

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg No. 200925978
Issue No. 6019
Case No. [REDACTED]
Load No. [REDACTED]
Hearing Date: June 9, 2010
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on Wednesday, June 9, 2010. The claimant personally appeared and testified on her own behalf.

ISSUE

Did the department properly determine that the claimant was no longer eligible to receive Child Development and Care Program (CDC) based upon the fact that the claimant had excess income?

FINDINGS OF FACT

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

1. On March 27, 2009, the department received an application and income information for a CDC review.
2. The claimant received child support for her minor child for January 2009 of [REDACTED] for February 2009 of [REDACTED], and March 2009 of [REDACTED] dollars. (Department Exhibit 3-4)
3. Subsequently, the department caseworker received written verification of the claimant's earned income of pay stubs dated May 6, 2009 for the start period of February 14, 2009 through February 27, 2009 for a gross income of [REDACTED] for 80 hours of work and a pay stub of March 20, 2009 for a start period of February 28, 2009 through March 19, 2009 for a gross income of [REDACTED] for 80 hours of work. (Department Exhibit 5-6)

4. On April 8, 2009, the department caseworker calculated the claimant's eligibility for continued CDC benefits based on her earned income and child support (Department Exhibit 2):
 - The claimant had a total earned income of [REDACTED].
 - The claimant had a total unearned income of [REDACTED] from child support.
 - The income eligibility limit was [REDACTED] and the claimant had total countable income [REDACTED] for a household of three. As a result, the claimant failed the income test for continued CDC benefits.
 - The claimant had excess income for a percentage of CDC payments because her total countable income was over the income limit of [REDACTED].
5. On April 8, 2009, the department caseworker sent the claimant a notice that her CDC assistance would end April 1, 2009.
6. On May 5, 2009, the department received a hearing request from the claimant, contesting the department's negative action.

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).

The department manuals provide the following relevant policy statements and instructions for caseworkers:

INCOME

DEPARTMENT POLICY

All Programs

The group composition and program budgeting items specify whose income to count. The program budgeting items might also contain program-specific income deductions or disregards.

Income means benefits or payments measured in money. It includes money a person owns even if NOT paid directly such as stock dividends automatically reinvested and income paid to a representative.

Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Unearned income means all income that is NOT earned income. The item specifies whether the income is earned or unearned.

The amount of income counted may be more than the amount a person actually receives, because it is the amount before any deductions including deductions for taxes and garnishments. The amount before any deductions is called the **gross** amount. PEM, Item 500, p. 1.

Income remaining after applying the policy in this item is called **countable**.

Count all income that is NOT specifically excluded. PEM, Item 500, p. 1.

Some examples of amounts which may be withheld, but are still considered income are:

- . Income taxes.
- . Health or life insurance premiums.
- . Medicare premiums.
- . Union dues.
- . Loan payments.
- . Garnishments.
- . Court-ordered or voluntary child support payments.
PEM, Item 500, p. 2.

Wages

All Programs

Wages are the pay an employee receives from another person or organization. Wages include salaries, tips, commissions, bonuses, severance pay and flexible benefits plan funds.

Count an employee's regular wages paid during a vacation or illness as earned income.

Count a wage advance as earnings when the employer actually pays it. Do NOT count the money withheld to offset the advance.

Count wages held by the employer at the request of the employee. However, wages held as a general practice by the employer are NOT income until actually paid.

Exception: Income received in one month that is intended to cover several months (e.g., contractual income) is considered available in each of the months covered by the income.

Count gross wages except as explained in this item for:

- . "EIC"
- . "Flexible Benefits"
- . "Strikers"
- . "Student's Earnings"

PEM, Item 500, p. 15.

DEPARTMENT POLICY

FIP, SDA, CDC and FAP

A group's financial eligibility and monthly benefit amount are determined using:

- . actual income (income that was already received), and/or
- . prospected income amounts (not received but expected).

Only countable income is included in the determination (see PEM 500).

Each source of income is converted to a standard monthly amount, unless a full month's income will not be received (see Standard Monthly Amount in this item). PEM, Item 505, p. 1.

DETERMINING BUDGETABLE INCOME

FIP, SDA, CDC, FAP

Determine budgetable income using countable, available income for the benefit month being processed. PEM, Item 505, p. 2.

WHEN TO COMPLETE A BUDGET

FIP, SDA, CDC, FAP

Client reporting requirements **do not** necessarily affect when a budget must be completed.

Complete a budget when:

- . the department is made aware of or the client reports a change in income that will affect eligibility or benefit level, or
- . a reported change results in the need to convert income to or from a standard monthly amount. PEM, Item 505, p. 8.

In the instant case, the department caseworker calculated the claimant's eligibility for CDC based on verified earned income of [REDACTED] for the past 30 days. CDC program groups in the eligible group must possess gross income that falls within the income scale and PRT 270 to be eligible to receive department payment for full or partial cost of covered childcare needs up to 90% of the department's maximum rate. In the instant case, a program group of three people must have a gross income under [REDACTED] for a monthly income limit. No department assistance is available for CDC if the gross monthly income is over [REDACTED]. As a result, the department caseworker correctly concluded that the claimant was not eligible for CDC program services because of excess income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, determines that the department correctly determined that the claimant had excess income for CDC benefits.

Accordingly, the department decision is **AFFIRMED**.

/s/ _____
Carmen G. Fahie
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: July 27, 2010

Date Mailed: July 27, 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.

CGF/vc

cc:

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