

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Claimant

Reg. No: 2009-31839
Issue No: 6019
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
June 29, 2010
Lenawee County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a hearing was held on June 29, 2010. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly deny the claimant's Child Development and Care (CDC) application because the claimant exceeded the allowed six months of zero profits for self-employed persons?

FINDINGS OF FACT

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

1. The claimant was receiving CDC benefits when the department requested verification of employment income. The verification was due by March 12, 2009.

(Department Exhibit 17)

2. The verifications were not returned and the department closed the claimant's CDC case on April 28, 2009. (Department Exhibit 12 – 15)
3. The claimant reapplied for CDC benefits on June 23, 2009.
4. The department denied the claimant's application because she is self-employed and the business had exceeded the six months of zero profit. (Department Exhibit 1 – 11)
5. The claimant submitted a hearing request on July 2, 2009.

CONCLUSIONS OF LAW

The Child Development and Care program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department policy states:

INTRODUCTION

Eligibility for Child Development and Care services exists when the Department has established **all** of the following:

- . There is a **signed application** requesting CDC services, **and**
- . each parent/substitute parent (see Parent/Substitute Parent section in this item) is a member of a valid **ELIGIBILITY GROUP, and**
- . each parent/substitute parent (P/SP) meets the **NEED (Reason)** criteria as outlined in this item, **and**

- . an eligible provider is providing the care, **and**
- . all eligibility requirements are met. PEM, Item 703, p. 1

Employment

Child Development and Care payments may be approved for clients who are employed or self-employed and receive money wages, self-employment profits or sales commissions within six months of beginning their employment.

Verification of need must be obtained:

- . at application; and
- . when there is a change in employers, and/or
- . when the six month limit expires for self-employment or commission sales cases opened with zero income, and/or
- . at least once every twelve months

Note: If there is a verification of employment **need** in the case record from the current employer that is less than 12 months old, that verification may be used to verify need. PEM, Item 703, p. 12.

In this case, the claimant is disputing the department's denial of her application for CDC benefits. The claimant had been receiving CDC benefits on November 3, 2008. These benefits continued until the case was closed for failure to provide verifications on April 28, 2009.

During the entire time period the claimant was receiving CDC benefits, she was self-employed with Greenspride Groundskeeping. On June 24, 2009, the claimant provided an income/expense detail report for the business. The report covered January 1 through June 18, 2009. This income report shows the total gross income for the business was \$44933.05. The report shows the total gross expenses for this time period was \$48164.53.

Department policy indicates that CDC payments may be approved for clients who are self-employed as long as they receive profits within six months of the beginning of their employment. BEM 703. In this case, the claimant has been claiming zero profit for more than

six months and is, therefore, no longer eligible for CDC benefits. Thus, the department properly denied the claimant's CDC application.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly denied the claimant's Child Development and Care (CDC) application because the claimant exceeded the allowed six months of zero profits for self-employed persons.

Accordingly, the department's decision is UPHELD. SO ORDERED.

/s/

Suzanne L. Keegstra
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: September 22, 2010

Date Mailed: September 22, 2010

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

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