



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: January 17, 2017  
MAHS Docket No.: 16-018469

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Vicki Armstrong**

**HEARING DECISION**

Following 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 January 11, 2017, from Lansing, Michigan. Petitioner personally appeared and testified.

The Department of Health and Human Services (Department) was represented by Eligibility Specialist [REDACTED] testified on behalf of the Department. The Department submitted [REDACTED] exhibits which were admitted into evidence. The record was closed at the conclusion of the hearing.

**ISSUE**

Did the Department properly deny Petitioner's application for Child Development and Care (CDC)?

**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 October 10, 2016, Petitioner applied for CDC.
2. On October 12, 2016, the Department issued a Verification Checklist to Petitioner requesting paystubs, with a due date of October 24, 2016.
3. On October 25, 2016, the Department received Petitioner's paystubs.
4. On November 7, 2016, Petitioner's application for CDC was denied based on excess gross income for the program.

5. On November 28, 2016, Petitioner submitted a Request for Hearing contesting the denial of CDC and Food Assistance Program benefits.
6. During the hearing in the above captioned matter, Petitioner clarified that she only wanted a hearing regarding the denial of CDC benefits and did not want a hearing on the Food Assistance Program 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.

For FAP purposes, all earned and unearned income available to Petitioner is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. BEM 500, pp 3-4 (1/1/2016). 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 (AMP), alimony, and child support payments. BEM 500, p 4. *The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions.* BEM 500, p (1/1/2016)(Emphasis added).

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. BEM 505, p 1 (7/1/2016). Actual income is income that was already received. *Id.* Prospective income is income not yet received but expected. *Id.* Prospective budgeting is the best estimate of the client's future income. *Id.*

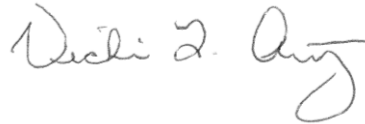
All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. *Id.* at 9. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. *Id.*

In this case, Petitioner explained that the paystubs she submitted to the Department incorrectly reflected tips she never received. Petitioner explained that she had spoken with her employer since the denial, and her paystubs from here on forward would reflect the accurate amount of tips she received. Petitioner was in the process of submitting the corrected paystubs to the Department, at which time the Department indicated it would redetermine Petitioner's eligibility for the CDC program.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department acted in accordance with Department policy when it denied Petitioner's CDC application based on the paystubs Petitioner had submitted to the Department.

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



**Vicki Armstrong**

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

[REDACTED]

[REDACTED]  
[REDACTED]  
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