

Date Mailed: December 23, 2025

Docket No.: 25-040579

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 December 18, 2025. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Cody Hitchcox, specialist.

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 October 2025, Petitioner received ongoing FAP benefits as the only member of a benefit group and a benefit period certified through the end of the month.
2. As of October 2025, Petitioner was not over the age of 60 years, not disabled, and not a disabled veteran.
3. On October 9, 2025, Petitioner reported [REDACTED] in monthly donation income from her father for November and December 2025.
4. As of October 2025, Petitioner had no child support or dependent care expenses.
5. As of October 2025, Petitioner paid \$1,150 for monthly housing expenses and utility obligations for electricity and telephone.
6. On October 20, 2025, MDHHS approved Petitioner for \$24 in monthly FAP benefits beginning November 2025 based on [REDACTED] in donation income.

7. On October 21, 2025, Petitioner 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 requested a hearing to dispute a redetermination of FAP benefits. Exhibit A, p. 4. A Notice of Case Action dated October 20, 2025, approved Petitioner for \$24 in FAP benefits beginning November 2025. Exhibit A, pp. 21-25.

Petitioner testified that she has financial difficulties. Petitioner testified she is left with little income after paying for rent, utilities, vehicle expenses, and other housing expenses. Petitioner's testimony was sincere, but ultimately not relevant to how FAP benefits are calculated.

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. MDHHS presented FAP budget documents listing all FAP eligibility factors and calculations. Exhibit A, p. 28. A budget summary from the approval notice also listed FAP budget factors. Exhibit A, p. 22. During the hearing, all relevant current budget factors were discussed with Petitioner.

MDHHS factored a benefit group including only Petitioner. Petitioner did not dispute the FAP benefit group size of one person.¹

Petitioner reported to MDHHS that she will receive [REDACTED] in monthly donation income from her father in November and December 2025.² Exhibit A, p. 19. A donation to an individual by family or friends is the individual's gross unearned income if the individual making the donation and the recipient are not members of any common eligibility determination group. BEM 503 (October 2025) p. 11. MDHHS factored unearned income of [REDACTED] in determining Petitioner's FAP eligibility.

Given the evidence, MDHHS improperly counted Petitioner's unearned income. As a remedy, MDHHS will be ordered to reprocess Petitioner's FAP eligibility for November using the correct unearned income of [REDACTED]

¹ See BEM 212 for policies on determining group size for FAP benefits.

² During the hearing, MDHHS updated Petitioner's FAP eligibility for January 2026 by removing the income.

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 erroneous unearned income [REDACTED] resulting in an adjusted gross income of [REDACTED]

MDHHS credited Petitioner with monthly housing expenses of \$1,150; Petitioner did not allege additional housing expenses.³ MDHHS credited Petitioner with standard deductions for non-heat electricity (\$181) and telephone (\$31) RFT (October 2025) p. 1. Petitioner did not allege additional utility obligations.

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 donation income, Petitioner's excess shelter expense is \$317: the same as calculated by MDHHS

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.⁴ RFT 260 (October 2025) pp. 1-5. Based on Petitioner's group size and net income, based on an unearned income of [REDACTED] Petitioner's proper FAP issuance for November 2025 is \$24: the same amount calculated by MDHHS.

³ Petitioner did report a recent increase in housing expenses during the hearing.

⁴ 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.

The evidence established that MDHHS improperly counted Petitioner's unearned income. As stated above, MDHHS will be ordered to reprocess Petitioner's FAP eligibility by factoring a donation monthly income of [REDACTED]

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 November 2025 subject to the finding that MDHHS improperly factored Petitioner's unearned income as [REDACTED] and
 - (2) Issue notice and supplements, if any, in accordance with policy.
- The actions taken by MDHHS are **REVERSED**.

Christian Gardocki
CHRISTIAN GARDOCKI
ADMINISTRATIVE LAW JUDGE

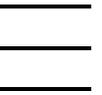
⁵ Petitioner should be aware that a reprocessing may not necessarily result in a supplement of FAP benefits.

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, **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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Via First Class Mail:

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[REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]