

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-018508  
Issue No.: 6002, 6001  
Case No.: [REDACTED]  
Hearing Date: February 18, 2015  
County: Lenawee

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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, telephone hearing was held on February 18, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department included [REDACTED] as hearings facilitator.

**ISSUE**

Did the Department properly close the Claimant's 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. The Claimant was an ongoing Child Development and Care (CDC) recipient.
2. The Department notified the Claimant that it would close her Child Development and Care (CDC) benefits as of October 24, 2014, for failure to provide the Department with information necessary to determine her eligibility to receive benefits.
3. On October 29, 2014, the Department received the Claimant's untimely verification material.
4. The Claimant receives monthly earned income from employment in the gross monthly amount of \$ [REDACTED].
5. On November 1, 2014, the Department notified the Claimant that ongoing Child Development and Care (CDC) benefits would be denied due to excess income.
6. On December 12, 2014, the Department received the Claimant's request for a hearing protesting the closure of her Child Development and Care (CDC) benefits.

## **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.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (October 1, 2014), p 5.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (October 1, 2014), pp 1-9.

Case actions that close Child Development and Care (CDC) eligibility are not pended. Department of Human Services Bridges Administrative Manual (BAM) 220 (October 1, 2014), p 9.

The Claimant was an ongoing Child Development and Care (CDC) recipient when the Department requested that she provide verification of her income by October 24, 2014. When the Department did not receive the necessary verification material, it closed her benefits.

The Claimant provided the Department with verification of her income on October 29, 2014. The Department used this information to determine if her Child Development and Care (CDC) benefits could be restored.

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult

Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2014).

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. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. Department of Human Services Bridges Eligibility Manual (BEM) 505 (July 1, 2013), pp 6-7.

On November 1, 2014, the Department determined that the Claimant is not eligible for Child Development and Care (CDC) benefits based on the income she reported on October 29, 2014. The Department determined the Claimant's prospective income by multiplying her average gross weekly income by the 4.3 conversion factor. The Claimant's gross monthly income of \$ [REDACTED] exceeds the \$ [REDACTED] limit for a group of three. The Department notified the Claimant that Child Development and Care (CDC) benefits would remain closed.

The Department initially closed the Claimant's Child Development and Care (CDC) benefits for failure to supply the Department with information necessary to determine her eligibility for continuing benefits. This action was a proper application of Department policy and was effective upon the Department's determination that the Claimant failed to submit the required information in a timely manner.

Upon receipt of the untimely information, the Department determined that the Claimant's prospective income placed her over the income limit to participate in the Child Development and Care (CDC) program.

The Claimant argued that the Department failed to act on her case and that it was poor communication that caused her to lose benefits and be obligated child care expenses that could have been covered.


A complaint as to alleged misconduct or mistreatment by a state employee shall not be considered through the administrative hearing process, but shall be referred to the department personnel director. MAC R 400.903. The level of customer service is not an issue that may be addressed by the Michigan Administrative Hearing System (MAHS).

The Claimant has the burden of establishing eligibility to receive benefits. In this case, the Claimant failed to establish that she is eligible to receive Child Development and Care (CDC) benefits, first for failure to verify, then later due to excess income.

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 the Claimant's Child Development and Care (CDC) benefits case.

**DECISION AND ORDER**

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

  
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Kevin Scully  
Administrative Law Judge  
for Nick Lyon, Acting DHS Director  
Department of Human Services

Date Signed: **2/26/2015**

Date Mailed: **2/26/2015**

KS/las

**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:

