



**Date Mailed:** January 13, 2026

**Docket No.:** 25-036488

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

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

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

[REDACTED]  
[REDACTED]  
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**Case No.:** [REDACTED]

**Petitioner:** [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 January 8, 2025. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Danielle Moton, specialist.

**ISSUES**

The first issue is whether MDHHS properly denied Petitioner's Family Independence Program (FIP) benefit application.

The second 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 August 2025, Petitioner was an ongoing FAP benefit member of a benefit group which included two minor children
2. As of August 2025, no persons in Petitioner's household were over the age of 60 years, disabled, or disabled veterans.
3. On [REDACTED] 2025, Petitioner applied for FIP benefits and reported a household with two children.
4. In September 2025, Petitioner received gross biweekly wages of [REDACTED] and [REDACTED]
5. As of September 2025, Petitioner had no housing expenses and a responsibility to pay for heating and/or cooling expenses.

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6. As of September 2025, Petitioner had no child support or dependent care expenses.
  7. On September 15, 2025, MDHHS denied Petitioner's FIP application due to excess income. MDHHS also terminated Petitioner's FAP eligibility beginning October 2025.
  8. On October 3, 2025, Petitioner requested a hearing to dispute the denial of FIP benefits and termination of FAP benefits.
  9. On October 14, 2025, MDHHS determined Petitioner to be eligible for █350 in monthly FAP benefits beginning October 2025 based on gross monthly income of █2,072.

### CONCLUSIONS OF LAW

The 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 233to 45 CFR 261; MCL 400.10; the Social Welfare Act, MCL 400.1 *et seq.*; and Mich Admin Code, R 400.3101 to R 400.3131. FIP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute a denial of FIP benefits. Exhibit A, pp. 3-5. Petitioner applied for FIP benefits on █ 2025. Exhibit A, pp. 8-15. A Notice of Case Action dated September 15, 2025, stated that Petitioner's FIP application was denied due to excess income.<sup>1</sup> Exhibit A, pp. 31-35.

Financial need must exist to receive FIP benefits. BEM 518 (July 2023) p. 1. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test and the Child Support Income Test. *Id.* The only relevant test in the present case is the Issuance Deficit Test.

To perform the Issuance Deficit Test, MDHHS subtracts budgetable income from the certified group's payment standard for the benefit month. *Id.*, p. 2. The group is ineligible for the benefit month if no deficit exists, or the group has a deficit less than \$10. *Id.* pp. 1-3. The payment standard is the maximum benefit amount that can be received by the group. BEM 515 (February 2024) p. 1.

For the Issuance Deficit Test budget, MDHHS compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. BEM 518 (July 2023) p. 3. For starting income, MDHHS is to use the best available information to prospect income for the benefit month. BEM

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<sup>1</sup> An alleged failure to return verifications was also cited as a basis for denial. Exhibit A, p. 32. During the hearing, MDHHS did not allege that a failure to verify was a proper basis for application denial.

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505 (June 2025) p. 8. For FIP, MDHHS is to convert stable and fluctuating biweekly income to a standard monthly amount by multiplying the average by 2.15. *Id.* For FIP benefits, MDHHS is to deduct \$200 from each person's countable earnings and then deduct an additional 50 percent of each person's remaining earnings. BEM 518 (July 2023) p. 5.

It was not disputed that Petitioner received gross wages of [REDACTED] on September 12, 2025, and [REDACTED] on September 26, 2025. Multiplying Petitioner's average biweekly wage by 2.15 results in a converted gross monthly income of [REDACTED] (dropping cents). Applying the \$200 disregard and multiplying by 50% results in countable income of [REDACTED]

It was not disputed that Petitioner's FIP benefit group included herself and her two children. As the grantee of a three-person group, Petitioner's payment standard is [REDACTED] RFT 210 (January 2025) p. 1. Petitioner's countable income exceeds the payment standard. Thus, MDHHS properly denied Petitioner's FIP application due to excess income.

