

ISSUE

Did the Department properly close Petitioner's FAP benefit case effective October 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. On August 5, 2025, Petitioner submitted a Renew Benefits form and reported that Petitioner's husband REDACTED (SS) receives self-employment income and Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) income.
2. On September 9, 2025, Petitioner completed a FAP redetermination interview with the Department.
3. The Department incorrectly budgeted SS's income as self-employment income.
4. On September 9, 2025, a Verification Checklist was mailed to Petitioner to obtain verification of SS's self-employment income. The Verification Checklist instructed Petitioner to provide verification of SS's self-employment income by September 19, 2025.
5. On September 19, 2025, Petitioner submitted the following:
 - a. 4 partial REDACTED statements
 - b. Unsigned Self-Employment Income and Expense Statement for August 2025
 - c. June 2025 Expense Schedule
 - d. July 2025 Expense List
 - e. August 2025 Expense Schedule
 - f. Written statement regarding income taxes
 - g. Unsigned Self-Employment Income and Expense Statement for June 2025
 - h. Unsigned Self-Employment Income and Expense Statement for July 2025
 - i. Invoices
 - j. June-August 2025 Net income summary

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k. Vehicle information

l. Written income statements for June-August 2025

6. On October 22, 2025, Verification Checklist was mailed to Petitioner to obtain verification of SS's self-employment income. The Verification Checklist instructed Petitioner to provide verification of SS's self-employment income by November 3, 2025.
7. On October 22, 2025, another Verification Checklist was mailed to Petitioner to obtain verification of SS's self-employment income. The Verification Checklist instructed Petitioner to provide verification of SS's self-employment income by November 3, 2025.
8. On October 30, 2025, the Department attempted to obtain employment verification for SS via Equifax, but no employment records were found for SS's business.
9. Subsequently, the Department corrected SS's income type to employment income.
10. On October 30, 2025, an Employment Verification Form was mailed to Petitioner and instructed Petitioner to return the completed form to verify SS's employment by November 10, 2025.
11. On November 9, 2025, the Department received a letter from Petitioner acknowledging receipt of the September 9, and October 22, 2025, verification checklists. Petitioner also stated that SS has no W-2 wages from SS's business and that all income information for 2025, specifically January through August 2025, was provided to the Department on September 19, 2025. Further, Petitioner stated that to the best of Petitioner's understanding all requested information had been provided to the Department and, "If something appears missing...we would greatly appreciate guidance so we can supply the exact items you need."
12. The Department did not respond to the November 9, 2025, letter.
13. On November 14, 2025, the last page of the Self-Employment Income and Expense Statement for June-August 2025 was signed and returned to the Department. A summary of SS's net income was also provided.
14. On November 17, 2025, the Department issued a Notice of Case Action to notify Petitioner that Petitioner's FAP benefits were closed beginning October 1, 2025, for failing to submit verification of SS's earned income.
15. On November 19, 2025, Petitioner re-submitted a complete copy of the signed Self-Employment Income and Expense Statement for June-August 2025.
16. On January 15, 2026, Petitioner applied for FAP benefits.

17. On January 23, 2026, Petitioner requested a hearing to dispute the Department's closure of Petitioner's FAP benefits beginning October 1, 2025, and to request FAP benefits for October 1, 2025, to December 31, 2025.
18. On February 6, 2026, the Department issued a Notice of Case Action to notify Petitioner that Petitioner was approved for FAP benefits of \$546.00 per month from February 1, 2026, to January 31, 2018.
19. At the February 26, 2026, hearing, the Department representative stated that Petitioner received FAP benefits of \$299.00 from January 15, 2026, to January 31, 2026.

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 FAP 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

To determine a client's countable income, the Department must use past income to prospect income for the future, unless changes are expected. BEM 505 (June 1, 2025), p. 1. In general, the Department uses income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month. *Id.*

In this case, Petitioner disputes the Department's closure of Petitioner's FAP benefits beginning October 1, 2025, because Petitioner did not timely return the requested verification as instructed by the Department.

Verification is usually required by the Department at the time of application/redetermination or for a reported change affecting eligibility or benefit level. BAM 130 (May 1, 2024), p. 1. The Department must tell a client what verification is required, how to obtain it, and the due date. *Id.* at p. 3. The Department must allow the client 10 calendar days to provide requested verification. *Id.* at p. 7. The client must obtain the verification, but the local office must assist if the client needs it and asks for help. *Id.* Verifications are only considered timely if they are received by the due date. *Id.* The Department must send a Negative Action Notice when the client refuses to provide the verification, or the time period given has elapsed and the client has not made a reasonable effort to provide it. *Id.*

The Department acknowledged that the September 9 and October 22, 2025, verification checklists were sent in error. However, the Department corrected their error on October 30, 2025, when an Employment Verification Form was mailed to Petitioner advising Petitioner that the completed form must be submitted by November 10, 2025, to verify Petitioner's husband's employment. Petitioner did not return the completed form until January 23, 2026.

On November 9, 2025, the Department received a letter from Petitioner acknowledging receipt of the September 9, and October 22, 2025, verification checklists. Petitioner also stated that SS had no W-2 wages from SS's business and that all income information for 2025, specifically January through August 2025, was provided to the Department on September 19, 2025. Further, Petitioner stated that to the best of Petitioner's understanding all requested information had been provided to the Department and, "If something appears missing...we would greatly appreciate guidance so we can supply the exact items you need."

While Petitioner did not return the Employment Verification Form timely, Petitioner timely advised the Department that it was Petitioner's understanding that all requested information had been submitted and to contact Petitioner if additional information was needed. There was no evidence that the Department attempted to contact Petitioner to assist Petitioner. Since Petitioner cooperated within Petitioner's ability to provide verifications and provided the Department with the completed Employment Verification Form as soon as Petitioner received assistance from the Department, the Department should not have closed Petitioner's FAP benefits beginning October 1, 2025. Therefore, the Department's decision is reversed.

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 did not act in accordance with its policies and the applicable law when it closed Petitioner's FAP benefits beginning October 1, 2025.

IT IS ORDERED the Department's decision is **REVERSED**. The Department shall redetermine Petitioner's eligibility for FAP benefits beginning October 1, 2025, with the verifications Petitioner provided, and the Department shall assist Petitioner in obtaining additional information if the Department determines that the verifications that Petitioner provided are insufficient. The Department shall begin to implement this decision within 10 days of the date of mailing of this decision and order.