDI income is the monthly benefit amount before any deductions are taken, such as Medicare premiums. Here, the record established that effective January 1, 2026, Petitioner receives REDACTED in gross RSDI income and the Department properly budgeted REDACTED as his countable income.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. There was no dispute that Petitioner is disabled. Therefore, he is considered a senior/disabled/veteran (SDV) household. BEM 550 (April 2025), pp. 1 –

2. 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 (February 2026) p. 1; BEM 556 (November 2025) pp. 3 – 6; RFT 255 (October 2025). A SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35 for the SDV member(s) will receive a standard medical deduction (SMD) of \$165. BEM 554, p. 10. However, if the SDV member has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD. BEM 554, pp. 9 – 11.

The Department introduced a budget to show how it determined Petitioner's FAP benefit amount. (Exhibit A, pp. 25 – 26). There was no dispute that Petitioner was entitled to a standard deduction of \$209 based on his one-person FAP group. There was also no dispute that Petitioner pays his own Medicare Part B premiums, but did not report any additional ongoing medical expenses, dependent care expenses, or child support obligations. Based on Petitioner's circumstances known to the Department at the time he requested the instant hearing, the Department properly budgeted a standard deduction and the SMD only when it determined Petitioner's countable income based on his one-person FAP group size. BEM 550, p. 1; RFT 255.

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. Based on Petitioner's countable income of REDACTED, standard deduction of \$209, and SMD of \$165, his AGI was REDACTED.

To complete the excess shelter deduction calculation, the Department must review the client's housing and utility expenses. Effective October 1, 2025, when a FAP group has or contributes to payment for heating and other utility expenses, separate from the mortgage or rent payment, it is entitled to a heat and utility (h/u) standard amount of \$682 to be included in the calculation of the excess shelter deduction. BEM 554, p. 19; RFT 255. This is the highest amount available to FAP groups who pay utilities, and the group is not entitled to any additional individual utility expenses in the calculation of the deduction. BEM 554, p. 19.

Once the Department has determined the client's housing expense and whether the client is eligible for the h/u standard, it must add those amounts together for a total shelter amount. BEM 556, pp. 5 – 6. From that total, the Department subtracts 50% of the client's

AGI and the amount remaining is the excess shelter deduction. BEM 556, p. 6. The excess shelter deduction is then subtracted from the client's total AGI to determine net income. BEM 556, p. 6.

Here, the record established that prior to his request for hearing, Petitioner reported that he had housing expense of \$450 and was responsible for payment of heat and other utilities. There was no evidence that Petitioner reported a change in his housing or utility expenses prior to his request for the instant hearing. A review of the excess shelter deduction calculation established that the Department properly determined that his total monthly housing of \$450 plus the h/u standard of \$682 was \$1,132. (Exhibit A, p. 28). When 50% of Petitioner's REDACTED AGI, in the amount of REDACTED, was subtracted from the total shelter amount of \$1,132, Petitioner's excess shelter deduction was \$335, which is the amount the Department included on the budget. When Petitioner's excess shelter deduction of \$335 was subtracted from his AGI of REDACTED, Petitioner's net income was REDACTED.

Once the net monthly income has been determined under the FAP program, 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 \$24. RFT 260 (October 2025), p. 18.

The record established that after Petitioner requested the instant hearing, he reported higher medical expenses, based on the SSA withholding past due Medicare Part B premiums from his RSDI income, and an increase in his housing expense. However, the Department has 10 days to act on non-income reported changes and such changes will affect the first day of the benefit month that occurs 10 days after the change is reported. BAM 220 (October 2025), p. 11. Because there was no evidence that Petitioner reported the changes before he requested the instant hearing or that the Department failed to process Petitioner's reported changes, that issue was not properly before the undersigned. BAM 600, p. 5. Petitioner is advised that he may request a hearing regarding his reported changes if he disputes the Department's actions related to those matters.

### **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 monthly FAP benefit amount of \$24.

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