



Date Mailed: June 24, 2025

Docket No.: 25-016609

Case No.: [REDACTED]

Petitioner: [REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

Date Mailed: June 24, 2025

Docket No.: 25-016609

Case No.: [REDACTED]

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 telephone hearing was held via Microsoft Teams on June 16, 2025. Petitioner testified and was represented. Jeff Ortwine, Petitioner's brother-in-law, testified and participated as Petitioner's authorized hearing representative (AHR). The Michigan Department of Health and Human Services (MDHHS) was represented by Princess Ogundipe, supervisor.

ISSUE

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

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 January 2025, Petitioner was an ongoing FAP benefit recipient in a household including two minor children.
1. On an unspecified date, MDHHS improperly terminated Petitioner's FAP eligibility beginning February 2025.
2. As of February 2025, Petitioner was eligible to receive \$[REDACTED] in gross Retirement, Survivors, Disability Insurance (RSDI), but only received \$[REDACTED] due to benefit recoupment.
3. As of February 2025, Petitioner's two children received combined gross monthly income of \$[REDACTED] from State Supplemental Income (SSI), \$[REDACTED] (averaged) from State Supplemental Payments (SSP), and \$[REDACTED] from RSDI.

25-016609

-
4. As of February 2025, Petitioner's household had no child support or dependent care expenses. Petitioner also had no budgeted medical expenses and no reported medical expenses since September 2023.
 5. As of February 2025, Petitioner was responsible to pay monthly housing expenses of \$[REDACTED] heating/colling expenses, and internet expenses.
 6. On February [REDACTED] 2025, MDHHS approved Petitioner for \$[REDACTED] in monthly FAP benefits beginning February 2025 based on \$[REDACTED] in unearned income, no internet expense obligation, and no medical expenses.
 7. On April 25, 2025, Petitioner's AHR requested a hearing to dispute FAP eligibility.

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. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner's requested a hearing to dispute FAP eligibility. Exhibit A, pp. 6-13. Petitioner's lengthy hearing request mentioned multiple FAP recipients whose cases were publicized based on alleged errors by MDHHS. *Id.* The publicized cases of other FAP recipients are not relevant to the present case. Though not specified in the hearing request, Petitioner's AHR testified that FAP eligibility beginning February 2025 was disputed. FAP issuance documents listed a \$[REDACTED] issuance to Petitioner in February 2025. Exhibit A, pp. 44-45. A Notice of Case Action dated February 11, 2025, stated that Petitioner was eligible to receive \$[REDACTED] in monthly FAP benefits.¹ Exhibit A, pp. 25-29.

¹ MDHHS testimony acknowledged that it initially improperly closed Petitioner's FAP eligibility beginning February 2025 before twice sending notice of reinstated FAP benefits. The first notice sent to Petitioner was dated February 11, 2025, and referenced above. A notice affecting Petitioner's FAP eligibility before February 2025 (Exhibit A, pp. 37-43) was not considered. Notices affecting benefit months after February 2025 (see Exhibit A, pp. 31-35 and 46-50) were also not considered because any ordered changes to February 2025 should also be effective in future months. A fourth notice dated February 13, 2025, was also not considered because its stated FAP issuance amount of \$[REDACTED] did not match Petitioner's actual issuance from February 2025. Exhibit A, pp. 20-24.

FAP benefit amounts are determined by a client's net income. BEM 556 outlines the factors and calculations required to determine a client's net income. FAP net income is based on group size, countable monthly income, and relevant monthly expenses. MDHHS presented a FAP budget document listing housing and utility calculations.² Exhibit A, p. 30. A budget summary from the approval notice also listed all relevant FAP budget factors. Exhibit A, p. 21. During the hearing, all relevant budget factors were discussed with Petitioner.

MDHHS factored a benefit group including Petitioner and her two minor children. Petitioner did not dispute the benefit group size of three persons.³

It was not disputed that Petitioner's benefit group received no employment income. It was also not disputed that Petitioner and her two children each received RSDI, SSI, and/or SSP. MDHHS factored a total unearned income of \$[REDACTED].

