

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2012-46073  
Issue No.: 3002, 6019  
Case No.: [REDACTED]  
Hearing Date: May 16, 2012  
County: Kalamazoo

**ADMINISTRATIVE LAW JUDGE:** C. Adam Purnell

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on May 16, 2012, from Lansing, Michigan. Claimant personally appeared and provided testimony. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Eligibility Specialist) and [REDACTED] (Eligibility Specialist).

**ISSUES**

Did the Department properly close Claimant's case for Child Development and Care (CDC)?

Did the Department properly reduce Claimant's Food Assistance Program (FAP) 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. Claimant was employed by TGI Fridays.
2. Claimant received benefits for FAP and CDC.
3. Claimant's monthly FAP was [REDACTED].
4. Claimant had 1 (one) child and her CDC benefit coverage was at 95% for 60 hours.

5. On January 16, 2012, reported to the Department that she began new employment with Borgess Hospital.
6. On January 19, 2012, Claimant's employment at TGI Friday ended.
7. On February 12, 2012, the Department mailed Claimant an Employment Verification (DHS-38).
8. On February 20, 2012, the Department conducted Claimant's redetermination interview and reviewed her paystubs from Borgess.
9. Claimant's monthly gross income from Borgess was more than twice the amount she earned at TGI Fridays. In February, 2012 Claimant earned [REDACTED]. In April, 2012, she earned [REDACTED] and in March, 2012, Claimant received [REDACTED].
10. The Department received the DHS-38 from TGI Friday on March 6, 2012.
11. On March 14, 2012, the Department mailed Claimant a Notice of Case Action (DHS-1605) closing her CDC case and reducing her monthly FAP to [REDACTED].
12. Claimant requested a hearing on March 19, 2012 challenging the CDC closure and the FAP reduction.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp (FS) program] is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and 1997 AACRS R 400.3001-3015.

For FAP purposes, all earned and unearned income available to Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. BEM 500. This includes overtime. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

All income is converted to a standard monthly amount. If the client is paid weekly, the department multiplies the average weekly amount by 4.3. BEM 505. If the client is paid every other week, the department multiplies the average bi-weekly amount by 2.15. BEM 505.

There is no dispute that Claimant's earned income from employment at Borgess was much greater than she was previously earning at [REDACTED]. Claimant did not dispute the figures reflected in her paystubs. Claimant did not understand that gross income was used and she believed that overtime should not be counted. The Department properly determined Claimant's FAP reduction based on the verified paystubs from her new employer (Borgess). The Department properly determined Claimant's monthly FAP at [REDACTED]

The Child Development and Care (CDC) 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 provides services to adults and children pursuant to MCL 400.14(1) and 1997 AACRS R 400.5001-5015.

To be eligible for subsidy benefits, CDC program groups in the income eligible group must have gross income that falls within the income scales set forth in RFT 270. According to RFT 270, a program group size of 1 or 2 is not eligible for CDC assistance if the monthly gross income exceeds [REDACTED].<sup>1</sup> Here, Claimant's monthly gross income from her new job at Borgess exceeded the RFT 270 limit of [REDACTED]. Accordingly, Claimant was excess income for CDC during this time period. Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department properly reduced Claimant's FAP and properly closed Claimant's case for CDC.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did act properly.

Accordingly, the Department's FAP and CDC decisions are AFFIRMED for the reasons stated on the record.

IT IS SO ORDERED.

/s/ \_\_\_\_\_  
C. Adam Purnell  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: 5/24/12

Date Mailed: 5/24/12

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<sup>1</sup> Effective 02/01/2003.

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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.

CAP/ds

■ [REDACTED]