



Date Mailed: November 6, 2025

Docket No.: 25-036201

Case No.: [REDACTED]

Petitioner: [REDACTED] [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 দ্রষ্টাবেজ 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: November 6, 2025
Docket No.: 25-036201
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 October 30, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) current and future benefit rate, and supplements for previous underissuances dating back to 2023?

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 February [REDACTED] 2023, the Department received verification of Petitioner's shelter expense in the amount of \$[REDACTED] but it was not entered into the budget.
2. On September [REDACTED] 2025, the Department issued a Notice of Case Action to Petitioner informing her that effective October 1, 2025, her FAP benefit rate would be \$[REDACTED] per month based on a group size of one with \$[REDACTED] earned income, \$[REDACTED] in unearned income, the standard deduction of \$209.00, and the heat and utility standard deduction (H/U) of \$682.00.
3. On September [REDACTED] 2025, after discussions with Petitioner, the Department discovered the shelter verification which was previously not budgeted, updated the budget, which increased Petitioner's benefit for October 2025, and issued a supplement to Petitioner due to agency error.
4. On the same day, the Department issued a Notice of Case Action to Petitioner informing her that effective October 1, 2025, her FAP benefit rate would be \$[REDACTED] for a group size of one based on \$[REDACTED] earned income, \$[REDACTED] in unearned income, the standard deduction of \$209.00, housing costs of \$[REDACTED]

and the H/U of \$682.00. The notice also advised Petitioner that she was owed \$ [REDACTED] for the period November 1, 2024 through September 30, 2025.

5. A review of the Benefit Summary Inquiry shows that the Department issued supplements to Petitioner in November and December 2024, January 2025, April 2025, and June through September 2025. No supplements were issued for February, March, or May 2025.
6. On September 23, 2025, the Department received Petitioner's request for hearing disputing her FAP benefit rate back to 2023.

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 disputes the Department's calculation of her benefit rate back to 2023. After reviewing her case, the Department corrected her October 2025 benefit and issued a supplement to Petitioner dating back to November 2024. Petitioner believes that she is entitled to more benefits because of the Department's error in failing to budget her shelter expense as early as February 2023.

When the Department is issuing a supplement to correct prior months' benefits, the Department may issue supplements up to 12 months before the month in which the earliest of the following occurred:

- The local office received a request for lost benefits from the eligible group.
- The local office discovered that a loss occurred.
- The group requested a hearing to contest a negative action which resulted in a loss.
- The group initiated court action to obtain lost benefits.

BAM 406 (January 2022), p. 3.

25-036201

Here, Petitioner indicated she had identified the Department's error numerous times prior to September 11, 2025. However, Petitioner did not specifically identify any date on which she notified the Department of the error. Therefore, September 11, 2025 is presumed to be the first date of discovery by the Department of Petitioner's loss and Petitioner was entitled to supplements for any months in which she received FAP benefits between September 2024 and August 2025, in addition to September 2025, if Petitioner was a FAP recipient, there was an error by the Department in failing to consider Petitioner's housing expense, and for which she did not already receive the maximum benefit rate. The Notice of Case Action issued on September █ 2025 indicates that supplements were being issued between November 1, 2024 and September 30, 2025 totaling \$ █. No explanation was provided by the Department as to why Petitioner did not receive a supplement for September and October 2024. Furthermore, a review of the Benefit Summary Inquiry shows that no supplements were issued for February, March, or May of 2025. Again, the Department had no explanation for why no supplement was issued in these months. The supplement for September 2025 is considered separately from the 12-month consideration because Petitioner was also disputing her current month's benefits and future benefit rate for October 2025, ongoing because of the Department's repeated and ongoing error.

Whether or not the Department properly calculated Petitioner's supplement for September 2024 through August 2025 and the current month of the hearing request, September 2025, cannot be determined because the Department failed to provide a budget or other evidence to show what was previously considered and how the addition of Petitioner's housing expense changed the previous months benefits.

Finally, Petitioner disputed the new calculated benefit rate for October 2025. Initially, the Department failed to consider Petitioner's housing expense but added the expense into her budget after becoming aware of the error. To determine whether the Department properly calculated Petitioner's FAP benefit rate, the evaluation first starts with consideration of all countable earned and unearned income available to the group. BEM 500 (April 2022), pp. 1-5. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (June 2025), p. 1. In prospecting income, the Department is required to use income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, pp. 4-9. A standard monthly amount must be determined for each income source used in the budget. BEM 505, pp. 8-9. Petitioner receives a gross SSI benefit of \$ █ per month. She also receives a \$ █ State Supplemental Security Income Payment (SSP) benefit which is provided to all Michigan residents who receive SSI and it is paid on a quarterly basis. BEM 660 (October 2021). Finally, Petitioner receives \$ █ in Retirement Survivors Disability Insurance (RS DI) benefits per month. Therefore, her total monthly gross income is \$ █.

After consideration of income, the Department considers all appropriate deductions and expenses. Petitioner is a Senior, Disabled, or Disabled Veterans (SDV) group member; therefore, the group is eligible for the following deductions to income:

- Medical expense deduction for the SDV individual(s).
- Dependent care expense.
- Excess shelter deduction.
- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.

BEM 550 (April 2025), p. 1; BEM 554 (October 2025), p. 1; BEM 556, pp. 2-6.

Petitioner is eligible for the standard deduction of \$209.00 for a group size of one. RFT 255 (October 2025), p. 1; BEM 556, p. 4. No evidence was presented that Petitioner has any child support or dependent care expenses. No evidence was presented of any medical expenses verified with the Department. Per policy, an SDV group member that has a verified one-time or ongoing medical expense(s) of more than \$35 for an SDV person(s) will receive the SMD. BEM 554, p. 9. The SMD is \$165. *Id.* If the group has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD. *Id.* Each of these expenses is deducted from the household gross income to equal the Adjusted Gross Income (AGI) of \$ [REDACTED]

Once the AGI is calculated, the Department must then consider the Excess Shelter Deduction. BEM 554, p. 1; 7 CFR 273.9(d)(6). The Excess Shelter Deduction is calculated by adding Petitioner's housing costs to any of the applicable standard deductions and reducing this expense by half of Petitioner's AGI. BEM 556, pp. 4-7; 7 CFR 273.9(d)(6)(ii). Once the error was corrected, the Department properly budgeted a housing expense of \$ [REDACTED] Next, the heat and utility standard deduction (H/U) of \$682.00 covers all heat and utility costs including cooling except actual utility expenses (repairs or maintenance). BEM 554, p. 16. When a client is not responsible for heating and/or cooling costs, the client may receive individualized utility standard deductions for non-heat electric, water and/or sewer, telephone, cooking fuel, and trash as applicable. BEM 554, p. 22-25. The Department is required to annually review these standards and make adjustments to reflect changes in costs. 7 CFR 273.9(d)(6)(iii)(B). The expenses and factors outlined here are the only expenses considered for purposes of calculating the FAP budget and determining eligibility. After each item is considered, Petitioner's total housing cost is added together (\$ [REDACTED] and reduced by 50% of Petitioner's AGI (\$ [REDACTED] resulting in an excess shelter cost of \$ [REDACTED] *Id.*

Petitioner's excess shelter cost is then deducted from the AGI for a negative net income. *Id.* A review of the Food Assistance Issuance Table shows that Petitioner is eligible for \$ [REDACTED] based on a group size of one. BEM 556, p. 6; RFT 260 (October 2025), p. 1. The Department correctly calculated Petitioner's FAP benefit rate effective October 1, 2025.

25-036201

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined the period for which supplements were due, as well as the amount of supplements owed to Petitioner.

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

THE DEPARTMENT 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 supplement for September 2024 through August 2025 (the 12 months prior to discovery);
2. Reprocess Petitioner's FAP supplement for September 2025 (the current month's benefit at the time of the hearing request);
3. If eligible for additional supplements, issue supplements for any FAP benefits not previously issued via supplement or regular benefit to Petitioner; and,
4. Notify Petitioner in writing of its decision.



**AMANDA MARLER
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.

Via Electronic Mail:

Respondent

WAYNE-GREENFIELD/JOY-DHHS
8655 GREENFIELD RD
DETROIT, MI 48228
MDHHS-WAYNE-17-
HEARINGS@MICHIGAN.GOV

Via First Class Mail:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]