

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

IN THE MATTER OF:



Reg. No.: 14-003567
Issue No.: 6001
Case No.: [REDACTED]
Hearing Date: August 7, 2014
County: Ingham

ADMINISTRATIVE LAW JUDGE: Darryl T. Johnson

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 August 7, 2014, from Lansing, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included Hearings Facilitator [REDACTED].

ISSUE

Did the Department properly close Claimants Child Development and 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. Claimant was an on-going CDC recipient, approved for 80 hours of child care bi-weekly with the Department paying up to 95% of her child care costs as of April 3, 2014. (Exhibit 1 Page 7.)
2. Claimant was working 30 hours per week at \$9.50 per hour.
3. Claimant was scheduled for a redetermination to assess her on-going eligibility for CDC.
4. Claimant submitted a Verification of Employment form on April 30, 2014, reporting she was working 40 hours per week at \$9.50 per hour. (Exhibit 1 Pages 1-2.)
5. Based upon her reported earnings, the Department determined Claimant had countable income of \$1,634 as of May 4, 2014 (Exhibit 1 Page 5), which resulted

in her exceeding the income eligibility limit for CDC, and denying her CDC as of April 19, 2014.

6. On May 27, 2014, the Department received Claimant's hearing request.
7. Claimant's hours have been reduced to 30 hours one week, and 40 hours the next week, since the redetermination.

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 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.

Per BEM 505 (7/1/13), p 1,

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

- Actual income (income that was already received).
- Prospected income amounts (not received but expected).

Only countable income is included in the determination; see BEM 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.

"For CDC, benefit month is the month in which the pay period ends."

The benefit month of April was affected by the Department, which redetermined her CDC based upon the reported income. Claimant testified that she began working 40 hours per week, effective May 9, 2014. However, the employment verification form was signed by the employer on March 18, 2014; and it was there that the employer reported she was working 40 hours per week, with a Monday to Friday work week of 9-5. Claimant was earning, at the time, \$380 per week, which equates to \$1,634 per month when the weekly gross is multiplied by the factor of 4.3. Per RFT 270, if a group of two has income of \$1,607 or more per month, the group is not eligible for any CDC. Had her income been \$1,496 or less, she would have had 95% of her child care expense


paid. If her income were between \$1,497 and \$1,543, she could have had 90% of it paid; and if her income were between \$1,534 and \$1,570, she could have had 80% of it paid. Even if she had gross income of \$1,571 to \$1,607, she could have had 70% of it paid. But, because she exceeded the upper limit by \$27, none of it could be paid. As unfortunate as her circumstances are, the Department followed the policy.

It is difficult to understand the public policy that supports this action. Claimant had the good fortune of obtaining additional hours at work, providing her with an extra \$95 per week in gross income. The effect was that she no longer qualified to receive the CDC that had paid for most of the child care that allowed Claimant to work. It is a perverse disincentive for people to accept a wage increase or accept increased hours if the resultant increase in wages has a net effect of costing them hundreds of dollars in CDC benefits each month. Nonetheless, the policy is the province of the policy makers. It is not the province of the Administrative Law Judge or the Department's employees.

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 closed Claimant's CDC.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.


Darryl T. Johnson
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **8/8/2014**

Date Mailed: **8/8/2014**

DTJ / jaf

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:

