

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 200718017  
Issue No: 4060  
Case No: [REDACTED]  
Hearing Date: July 26, 2011  
Kent County DHS

**ADMINISTRATIVE LAW JUDGE:** Vicki L. Armstrong

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to 7 CFR 273.18, 45 CFR 233.20(a)(13), MCL 400.9, MCL 400.37, MCL 400.43(a), MAC R 400.941 and MCL 24.201, *et seq.*, upon a hearing request by the Department of Human Services (department) to establish an over issuance of benefits to Respondent. After due notice was mailed to Respondent, a hearing was held July 26, 2011. Respondent personally appeared and provided testimony.

**ISSUE**

Whether Respondent received an over issuance of Short Term Family Support (STFS) benefits that the department is entitled to recoup?

**FINDINGS OF FACT**

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

1. Respondent applied for cash assistance on September 18, 2006. (Hearing Summary)
2. Respondent signed Assistance Application (DHS-1171) on September 18, 2006, acknowledging that she understood her failure to give timely, truthful, complete and accurate information about her circumstances could result in a civil or criminal action or an administrative claim against her. (Department Exhibits 8-15).
3. On September 27, 2006, Respondent's application was approved for the Short Term Family Support (STFS) grant. (Hearing Summary)

4. On October 6, 2006, Respondent was issued an STFS lump sum payment of [REDACTED]. (Department Exhibit 16).
5. On November 27, 2006, during a quality assurance review, the agency discovered that Respondent received child support and as a result, was not eligible for the STFS grant. (Department Exhibits 17-19).
6. Respondent received [REDACTED] in STFS benefits during the period of October 2006. If the child support income had been properly budgeted by the agency, Respondent would not have been eligible to receive the STFS benefits. (Department Exhibits 16-19).
7. The agency failed to verify or properly budget Respondent's income, resulting in an STFS over issuance for the month of October 2006, in the amount of [REDACTED]. (Department Exhibits 16-19).

### **CONCLUSIONS OF LAW**

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 (DHS or Department) 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Reference Tables Manual (RFT).

The Short Term Family Support (STFS) was Michigan's diversion from on-going FIP for a target population of FIP applicants. Families who were normally self sufficient and facing temporary obstacles to continued self sufficiency were better served by a one-time lump sum payment, rather than ongoing cash assistance. STFS was a lump sum payment issued to targeted FIP eligible families in exchange for their agreement not to receive FIP for four months. The amount of the payment was equal to three times the amount of FIP authorized for any part of the STFS period not to exceed the amount of STFS issued. The STFS period was four consecutive months that began with the month of application.

Departmental policy, BAM 725, Collection Actions, states that when the client group receives more benefits than entitled to receive, DHS must attempt to recoup the over issuance (OI). Repayment of an OI is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the OI occurred. Bridges will collect from all adults who were a member of the case. OIs on active programs are repaid by lump sum cash payments, monthly cash payments (when court ordered), and administrative recoupment (benefit reduction). OI balances on inactive cases must be repaid by lump sum or monthly cash payments unless collection is suspended.

In this case, the agency has admitted that Respondent reported her child support income and that the agency did not follow their policies in verifying Respondent's eligibility for STFS. Because the agency failed to follow their policies, Respondent's child support income was not budgeted. Regardless of fault, the department must attempt to recoup the over issuance. Here, Respondent received [REDACTED] in October 2006. If the department had properly budgeted Respondent's child support income, Respondent would not have been eligible to receive the STFS. As a result, Respondent received an over issuance of [REDACTED].

Claimant testified that she does not feel it was her error if her case worker and her case worker's supervisor did not check everything they were supposed to. Claimant's grievance centers on dissatisfaction with the agency's current policy. Claimant's request that she be exempt from repaying the over issuance is not within the scope of authority delegated to this Administrative Law Judge. Administrative Law Judges have no authority to make decisions on constitutional grounds, overrule statutes, overrule promulgated regulations, or make exceptions to the department policy set out in the program manuals. Furthermore, administrative adjudication is an exercise of executive power rather than judicial power, and restricts the granting of equitable remedies. *Michigan Mutual Liability Co. v Baker*, 295 Mich 237; 294 NW 168 (1940). As such, the agency's request for recoupment must be upheld.

This Administrative Law Judge finds that the evidence presented by the agency shows that Respondent received more benefits that she was entitled to receive. Therefore, Respondent is responsible for repayment of the over issuance.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that Respondent received an over issuance of STFS benefits for the month of October 2006 that the department is entitled to recoup.

The agency is therefore entitled to recoup the STFS over issuance of [REDACTED] from Respondent.

It is SO ORDERED.

/s/

Vicki L. Armstrong  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: August 1, 2011

Date Mailed: August 1, 2011

**NOTICE:** The law provides that within 60 days of mailing of the above Decision the Respondent may appeal it to the circuit court for the county in which he/she resides or has his or her principal place of business in this state, or in the circuit court for Ingham County. Administrative Hearings, on its own motion, or on request of a party within 60 days of the mailing date of this Hearing Decision, may order a rehearing.

VLA/cr

cc:

