

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:

[REDACTED]

[REDACTED]

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Respondent's request for a hearing on [REDACTED]. After due notice, a telephone hearing was held on [REDACTED]. The Respondent personally appeared and provided testimony.

**ISSUE**

Did the department act properly in trying to recover a FIP overissuance that Respondent received due to department error?

**FINDINGS OF FACT**

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

1. Respondent had been a FIP recipient at all times relevant to this matter.
2. On [REDACTED], Claimant reported her employment with [REDACTED]. Claimant submitted her paystubs from [REDACTED] Komfort on [REDACTED] showing she received her first paycheck from [REDACTED] on [REDACTED]. A new budget was completed in Bridges on [REDACTED] (Department Exhibits 1, 5-9).
3. On [REDACTED] Bridges ran an updated FIP budget and determined that Claimant had received an overissuance in [REDACTED] 10. (Hearing Summary).
4. As a result of the department error, Respondent received a [REDACTED] FIP overissuance during the period of [REDACTED] [REDACTED] (Department Exhibit #3).

5. On [REDACTED], the department sent Respondent written notice of the FIP overissuance (DHS-4358-A), requesting that she repay it. (Department Exhibit #3).
6. On [REDACTED], the department received Respondent's hearing request, protesting the department's determination that she must repay the FIP overissuance that she received due to the department's error.
7. The department proceeded with the recoupment while this hearing was pending and as of the date of the hearing, Claimant's [REDACTED] balance is [REDACTED]

### **CONCLUSIONS OF LAW**

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

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 Bridges Reference Manual (BRM).

All earned and unearned income available to the Respondent is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

An overissuance is the amount of benefits issued to the client group in excess of what they were eligible to receive. BAM 705. The amount of the overissuance is the amount of benefits the group actually received minus the amount the group was eligible to

receive. BAM 720. When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the overissuance. BAM 700.

Department errors are caused by incorrect actions by the Department. BAM 705. Department error overissuances are not pursued if the estimated overissuance is less than [REDACTED] per program. BAM 700. Client errors occur when the customer gave incorrect or incomplete information to the Department. Client errors are not established if the overissuance is less than [REDACTED] [REDACTED] is a result of a quality control audit finding. BAM 700.

In this case, Claimant began working at [REDACTED], and did not report her new employment to the department until [REDACTED]. Because Claimant did not report her new employment within [REDACTED] this was a client error. However, when the department received paystubs from Claimant and entered the new employment information into Bridges on [REDACTED] Claimant's FIP benefits did not change, and she was issued the \$ [REDACTED] although she was only eligible to receive \$ [REDACTED] based on her employment income.

The department explained that sometimes the department's computer system, Bridges, will not process changes when it is in "case change" mode, and that is what happened in this case. Despite the new employment date being entered on receipt, Bridges did not update its system until [REDACTED] at which point the overissuance in [REDACTED] [REDACTED] was discovered. If Bridges had updated its system when the change was entered, Respondent would not have received the overissuance. Therefore, this was a department error because Bridges did not timely update the new information.

Due to the department error, this income was not used to determine Respondent's eligibility for FAP benefits for the time period of [REDACTED] [REDACTED] and Respondent received a monthly FAP allotment of [REDACTED]. Respondent was only eligible for a monthly FAP allotment of \$ [REDACTED] during [REDACTED]. As a result, Respondent received a [REDACTED] FAP overissuance during [REDACTED].

Based on the evidence and testimony available during the hearing, the department has established that Respondent received a [REDACTED]0 FAP overissuance, which the department has partially recouped and Claimant's balance is [REDACTED].

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department established that Respondent received a [REDACTED] FAP overissuance, of which she still owes [REDACTED].

Accordingly, the department's recoupment of overissued FAP benefits of [REDACTED] is AFFIRMED.

It is SO ORDERED.

/s/ \_\_\_\_\_  
[Redacted Signature]

Date Signed: \_\_\_\_\_ [Redacted]

Date Mailed: \_\_\_\_\_ [Redacted]

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

[Redacted]

[Redacted]

[Redacted]