



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
DIRECTOR

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Date Mailed: January 3, 2025  
MOAHR Docket No.: 24-012410  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Linda Jordan**

**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 on December 3, 2024, via teleconference. Petitioner appeared and represented himself. ██████████ appeared as a witness for Petitioner. Dana Bongers, Assistance Payments Supervisor, and Chad Ware, Eligibility Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS’ Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-96.

**ISSUES**

1. Did MDHHS properly determine Petitioner’s eligibility for Food Assistance Program (FAP) benefits?
2. Did MDHHS properly determine Petitioner's eligibility for Family Independence Program (FIP)/cash assistance benefits?

**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.
2. On ██████████ 2024, Petitioner applied for cash assistance (Exhibit A, p. 8).
3. On August 21, 2024, MDHHS sent Petitioner a FAST Referred Notice indicating that Petitioner must complete the Family Automated Screening Tool (FAST) within 30 days of the notice (Exhibit A, p. 49).

4. On August 21, 2024, MDHHS sent Petitioner a Verification Checklist (VCL) requesting proof of school attendance and relationship for Petitioner's son, and proof of residential address by September 3, 2024 (Exhibit A, p. 29).
5. On September 7, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that his FAP benefits decreased to \$456.00 per month (Exhibit A, p. 67).
6. On September 13, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that he was denied for the cash program, effective August 16, 2024 ongoing, because he had not returned the requested verifications and due to excess income (Exhibit A, p. 75).
7. On [REDACTED] 2024, Petitioner applied for health care coverage (Exhibit A, p. 15) and cash assistance (Exhibit A, p. 22).
8. On September 25, 2024, MDHHS sent Petitioner a FAST Referred Notice indicating that Petitioner must complete the FAST within 30 days of the notice (Exhibit A, p. 51).
9. On October 2, 2024, MDHHS sent Petitioner a FAST Referred Notice indicating that Petitioner must complete the FAST within 30 days of the notice (Exhibit A, p. 53).
10. On October 2, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that he was approved for the cash program, beginning October 16, 2024, and that his FAP benefit rate decreased to \$400.00 per month (Exhibit A, p. 78). The reason for the decrease in FAP benefits was that the household net unearned income had changed (Exhibit A, p. 80).
11. On October 28, 2024, Petitioner requested a hearing.

### **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)**

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. MDHHS 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 disputed the decrease in his FAP benefit rate. MDHHS alleged that the rate was correct, because Petitioner's unearned income had changed. MDHHS

determined that Petitioner was eligible for \$400.00 per month in FAP benefits, effective November 1, 2024 ongoing (Exhibit A, p. 78).

To determine whether MDHHS properly calculated Petitioner's FAP benefit amount, it is necessary to evaluate the household's countable income. BEM 500 (April 2022), pp. 1-5. MDHHS budgeted \$1,115.00 in unearned income for the household, which included income that Petitioner received from the Social Security Administration (SSA) and FIP/cash assistance benefits that Petitioner received in November 2024 (Exhibit A, p. 81). Petitioner did not dispute this amount. MDHHS testified that after Petitioner's FIP/cash assistance case was closed in December 2024, Petitioner's FAP budget was adjusted and the FAP benefit rate increased to \$471.00, effective December 1, 2024 ongoing.

After income is calculated, MDHHS must determine applicable deductions. Petitioner's FAP group is considered a Senior/Disabled/Disabled Veteran (SDV) group. BEM 550 (February 2024), p. 1. SDV groups are eligible for the following deductions.

- Earned income deduction
- Dependent care expense
- Court ordered child support and arrearages paid to non-household members
- Medical expenses for SDV members that exceed \$35
- Standard deduction based on group size
- Excess shelter deduction

BEM 550, p. 1; BEM 554 (July 2024), p. 1; BEM 556 (May 2024), p. 3.

