

## **ISSUE**

Did the Department properly close Petitioner's Food Assistance Program (FAP) case due to excess net income?

## **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 December 19, 2025, the Department received a completed Semi-Annual Contact Report (SACR) from Petitioner that was due January 31, 2026. Petitioner reported that she was employed as a private duty nurse for an individual (Employer 1) and received child support income. She also reported that she paid housing expenses plus heat and other utilities. (Exhibit A, pp. 5 – 6).
2. On January 27, 2026, the Department sent Petitioner a Verification Checklist (VCL) that requested verification of her last 30 days of income from Employer 1 and REDACTED (Employer 2) by February 6, 2026. The Department included two Employment Verification forms; one for Employer 1, the other for Employer 2. (Exhibit A, pp. 7 – 15).
3. On February 6, 2026, the Department received verification of Petitioner's income for Employer 1 and Employer 2. (Exhibit A, pp. 34 – 53).
4. On February 7, 2026, the Department sent Petitioner a Notice of Case Action (NOCA) that closed her FAP case effective February 1, 2026, for failure to return verification of her income. (Exhibit A, pp. 16 – 17).
5. On February 13, 2026, the Department received a verbal request for hearing from Petitioner, disputing the closure of her FAP case. (Exhibit A, p. 3).
6. On February 24, 2026, the Department sent Petitioner a manual NOCA that closed her FAP case effective February 1, 2026, due to excess net income for a four-person FAP group. The NOCA included a budget summary that reflected the Department budgeted REDACTED in earned income, REDACTED unearned income, and housing and utility expenses when it determined Petitioner's net income. (Exhibit A, pp. 30 – 31).

## **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 disputed the closure of her FAP case. The Department initially closed Petitioner's FAP case for failure to return verification of income and testified that the reason it initially provided was an error. The Department subsequently notified Petitioner that her FAP case was closed effective February 1, 2026, due to excess net income for a four-person FAP group.

Determination of a client's eligibility for program benefits begins with the client's actual income and/or prospective income and the Department must consider all countable earned and unearned income available to the client. BEM 500 (January 2026), pp. 1 – 4. For purposes of FAP, wages are earned income and the Department must count the gross amount to determine the client's FAP benefit eligibility. BEM 500, pp. 3 – 4; BEM 501 (October 2025), pp. 6 – 7.

Prospective income is income not yet received, but expected, and is 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, 6 – 7. 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.

Here, the Department testified Petitioner had excess net income for continuing FAP benefits. The record established that the Department budgeted a total of REDACTED in countable earned income and REDACTED unearned income when it determined Petitioner's eligibility for FAP benefits. Although the Department did not introduce a net income budget, it testified that it budgeted REDACTED in earned income from Employer 1 and REDACTED in earned income from Employer 2. However, the Department was unable to identify which pay dates it considered when it calculated Petitioner's earned income. Although it was unclear whether Petitioner is paid semi-monthly or bi-weekly by Employer 1, a review of Petitioner's income from each employer, converted to a standard monthly amount, does not support the Department's calculation of her income. Thus, the Department failed to establish that it calculated Petitioner's countable income in accordance with policy. Because the net income calculation cannot be completed without a correct calculation of Petitioner's countable income, the Department has failed to establish that it properly closed Petitioner's FAP case due to excess net income.

### **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 closed Petitioner's FAP case effective February 1, 2026, due to excess net income.

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. Redetermine Petitioner's eligibility for FAP benefits effective February 1, 2026, including a redetermination of her countable income;
2. If Petitioner is eligible for any supplemental FAP benefits, issue supplemental payments to her for any FAP benefits she was eligible to receive but did not, effective February 1, 2026; and
3. Notify Petitioner of its decision in writing.