



**Date Mailed:** February 12, 2026  
**Docket No.:** 25-048077  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

[REDACTED] MI [REDACTED]

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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; 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 hearing was held by teleconference on February 5, 2026. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Samantha Shano, Hearing Facilitator.

### **ISSUE**

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit effective January 1, 2026?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner is [REDACTED] years old, married to [REDACTED] (Spouse), and employed by [REDACTED] (Employer). Spouse is [REDACTED] years old, disabled, pays \$100.90 per month for Medicare Part B, and receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$[REDACTED] per month. (Exhibit A, pp. 12, 14, 17).
1. On November 21, 2025, the Department received a completed Semi-Annual Contact Report (SACR) application for FAP benefits from Petitioner for herself and Spouse, a paystub issued to Petitioner by Employer, verification of Spouse's net RSDI income, and various medical and household bills. (Exhibit A, pp. 9 – 24).
2. On December 10, 2025, the Department sent Petitioner a Notice of FAP Closure for failure to return the SACR. (Exhibit A, pp. 26 – 27).
3. On December 22, 2025, the Department received a request for hearing from Petitioner, disputing the Department's closure of her FAP case and failure to consider her medical expenses. (Exhibit A, pp. 5 – 7).
4. On December 23, 2025, the Department processed Petitioner's SACR and sent Petitioner a Notice of Case Action (NOCA) that approved her for FAP benefits of

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\$24 per month for a two-person FAP group effective January 1, 2026. The NOCA reflected that the group's FAP benefits were based on \$[REDACTED] in earned income, \$[REDACTED] in unearned income, a standard deduction, \$165 in medical expenses, \$1,146.49 in housing expenses, and payment of heat and other utilities. (Exhibit A, pp. 28 – 30).

### **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.

Petitioner requested a hearing to dispute the closure of her FAP case and the Department's failure to consider her expenses when determining her FAP benefit amount. The Department initially sent Petitioner a Notice of FAP Closure that advised that her FAP case would close effective December 31, 2025. However, upon receipt of Petitioner's request for hearing and before her case was closed, the Department located and processed the completed SACR submitted by Petitioner on November 21, 2025. The Department sent Petitioner a NOCA on December 23, 2025, that approved her for FAP benefits of \$24 per month for her two-person FAP group, effective January 1, 2026. Because the Department did not close Petitioner's case and there was no lapse in her FAP benefits, the hearing proceeded regarding Petitioner's dispute as to the amount of her monthly FAP benefit only.

To determine whether the Department properly calculated Petitioner's FAP benefit amount, the Department begins with the client's countable earned and unearned income. BEM 500 (April 2022), pp. 1 – 5. For purposes of FAP, the gross amount of RSDI income is countable unearned income, and the gross amounts of wages from employment are earned income and may be prospectively. BEM 501 (October 2025), pp. 6 – 7; BEM 503 (October 2025), p. 31. To budget earned income, the Department prospectively the income based on the past 30 days when that income appears to accurately reflect what is expected to be received in the benefit month. BEM 505 (June 2025), pp. 1 – 4, 6 – 8. For the purposes of FAP, the Department must convert income that is received more often than monthly into a standard monthly amount and the average of bi-weekly amounts is multiplied by 2.15. BEM 505, pp. 8 – 9.

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In this case, the Department budgeted \$ [REDACTED] in gross earned income from Petitioner's employment, and \$ [REDACTED] in RSDI income for Spouse, when it determined the group's countable income. (Exhibit A, p. 43). There was no dispute that Spouse's gross RSDI income is \$ [REDACTED] and that \$100.90 is withheld by the Social Security Administration (SSA) for payment of his Medicare Part B premiums. The Department explained that Petitioner is paid bi-weekly and it determined Petitioner's earned income based on her paystubs dated June 20, 2025 and July 4, 2025, in the amount of \$ [REDACTED] each. (Exhibit A, pp. 38 – 39). Although a review of the evidence suggested that Petitioner's current bi-weekly earnings may be more than the amount budgeted by the Department, the Department's conversion of the income it considered for Petitioner, into a standard monthly amount, was consistent with policy. Therefore, for purposes of the instant hearing, the Department properly determined that Petitioner and Spouse had \$ [REDACTED] in gross earned income and \$ [REDACTED] in gross unearned income for purposes of FAP.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. There was no dispute that Spouse is disabled. However, there was no evidence that Petitioner is over 60 years of age or disabled. Therefore, Spouse is considered a senior/disabled/veteran (SDV) member of the FAP group, while Petitioner is not. BEM 550 (April 2025), pp. 1 – 2. Households with SDV members and earned and unearned income may be eligible for the following deductions only:

- A 20% earned income deduction.
- Standard deduction based on group size.
- Dependent care expense.
- Medical expense deduction for medical expenses of the SDV member in excess of \$35.
- Court ordered child support and arrearages paid to non-household members.
- Excess shelter deduction.