No evidence was presented that Petitioner had earned income, dependent care expenses, verified medical expenses or court-ordered child support. MDHHS budgeted the standard deduction for a household of two, which was \$204.00. RFT 255 (October 2024), p. 1. To calculate Petitioner's Adjusted Gross Income (AGI), the deductions were subtracted from the countable income of \$[REDACTED] to equal \$[REDACTED]

Next, MDHHS is required to determine the excess shelter deduction. MDHHS budgeted \$459.00 for Petitioner's excess shelter deduction. This was based on housing expenses of \$200.00. Petitioner did not dispute this amount. MDHHS also budgeted a utility standard of \$664.00 and an internet standard of \$50.00. Based on these amounts, MDHHS determined that Petitioner's total shelter expense was \$914.00. To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$455.00 (dropping the cents), from Petitioner's total shelter amount of \$914.00 equals \$459.00. Thus, MDHHS properly determined that Petitioner's excess shelter deduction was \$459.00. To determine Petitioner's net income for FAP, MDHHS subtracted the excess shelter deduction of \$459.00 from Petitioner's AGI of \$911.00 to equal \$452.00. A household of two with a net income of \$452.00 is entitled to receive \$400.00 per month in FAP benefits. RFT 260 (October 2024), p. 7.

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's eligibility for FAP benefits.

### **The Family Independence Program (FIP)**

FIP was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. MDHHS administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101-.3131.

In this case, Petitioner submitted two applications for FIP/cash assistance. MDHHS denied the first application, submitted on July 19, 2024, because it did not receive the requested verifications by the deadline. Petitioner did not dispute this decision. Petitioner submitted a second FIP application on September 24, 2024. MDHHS initially opened Petitioner's cash assistance/FIP case, approving him for assistance beginning October 16, 2024. However, it subsequently closed Petitioner's FIP case, effective December 2, 2024, for failure to complete the Family Automated Screening Tool (FAST). Petitioner disputed this decision.

FIP is a cash assistance program designed to help individuals and families become self-sufficient. BEM 209 (January 2022), p. 1. Individuals are eligible for FIP if they satisfy all financial and non-financial eligibility requirements. *Id.* Federal and state laws require each work eligible individual (WEI) in the FIP group to participate in Partnership. Accountability.Training.Hope. (PATH) or other employment-related activity unless temporarily deferred or engaged in activities that meet participation requirements. BEM 230A (October 2022), p. 1. The Family Self-Sufficiency Plan (FSSP) was created to allow MDHHS and other MDHHS client service providers to document and share information about mutual participants for optimal case management. BEM 228 (January 2022). MDHHS' goal of assisting families to achieve self-sufficiency whenever possible can only be achieved if barriers are properly identified and overcome. *Id.* MDHHS uses the Family Automated Screening Tool (FAST) and the FSSP to serve FIP assistance recipients. *Id.* A FAST/FSSP notice, DHS-1535 or 1536 is automatically sent to applicants the night after the first run of eligibility (EDBC) for FIP. BEM 228, p. 3. All participants listed on the notice are required to complete the FAST within 30 days and the FSSP within 90 days of the notice. *Id.* Completion of the FAST is required once for each episode of FIP assistance. *Id.*

Here, the record shows that Petitioner completed FAST on [REDACTED] 2024 (Exhibit A, p. 55). However, MDHHS alleged that Petitioner was required to complete FAST a second time, because the previous FAST was associated with his prior FIP application, which was denied on other grounds. At the hearing, Petitioner credibly testified that he struggled with literacy and reading comprehension issues, and that he required assistance to complete MDHHS forms. He further testified that he informed MDHHS of these hardships on numerous occasions, beginning around the time of his first FIP application, which was in [REDACTED] 2024. Petitioner testified that he was trying to comply with

MDHHS' requests but was struggling to understand what was required due to his literacy issues.

MDHHS is required by policy to assess barriers applicants face when seeking FIP/cash assistance, and to provide the necessary assistance. BEM 228, p. 1; BEM 233A, p. 1. MDHHS failed to establish that it properly provided Petitioner with the necessary assistance in completing the FAST and understanding the requirements of the program, considering Petitioner's literacy issues.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's FIP case.

### **DECISION AND ORDER**

Accordingly, MDHHS' decision is **AFFIRMED IN PART** with respect to FAP and **REVERSED IN PART** with respect to FIP.

MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reprocess Petitioner's [REDACTED] 2024 FIP application, providing additional assistance as necessary;
2. Issue supplemental payments for any FIP benefits that Petitioner was eligible to receive, but did not, based on the [REDACTED] 2024 application, and
3. Notify Petitioner of its decision in writing.

LJ/pt

  
Linda Jordan  
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:**

**DHHS**  
Renee Olian  
Kalamazoo County DHHS  
427 E Alcott St  
Kalamazoo, MI 49001  
**MDHHS-Kalamazoo-Hearings@michigan.gov**

**Interested Parties**

BSC3  
B Sanborn  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MOAHR

**Via-First Class Mail:**

**Petitioner**

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