HEARING DECISION

On November 7, 2025, Petitioner ██████████████ requested a hearing to dispute a Food Assistance Program (FAP) benefit overpayment. Following Petitioner's hearing request, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 7 CFR 273.15, 45 CFR 205.10, and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on December 3, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Kathleen Zewatsky, Overpayment Establishment Analyst.

A 65-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUE

Did the Department properly determine that Petitioner owes the Department a debt of $678.00 for FAP benefits that were overpaid to Petitioner from August 1, 2024, to July 31, 2025, due to an agency error?

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 August 7, 2023, Petitioner submitted a Redetermination and reported Petitioner's receipt of Retirement, Survivors, and Disability Insurance (RSDI) income from 2 sources.

2. The Department failed to budget both RSDI amounts reported by Petitioner.

3. On July 16, 2024, Petitioner submitted a Mid-Certification Contact Notice and reported no changes in income.

4. On July 16, 2024, Petitioner submitted proof of Petitioner's receipt of RSDI of ██████ and ██████ per month for the 2024 calendar year.

5. On August 14, 2024, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was approved for FAP benefits of $79.00 per month from September 1, 2024, to August 31, 2025, based on a household size of 1 and ██████ in unearned income. The Notice indicated Petitioner was a

simplified reporter (SR) and was required to report when Petitioner's household gross monthly income exceeded $1,580.00. A change in income over the SR limit was to be reported by the 10th day of the following month.

6. On July 21, 2025, Petitioner submitted a Redetermination and reported receiving RSDI of ████████ and ███████ per month.

7. When processing Petitioner's July 21, 2025, Redetermination, the Department became aware of their failure to properly budget Petitioner's receipt of RSDI income from 2 sources. As a result, the proper amount of Petitioner's RSDI income was not considered prior to the issuance of FAP benefits to Petitioner from August 1, 2024, to July 31, 2025.

8. From August 1, 2024, to July 31, 2025, Petitioner received $954.00 in FAP benefits.

9. The Department failed to consider the total amount of Petitioner's RSDI income before paying FAP benefits to Petitioner from August 1, 2024, to July 31, 2025.

10. The Department paid Petitioner $954.00 in FAP benefits, when Petitioner was eligible for $276.00 per month from August 1, 2024, to July 31, 2025.

11. On October 28, 2025, the Department notified Petitioner of the overpayment.

12. On November 6, 2025, 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 consider Petitioner's receipt of RSDI income from 2 sources. When a client receives more benefits than the client was entitled to receive, the Department must attempt to recoup the overpayment. BAM 700 (June 1, 2024), p. 1. When an overpayment of more than $250.00 occurs, the Department must pursue recoupment, regardless of whether fault lies with the Agency or by client error. *Id.* at p. 5. The overpayment amount is the amount of benefits in excess of the amount the client was

eligible to receive. *Id.* at p. 2. Based on the evidence presented, the Department overpaid FAP benefits to Petitioner.
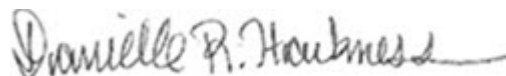
From August 1, 2024, to July 31, 2025, Petitioner was paid $954.00 in FAP benefits when Petitioner was eligible for $276.00. The Department paid these FAP benefits to Petitioner without properly considering Petitioner's receipt of RSDI income from 2 sources. This caused the Department to pay Petitioner more FAP benefits than Petitioner was eligible to receive. The overpayment was due to an agency error as the Department failed to properly budget Petitioner's receipt of RSDI income from 2 sources before paying Petitioner FAP benefits. Due to the total amount of RSDI income that Petitioner was receiving, Petitioner was only eligible for $23.00 per month in FAP benefits from August 1, 2024, to July 31, 2025.

In this case, the Department presented sufficient evidence to establish that the total amount overpaid was $678.00, from August 1, 2024, to July 31, 2025, and Petitioner did not present any evidence to rebut the Department's evidence. Therefore, I must find that the Department properly determined that Petitioner owes the Department a debt of $678.00 for FAP benefits paid to Petitioner from August 1, 2024, to July 31, 2025.

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 Petitioner owes the Department a debt of $678.00 for FAP benefits that were overpaid to Petitioner from August 1, 2024, to July 31, 2025.

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

DANIELLE R. HARKNESS
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

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail: **Agency Representative**
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Via First Class Mail: **Petitioner**
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