

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES**

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-26768
Issue No.: 6019
Case No.: [REDACTED]
Hearing Date: June 1, 2011
DHS County: Oakland (63-03)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

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 conducted from Detroit, Michigan, on Wednesday, June 1, 2011. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services ("Department").

ISSUE

Whether the Department properly denied the Claimant's application for Child Development & Care ("CDC") benefits?

FINDINGS OF FACT

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

1. The Claimant submitted an application for CDC benefits on March 4, 2011.
2. The Department sent a Verification Checklist to the Claimant requesting, in part, verification of income. (Exhibit 2)
3. In response, the Claimant submitted a check stub showing that she worked full-time and earned \$10.40 an hour. (Exhibit 1)
4. On March 10, 2011, the Department denied the Claimant's application due to excess income. (Exhibit 3)

5. On March 21, 2011, the Department received the Claimant's timely written request for hearing. (Exhibit 4)

CONCLUSIONS OF LAW

The Child Development and Care program is established by Chapter 7 of the Social Security Act, 42 USC 1397, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department, formerly known as the Family Independence Agency, provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Departmental policies are found in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Bridges Reference Manual ("RFT").

The goal of the CDC program is to preserve the family unit and to promote its economic independence and self-sufficiency by promoting safe, affordable, accessible, quality child care for qualified families. BEM 703. DHS may provide payment for child care services for qualifying families when the parent(s)/substitute parent(s) is unavailable to provide the child care because of employment, education, and/or because of a health/social condition for which treatment is being received and care is provided by an eligible provider. BEM 703. For income-eligible CDC determination, the income of all program group members is considered. BEM 525. The gross (before deductions) income is used to determine the percentage of care that the Department will pay towards the group's child care costs. BEM 52. The Department must consider the gross benefit amount before any deduction, unless Department policy states otherwise. BEM 500. A group's monthly benefits are based, in part, on a prospective income determination. BEM 505. A standard monthly amount must be determined for each income source used in the budget. BEM 505. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505. The Department will not contribute to child care when the gross monthly income for a group size of 2 is over \$1,607.00. RFT 270.

In this case, the Claimant works full-time earning \$10.40/hour. The Claimant is paid on a bi-weekly basis. In determining the Claimant's gross monthly earnings, the Department, instead of using the Claimant's actual hourly rate, calculated the gross earnings by using \$10.00/hour. In doing so, the Department prospectively budgeted the Claimant's gross earnings as \$1,720.00 (40 hours x \$10.00/hour x 2.15). As noted above, the monthly gross income limit for a group size of 2 is \$1,607.00. Although the Department used the incorrect hourly rate, the error is harmless as the Claimant's monthly gross earnings would have been higher. Ultimately, the Claimant's gross earnings exceed the income limit; therefore, the Department acted in accordance with

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Department policy when it denied the Claimant's CDC application due to excess income. Accordingly, the Department's actions are upheld.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department acted in accordance with Department policy when it denied the Claimant's CDC application due to excess income.

Accordingly, it is ORDERED:

The Department's determination is AFFIRMED.



Colleen M. Mamelka

Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: June 13, 2011

Date Mailed: June 21, 2011

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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