



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: March 8, 2017
MAHS Docket No.: 16-018532
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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 February 27, 2016, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED] Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Child Development and Care (CDC) benefits due to excess income?

Did the Department properly deny Petitioner's CDC application due to excess income?

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 [REDACTED], the Department sent Petitioner a Notice of Case Action which notified Petitioner that her CDC benefits would close effective [REDACTED], [REDACTED] due to excess income.
2. On [REDACTED], Petitioner reapplied for CDC benefits.

3. On [REDACTED], the Department sent Petitioner a Notice of Case Action which notified Petitioner that her application for CDC benefits had been denied due to excess income.
4. On [REDACTED], Petitioner filed a Request for Hearing disputing the Department's actions.

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.

Additionally, CDC payments are made when (i) all eligibility and need requirements are met; (ii) a CDC case is open in Bridges; care is provided by an eligible provider; (iii) and the provider successfully bills for hours of care. In this case, Petitioner had been receiving CDC benefits. In October 2016, the Department obtain pay information regarding Petitioner's earned income. Petitioner confirmed that she received pay in the amount of [REDACTED] on [REDACTED] and [REDACTED] on [REDACTED]. To determine the income used in budgeting eligibility for CDC benefits when two paychecks are provided for a 30 day period, the Department adds the two paychecks together, divides by 2 and then multiplies by 2.15. BEM 505 (July 2016), pp. 6-7.

Petitioner's pay for October was [REDACTED] [REDACTED]). When this amount is divided by 2 and multiplied by 2.15, Petitioner's budgeted earned income is [REDACTED]. The Department testified that is used an income amount of [REDACTED]. It is unclear how the Department reached this amount. Additionally, the Department testified that it included child support payments received by Petitioner in its calculation. Petitioner testified that she did not receive child support payments in October 2016. The Consolidated Inquiry provided by the Department confirmed that Petitioner did not receive child support in October 2016. However, the income and child support discrepancies does not change the outcome of the decision. The maximum amount and individual can earn with a group size of two and remain eligible for CDC benefits is [REDACTED]. Petitioner exceeded this amount in October 2016, even when the child

support payment is excluded. Therefore, the Department properly closed Petitioner's CDC benefits effective [REDACTED].

Petitioner reapplied for CDC benefits on [REDACTED]. As a result, the Department requested that Petitioner submit her paychecks. Petitioner complied. On [REDACTED], Petitioner received [REDACTED] in earnings. On [REDACTED], Petitioner received [REDACTED] in earnings. Using the calculations required by policy [REDACTED] divided by 2 and multiplied by 2.15), Petitioner's income was [REDACTED]. The Department added [REDACTED] in child support income. Again, Petitioner testified that she did not receive any child support in November 2016. The Consolidated Inquiry provided by the Department confirmed that Petitioner did not receive child support payments in November 2016. As such, no child support will be included in determining Petitioner's eligibility for benefits.

Under Department policy, to enter the CDC program, the family's gross monthly income cannot exceed the [REDACTED] flat-rate family contribution for their family group size. Because Petitioner's case properly closed and she reapplied for benefits, the new application represents her entry into the CDC program. The maximum income that a group size of two can receive using the [REDACTED] flat-rate family contribution is [REDACTED]. RFT (July 2016), p. 1. Petitioner's income exceeded this amount and therefore, the Department properly denied Petitioner's application for CDC benefits.

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, if any, finds that the Department acted in accordance with Department policy when it closed Petitioner's CDC benefits effective [REDACTED]. It is further found that the Department acted in accordance with Department policy when it denied Petitioner's [REDACTED] application for CDC benefits.

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

JM/hw



Jacquelyn A. McClinton

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]

Petitioner

[REDACTED]