

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

**IN THE MATTER OF:**



Reg. No.: 14-012906  
Issue No.: 3008; 6001  
Case No.: [REDACTED]  
Hearing Date: October 30, 2014  
County: WAYNE-15 (GREYDALE)

**ADMINISTRATIVE LAW JUDGE: Lynn Ferris**

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on October 30, 2014, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] Eligibility Specialist.

**ISSUE**

Did the Department properly deny the Claimant's application for Child Development and Care (CDC) benefits due to excess income?

Did the Department properly calculate the Claimant's Food Assistance 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 applied for CDC benefits on August 29, 2014 with the group size of two people.
2. The Department denied the Claimant CDC application by notice of case action dated September 11, 2014 due to her gross income exceeding the CDC income limit.
3. The Claimant is an ongoing recipient of FAP benefits and received [REDACTED] in food assistance for October 2014. The Claimant's food assistance benefits were reduced in November 2014 to [REDACTED].

4. The Claimant requested a hearing on October 1, 2014 protesting the reduction of her food assistance benefits and the denial of her CDC application.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

The Claimant applied for Child Development and Care benefits on August 29, 2014 and was denied by the Department due to excess income on August 24, 2014. Exhibit 4. As part of the application process, the Claimant presented two biweekly check stubs in the amount of [REDACTED] for an average biweekly income of [REDACTED]. This amount is then multiplied by 2.15 to determine the gross monthly income for earned income. The gross earned income totals [REDACTED] [REDACTED]. The Claimant also had unearned income from RSDI in the amount of \$740; these two sums when totaled is [REDACTED] which is the Claimant's gross monthly earned income. The income limit for Child Development and Care benefits for a two-person household is \$ [REDACTED]. Thus, the Department correctly determined the Claimant's income exceeded the CDC income limit. Exhibit 3 and Exhibit 1. RFT 270 (8/1/14).

The Department presented two food assistance budgets for October and November 2014. The Department and the Claimant agreed that the Claimant's housing expenses included [REDACTED] in rent and a heat utility standard for a total of [REDACTED]. The earned income used by the Department to calculate the November food assistance budget was [REDACTED] and was not supported by the evidence presented. The paychecks provided by the Claimant totaled [REDACTED] and the gross monthly earned income as calculated for CDC is [REDACTED]. The CDC gross income calculation is the same calculation to determine gross

monthly income used for calculating FAP earned income. Thus, the budget for November 2014 is incorrect and must be recalculated. The budget for October 2014 for food benefits included an earned income amount of [REDACTED] which does not appear to be correct. Based on the calculation of gross income for the CDC benefits, the amount should have been [REDACTED]. (see above). This discrepancy could not be explained. The remainder of the budget appeared correct and used the correct unearned income and housing expenses. While the difference of four dollars in earned income in the October 2014 budget is not significant, the budget should be recalculated to determine if in fact the correct benefit amount is [REDACTED]. The discrepancy in earned income may not in the end change the net benefit amount of food assistance.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it denied the Claimant's application for Child Development and Care benefits. The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law finds that the Department did not act in accordance with Department policy when it calculated the Claimant's Food Assistance benefits for October 2014 and November 2014 as the earned income amounts were incorrect.

### **DECISION AND ORDER**

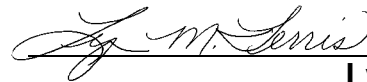
Accordingly, the Department's decision is AFFIRMED with regard to the denial of the Claimant's CDC application.

REVERSED with regard to its determination of Food Assistance benefits for October 2014 and November 2014.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall recalculate the Claimant's Food Assistance Budgets for October 2014 and November 2014 and use the correct gross income amount as set forth in this Hearing Decision.

2. The Department shall supplement the Claimant for Food Assistance benefits for October 2014 and November 2014 the Claimant was otherwise entitled to receive in accordance with Department policy.



**Lynn Ferris**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **11/6/2014**

Date Mailed: **11/6/2014**

LMF/tm

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

cc:

A large black rectangular redaction box covers the contact information for the cc field. The redaction is composed of several overlapping horizontal bars of varying lengths, completely obscuring any text that might have been present.