



**Date Mailed:** November 14, 2025  
**Docket No.:** 25-017657  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

[REDACTED]  
MI [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.

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**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

### **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; 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 telephone conference on November 5, 2025. Petitioner was unrepresented by [REDACTED], Spouse. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Becky Fraser, Family Independence Manager (FIM).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-127.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for Food Assistance Program (FAP) 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. On March 23, 2025, Petitioner submitted a Semi-Annual Contact Report for the FAP case and reported a change with self-employment income. (Exhibit A, pp. 6-7)
2. On April 2, 2025, a Verification Checklist was issued requesting verification of self-employment income and expenses with a due date of April 14, 2025. (Exhibit A, pp. 8-10)
3. On April 13, 2025, Petitioner submitted self-employment income and expense verifications. (Exhibit A, pp. 11-115)
4. On April 17, 2025, the Department reviewed the verifications and determined that the standard expense deduction of 50% for self-employment exceeded the amount of submitted expense verifications and would be more advantageous to Petitioner. (Exhibit A, p. 126; FIM Testimony)

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5. On April 17, 2025, a Notice of Case Action was issued to Petitioner stating FAP benefits would close effective May 1, 2025 due to income in excess of program limits. (Exhibit A, pp. 121-125)
  6. On May 1, 2025, Petitioner submitted a hearing request contesting the Department's determination. (Exhibit A, pp. 4-5)

### **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.

BEM 502 addresses self-employment income:

The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. If allowable expenses exceed the total proceeds, the amount of the loss cannot offset any other income except for farm loss amounts; see Farming Expenses in this item.

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Allowable expenses are the higher of 50 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses.

BEM 502, June 1, 2024, p. 3.

In this case, the Department reviewed the verifications and determined that the standard expense deduction of 50% for self-employment exceeded the amount of submitted expense verifications and would be more advantageous to Petitioner. The Department utilized line 7 of the tax return Schedule C to budget a monthly income of \$[REDACTED]. Accordingly, the standard expense deduction of 50% was \$[REDACTED] per month. (Exhibit A, pp. 1, 13, and 126; FIM Testimony).

25-017657

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Petitioner asserted that the Department erred when determining the monthly income as receipts were sent in to prove the expenses for the business. (Exhibit A, p. 5). Petitioner noted that the car payment for her husband's company is about \$ [REDACTED] per month itself. (Spouse Testimony). However, Petitioner's spouse acknowledged that no documentation of this car payment was submitted to the Department. (Exhibit A, pp. 11-115; Spouse Testimony).

The evidence supports that the Department properly determined Petitioner's eligibility for FAP based upon the information available at the time of the determination. The Department reviewed the submitted documentation of self-employment expenses, and determined the documented expenses were less than the standard expense deduction of 50% for self-employment. Accordingly, the Department properly utilized the 50% standard expense deduction, which was \$ [REDACTED] per month in this case. The Department determined Petitioner's household exceeded the FAP net income limit. (Exhibit A, pp. 118 and 122).

If they have not already done so, Petitioner may wish to reapply for FAP and provide documentation of any additional self-employment expenses.

### **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 eligibility for FAP.

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

\_\_\_\_\_  
*Colleen Lack*  
**COLLEEN LACK**  
**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](mailto: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.



**Via Electronic Mail:**

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**Petitioner**

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**Authorized Hearing Rep**

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[REDACTED] MI [REDACTED]