

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) case effective February 1, 2026, for failure to return a New Hire Client Notice by the due date?

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 was an ongoing recipient of FAP benefits as a simplified reporter (SR) for a certified period of September 1, 2025 to August 31, 2026.
2. On December 17, 2025, the Department sent Petitioner a New Hire Client Notice for REDACTED (Employer 1) and another employer (Employer 2), with a due date of December 29, 2025. (Exhibit A, pp. 6, 14).
3. On January 26, 2026, the Department processed a Semi-Annual Contact Report from Petitioner and noted that Petitioner submitted a change report which indicated that Employer 1 was uncooperative and he was unable to obtain past employment information. (Exhibit A, p. 14, Serial No. 93 – 94).
4. On January 26, 2026, the Department sent Petitioner a Notice of Case Action (NOCA) that closed Petitioner's FAP case effective February 1, 2026, for failure to verify requested information. (Exhibit A, pp. 9 – 10).
5. On January 27, 2026, Petitioner contacted the Department by telephone regarding his benefits case. The Department directed him to complete the New Hire Client Notices before the negative action date. (Exhibit A, p. 14, Serial No. 95).
6. On January 29, 2026, the Department received the completed New Hire Client Notice for Employer 1 and paystubs for Employer 2 from Petitioner. The Department disposed of the New Hire Client Notice for Employer 2. Petitioner reported on the New Hire Client Notice that he worked for Employer 1 from September 2025 to October 16, 2025, and was unable to access those paystubs. Petitioner also contacted the Department to confirm it received the documents he submitted. (Exhibit A, pp. 6 – 8; p. 13, Serial No. 96 – 97).
7. On January 29, 2026, the Department received a request for hearing from Petitioner disputing the closure of his FAP case. Petitioner requested that his FAP benefits be continued pending his hearing. (Exhibit A, pp. 3 – 5).
8. On February 1, 2026, the Department closed Petitioner's FAP case.

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 requested a hearing to dispute the closure of his FAP case for failure to return a New Hire Client Notice. The Department sent Petitioner a New Hire Client Notice on December 17, 2025, with a due date of December 29, 2025. The Department did not receive the New Hire Client Notice by the due date and sent Petitioner a NOCA on January 26, 2026, that informed him his FAP case would be closed effective February 1, 2026. The Department testified that Petitioner was a SR and returned the New Hire Client Notice on January 29, 2026; and it closed his FAP case on February 1, 2026, for failure to return the New Hire Client Notice by the due date.

For purposes of FAP, when the Department becomes aware of a change in a client's circumstances resulting from changes reported via data matches, it must take action within 45 days of receiving the information unless the group is a SR. BAM 220 (October 2025), pp. 1, 7. However, for SR groups, specific data matches, including wage matches and state new hire matches, are acted upon only at semi-annual or redetermination. BAM 220, p. 7.

In this case, the Department testified that it closed Petitioner's FAP case effective February 1, 2026, because he did not return the New Hire Client Notice by the December 29, 2025 due date. However, the Department also testified that Petitioner was a SR. The Department did not clearly explain why, as a SR, Petitioner was required to return the New Hire Client Notice before he was due for a semi-annual or redetermination review. BAM 220, p. 7. Additionally, although Petitioner didn't return the New Hire Client Notice by the due date, there was no dispute that he did return it before February 1, 2026, the date the Department closed his FAP case. BAM 205 (January 2022), p. 1. Therefore, the Department did not establish that it acted in accordance with policy when it a) required Petitioner to complete the New Hire Client Notice before he was due for a semi-annual or redetermination review, or b) proceeded to close Petitioner's FAP case when it received the New Hire Client Notice before February 1, 2026.

Additionally, the reduction, suspension, or termination of a client's benefits are negative actions. BAM 220, p. 1. Except under the limited circumstances identified in BAM 220, the Department must send the client NOCA regarding, and in advance of, the negative action. BAM 220, pp. 1 – 2, 5. Unless the negative action is due to:

- Reduction or termination of benefits due to an Intentional Program Violation (IPV);

- A written, signed change reported by an eligible group member and the new benefit level or ineligibility can be determined based solely that information;
- Reliable information that the group will leave the state before the next benefit issuance; or
- Changes reported on a Semi-Annual Contact Report,

the Department must send a NOCA at least 11 days before the intended negative action takes effect, with the action pended to provide the client a chance to react to the proposed action. BAM 220, pp. 3 – 5.

The Department did not send the January 26, 2026 NOCA at least 11 days prior to February 1, 2026. Further, there was no evidence that any exception to the negative action requirements of BAM 220 applied in Petitioner's case. Therefore, the Department failed to establish that it provided Petitioner proper notice in accordance with policy or properly pended the negative action to provide Petitioner a chance to react to the proposed action.

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 required Petitioner to complete the New Hire Client Notice before he was due for a semi-annual or redetermination review, or when it closed Petitioner's FAP case effective February 1, 2026, for failure to return the New Hire Client Notice.

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

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. Reinstate Petitioner's FAP case and redetermine his eligibility for FAP benefits effective February 1, 2026, based on Petitioner's status as a simplified reporter and the finding that he returned the New Hire Client Notice before the negative action date;
2. If Petitioner is eligible for any supplemental FAP benefits, issue supplemental payments to Petitioner for any FAP benefits he was eligible to receive but did not, effective February 1, 2026; and
3. Notify Petitioner of its decision in writing.