The FAP [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036d. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers the FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3031. FAP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner also requested a hearing to dispute FAP eligibility. Exhibit A, pp. 3-5. MDHHS initially terminated Petitioner's FAP eligibility beginning October 2025 on September 15, 2025. Exhibit A, pp. 31-35. After Petitioner requested a hearing, MDHHS approved Petitioner for \$350 in FAP benefits beginning October 2025. Exhibit A, pp. 24-28. Despite the approval, Petitioner disputed the approved amount of FAP benefits.

FAP benefit amounts are determined by a client's net income as calculated by MDHHS policy. BEM 556 outlines the factors and calculations required to determine a client's net income for purposes of FAP benefits. Net income is based on group size, countable monthly income, and relevant monthly expenses. A budget summary from the approval notice listed all relevant FAP budget factors. Exhibit A, p. 25. During the hearing, all relevant current budget factors were discussed with Petitioner.

MDHHS factored a benefit group including Petitioner and her two children. Petitioner did not dispute the FAP benefit group size of three persons.<sup>2</sup>

MDHHS calculated Petitioner's countable wages to be [REDACTED] MDHHS testified it calculated wages from Petitioner's gross biweekly wage payments of [REDACTED] on

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<sup>2</sup> See BEM 212 for policies on determining group size for FAP benefits.

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September 12, 2025, and █████ on September 26, 2025. For FAP, MDHHS is to convert stable and fluctuating biweekly income to a standard monthly amount by multiplying the average by 2.15. BEM 505 (June 2025) p. 8. Multiplying Petitioner's average biweekly wage by 2.15 results in a converted monthly income of █████ (dropping cents). MDHHS failed to explain how it calculated █████ in monthly income.

Given the evidence, MDHHS improperly calculated Petitioner's wages. As a remedy, MDHHS will be ordered to reprocess Petitioner's FAP eligibility for October 2025. The analysis will continue to consider MDHHS's remaining budget calculations.

MDHHS applies a 20% credit for timely reported wages. Applying the credit to the █████ in income calculated by MDHHS results in a countable income of █████ (dropping cents).

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 factors the following expenses: shelter (housing and utilities) up to a capped amount, dependent care, and court-ordered child support including arrearages paid to non-household members. *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 was neither a senior, disabled, nor a disabled veteran; thus, medical expenses are not countable. Petitioner did not allege having child support or dependent care expenses. Petitioner's group's non-shelter expenses were \$0: the same as calculated by MDHHS.

Petitioner's FAP benefit group size justifies a standard deduction of \$209 (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. MDHHS subtracted the standard deduction (\$209) and countable non-shelter expenses (\$0) from the group's erroneously calculated countable wages █████ resulting in an adjusted gross income of █████

MDHHS credited Petitioner with monthly housing expenses of \$0; Petitioner did not allege additional housing expenses. MDHHS credited Petitioner with the standard heating/utility (h/u) credit of \$682. RFT 255 (October 2025) p. 1. Generally, the h/u credit covers all utility expenses, except internet, and is the maximum credit available.<sup>3</sup> Petitioner's total shelter expenses are \$682: the same amount calculated by MDHHS.

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<sup>3</sup> 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 (August 2025) p. 31. There was no evidence of applicable exceptions.

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 erroneously calculated wages, Petitioner’s excess shelter expense is \$0.

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.<sup>4</sup> RFT 260 (October 2025) pp. 1-5. Based on Petitioner’s group size and net income (as calculated by MDHHS), Petitioner’s proper FAP issuance for October 2025 is \$350.

The evidence established that MDHHS improperly counted Petitioner’s wages in determining Petitioner’s FAP eligibility. As stated above, MDHHS will be ordered to reprocess Petitioner’s FAP eligibility due to the erroneously calculated wages.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner’s FIP benefit application dated [REDACTED] 2025. Concerning FIP benefits, the actions taken by MDHHS are **AFFIRMED**.

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 October 2025 subject to the finding that MDHHS failed to establish it properly calculated Petitioner’s monthly wages to be [REDACTED] and
- (1) Issue notice and supplements, if any, in accordance with policy.

Concerning FAP benefits, the actions taken by MDHHS are **REVERSED**.

  
**CHRISTIAN GARDOCKI**  
**ADMINISTRATIVE LAW JUDGE**

<sup>4</sup> 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.

**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://irs.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.

