

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-010916  
Issue No.: 3006  
Case No.: [REDACTED]  
Hearing Date: October 2, 2014  
County: JACKSON

**ADMINISTRATIVE LAW JUDGE: Darryl Johnson**

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on October 2, 2014, from Lansing, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], her Case Manager from [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Recoupment Specialist [REDACTED].

**ISSUE**

Did the Department properly reduce Claimant's Food Assistance Program (FAP) benefits for a recoupment?

**FINDINGS OF FACT**

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

1. Claimant was an on-going FAP recipient.
2. On August 29, 2014, the Department issued a Notice of Overissuance (Exhibit 1 Pages 6-8) informing Claimant that the Department had erred in providing her with benefits of [REDACTED] more in benefits in the Food Assistance Program (FAP) than she should have received. The error occurred because the Department did not accurately include in Claimant's budgets all of her income from employment.
3. The Department received Claimant's hearing request on September 4, 2014.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, 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 Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

When the Department calculates a FAP budget it takes into account, among many other factors, the earned and unearned income the Claimant receives. The Claimant did not dispute the amounts used by the Department in her budget. There is no evidence that the Department erred in its calculation of Claimant's FAP benefits after taking into account her income and expenses. Regarding the reduction because of the recoupment, the Department provided evidence in the form of monthly budgets reflecting what Claimant received, and what she should have received had the Department budgeted her income correctly. (Exhibit 1 Pages 14-28.) Claimant's income is reported at Exhibit 1 Page 13.

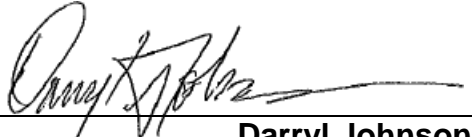
As explained in BAM 7005 (12/1/11) at page 5, "The amount of the OI is the benefit amount the group actually received minus the amount the group was eligible to receive." Continuing at page 8, the recoupment process is explained: "Bridges automatically starts the recoupment process. The client is instructed to return the repay agreement (DHS-4358B) to the welfare debt unit (WDU) or to the RS if a hearing is requested."

It is not within the scope of the Administrative Law Judge's authority to create new guidelines, eligibility criteria, or deductibles that the Department is to use. The issues that can be decided are whether the Department followed policy with respect to each program, based upon the existing rules, laws, policies, etc. Claimant requested a hearing because she did not think she should be ordered to repay benefits that were paid because of an agency error. The policy is for the Department to pursue an over-issuance, even in the case of a Department error, unless they are under [REDACTED]. "Agency error OIs are not pursued if the estimated OI amount is less than [REDACTED] per program." BAM 705 (12/1/11) p 1.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it imposed a recoupment on Claimant's Food Assistance Program benefits.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

  
**Darryl Johnson**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **10/7/2014**

Date Mailed: **10/7/2014**

DJ/jaf

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

CC:

