

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-14304  
Issue No(s): 3001, 6001  
Case No.: [REDACTED]  
Hearing Date: January 7, 2014  
County: Muskegon County DHS

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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 January 7, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED] Assistance Payments Supervisor.

**ISSUES**

1. Did the Department properly deny the Claimant's Child Development and Care (CDC) application due to being over the income limit?
2. Did the Department properly re-determine the Claimant's eligibility for the Food Assistance Program (FAP) based on updated income information?

**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 a recipient of FAP benefits.
2. On September 12, 2013, the Claimant applied for CDC.
3. On October 10, 2013, the Claimant submitted paystubs for both adult group members.
4. October 28, 2013, a Notice of Case Action was issued to the Claimant stating CDC was denied because gross income exceeds the limit.

5. On October 29, 2012, a Notice of Case Action was issued to the Claimant stating the FAP monthly allotment would decrease to \$ [REDACTED] effective December 1, 2013 because shelter expense or income has changed.
6. The Department obtained additional income verification.
7. On November 13, 2013, a Notice of Case Action was issued to the Claimant stating the FAP case would close effective December 1, 2013 because net income exceeds the limit.
8. On November 15, 2013, the Claimant filed requests for hearing contesting the Department's actions.

### **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 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 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 t o 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.

Additionally, a Claimant must cooperate with the local office in determining initial and ongoing eligibility, including completion of necessary forms, and must completely and truthfully answer all questions on forms and in interviews. BAM 105.

For CDC, if the program group does not qualify for one of the categorically eligible groups, the Department must determine eligibility for the income-eligible group. The program group's countable income is tested against the Child Development and Care Income Eligibility Scale found in RFT 270. BEM 703. For a group of three, there is no DHS assistance if gross monthly income is over \$ [REDACTED] RFT 270.

For FAP, a non-categorically eligible non-Senior/Disabled/Veteran (non-SDV) FAP group must have income below the gross and net income limits. BEM 550. For a group size of three, the FAP gross income limit is \$ [REDACTED] and the net income limit is \$ [REDACTED]

RFT 250. Stable and fluctuating income that is received more often than monthly is converted to a standard monthly amount. BEM 505.

The Claimant was a recipient of FAP benefits and the Department calculated the FAP budget based on their understanding that only the Claimant had employment income. On September 12, 2013, the Claimant applied for CDC. In the CDC application, the Claimant reported both adults in the home were employed. The Department's hearing Summary indicates this was the first time the other adult group member's employment was reported. The Claimant testified she previously reported when the other adult group member began employment by leaving a detailed voice message for a Department worker. The Claimant thought she had provided sufficient detail of the employment in her message because the worker did not call her back. The Claimant explained that this worker had previously indicated he typically only calls a client back if additional information was needed.

For whatever reason, it appears that the group member's employment that started in May 2013 was not entered into the Department's system for determining FAP eligibility prior to the September 12, 2013 CDC application. The Department then utilized the paystubs the Claimant submitted for both adult group members on October 10, 2013, for determining eligibility for the CDC application and for the ongoing FAP benefits.

On October 28, 2013, a Notice of Case Action was issued to the Claimant stating CDC was denied because gross income exceeds the limit. The paystubs submitted by the Claimant indicated her average gross monthly income was \$ [REDACTED] and the other adult group member's average monthly gross income was \$ [REDACTED]. The group's total gross monthly income was \$ [REDACTED]. Pursuant to RFT 270, there is no DHS assistance for a group of three if gross monthly income is over \$ [REDACTED]. The Claimant testified the average income figures sounded right and stated she was okay with not getting child care. Accordingly, the Department's determination to deny the CDC application is upheld.

The Department also properly considered the current income information for re-determining eligibility for FAP benefits. On October 29, 2012, a Notice of Case Action was issued to the Claimant stating the FAP monthly allotment would decrease to \$16 effective December 1, 2013 because shelter expense or income has changed. However, this action was never implemented because a second Notice of Case Action was issued on November 13, 2013, indicating the Department obtained additional income verification and stated the FAP case would close effective December 1, 2013 because net income exceeds the limit. Accordingly, only the determination to close the Claimant's FAP case will be reviewed.

The Assistance Payments Supervisor confirmed that the FAP closure was based on excess income and not on a failure to report the other adult group member's employment. The Assistance Payment's Supervisor credibly testified that the current net income total is \$ [REDACTED]. The Claimant did not provide any evidence disputing the net income figure utilized by the Department. Accordingly, the FAP closure must be upheld because the Claimant's FAP group had income in excess of the \$ [REDACTED] limit for a FAP group size of 3.

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 CDC application and closed the Claimant's FAP case based on income in excess of program limits.

**DECISION AND ORDER**

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

/s/  
Colleen Lack  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: January 10, 2014

Date Mailed: January 10, 2014

**NOTICE OF APPEAL:** 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.

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).

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

201414304/CL

CL/hj

cc:

