

Date Mailed: January 27, 2026

Docket No.: 25-047738

Case No.: 124325846

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 22, 2026. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Jarrod Swartz, supervisor.

ISSUE

The issue is whether MDHHS properly counted adoption subsidy in determining 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. On [REDACTED] 2025, Petitioner applied for FAP benefits for a household that included Damien Chesebro, Petitioner's adopted son (hereinafter, "Son").
2. As of October 2024. Petitioner received [REDACTED] in gross monthly adoption subsidy for Son from the State of California.
3. On November 21, 2025, MDHHS determined Petitioner to be eligible for \$0 FAP benefits in October 2025 and \$24 in monthly FAP benefits beginning November 2025 based on counting Petitioner's [REDACTED] adoption subsidy as unearned income.
4. On December 19, 2025, Petitioner requested a hearing to dispute whether MDHHS properly counted Petitioner's adoption subsidy in Petitioner's FAP eligibility determination

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 FAP eligibility. Exhibit A, p. 4. A Notice of Case Action dated November 21, 2025, stated that Petitioner was eligible for \$0 FAP benefits in October 2025 and \$24 in monthly FAP benefits beginning November 2025. Exhibit A, pp. 84-89. A budget summary listed ██████ in unearned income as one of the factors in determining FAP eligibility. Exhibit A, p. 85. It was not disputed that MDHHS factored ██████ in unearned income from Petitioner's monthly adoption subsidy. Petitioner's only hearing dispute was MDHHS's inclusion of the adoption subsidy in determining FAP eligibility.

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.

For FAP benefits, an adoption support subsidy is a payment for ongoing care and support of an adopted child. BEM 503 (July 2025) p. 3. Support subsidies are entered as income for the adopting parent and is countable income. *Id.*

An adoption medical subsidy is a payment for medical expenses due to a physical, mental or emotional condition of the child. *Id.* For FAP benefits, MDHHS is to exclude medical subsidies as income. *Id.* They are reimbursements. *Id.* Such payments are also not to be counted as assets. *Id.*

Petitioner testified she received foster care payments while residing in California with Son. Petitioner testified that her foster care case factored Son's exposure to domestic violence before his foster care placement. Petitioner testified that her subsidy payments are increased because of Son's history. Petitioner testified that she and Son moved to Michigan in approximately June 2013 and that she adopted Son around the same time. After adoption, Petitioner continued to receive payments from the State of California, now in the form of adoption subsidies.

California's Adoption Assistance Program provides a monthly cash grant to assist adoptive parents with the financial cost associated in caring for a child.¹ If a child has special needs, he/she may be eligible to receive Specialized Care Increment (SCI) in addition to the state-approved basic foster care rate.² Petitioner presented

¹ <https://ssa.ocgov.com/sites/ssa/files/import/data/files/52092.pdf>

² *Id.*

documentation related to her SCI payments, foster care history, and adoption history. Exhibit A, pp. 50-83.

MDHHS concluded that Petitioner's [REDACTED] subsidy was a support subsidy. The conclusion was made following guidance sought from MDHHS's policy unit. Exhibit B, pp. 1-5. The policy unit concluded that the subsidy received by Petitioner was a support subsidy because it was not directed for Son's medical needs.

MDHHS policy defines medical subsidies as reimbursements. Presumably, the reimbursements would be for out-of-pocket costs to the parent for medical costs incurred for the child's care. There was no evidence that the subsidy received by Petitioner was for reimbursement of Son's medical costs. This consideration supports a conclusion that the [REDACTED] subsidy received by Petitioner is not a medical subsidy.

It was not disputed that Son received Medicaid coverage. There was no evidence that Petitioner had out-of-pocket medical costs for Son. This consideration also supports a conclusion that the subsidy received by Petitioner is not a medical subsidy.

Petitioner's testimony acknowledged that [REDACTED] was the only current subsidy received for Son. Generally, a medical subsidy is paid in addition to support subsidies. Because Petitioner receives only one subsidy, the evidence supports that it is intended for Son's support.

Petitioner testified that she received past FAP benefits without adoption subsidy being factored. Indeed, MDHHS policy as recent as August 2020 excluded support subsidies from FAP determinations. BEM 503 (August 2020) p. 3. However, as of January 2021, MDHHS policy changed to include support subsidy income in FAP determinations. BEM 503 (January 2021) p. 3. Petitioner's past FAP benefit eligibility excluding support subsidies in FAP determinations does not justify excluding the support subsidies as income given the change in MDHHS policy.

Given the evidence, MDHHS properly included Petitioner's adoption support subsidy in determining FAP eligibility. Thus, the actions of MDHHS are properly affirmed.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly factored Petitioner's adoption subsidy of [REDACTED] as unearned income in determining FAP eligibility. The actions taken by MDHHS are **AFFIRMED**.

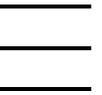

CHRISTIAN GARDOCKI
ADMINISTRATIVE LAW JUDGE

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://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:

Respondent

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Via First Class Mail:

Petitioner

[REDACTED]
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