

## **ISSUE**

The issue is whether MDHHS properly denied Petitioner's Food Assistance Program (FAP) application.

## **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 and reported \$REDACTED in monthly net self-employment income.
1. On October 31, 2025, MDHHS interviewed Petitioner who reported that he had no self-employment income from July through September 2025 due to an injury.
2. On October 31, 2025, MDHHS mailed Petitioner a Verification Checklist (VCL) requesting by November 10, 2025, statements of Petitioner's self-employment income from August through-h October 2025.
3. On November 18, 2025, MDHHS sent notice that Petitioner's FAP application was denied due to a failure to verify self-employment income.
4. On February 6, 2026, Petitioner verbally requested a hearing to dispute the denial of FAP benefits.
5. On February 11, 2026, MDHHS began reprocessing Petitioner's application and sent Petitioner a Verification of Employment due by February 23, 2026. The document requested a statement of income from July through September 2025.
6. On February 23, 2026, MDHHS received Petitioner's Verification of Employment which reported no income from July through September 2025.

## **CONCLUSIONS OF LAW**

The FAP [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036d. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers the FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3031. FAP policies are contained in the BAM, BEM, and RFT.

Petitioner verbally requested a hearing to dispute a denial of FAP benefits.<sup>1</sup> Exhibit A, pp. 3-5. Petitioner applied for FAP benefits on REDACTED 2025. Exhibit A, pp. 7-13. A Notice of Case Action dated November 18, 2025, stated that Petitioner's application was denied

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<sup>1</sup> MDHHS clients may verbally request a hearing to dispute FAP eligibility (see BAM 600).

due to an alleged failure to verify information. Exhibit A, pp. 23-27. MDHHS testified that Petitioner's specific failure was to verify income.

For all programs, MDHHS is to tell the client what verification is required, how to obtain it, and the due date. BAM 130 (May 2024) p. 3. MDHHS is to use the DHS-3503, Verification Checklist (VCL), to request verification. *Id.* For FAP benefits, MDHHS is to allow the client 10 calendar days (or other time limit specified in policy) to provide the verification that is requested. *Id.*, p. 7. For FAP benefits, MDHHS is to send a negative action notice when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed and the client has not made a reasonable effort to provide it. *Id.*

Petitioner's application reported receipt of \$REDACTED in net monthly self-employment income.<sup>2</sup> In response, MDHHS sent Petitioner a VCL on October 31, 2025, requesting self-employment income verification by November 10, 2025. Exhibit A, pp. 14-16. The VCL was accompanied by three Self-Employment Income and Expense Statements.<sup>3</sup> Exhibit A, pp. 17-22. MDHHS initially contended that Claimant's failure to return the self-employment income statements or any other documents justified the application denial. However, MDHHS later revisited Petitioner's case.

After Petitioner requested a hearing, MDHHS discovered that Petitioner reported during his application interview on October 31, 2025, that his income derived from an LLC. Income from an LLC is to be factored as employment income. BEM 501 (October 2025) p. 1. Based on Petitioner's income being considered wages (i.e. not self-employment), MDHHS sent Petitioner a Verification of Employment on February 11, 2026, requesting a statement of Petitioner's wages from July through September 2025. Exhibit A, pp. 28-30. When Petitioner returned to MDHHS the Verification of Employment on its due date of February 23, 2026, Petitioner reported \$0 income from July through September 2025. MDHHS contended that because Petitioner's reporting conflicted with his application reporting, Petitioner's application remained properly denied.

Petitioner testified that he was injured when he applied for FAP benefits and had not earned any self-employment income since before July 2025. Petitioner testified that he only reported income on his application due to a misunderstanding of the questions being asked. During the hearing, MDHHS acknowledged that Petitioner reported having \$0 income from July through September 2025 during an interview on October 31, 2025.

Petitioner testified he emailed the requested self-employment statements to MDHHS on an unspecified date in response to the VCL dated October 31, 2025. Petitioner did not corroborate his testimony. The evidence did not establish that Petitioner timely return self-employment statements to MDHHS.

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<sup>2</sup> Petitioner reported \$REDACTED in gross monthly self-employment income and monthly expenses of \$2,250.

<sup>3</sup> MDHHS generally projects a client's self-employment income using the three full months before the application month (see BEM 505).

Arguably, Petitioner failed to comply with the VCL, by failing to return to MDHHS written statements of having no income. However, it was not clear that MDHHS expected written statements from Petitioner after MDHHS reprocessed Petitioner's application in February 2026. MDHHS's expectation in February 2026 that Petitioner report having income from July through September 2025 seemed misguided after Petitioner's interview reporting he had no such income. If MDHHS was expecting a written statement from Petitioner concerning income received from July through September 2025, it received it on the Verification of Employment when Petitioner reported having none.

Given the evidence, MDHHS did not establish that Petitioner failed to verify information. Thus, MDHHS did not establish that it properly denied Petitioner's application for FAP benefits. As a remedy, Petitioner is entitled to a reprocessing of his FAP benefit application dated REDACTED, 2025.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's FAP benefit application. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Reregister Petitioner's FAP benefit application dated REDACTED, 2025;
- (1) Reprocess Petitioner's application subject to the finding that MDHHS did not establish that Petitioner failed to verify information; and
- (2) Issue notice and supplements, if any, in accordance with policy.

The actions taken by MDHHS are **REVERSED**.