



Date Mailed: February 5, 2026
Docket No.: 25-048403
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED] MI [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.

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Docket No.: 25-048403

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 January 29, 2026. Petitioner appeared and was represented by their Authorized Hearing Representative (AHR), Philip Matthews (P53645). The Department of Health and Human Services (Department) was represented by Cortrina Pernell, Assistance Payments Worker, and Sharee Brown, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount effective November 1, 2025?

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 a legally incapacitated individual (LII) and has a legal guardian who was appointed by the [REDACTED] (WCPC) in Detroit, Michigan.
2. On November 19, 2019, the Department received a copy of the [REDACTED] [REDACTED] Dated March 8, 2021 (Trust). Petitioner is the sole beneficiary of the Trust. (Exhibit A, pp. 17 – 42).
3. Petitioner's AHR was appointed Trustee of the Trust by the WCPC.
4. Petitioner was an ongoing recipient of FAP benefits in the amount of \$298 per month for a one-person FAP group based on her receipt of Supplemental Security Income (SSI) and State SSI Payments (SSP) in the total monthly amount of \$ [REDACTED], a standard deduction of \$209, and her payment of \$ [REDACTED] per month in rent plus heat and other utilities. (Exhibit A, pp. 43 – 44, 49).
5. On October 24, 2025, the Department received a completed FAP redetermination application from Petitioner for the benefit period beginning November 1, 2025.

Petitioner reported that she receives Supplemental Security Income (SSI), has no other income, and has no expenses. (Exhibit A, pp. 12 – 16).

6. On November 7, 2025, the Department interviewed Petitioner. Petitioner confirmed that her only income is from SSI and that she does not pay any expenses. Petitioner reported that her rent, heat, and utilities are paid directly to her providers by the Trust. (Exhibit A, pp. 61 – 68).
7. On or about November 7, 2025, the Department approved Petitioner for FAP benefits of \$163 per month effective November 1, 2025, based on her SSI and a standard deduction only. (Exhibit A, pp. 45 – 46).
8. On December 6, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that decreased Petitioner’s FAP benefits to \$157 per month effective January 1, 2026, based on an increase in her SSI. (Exhibit A, pp. 54 – 55).
9. On December 26, 2025, the Department received a request for hearing from Petitioner, disputing the Department’s determination of her monthly FAP benefit amount. (Exhibit A, pp. 3 – 11).

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 reported during the FAP redetermination process that she does not pay for her housing or utility expenses herself, and that those expenses are paid on her behalf directly by the Trust. The Department testified that as a result of Petitioner’s disclosure, it removed the housing and utility amounts from her budget, which reduced her excess shelter deduction to zero, and determined her monthly FAP benefit amount based on her income and a standard deduction only. The Department also subsequently reduced Petitioner’s monthly FAP benefit due to an increase in her SSI. Petitioner requested a hearing to dispute her monthly FAP benefit amount.

The purpose of the FAP is to raise the food purchasing power of low-income persons because limited food purchasing power contributes to hunger and malnutrition. BEM

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100 (April 2023), p. 3. Persons eligible for FAP receive benefits based on net income and the size of the group. BEM 100, p. 3. To determine a client's net income, the Department must consider the client's countable income and allowable expenses. BEM 500 (April 2022), pp. 1 – 2; BEM 554 (November 2025), pp. 1 – 2.

Because Petitioner is [REDACTED] years of age and disabled, she is considered a senior/disabled/veteran (SDV) household. BEM 550 (April 2025), pp. 1 – 2. Households with SDV members with unearned income, such as Petitioner, may be eligible for the following deductions only:

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

Department policy provides that an expense deduction is allowed if a) the service is provided by someone outside of the FAP group, b) someone in the FAP group has the responsibility to pay for the service in money, and c) verification is provided, if required. BEM 554, p. 1. However, the Department may not allow any expense if the entire expense is directly paid by an agency or someone outside of the group. BEM 554, p. 2.

Notwithstanding the foregoing, the Department recognizes that policy cannot handle every conceivable situation and provides that policy exceptions may be issued in case specific situations not covered by published policy. BEM 100, pp. 7 – 9. For FAP, policy exceptions are handled by the Economic Stability Administration (ESA). BEM 100, p. 10. Policy exception decisions for case specific problems not covered by published policy may be issued on form DHS-1785, Policy Decision, and must be filed in the case record. BEM 100, pp. 8, 13.

The record established that Petitioner is a LII and the sole beneficiary of the Trust dated March 8, 2001, and that a copy of the Trust was received by the [REDACTED] on November 19, 2019. As it relates to the issue in this matter, the Trust provides that the Trustee may, in their sole discretion, use the Trust's principal and income to pay for expenses necessary for Petitioner's health, education, maintenance, and support, but shall distribute funds in such a manner that Petitioner's eligibility for public assistance program is not endangered. (Exhibit A, pp. 21, 35).

There was no dispute that Petitioner does not pay for her housing or utility expenses herself and that those expenses are paid on her behalf directly by the Trust. The Department explained that as a result of Petitioner's disclosure, it removed the housing and utility amounts from her budget, which reduced her excess shelter deduction to

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zero, and that her monthly FAP benefit amount was based on her income and a standard deduction only.

Petitioner's AHR, an attorney and Trustee of the Trust, credibly represented that:

- a. Petitioner has been an ongoing recipient of FAP benefits for more than ten years,
- b. He met with the Department to discuss Petitioner's case and the Trust at least once approximately six years ago,
- c. During his tenure as Trustee, the Trust has paid Petitioner's shelter and utility expenses directly to her providers, and
- d. The Department has not previously disallowed her shelter and utility expenses.

Petitioner's AHR further represented that there have been no changes in how Petitioner's expenses are paid.

Although Petitioner's AHR did not explicitly represent that a policy exception was previously issued in Petitioner's case, the Department acknowledged that Petitioner's housing and utility expenses were historically budgeted when her eligibility was determined. However, the Department was unable to clearly confirm whether it reviewed Petitioner's case history for a Policy Decision or other actions related to the Trust before it removed the housing and utility expenses from her budget and reduced her excess shelter deduction to zero. There was also no evidence that the Department sought guidance from its policy unit before it determined her eligibility.

Because the record established that a) the Department received a copy of the Trust six years ago, b) Petitioner has been an ongoing recipient of FAP benefits and her shelter and utility expenses were budgeted, and c) Petitioner's AHR credibly represented that the Trust has paid those expenses for several years; and the Department could not confirm that a policy exception had not previously been issued in Petitioner's case, the Department did not establish that it acted in accordance with policy when it removed Petitioner's housing and utility expenses from the excess shelter deduction calculation and determined her monthly FAP benefit effective November 1, 2025.

DECISION AND ORDER

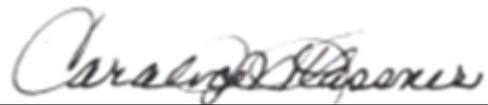
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's FAP eligibility effective November 1, 2025.

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

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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. Redetermine Petitioner's eligibility for FAP benefits effective November 1, 2025, including a full review of Petitioner's case file;
2. If Petitioner is eligible for any supplemental FAP benefits, issue supplemental payments to Petitioner for any FAP benefits she was eligible to receive but did not, effective November 1, 2025; and
3. Notify Petitioner of its decision in writing.



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, **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

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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.



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Petitioner Representative

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