



Date Mailed: February 13, 2025

Docket No.: 25-003134

Case No.: 101281021

Petitioner: [REDACTED]

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

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HEARING DECISION

On January 24, 2025, Petitioner [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) overpayment determination. As a result, a hearing was scheduled to be held on February 11, 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. Respondent Michigan Department of Health and Human Services (Department) had Overpayment Establishment Analyst Lisa Carlson appear as its representative.

Sworn testimony was provided by both parties, and one exhibit was admitted into evidence. A 151-page packet of documents provided by the Department was admitted collectively as Exhibit A.

ISSUES

Did the Department properly determine that Petitioner owes the Department a debt of \$1,527.00 for Food Assistant Program (FAP) benefits that were overpaid to Petitioner for the months of March 2020 through May 2020?

Did the Department properly determine that Petitioner owes the Department a debt of \$3,106.00 for FAP benefits that were overpaid to Petitioner for the months of June 2020 through November 2020?

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 November 1, 2019, the Department mailed a notice of case action to Petitioner to notify her that she was eligible for FAP benefits. The notice notified Petitioner that she was eligible for a FAP benefit amount of \$182.00 per month for a household size of three. The notice stated that Petitioner's FAP benefit amount was based on a monthly budget that used the following information:
 - a. [REDACTED] for earned income;
 - b. [REDACTED] for unearned income;
 - c. \$548.66 for housing costs;
 - d. \$161.00 for a standard deduction; and
 - e. \$518.00 for a heat/utility standard.
2. The unearned income consisted of [REDACTED] Social Security SSI benefit of [REDACTED], Petitioner's Family Independence Program (FIP) benefit of \$158.00, plus child support income.
3. The notice of case action that was issued on November 1, 2019, instructed Petitioner to monitor her gross household income and notify the Department within 10 days of the end of the month if it exceeded \$2,311.00.
4. In January 2020, Petitioner began receiving [REDACTED] per month for spousal support, and Benjamin's SSI benefit increased to \$490.74 per month.
5. Petitioner was receiving FAP benefits from the Department when Petitioner began receiving income from spousal support, and Petitioner did not report the income to the Department.
6. The Department continued issuing FAP benefits to Petitioner without considering her income from spousal support.
7. The Department issued Petitioner the following FAP benefits:
 - a. \$509.00 for March 2020;

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- b. \$509.00 for April 2020; and
 - c. \$509.00 for May 2020.
 8. On April 6, 2020, the Department ran a consolidated inquiry report, which showed that Petitioner was receiving income from spousal support.
 9. The Department did not add Petitioner's spousal support income to her case, and the Department continued issuing FAP benefits to Petitioner without considering her income from spousal support.
 10. The Department issued Petitioner the following FAP benefits:
 - a. \$509.00 for June 2020;
 - b. \$509.00 for July 2020;
 - c. \$509.00 for August 2020;
 - d. \$509.00 for September 2020;
 - e. \$535.00 for October 2020; and
 - f. \$535.00 for November 2020.
 11. The Department subsequently discovered that it did not consider Petitioner's income from spousal support when it determined Petitioner's eligibility for FAP benefits, so the Department reviewed Petitioner's case and redetermined her eligibility for FAP benefits.
 12. The Department obtained data that showed Petitioner received the following child support payments:
 - a. [REDACTED] in January 2020;
 - b. [REDACTED] in February 2020;
 - c. [REDACTED] in March 2020;
 - d. [REDACTED] in April 2020;
 - e. [REDACTED] in May 2020;
 - f. [REDACTED] in June 2020;
 - g. [REDACTED] in July 2020;
 - h. [REDACTED] in August 2020;

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- i. [REDACTED] in September 2020;
 - j. [REDACTED] in October 2020; and
 - k. [REDACTED] in November 2020.
13. The Department determined that Petitioner's gross household income began to exceed the \$2,311.00 simplified reporting limit in January 2020, and the Department determined that Petitioner's March 2020 FAP benefits would have been affected if Petitioner would have reported it to the Department as instructed.
 14. The Department determined that Petitioner was ineligible for FAP benefits for the months of March 2020 through May 2020, and the Department overpaid Petitioner \$1,527.00 for those months because Petitioner did not report that her gross household income exceeded the \$2,311.00 simplified reporting limit.
 15. The Department determined that it did not properly process a consolidated inquiry report that showed Petitioner was receiving income from spousal support.
 16. The Department determined that Petitioner was ineligible for FAP benefits for the months of June 2020 through November 2020, and the Department overpaid Petitioner \$3,106.00 for those months because the Department did not add Petitioner's spousal support income to her case after the Department discovered it on a consolidated inquiry report.
 17. On January 14, 2025, the Department mailed two notices of overissuance to Petitioner. One notice notified Petitioner that the Department overpaid her \$1,527.00 in FAP benefits for the months of March 2020 through May 2020 due to a client error. The other notice notified Petitioner that the Department overpaid her \$3,106.00 in FAP benefits for the months of June 2020 through November 2020 due to an agency error.
 18. 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 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 FAP benefits to Petitioner because it did not properly budget Petitioner's income from spousal support. When a client receives more benefits than the client was entitled to receive, the Department must attempt to recoup the overissuance. BAM 700 (June 1, 2024), p. 1. The overissuance amount is the amount of benefits in excess of the amount the client was eligible to receive. *Id.* at 2.

In general, spousal support is countable unearned income. BEM 503 (January 1, 2025), pp. 34-35. The total amount is countable, except any portion that is court-ordered or legally obligated directly to a creditor or service provider. *Id.* In this case, the Department properly determined that Petitioner's income from spousal support was countable unearned income because it was not paid directly to a creditor or service provider.

Petitioner was a simplified reporter, so Petitioner was required to monitor her gross household income and notify the Department if it exceeded the limit. The income limit was \$2,311.00 through September 2020, and it was [REDACTED] beginning in October 2020. RFT 250 (October 1, 2019) and RFT 250 (October 1, 2020). Petitioner's gross household income exceeded the income limit every month from January 2020 through November 2020, and Petitioner did not notify the Department.

Since Petitioner's gross household income first exceeded the income limit in January 2020, Petitioner should have notified the Department by February 10, 2020, and then the Department would have closed Petitioner's FAP benefits effective March 1, 2020. Thus, March 2020 was the first month that the Department overpaid Petitioner because Petitioner did not notify the Department that her gross household income exceeded the limit. The Department properly determined that it overpaid Petitioner \$1,527.00 in FAP benefits for the months of March 2020 through May 2020 due to a client error.

In April 2020, the Department should have discovered on its own that Petitioner was receiving income from spousal support because the Department ran a consolidated inquiry report that showed the income. The Department did not add Petitioner's spousal support income to her case, which caused the Department to overissue FAP benefits to Petitioner from June 2020 through November 2020. The Department properly determined that it overpaid Petitioner \$3,106.00 in FAP benefits for the months of June 2020 through November 2020 due to an agency error.

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 \$1,527.00 in FAP benefits for the months of March 2020 through May 2020, and the Department acted in accordance with its policies and the applicable law when it determined that it overpaid Petitioner \$3,106.00 in FAP benefits for the months of June 2020 through November 2020

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IT IS ORDERED that the Department's decision is **AFFIRMED**.



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. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed. 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

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks.

Via Electronic Mail:

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MOAHR

Via First Class Mail:

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