

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2006-25150  
Issue No.: 3020/1030  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: November 22, 2010  
Wayne County DHS (17)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on November 22, 2010. The claimant appeared and testified. [REDACTED], Recoupment Specialist, appeared on behalf of the Department.

**ISSUE**

Whether the Department is entitled to an over issuance and recoupment of Family Independence Program Cash Assistance ("FIP") and Food Assistance Program ("FAP") benefits?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Claimant was an active FIP and FAP recipient.
2. During the period, the Department sought recoupment and claimed an over issuance the claimant was enrolled in the WorkFirst work study program with the approval of Work First. The claimant's income was solely derived from the WorkFirst work-study program.
3. At the hearing, the department claimed in over issuance of both FIP and FAP benefits and then it withdrew its request for an over issuance and recoupment during the hearing.

4. The department previously had recouped \$2,906 from the claimant by claiming a tax off set for recoupment of overissued FAP benefits.
5. The department also sought an over issuance of FIP benefits in the amount of the amount of \$2263.
6. At the hearing, the department stipulated and agreed that it was not entitled to include the claimant's WorkFirst approved work study income when the Department calculated the claimant's FIP and FAP benefits. When the department included the work-study income the resulting over issuance of FAP and FAP benefits occurred. The Department conceded that its claim of an over issuance of both FIP and FAP benefits in February 2006 was incorrect and in error in accordance with PEM 500.
7. The department further stipulated and agreed that the claimant is entitled to a reimbursement in the amount of \$2906. The department further stipulated that it had improperly received the claimant's tax refund through a tax offset for recoupment of FAP benefits.
8. The department further agreed to close the pending case for recoupment of FIP benefits.
9. As a result of the department's stipulations and agreements, the claimant indicated that she no longer wished to proceed with the hearing.

### **CONCLUSIONS OF LAW**

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the FAP program pursuant to CML 400.10 *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (formerly known as the Family Independence Agency) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the

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Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Under Bridges Administrative Manual Item 600, clients have the right to contest any agency decision affecting eligibility or benefit levels whenever they believe the decision is illegal. The agency provides an Administrative Hearing to review the decision and determine if it is appropriate. Agency policy includes procedures to meet the minimal requirements for a fair hearing. Efforts to clarify and resolve the client's concerns start when the agency receives a hearing request and continues through the day of the hearing.

In the present case, the Department admitted it was not entitled to claim an over issuance and recoupment of the claimant's FIP and FAP benefits during the period February 2006. The department further stipulated and agreed that tax offset it received from the State of Michigan in the amount of \$2906 was improperly received by the department as it was not entitled to recoupment of the claimant's FAP benefits.

The department further explained that the Claimant's income used to calculate the over issuance should not have been included in the claimant's budgets as the income resulted from a WorkFirst work-study program and that such income is exempt in accordance with PEM 500.

The department further stipulated and agreed that the claimant was entitled to reimbursement in the amount of \$2906 for a FAP recoupment that it was not entitled to receive. The Claimant indicated that the department's offer of reimbursement was acceptable and that she no longer wished to proceed with the hearing. Since the Claimant and the Department have come to an agreement it is unnecessary for this Administrative Law Judge to make a decision regarding the facts and issues in this case.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department and Claimant have come to a settlement regarding claimant's request for a hearing.

Accordingly it is ORDERED:

1. The claimant is entitled to a reimbursement from the Department in the amount of \$2906 to reimburse the claimant for a tax off set claim by the department and received by the department as a result of a recoupment of the claimant's over issued FAP benefit.

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2. The department shall reimburse the claimant in the amount of \$2906 for the tax offset payment the department improperly received.
3. The department shall close the pending FIP over issuance and recoupment case as it agreed that it is not entitled to receive any recoupment of FIP benefits received by the claimant during the period February 2006 which was the subject matter of this case.



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Lynn M. Ferris  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: 11/29/2010

Date Mailed: 11/29/2010

**NOTICE: Administrative Hearings may order a** rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt of the rehearing decision.

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