

ISSUE

Did the Department properly determine that Petitioner owes the Department a debt of \$3,503.00 for Food Assistance Program (FAP) benefits that the Department overpaid to Petitioner for the months of September 2024 through August 2025?

FINDINGS OF FACT

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

1. Petitioner's birthdate is REDACTED 1960.
2. In July 2024, Petitioner began receiving a gross benefit of REDACTED per month for Social Security RSDI.
3. On August 31, 2024, the Department mailed a notice of case action to Petitioner to notify her that she was eligible for a FAP benefit amount of \$291.00 per month, effective September 1, 2024. The notice of case action stated that Petitioner's FAP eligibility was determined based on the following information:
 - a. Group size of one
 - b. Earned income of REDACTED per month
 - c. Unearned income of REDACTED per month
 - d. Standard deduction of \$198.00 per month
 - e. Housing costs of \$425.00 per month
 - f. Heat/utility standard of \$680.00 per month
4. The Department erroneously failed to consider Petitioner's unearned income from her Social Security RSDI when the Department determined Petitioner's FAP eligibility.
5. The Department issued the following FAP benefits to Petitioner:
 - a. \$291.00 for September 2024
 - b. \$292.00 for October 2024
 - c. \$292.00 for November 2024
 - d. \$292.00 for December 2024
 - e. \$292.00 for January 2025

- f. \$292.00 for February 2025
 - g. \$292.00 for March 2025
 - h. \$292.00 for April 2025
 - i. \$292.00 for May 2025
 - j. \$292.00 for June 2025
 - k. \$292.00 for July 2025
 - l. \$292.00 for August 2025
6. Petitioner received the following gross income from her employment as a home help services provider:
- a. REDACTED for September 2024
 - b. REDACTED for October 2024
 - c. REDACTED for November 2024
 - d. REDACTED for December 2024
 - e. REDACTED for January 2025
 - f. REDACTED for February 2025
 - g. REDACTED for March 2025
 - h. REDACTED for April 2025
 - i. REDACTED for May 2025
 - j. REDACTED for June 2025
 - k. REDACTED for July 2025
 - l. REDACTED for August 2025
7. Petitioner received the following gross income from her Social Security RSDI benefits:
- a. REDACTED for September 2024
 - b. REDACTED for October 2024
 - c. REDACTED for November 2024

- d. REDACTED for December 2024
 - e. REDACTED for January 2025
 - f. REDACTED for February 2025
 - g. REDACTED for March 2025
 - h. REDACTED for April 2025
 - i. REDACTED for May 2025
 - j. REDACTED for June 2025
 - k. REDACTED for July 2025
 - l. REDACTED for August 2025
8. In August 2025, the Department discovered that it erroneously failed to consider Petitioner's unearned income from her Social Security RSDI when the Department determined her FAP eligibility.
 9. The Department redetermined Petitioner's FAP eligibility for the months of September 2024 through August 2025, and the Department determined that Petitioner was ineligible to receive FAP benefits for those months due to her income.
 10. On December 1, 2025, the Department mailed a notice of overissuance to Petitioner to notify her that the Department overpaid her \$3,503.00 in FAP benefits for the months of September 2024 through August 2025.
 11. 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 \$3,503.00 in FAP benefits for the months of September 2024 through August 2025. 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.

In September 2024, Petitioner received total gross income of REDACTED. The 200% gross income limit for categorically eligible groups applied to Petitioner. BEM 213 (May 1, 2024), p. 1. The 200% gross income limit was \$2,430.00 per month for a household size of one. RFT 250 (October 1, 2023). Petitioner's gross income exceeded the applicable income limit to be categorically eligible for FAP benefits. Since Petitioner was not categorically eligible for FAP benefits, and since Petitioner was a senior, the 100% net income limit applied to Petitioner. The 100% net income limit was \$1,215.00 for a household size of one. RFT 250. Based on Petitioner's unearned income of REDACTED, Petitioner's earned income of REDACTED, Petitioner's housing cost of \$425.00, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income was REDACTED. Thus, Petitioner's net income exceeded the applicable limit. Therefore, the Department properly determined that Petitioner was ineligible for FAP benefits.

For each month from October 2024 through December 2024, Petitioner received total gross income of REDACTED per month. The 200% gross income limit for categorically eligible groups applied to Petitioner. BEM 213 at 1. The 200% gross income limit was \$2,510.00 per month for a household size of one. RFT 250 (October 1, 2024). Petitioner's gross income exceeded the applicable income limit to be categorically eligible for FAP benefits. Since Petitioner was not categorically eligible for FAP benefits, and since Petitioner was a senior, the 100% net income limit applied to Petitioner. The 100% net income limit was \$1,255.00 per month for a household size of one. RFT 250. Based on Petitioner's unearned income of REDACTED per month, Petitioner's earned income of REDACTED per month, Petitioner's housing cost of \$425.00 per month, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income was REDACTED per month. Thus, Petitioner's net income exceeded the applicable limit. Therefore, the Department properly determined that Petitioner was ineligible for FAP benefits for each month from October 2024 through December 2024.

For each month from January 2025 through May 2025, Petitioner received total gross income of REDACTED per month. The 200% gross income limit for categorically eligible groups applied to Petitioner. BEM 213 at 1. The 200% gross income limit was \$2,510.00 per month for a household size of one. RFT 250. Petitioner's gross income exceeded the applicable income limit to be categorically eligible for FAP benefits. Since Petitioner was not categorically eligible for FAP benefits, and since Petitioner was a senior, the 100% net income limit applied to Petitioner. The 100% net income limit was \$1,255.00 per month for a household size of one. RFT 250. Based on Petitioner's unearned income of REDACTED per month, Petitioner's earned income of REDACTED per month, Petitioner's housing cost of \$425.00 per month, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income was REDACTED per month. Thus, Petitioner's net income exceeded the applicable limit. Therefore, the Department properly determined that Petitioner was ineligible for FAP benefits for each month from January 2025 through May 2025.

For each month from June 2025 through August 2025, Petitioner received total gross income of REDACTED per month. The 200% gross income limit for categorically eligible groups applied to Petitioner. BEM 213 at 1. The 200% gross income limit was \$2,510.00 per month for a household size of one. RFT 250. Petitioner's gross income exceeded the applicable income limit to be categorically eligible for FAP benefits. Since Petitioner was not categorically eligible for FAP benefits, and since Petitioner was a senior, the 100% net income limit applied to Petitioner. The 100% net income limit was \$1,255.00 per month for a household size of one. RFT 250. Based on Petitioner's unearned income of REDACTED per month, Petitioner's earned income of REDACTED per month, Petitioner's housing cost of \$425.00 per month, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income was REDACTED per month. Thus, Petitioner's net income exceeded the applicable limit. Therefore, the Department properly determined that Petitioner was ineligible for FAP benefits for each month from June 2025 through August 2025.

In summary, the Department properly determined that Petitioner was ineligible for FAP benefits for each month from September 2024 through August 2025 because Petitioner's income exceeded the applicable limit to be eligible. The Department issued Petitioner a total of \$3,503.00 in FAP benefits for these months. Since Petitioner was ineligible for the FAP benefits that the Department issued to her, the Department properly determined that it overpaid Petitioner \$3,503.00 in FAP benefits for the months of September 2024 through August 2025.

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.

Following the conclusion of the hearing, Respondent requested to have the hearing rescheduled. In support of Respondent's request, Respondent asserted that it mistakenly called the incorrect teleconference number to participate in the hearing. Once proper notice of a hearing is issued, parties are responsible for reviewing the notice, recording the hearing date and time, and taking reasonable steps to ensure their attendance. Mistakes, oversight, memory lapses, or failure to track the scheduled hearing date do not meet the standard for circumstances beyond a party's control. Under the circumstances presented, Respondent has failed to establish good cause for its failure to participate in the hearing. Therefore, Respondent's request is denied.

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 \$3,503.00 in FAP benefits for the months of September 2024 through August 2025.

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