It was not disputed that Petitioner's children received the following combined gross monthly income: \$[REDACTED] from SSI, \$[REDACTED] (averaged) from SSO (SSP), and \$[REDACTED] from RSDI. For FAP, MDHHS is to count a gross SSI benefit. BEM 503 (January 2023) p. 34. Generally, MDHHS is to count the gross benefit amount as unearned income.⁵ BEM 503 (January 2025) p. 30. For FAP, MDHHS is to count a gross SSP benefit. *Id.* Petitioner's children's countable unearned income totaled \$[REDACTED].

MDHHS testified it factored \$[REDACTED] in RSDI for Respondent. Documentation from a data exchange with the Social Security Administration verified that Respondent was eligible to receive \$[REDACTED] in gross RSDI but only \$[REDACTED] in RSDI in monthly was paid. Exhibit B, pp. 1-3. As stated above, MDHHS counts gross RSDI. Respondent testified that the reduced RSDI was due to a recoupment of overpaid benefits. In calculating gross income, MDHHS generally excludes income reduced due to overpayment.⁶ BEM 500 (April 2022) p. 6. MDHHS presented no explanation for why it counted \$[REDACTED] in RSDI for Petitioner without consideration of the reduced amount of \$[REDACTED].

The evidence did not establish that it correctly counted Petitioner's RSDI as \$[REDACTED]. As a remedy, Petitioner is entitled to a reprocessing of FAP based on investigation of

² Other presented budget documents were from non-disputed months or reflected replaced budgets for February 2025. Exhibit A, p. 15 and 17.

³ See BEM 212 for policies on determining group size for FAP benefits.

⁴ MDHHS testified it counted \$[REDACTED] in income for Petitioner, \$[REDACTED] for one child, and \$[REDACTED] for Petitioner's other child. This income totaled \$[REDACTED]. MDHHS could not explain how it calculated \$[REDACTED] in monthly income.

⁵ Exceptions to using gross RSDI include certain former SSI recipient (e.g., early widow(ers) and disabled adult children), Medicare premium refunds, deductions for a fee paid to an organization, benefits returned to the Agency, and retroactively paid benefits.

⁶ For FAP benefits, any portion of an overpayment (that is normally countable) is included in gross income if the original payment was excluded income when received. BEM 500 (April 2022) p. 6. income excluded in determining benefit eligibility during the overpayment months

Petitioner's reduced RSDI.⁷ To simplify the remaining budget analysis, the unearned income of \$[REDACTED] factored by MDHHS will be accepted as correct.

MDHHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (January 2025) p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: shelter expenses (housing and utilities) up to a capped amount, dependent care costs, and court-ordered child support and arrearages paid to non-household members (see *Id.*). An SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35 for an SDV person(s) will receive the standard medical deduction (SMD) of \$165. *Id.*, p. 9. If the group has actual medical expenses which are more than the SMD, the group has the option to verify their actual expenses instead of receiving the SMD. *Id.*

Petitioner acknowledged having no child support or dependent care expenses. Petitioner testified that at least one of her children had medical expenses exceeding \$35. The hearing request did not allege a recent reporting of medical expenses or an allegation that medical expenses were improperly factored by MDHHS.⁸ Under the circumstances, MDHHS properly credited Petitioner's benefit group with \$0 medical expenses.⁹

Petitioner's FAP benefit group size justifies a standard deduction of \$204 (see RFT 255). The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction and countable non-shelter expenses are subtracted from the countable monthly income to calculate the group's adjusted gross income. Subtracting the standard deduction (\$204) and countable non-shelter expenses (\$0) from the group's countable income (\$[REDACTED]) results in an adjusted gross income of \$[REDACTED].

