



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: April 21, 2016  
MAHS Docket No.: 15-013081

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Vicki Armstrong**

**HEARING DECISION**

Upon the request for a hearing by the Department of Health and Human Services (Department), this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, and in accordance with Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16 and 45 CFR 235.110; and with Mich Admin Code, R 400.3130 and 400.3178. After due notice, a telephone hearing was held on April 14, 2016, from Lansing, Michigan. The Department was represented by Recoupment Specialist [REDACTED] and Assistance Payment Supervisor [REDACTED]. Respondent personally appeared and testified.

**ISSUE**

Did Respondent receive an overissuance of Child Care and Development benefits?

**FINDINGS OF FACT**

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

1. The Department submitted Exhibit A, pages 1-81 with no objection. (Dept. Exh. A, pp 1-81).
2. Respondent applied for CDC on April 20, 2009 and was a recipient of CDC benefits from the Department at all times pertinent to this hearing. (Dept. Exh. A, pp 64-79).
3. The Department alleges Respondent received a CDC overissuance during the period of July 10, 2009 through June 5, 2010, due to a Department's system error of upgrading from the old computer system to Bridges.

4. The Department alleges that Respondent received a [REDACTED] overissuance that is still due and owing to the Department.

### **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), and Department of Health and Human Services Reference Tables Manual (RFT).

The Child Development and Care (CDC) program is established by Titles IV-A, IV-E and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

Departmental policy, BAM 700, Benefit Overissuances, states that when a client group receives more benefits than entitled to receive, the Department must attempt to recoup the overissuance. BAM 700, p 1 (1/1/2016). Repayment of an overissuance is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the overissuance occurred. BAM 725, p 1 (10/1/2015). Bridges will collect from all adults who were a member of the case. *Id.*

An agency error is caused by incorrect action (including delayed or no action) by the Department staff or Department processes. BAM 700, p 4 (1/1/2016). Agency errors will be assigned to the client depending on the type of agency error that occurred. *Id.* at 6.

In this case, the Department representative testified that Respondent's monthly income was significantly under-budgeted for the CDC program from July 10, 2009, through June 5, 2010 due to a system error at conversion from the old computer program to Bridges.

Respondent testified that she should not be held responsible for the agency's error and she could not afford to repay the [REDACTED].

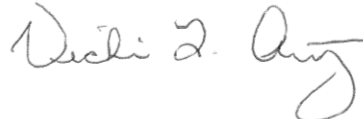
However, in accord with Department policy, the Department must attempt to recoup the overissuance regardless of fault. BAM 700, p 6 (1/1/2016). Because the Department failed to properly budget Respondent's earned income due to a system error, Respondent received an overissuance of [REDACTED] during the period of July 10, 2009, through June 5, 2010.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department did establish a CDC benefit overissuance to Respondent totaling [REDACTED]

**DECISION AND ORDER**

Accordingly, the Department is AFFIRMED.

The Department is ORDERED to initiate collection procedures for a [REDACTED] overissuance in accordance with Department policy.



VLA/db

**Vicki Armstrong**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

**DHHS**

[REDACTED]

**Petitioner**

[REDACTED]