



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: July 21, 2017

MAHS Docket No.: [REDACTED] 17-006341

Agency No.: [REDACTED]

Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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; 42 CFR 438.400 to 438.424; 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 [REDACTED], from Detroit, Michigan. The Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

### **ISSUE**

Did the Department properly deny Petitioner's application 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 [REDACTED], Petitioner submitted an application for CDC, Food Assistance Program (FAP) and Health Care Coverage (Medicaid) benefits. (Exhibit A)
2. Petitioner's household consists of three members: herself and two children.
3. On [REDACTED], the Department sent Petitioner a Verification Checklist (VCL) instructing her to submit proof of her bank account asset information, proof of her income for the last 30 days, and proof of her mortgage by [REDACTED]. The VCL indicates the information was needed to determine her eligibility for FAP and Medicaid benefits. (Exhibit B)

4. Petitioner submitted paystubs showing that she is employed and received gross biweekly earnings of [REDACTED] on [REDACTED], and [REDACTED] on [REDACTED]. (Exhibit D)
5. On [REDACTED], the Department sent Petitioner a Notice of Case Action informing her that her CDC application was denied because her gross income exceeded the entry limit for the CDC program. (Exhibit C)
6. On [REDACTED] Petitioner requested a hearing disputing the denial of her CDC application.

### **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.

The Department denied Petitioner's CDC application, finding that her gross income exceeded the entry limit for CDC program eligibility (Exhibit C). Groups who are not categorically eligible for CDC benefits (based on protective services, foster care or FIP/EFIP-related situations) may be eligible for CDC if they pass the income eligibility test. BEM 703 (January 2017), p. 15. Income eligibility is based on program group size and non-excluded income received by any member of the program group. BEM 703, p. 15. At application, the family's gross monthly income cannot exceed the \$15 flat-rate family contribution for their family group size. BEM 703, p. 15. RFT 270. BEM 703, p. 14. CDC eligibility ends for this category when the program group's income exceeds the eligibility income scale in RFT 270. BEM 703, p. 16.

In this case, Petitioner's CDC household contained three members: Petitioner and her two minor children. BEM 205 (July 2016), pp. 1-2. For a three-member CDC group, the gross monthly income for a [REDACTED] flat-rate family contribution is [REDACTED]. RFT 270 (January 2017), p. 1. Therefore, Petitioner's CDC group is income eligible for CDC benefits if the household's countable income at application does not exceed [REDACTED].

At the hearing, the Department testified that it relied on the paystubs Petitioner submitted and specifically considered gross earnings of [REDACTED] paid on [REDACTED].

and [REDACTED] paid on [REDACTED]. (Exhibit D). Petitioner did not dispute the income amounts relied upon by the Department. Rather, Petitioner asserted that the Department denied the application due to excess gross income on [REDACTED], before she submitted her paystubs on [REDACTED], in connection with the VCL. The Department maintained that it had the paystubs prior to the denial of the application, but the paystubs were not date stamped until [REDACTED]. