

ISSUE

Did the Department properly determine Petitioner's monthly Food Assistance Program (FAP) benefit amount effective March 1, 2026?

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 REDACTED years old and receives REDACTED per month in Retirement, Survivors, and Disability Insurance (RSDI) income and REDACTED in RSDI survivor benefits. (Exhibit A, pp. 9 – 10, 19).
1. Petitioner was an ongoing recipient of FAP benefits in the amount of \$200 per month for a one-person FAP group, for the certification period of March 1, 2024 to February 28, 2026. Petitioner's FAP benefits were based on unearned income of REDACTED, a standard deduction, a medical deduction of \$165, and an excess shelter deduction that considered a housing expense of \$44.64 and her payment of heat and other utilities. (Exhibit A, pp. 30, 34).
2. On January 26, 2026, the Department received a completed redetermination application for FAP benefits from Petitioner. Petitioner reported that her sole source of income is RSDI, and that she pays more than \$35 per month in medical expenses, has a housing expense, and pays for heat and other utilities. (Exhibit A, pp. 18 – 22).
3. On February 17, 2026, the Department sent Petitioner a Notice of Case Action (NOCA) that approved her for FAP benefits of \$119 per month effective March 1, 2026. Petitioner's FAP benefits were based on REDACTED in unearned income, a standard deduction, a medical deduction of \$165, and an excess shelter deduction that considered a housing expense of \$21.67 and her payment of heat and other utilities. The NOCA informed Petitioner that she was a simplified reporter (SR) and required to report if her income increased to more than \$1,696 or if she had certain lottery or gambling winnings. (Exhibit A, pp. 23 – 25).
4. On February 23, 2026, the Department received a request for hearing from Petitioner, disputing the decrease in the amount of her monthly FAP benefit. Petitioner also disputed how the Department handled her case. (Exhibit A, pp. 3 – 9).

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 was an ongoing recipient of FAP benefits of \$200 per month until she completed a periodic redetermination of her benefits. As a result of the redetermination, the Department approved Petitioner for FAP benefits of \$119 per month effective March 1, 2026. Petitioner requested a hearing to dispute the amount of her monthly FAP benefit, that the Department budgeted an additional REDACTED in income in her case, and how the Department handled her redetermination process.

As to Petitioner's dispute regarding how the Department handled her redetermination process, Petitioner was advised that complaints alleging misconduct or mistreatment by a state employee cannot be considered by the Michigan Office of Administrative Hearings and Rules (MOAHR) and must be referred to the Department or its customer service unit; and that a written complaint against a local Department office may be sent to the local office director's or district office manager's attention. Petitioner may also find a list of the Department's county directors and their phone numbers at www.michigan.gov/dhs-countyoffices. See also BAM 105 (June 2025), pp. 6 – 7 and Mich Admin Code, R 792.1102(3), for more specific information. Because personnel and non-discrimination complaints are not addressed by MOAHR, this decision is limited to Petitioner's dispute regarding her monthly FAP benefit amount.

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. The Department counts the gross benefit amount of all RSDI as unearned income. BEM 503 (October 2025), pp. 31 – 33. Although Petitioner asserted that the Department budgeted an additional REDACTED in income in her case, that amount is the SR limit for a one-person FAP group, not the amount of income budgeted in Petitioner's case. BAM 200 (March 2026); RFT 250 (October 2025). The record established that the Department properly budgeted only Petitioner's total RSDI income of REDACTED per month.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. There was no dispute that Petitioner is over 60 years of age. Therefore, she 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). An 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 effective March 1, 2026. (Exhibit A, pp. 32, 34). Petitioner confirmed that she has ongoing medical expenses of at least \$36 per month; however, there was no evidence that Petitioner's medical expenses exceed \$165 per month. Petitioner also confirmed that she does not have any dependent care expenses or child support obligations. Thus, there was no dispute that Petitioner was entitled to a standard deduction of \$209 based on her one-person FAP group and the SMD of \$165. The budget reflected that the Department properly reduced Petitioner's total countable income by only the standard deduction and SMD. 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, her 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 housing expense, 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 groups who qualify for the h/u standard do not receive any additional individual utility standard expenses in the calculation of the excess shelter 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, there was no dispute that Petitioner pays for heat and other utilities. The Department testified that it budgeted \$21.67 monthly for her housing expense, based on 1/12th of an annual property tax expense of \$260. Although Petitioner testified that she is exempt from payment of property taxes and does not have an expense for homeowner's insurance, any error in her housing expense was in her favor. Therefore, based on Petitioner's budgeted housing expense and her payment for heat and other utilities, the Department properly determined that her total monthly housing of \$21.67 plus the h/u standard of \$682 was \$704. (Exhibit A, p. 35). When 50% of Petitioner's REDACTED AGI, in the amount of REDACTED, was subtracted from the total shelter amount of \$704, Petitioner's excess shelter deduction was \$271, which is the amount the Department included on the budget. When Petitioner's excess shelter deduction of \$271 was subtracted from her 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 \$119 effective March 1, 2026. RFT 260 (October 2025), p. 9.

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 effective March 1, 2026.

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