BEM 554 (January 2026) p. 1; BEM 556 (November 2025) pp. 3 – 6; RFT 255 (October 2025).

An SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35 for the SDV member(s) will receive a standard medical deduction (SMD) of \$165; however, if the SDV member has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD. BEM 554, pp. 9 – 13. Medical expenses of non-SDV group members are not an allowable deduction for purposes of FAP. BEM 554, p. 1.

The Department introduced a budget to show how it determined Petitioner's FAP benefit amount effective January 1, 2026. (Exhibit A, pp. 41 – 45). A review of the budget established that the Department properly budgeted a \$427 deduction from Petitioner's earned income, and a standard deduction of \$209 based on Petitioner's two-person FAP group. Petitioner testified that she does not have any dependent care expenses or

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child support obligations, and there were no deductions for those expenses on the budget.

The record established that Spouse had countable verified medical expenses of \$199, which the Department also budgeted. (Exhibit A, pp. 18, 25, 36, 37, 44). Although Petitioner testified that she incurs health insurance premiums and medical expenses for herself which should have been considered by the Department, as a non-SDV member, her health insurance premiums and medical expenses are not allowable deductions for purposes of FAP benefits. Therefore, the record established that the Department acted in accordance with policy when it determined the allowable medical expense deduction was limited to Spouse's expenses.

Next, the Department determines any excess shelter expense deduction. To start, the Department first calculates Petitioner's adjusted gross income (AGI) by subtracting the allowable deductions outlined above from the countable income. Based on Petitioner's total countable income of \$██████, earned income deduction of \$427, standard deduction of \$209, and medical expense deduction of \$199, her AGI was \$██████.

To complete the excess shelter deduction calculation, the Department must review the client's housing and utility expenses. Effective October 1, 2025, when a FAP group has or contributes to payment for heating and other utility expenses, separate from a mortgage or rent payment, it is entitled to a heat and utility (h/u) standard amount of \$682 to be included in the calculation of the excess shelter deduction. BEM 554, p. 19; RFT 255. This is the highest amount available to FAP groups who pay utilities and the group is not entitled to individual utility expenses in the calculation of the deduction. BEM 554, p. 19.

Once the Department has determined the client's housing expense and whether the client is eligible for the h/u standard, it must add those amounts together for a total shelter amount. BEM 556, pp. 5 – 6. From that total, the Department subtracts 50% of the client's AGI and the amount remaining is the excess shelter deduction. BEM 556, p. 6. The excess shelter deduction is then subtracted from the client's total AGI to determine net income. BEM 556, p. 6.

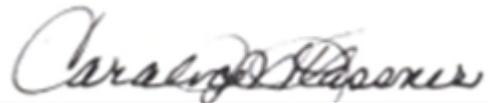
There was no dispute that Petitioner's housing expense is \$1,146.49 per month and that she pays for heat and other utilities, and the record established that the Department properly determined that her total monthly shelter amount was \$1,828. (Exhibit A, p. 45). When 50% of Petitioner's \$██████ AGI, in the amount of \$██████, was subtracted from the total shelter amount of \$1,828, Petitioner's excess shelter deduction was \$386, which is the amount reflected on the budget. When Petitioner's excess shelter deduction of \$386 was subtracted from her AGI of \$██████, Petitioner's net income was \$██████. Although Petitioner expressed concern that the Department did not consider other monthly expenses she incurs, the evidence established that the Department's calculation of her net income for purposes of FAP benefits were made consistent with policy.

Once the net monthly income has been determined under the FAP program, the Department determines what benefit amount Petitioner is entitled to, based on the group size, according to the Food Assistance Issuance Table found in RFT 260. Based on Petitioner's two-person FAP group size and net income of \$ [REDACTED], the Department properly determined Petitioner's monthly benefit amount of \$24 effective January 1, 2026. RFT 260 (October 2025), p. 34.

**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 monthly FAP benefit amount effective January 1, 2026.

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



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**CARALYCE M. LASSNER  
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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**Via First Class Mail:**

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