

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

**IN THE MATTER OF:**

██████████  
██████████████████  
██████████████████

Reg. No.: 2013-47539  
Issue No.: 6043  
Case No.: ██████████  
Hearing Date: July 29, 2013  
County: Wayne (31)

**ADMINISTRATIVE LAW JUDGE:** Eric Feldman

**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 July 29, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ Eligibility Specialist.

**ISSUE**

Did the Department properly deny Claimant's Child Development and Care (CDC) application effective December 30, 2012, ongoing, due to her gross income exceeding the limits?

**FINDINGS OF FACT**

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

1. On December 30, 2012, Claimant applied for CDC benefits.
2. On March 20, 2013, the Department sent Claimant a Notice of Case Action notifying her that her CDC application was denied effective December 30, 2012, ongoing, due to her gross income exceeding the limits. Exhibit 1.
3. On April 8, 2013, Claimant filed a hearing request, protesting the denial. Exhibit 1.

## **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 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 1999 AC, Rule 400.5001 through Rule 400.5015.

As a preliminary matter, the Hearing Summary states that on April 16, 2013, the Department re-evaluated Claimant's CDC case and again denied Claimant's CDC benefits due to excess income. See Exhibit 1. It should be noted that this is a subsequent action that occurred after Claimant's request for hearing. See Exhibit 1. Thus, this hearing decision will only review the December 30, 2012 CDC application denial. See BAM 600 (February 2013), pp. 3-4.

In this case, on December 30, 2012, Claimant applied for CDC benefits. On March 20, 2013, the Department sent Claimant a Notice of Case Action notifying her that her CDC application was denied effective December 30, 2012, ongoing, due to her gross income exceeding the limits. Exhibit 1.

For income eligible CDC determinations, the income of all program group members must be considered. BEM 525 (January 2011), p. 1. The Department uses the gross (before deductions) countable, monthly income to determine the amount the Department will pay (department pay percent) towards the group's child care costs. BEM 525, p. 1. The Department will not contribute to child care when the gross monthly income for a group size of 3 is over \$1,990.00. RFT 270 (October 2011), p. 1; See BEM 703 (October 2012), p. 13. It is not disputed that Claimant's group size is three.

A group's financial eligibility and monthly benefit amount are determined using: actual income (income that was already received) or prospected income amounts (not received but expected). BEM 505 (October 2010), p. 1. Only countable income is included in the determination. BEM 505, p. 1. Each source of income is converted to a standard monthly amount, unless a full month's income will not be received. BEM 505, p. 1. The Department converts stable and fluctuating income that is received more often than monthly to a standard monthly amount. BEM 505, p. 6. The Department uses one of the following methods: (i) multiply weekly income by 4.3; (ii) multiply amounts received every two weeks by 2.15; or (iii) add amounts received twice a month. BEM 505, p. 6.

Moreover, the Department determines budgetable income using countable, available income for the benefit month being processed. BEM 505, p. 2. The Department uses actual gross income amounts received for past month benefits, converting to a standard

monthly amount, when appropriate. BEM 505, p. 2. Except, the Department can use prospective income for past month determinations. BEM 505, p. 2. In prospecting income, the Department is required to use income from the past thirty days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, p 4.

At the hearing, the Department presented as evidence Claimant's Employment Budget – Summary. See Exhibit 1. It should be noted that the Department did not provide a CDC budget for the December 2012 benefit period. Nevertheless, the Employment Budget – Summary indicated that Claimant's gross budget for the benefit period of December 2012 was \$2,301.48. See Exhibit 1. The Department was unable to provide testimony with the required CDC income limits. However, a review of Department policy indicates the Department will not contribute to child care when the gross monthly income for a group size of 3 is over \$1,990.00. RFT 270, p. 1; See BEM 703, p. 13.

Claimant testified that her \$2,301.48 is probably correct, but that she might earn \$100-200 less than that amount. Claimant testified that she works approximately 64-80 hours every two weeks, she is paid bi-weekly, and earns \$13.85/hr. Moreover, Claimant testified that she should have deductions applied to her income as well. Claimant testified that she has medical payments, rent, and utility bills.


Based on the foregoing information and evidence, the Department properly denied Claimant's CDC application effective December 30, 2012, in accordance with Department policy. First, Claimant testified that her deductions should be applied to her gross income. However, the Department uses the gross (before deductions) countable, monthly income to determine the amount the Department will pay (department pay percent) towards the group's child care costs. BEM 525, p. 1. The Department will not use the deductions Claimant's testified about when determining her income eligibility. Second, Claimant testified that she basically agrees that her gross income is \$2,301.48, but that she might earn \$100-200 less than that amount. Even if Claimant's income was \$200 less, Claimant's gross income still exceeded the income limits. Claimant's \$2,301.48 gross income for the month of December 2012 for a group size of 3 is over the Department's \$1,990.00 limit as stated in RFT 270. RFT 270, p. 1; See BEM 703, p. 13.

### **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.       did not act properly.

Accordingly, the Department's  AMP  FIP  FAP  MA  SDA  CDC decision is  AFFIRMED  REVERSED for the reasons stated on the record.



**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: August 20, 2013

Date Mailed: August 20, 2013

**NOTICE OF APPEAL:** 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 (60 days for FAP cases).

The claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely Request for Rehearing or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

EJF/cl

cc:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]