MDHHS credited Petitioner with monthly housing expenses of \$[REDACTED]. Petitioner did not allege additional housing expenses. MDHHS credited Petitioner with a standard heating/utility (h/u) credit of \$664.¹⁰ RFT 255 (October 2024) p. 1. Generally, the h/u

⁷ An investigation of reduced RSDI is apt because the evidence did not verify that the reduced RSDI was caused by overpayment.

⁸ MDHHS testified that medical expenses were last reported in September 2023. Petitioner's AHR testified that gas receipts were submitted though such receipts would be insufficient evidence of medical expenses. Transportation for medical visits are countable, but it would be based on the mileage to the medical facility from the client's residence.

⁹ Because Petitioner reported medical expenses during the hearing, MDHHS should process the reporting and attempt to verify the expenses. If MDHHS fails to do so, Petitioner may request a hearing to dispute MDHHS's failure.

¹⁰ Petitioner testified she does not pay for heating and/or cooling thereby suggesting that Petitioner is not entitled to receive the h/u standard credit. For purposes of this decision, it will be accepted that Petitioner is eligible for the h/u credit.

credit covers all utility expenses, except internet, and is the maximum credit available.¹¹ Petitioner's AHR testified that Petitioner pays for internet; MDHHS provided no explanation for why Petitioner was not issued the standard credit (see BEM 254) of \$50. Internet expenses need only be verified if questionable. Because MDHHS failed to provide evidence that Petitioner's internet obligation was questionable, it will be ordered to include the \$50 credit when reprocessing Petitioner's FAP eligibility. Only to simplify the remaining budget analysis, Petitioner's shelter expenses (housing + utilities) will be accepted as the amount calculated by MDHHS: \$[REDACTED]

MDHHS only credits FAP benefit groups with an "excess shelter" expense. The expense is calculated by subtracting half of Petitioner's adjusted gross income from Petitioner's total shelter obligation. Based on the factors budgeted by MDHHS, Petitioner's excess shelter expense is \$[REDACTED]

The FAP benefit group's net income is determined by subtracting the excess shelter expense from the group's adjusted gross income; doing so results in \$[REDACTED] in net income for Petitioner's group. A chart is used to determine the proper FAP benefit issuance.¹² RFT 260 (October 2024) pp. 1-5. Based on Petitioner's group size and net income, Petitioner's proper FAP issuance for February 2025, based on the factors used by MDHHS is \$[REDACTED]. Based on the above analysis, MDHHS will be ordered to reprocess Petitioner's FAP eligibility based on Petitioner reporting of a reduced RSDI due to recoupment, housing expenses of \$[REDACTED] and an obligation for internet.¹³

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly determined Petitioner's FAP eligibility. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Reprocess Petitioner's FAP eligibility beginning February 2025 subject to the following findings:
 - a. MDHHS failed to establish that it properly did not factor Petitioner's gross RSDI to be \$[REDACTED] due to Social Security Administration benefit recoupment;
 - b. Petitioner's housing expenses were \$[REDACTED] and
 - c. Petitioner's reported internet expense obligation.
- (2) Issue notice and supplements, if any, in accordance with policy.

¹¹ MDHHS allows additional credits for "actual utility expenses". Such expenses are only allowed for utility installation charges, water well installation and maintenance, and septic installation and maintenance. BEM 554 (October 2019) p. 15. There was no evidence of applicable exceptions.

¹² FAP eligibility can also be calculated by multiplying the net income by 30% and subtracting the amount from the maximum FAP issuance for the group.

¹³ As stated above, MDHHS should also process Petitioner's reporting of medical expenses during the hearing.

The actions taken by MDHHS are **REVERSED**.



CHRISTIAN GARDOCKI
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.

25-016609

Via Electronic Mail:

Respondent

OAKLAND COUNTY DHHS PONTIAC
WOODWARD DIST
51111 WOODWARD AVE 5TH FL
PONTIAC, MI 48342
**MDHHS-OAKLAND-DISTRICT-IV-
HEARINGS@MICHIGAN.GOV**

Via First Class Mail:

Authorized Hearing Rep

[REDACTED]
[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]