

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



Date Mailed: January 2, 2025 MOAHR Docket No.: 24-012486

Agency No.: Petitioner:

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 via Microsoft Teams on December 26, 2024; the parties participated by telephone. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by William Shoulders, manager, Tiffany Willingham, specialist, and Denise Ezell, hearings coordinator.

<u>ISSUE</u>

The issue is whether MDHHS properly determined Petitioner's Food Assistance Program (FAP) eligibility for November 2024.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

- 1. As of September 2024, Petitioner was an ongoing FAP recipient.
- 2. From September 19 through September 26, 2024, Petitioner received weekly income from (hereinafter, "Employer") averaging
- On September 30, 2024, MDHHS mailed Petitioner a New Hire Client Notice giving Petitioner until October 9, 2024 to provide information about employment with Employer.

- 4. On October 9, 2024, TheWorkNumber indicated that Petitioner was an active employee with Employer
- 5. On October 9, 2024, MDHHS reduced Petitioner's FAP eligibility to \$259 per month based on wages from Employer.
- 6. As of November 5, 2024, Petitioner had not reported to MDHHS a stoppage in wages from Employer.
- 7. On November 6, 2024, Petitioner reported to MDHHS that wages from Employer ended in September 2024. MDHHS verified Petitioner's reporting using TheWorkNumber and increased Petitioner's FAP eligibility to \$975 per month beginning December 2024.
- 8. On November 8, 2024, Petitioner verbally requested a hearing to dispute the reduction in FAP benefits for November 2024.
- 9. On November 11, 2024, Petitioner submitted to MDHHS a written hearing request disputing the reduction in FAP benefits for November 2024.

CONCLUSIONS OF LAW

The 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 the FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011. FAP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a reduction of FAP benefits.¹ Exhibit A, pp. 7-8. A Notice of Case Action dated October 9, 2024, stated that Petitioner's FAP eligibility would be reduced to \$259 beginning November 2024. Exhibit A, pp. 9-11. Petitioner limited her dispute to the benefit month of November 2024 as MDHHS increased Petitioner's FAP eligibility beginning December 2024. Exhibit A, pp. 22-23.

The basis for the FAP benefit reduction in November 2024 was an increase in budgeted wages. MDHHS contended that Petitioner's FAP eligibility properly decreased after budgeting Petitioner's income from Employer and Petitioner failing to timely report a stoppage in wages. Petitioner began receiving wages from Employer on September 19, 2024. MDHHS testified it did not learn of Petitioner's employment until a New Hire Client Notice requesting verification of wages was sent to Petitioner on October 9, 2024.

¹ MDHHS documented that Petitioner verbally requested a hearing on November 8, 2024. Exhibit A, pp. 4-6. Clients may verbally request hearings to dispute FAP eligibility. BAM 600 (February 2024) p. 6. Petitioner later submitted a written hearing request for the same dispute.

² MDHHS routinely matches recipient data with other agencies through automated computer data exchanges. BAM 807 (January 2021) p. 1. The State New Hires Match is a daily data exchange of

Exhibit A, pp. 9-11. MDHHS also testified that Petitioner did not respond to the notice, but it was able to learn Petitioner's employment information from TheWorkNumber. TheWorkNumber documents dated October 9, 2024, listed Petitioner's employment as active and listed pay dates of September 19 and September 26, 2024, with respective gross wages of and Exhibit A, pp. 13-14. Accordingly, MDHHS began budgeting the wages in Petitioner's FAP eligibility. For FAP benefits, MDHHS generally counts gross wages.³ BEM 501 (January 2024) p. 7. For FAP benefits, MDHHS converts stable or fluctuating weekly income to a monthly amount by multiplying the average income by 4.3. BEM 505 (October 2023) p. 8. Multiplying Petitioner's average weekly wages by 4.3 results in a total gross monthly income of monthly income of the same amount calculated by MDHHS. Exhibit A, p. 16.

MDHHS notified Petitioner on October 9, 2024, of the budgeting of wages and corresponding FAP reduction. ⁴ MDHHS testified it removed the wages after Petitioner reported on November 6, 2024, a stoppage in wages from Employer as of September 30, 2024. ⁵ MDHHS verified Petitioner's reporting via TheWorkNumber which showed Petitioner's employment inactive as of November 6, 2024, and a last pay date of September 30, 2024. Exhibit A, pp. 19-21.

For FAP benefit changes not reported by tape match, MDHHS is to act within 10 days after becoming aware of the change. BAM 220 (November 2023) p. 7. Changes which result in an increase in the household's benefits must be effective no later than the first allotment issued 10 days after the date the change was reported, provided any necessary verification was returned by the due date. *Id.* Based on Petitioner's reported change of November 6, 2024, MDHHS properly affected Petitioner's FAP eligibility beginning December 2024.

Contrary to MDHHS's allegations, Petitioner testified that she verbally reported to MDHHS working for Employer shortly after being hired in September 2024. Petitioner testified that she returned to MDHHS a New Hire Client Notice within 10 days of receiving it. Petitioner also testified she spoke with her specialist in early October 2024 to report that employment with Employer had ended. If Petitioner reported a stoppage of employment to MDHHS by October 21, 2024, Petitioner would be entitled to a

information collected by the Michigan New Hire Operations Center and obtained through the Office of Child Support. *Id.* State New Hires information is used to determine current income sources for active MDHHS clients. *Id.* When income is unreported, MDHHS requests verification of new hires by generating a New Hire Client Notice. *Id.*, p. 2. The notice gives the client 10 calendar days to provide income verification from the date of New Hire Client Notice. *Id.* If verifications are not returned by the 10th day, case action will need to be initiated to close the case. *Id.*

³ Exceptions to using gross wages include the following: earned income tax credits, flexible benefits, striker earnings, student disregards, and census worker earnings. BEM 501 (January 2024) p. 7. None of these exceptions apply to the present case.

⁴ MDHHS emphasized that its actions should be considered favorable for Petitioner. MDHHS could have initiated a closure of FAP benefits beginning November 2024 based on Petitioner's failure to return verifications. Instead, MDHHS took efforts to verify Petitioner's employment information itself. MDHHS is not required to check TheWorkNumber as part of the client verification process (see BAM 210) ⁵ Petitioner testified she texted MDHHS.

reprocessing of FAP benefits for November 2024 which excluded wages from Employer; however, MDHHS's allegations were more credible than Petitioner's testimony.

Petitioner alleged incompetence by MDHHS by multiple persons. Petitioner specifically accused her specialist of failing to document a reporting of the start and end of employment. Based on Petitioner's specialist's quick responses to TheWorkNumber, there was no reason to suspect such negligence by the specialist.

Petitioner's testimony also requires accepting that whoever handles written submissions misplaced Petitioner's allegedly returned New Hire Client Report. MDHHS's testimony that Petitioner failed to return a New Hire Client Notice was consistent with a list of submissions by Petitioner that did not include a New Hire Client Notice. Exhibit A, p. 18. Petitioner's claim of submission was uncorroborated.

For good measure, Petitioner also alleged not receiving the hearing packet implying that MDHHS's hearing coordinator also failed in the performance of job duties.⁶ Though MDHHS is not immune to occasional mistakes, the repeated errors alleged by Petitioner are improbable.

Generally, a client's allegations are more persuasive when documented within a hearing request. Petitioner's hearing request generically stated she mailed documents needed by MDHHS. Notably, Petitioner did not allege timely reporting of a stoppage in employment, let alone dates she allegedly timely reported.

Given the evidence, Petitioner did not timely report a stoppage in wages from Employer until November 6, 2024 Thus, MDHHS properly did not exclude the wages from Petitioner's FAP eligibility until December 2024. Accordingly, MDHHS properly determined Petitioner's FAP eligibility in November 2024.⁷

⁶ An MDHHS hearings coordinator testified that she mailed Petitioner a hearing packet.

⁷ Petitioner did not seem to dispute any aspect of FAP eligibility for November 2024 other than the inclusion of wages from Employer.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner's FAP eligibility for November 2024. The actions taken by MDHHS are **AFFIRMED**.

CG/nr

Christian Gardocki 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 <u>Via-Electronic Mail</u>: DHHS

Denise Ezell

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Interested Parties

BSC4

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<u>Via-First Class Mail :</u> Petitioner

