



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: May 26, 2016
MAHS Docket No.: 16-004807
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Susanne E. Harris

HEARING DECISION

Following the Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on May 24, 2016, from Lansing, Michigan. The Petitioner, [REDACTED], was present and was represented by her attorney, [REDACTED]. The Department of Health and Human Services (Department) was represented by Eligibility Specialist, [REDACTED].

The following exhibits were offered admitted into evidence:

- Department: A--February 9, 2016, Assistance Application.
B--April 18, 2015, Petitioner's submission of verification.
C--March 24, 2013, Notice of Case Action.
D--Bridges Program Request Summary.
E-- Petitioner's paycheck stubs.
F-- CDC budget.
G-- April 18, 2016, Notice of Case.

Petitioner: None.

ISSUE

Did the Department properly determine the Petitioner's Eligibility for 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. On February 9, 2015, the Petitioner applied for CDC.
2. On March 24, 2016, the Department sent the Petitioner a Notice of Case Action informing the Petitioner that her application had been denied. The Department testified during the hearing that this denial was in error.
3. On April 4, 2016, the Petitioner's income verification was received.
4. On April 18, 2016, the Petitioner was sent a Notice of Case Action approving the Petitioner's application, but only for the time between February 7, 2016 and February 20, 2016. Ongoing CDC was denied due to excess income.
5. On April 4, 2016, the Department received the Petitioner's written hearing request protesting the initial denial and the ongoing denial of her CDC benefits.

CONCLUSIONS OF LAW

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

In this case, the Petitioner testified that she is not paid during the summer because she works in a school and opted to take her full checks during the year. The Petitioner testified that she is in her probationary period and has the summer off, but will be going back to work in the fall. The Petitioner could not afford to opt to take her pay in increments spread out over the summer because she just did get the job and could not pay her bills on the reduced, pro-rated amounts.

The Eligibility Specialist at the hearing testified that the Petitioner's income was simply prospected out for the next month. The Petitioner's attorney argued that the Department should account for the summer months when the Petitioner has no income and average that into her monthly income.

Bridges Eligibility Manual (BEM) 525 (2016) p. 1, provides that, the Department worker use the gross (before deductions) countable, monthly income to determine the amount the department will pay towards the group's child care costs. See BEM 505 for details

on when a budget is needed, income and benefit month definitions, and the conversion of income to a monthly figure.

BEM 505 (2015) p. 1, provides that, 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. A close review of the policy indicates that the Petitioner is paid like a teacher, and therefore this Administrative Law Judge concludes that the Petitioner receives income in one month that is intended to cover more than one month. The policy defines this as Contractual/Single Payment income. BEM 505 p. 2.

When converting to a standard monthly amount, BEM 505 p. 8, provides that, for income received in one month intended to cover several months, establish a standard monthly amount by dividing the income by the number of months it covers. Consider this amount available during each month covered by the income. In this case, it is not contested that when computing the Petitioner's CDC budget, the Department did not establish a standard monthly amount of the Petitioner's income by dividing the income by the number of months it was intended to cover. As such, the Administrative Law Judge concludes that the Petitioner's income was not properly budgeted for the CDC program.

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 did not act in accordance with Department policy when it determined the Petitioner's eligibility for CDC.

DECISION AND ORDER

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

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

1. Redetermine the Petitioner's eligibility for CDC back to February 9, 2016, and
2. Issue the petitioner any supplement she may thereafter be due, and

3. The Petitioner retains the right to request a hearing on the new eligibility determination.

Susanne E. Harris

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Susanne E. Harris
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

DHHS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner

