



Date Mailed: March 19, 2025

Docket No.: 25-007639

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

HEARING DECISION

On [REDACTED] 2025, Petitioner [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) benefit overpayment. As a result, a hearing was scheduled to be held on March 13, 2025. Public assistance hearings are held pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Petitioner's mother, [REDACTED], appeared with Petitioner. Respondent Michigan Department of Health and Human Services (Department) had Overpayment Establishment Analyst Alisha Young appear as its representative. Neither party had any additional witnesses.

Both parties provided sworn testimony, and two exhibits were admitted into evidence. An 84-page packet of documents provided by the Department was admitted collectively as Exhibit A, and a 13-page packet of documents provided by Petitioner was admitted collectively as Exhibit 1.

ISSUE

Did the Department properly determine that Petitioner owes the Department a debt of \$8,623.00 for Food Assistance Program (FAP) benefits that were overpaid to her for the months of April 2024 through December 2024?

FINDINGS OF FACT

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

1. On [REDACTED] 2024, the Department received information indicating that [REDACTED] obtained new employment at Midwest Press and Automation.
2. The Department did not properly process the information it received about [REDACTED] employment.
3. On February 15, 2024, the Department mailed a notice of case action to Petitioner to notify her that she was approved for FAP benefits. The notice informed Petitioner that she was approved for a FAP benefit amount of \$973.00 per month based on the following:
 - a. Group size of four consisting of Petitioner, [REDACTED] and [REDACTED]
 - b. [REDACTED] earned income per month.
 - c. [REDACTED] unearned income per month.
 - d. \$1,042.42 housing cost per month.
 - e. \$208.00 standard deduction per month.
 - f. \$680.00 heat/utility standard per month.
4. The Department issued FAP benefits to Petitioner without considering [REDACTED] earned income from his employment at Midwest Press and Automation.
5. [REDACTED] received the following gross wages from his employment at Midwest Press and Automation:
 - a. [REDACTED] paid February 23, 2024.
 - b. [REDACTED] paid March 8, 2024.
 - c. [REDACTED] paid March 22, 2024.
 - d. [REDACTED] paid April 5, 2024.
 - e. [REDACTED] paid April 19, 2024.
 - f. [REDACTED] paid May 3, 2024.
 - g. [REDACTED] paid May 17, 2024.

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- h. [REDACTED] paid May 31, 2024.
 - i. [REDACTED] paid June 14, 2024.
 - j. [REDACTED] paid June 28, 2024.
 - k. [REDACTED] paid July 12, 2024.
 - l. [REDACTED] paid July 26, 2024.
 - m. [REDACTED] paid August 9, 2024.
 - n. [REDACTED] paid August 23, 2024.
 - o. [REDACTED] paid September 6, 2024.
 - p. [REDACTED] paid September 20, 2024.
 - q. [REDACTED] paid October 4, 2024.
 - r. [REDACTED] paid October 18, 2024.
 - s. [REDACTED] paid November 1, 2024.
 - t. [REDACTED] paid November 15, 2024.
 - u. [REDACTED] paid November 29, 2024.
 - v. [REDACTED] paid December 13, 2024.
 - w. [REDACTED] paid December 27, 2024.

6. Petitioner received the following child support payments:

- a. [REDACTED] in April 2024.
- b. [REDACTED] in May 2024.
- c. [REDACTED] in June 2024.
- d. [REDACTED] in August 2024.
- e. [REDACTED] in November 2024.

7. The Department issued the following FAP benefits to Petitioner:

- a. \$973.00 for April 2024.
- b. \$973.00 for May 2024.

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- c. \$973.00 for June 2024.
 - d. \$973.00 for July 2024.
 - e. \$973.00 for August 2024.
 - f. \$973.00 for September 2024.
 - g. \$975.00 for October 2024.
 - h. \$975.00 for November 2024.
 - i. \$975.00 for December 2024.
8. On or about December 16, 2024, the Department discovered that it erroneously issued FAP benefits to Petitioner without considering [REDACTED] earned income from his employment at Midwest Press and Automation, so the Department reviewed Petitioner's case for a possible overpayment.
 9. The Department redetermined Petitioner's eligibility for FAP benefits for each month from April 2024 through December 2024, and the Department determined that Petitioner was eligible to receive the following FAP benefits:
 - a. \$0.00 for April 2024.
 - b. \$0.00 for May 2024.
 - c. \$0.00 for June 2024.
 - d. \$0.00 for July 2024.
 - e. \$0.00 for August 2024.
 - f. \$61.00 for September 2024.
 - g. \$79.00 for October 2024.
 - h. \$0.00 for November 2024.
 - i. \$0.00 for December 2024.
 10. The Department determined that it overpaid Petitioner due to the Department's error.
 11. The Department determined that it overpaid Petitioner \$8,623.00 in FAP benefits because it issued her a total of \$8,763.00 for the months of April 2024 through December 2024 when she was only eligible to receive a total of \$140.00.

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12. On February 11, 2025, the Department mailed Petitioner a notice of overissuance to notify her that she was overpaid \$8,623.00 in FAP benefits for the months of April 2024 through December 2024.
 13. Petitioner requested a hearing to dispute the overpayment.

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), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that it overpaid Petitioner \$8,623.00 in FAP benefits for the months of April 2024 through December 2024. When a client receives more benefits than she was entitled to receive, the Department must attempt to recoup the overpayment. BAM 700 (June 1, 2024), p. 1. The overpayment amount is the amount of benefits in excess of the amount the client was eligible to receive. *Id.* at 2.

The Department determined that it overpaid FAP benefits to Petitioner because the Department did not properly process the information it received about [REDACTED] employment at Midwest Press and Automation. The Department acknowledged that the overpayment was due to the Department's error. The Department properly determined that the first month that was affected by the Department's error was April 2024 because the Department first learned about [REDACTED] employment on February 12, 2024, and the first month that Department would have been able to decrease Petitioner's FAP benefit amount would have been April 2024.

In April 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in April 2024, a 20% earned income deduction, and the [REDACTED] in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross

income limit was \$3,250.00. RFT (October 1, 2023). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$973.00 in FAP benefits for the month, so the Department overpaid Petitioner \$973.00. The Department properly determined that it overpaid Petitioner \$973.00.

In May 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in May 2024, a 20% earned income deduction, and the [REDACTED] in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,250.00. RFT (October 1, 2023). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$973.00 in FAP benefits for the month, so the Department overpaid Petitioner \$973.00. The Department properly determined that it overpaid Petitioner \$973.00.

In June 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in June 2024, a 20% earned income deduction, and the \$290.00 in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,250.00. RFT (October 1, 2023). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$973.00 in FAP benefits for the month, so the Department overpaid Petitioner \$973.00. The Department properly determined that it overpaid Petitioner \$973.00.

In July 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in July 2024, a 20% earned income deduction, and the [REDACTED] in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,250.00. RFT (October 1, 2023). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$973.00 in FAP benefits for the month, so the Department overpaid Petitioner \$973.00. The Department properly determined that it overpaid Petitioner \$973.00.

In August 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in August 2024, a 20% earned income deduction, and the \$734.60 in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,250.00. RFT (October 1, 2023). Petitioner was ineligible for FAP

benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$973.00 in FAP benefits for the month, so the Department overpaid Petitioner \$973.00. The Department properly determined that it overpaid Petitioner \$973.00.

In September 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in September 2024, a 20% earned income deduction, and the [REDACTED] in child support income

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that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,250.00. RFT (October 1, 2023). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$973.00 in FAP benefits for the month, so the Department overpaid Petitioner \$973.00. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$912.00.

In October 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in October 2024, a 20% earned income deduction, and the [REDACTED] in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income did not exceed the gross income limit. The gross income limit was \$3,380.00. RFT (October 1, 2024). Petitioner's net household income was \$2,977.00. This was determined based on a \$217.00 standard deduction, a \$1,042.42 housing cost, and a \$664.00 heat/utility standard. 7 CFR 273.10(e)(1)(i)(A). Petitioner's net household income exceeded the net income limit. The net income limit was \$2,600.00 for a group size of four. RFT 250 (October 1, 2024). Petitioner was ineligible for FAP benefits because her net household income exceeded the net income limit. The Department issued Petitioner \$975.00 in FAP benefits for the month, so the Department overpaid Petitioner \$975.00. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$896.00.

In November 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in November 2024, a 20% earned income deduction, and the [REDACTED] in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,380.00. RFT (October 1, 2024). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$975.00 in FAP benefits for the month, so the Department overpaid Petitioner \$975.00. The Department properly determined that it overpaid Petitioner \$975.00.

In December 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross earnings that [REDACTED] received in December 2024, a 20% earned income deduction, and the [REDACTED] in child support income that Petitioner received. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the gross income limit. The gross income limit was \$3,380.00. RFT (October 1, 2024). Petitioner was ineligible for FAP benefits because her gross household income exceeded the gross income limit. The Department issued Petitioner \$975.00 in FAP benefits for the month, so the Department overpaid Petitioner \$975.00. The Department properly determined that it overpaid Petitioner \$975.00.

The Department properly determined that it overpaid FAP benefits to Petitioner for the months of April 2024 through December 2024. However, the Department did not properly determine the overpayment amount. The Department overpaid Petitioner \$973.00 for April 2024, \$973.00 for May 2024, \$973.00 for June 2024, \$973.00 for July 2024, \$973.00 for August 2024, \$973.00 for September 2024, \$975.00 for October 2024, \$975.00 for November 2024, and \$975.00 for December 2024. Thus, the Department overpaid Petitioner a total of \$8,763.00 for the months of April 2024 through December 2024. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$8,623.00.

Although this overpayment was caused by the Department's error, the Department was still required to pursue Petitioner for the overpayment. A FAP overpayment that results from the Department's error must be pursued by the Department when the amount is greater than or equal to \$250.00. BAM 700 at 5 and BAM 705 (June 1, 2024), p. 1. The amount of the overpayment was greater than or equal to \$250.00. Thus, although Petitioner received an overpayment due to the Department's error, the Department acted in accordance with its policies when it pursued the overpayment.

Petitioner asserted that she should not be responsible for paying the overpayment because the Department did not notify her of the overpayment in a timely manner. The Department was required to establish a claim for overpayment before the last day of the quarter following the quarter in which the overpayment was discovered. 7 CFR 273.18(d)(1). The Department acted timely because the Department established the overpayment on February 11, 2025, after it discovered it on December 16, 2024. Additionally, a claim that is not established timely is still a valid claim. 7 CFR 273.18(d)(3). Thus, even if the Department did not act in a timely manner, Petitioner would still be responsible for paying the overpayment.

DECISION AND ORDER

The Administrative Law Judge, based on 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 its policies and the applicable law when it determined that it overpaid Petitioner FAP benefits, but the Department did not act in accordance with its policies and the applicable law when it determined the overpayment amount.

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IT IS ORDERED that the Department's decision is **AFFIRMED IN PART and REVERSED IN PART**. The Department's decision that it overpaid Petitioner FAP benefits is affirmed, but the Department's overpayment amount is reversed. The Department must pursue the overpayment amount of \$8,763.00 consistent with this decision. The Department must begin to implement this order within 10 days of the mailing date of this hearing decision.



JEFFREY KEMM
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

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Via Electronic Mail:

Agency Representative
ALISHA YOUNG
OVERPAYMENT ESTABLISHMENT SECTION
(OES)
235 S GRAND AVE STE 811
LANSING, MI 48933
**MDHHS-RECOUPMENT-
HEARINGS@MICHIGAN.GOV**

Respondent
SHIAWASSEE COUNTY DHHS
1720 E MAIN ST
OWOSSO, MI 48867
**MDHHS-SHIAWASSEE-
HEARINGS@MICHIGAN.GOV**

Interested Parties
BSC2
B. CABANAW
M. HOLDEN
MOAHR

Via First Class Mail:

Petitioner
[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

Interested Party
[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]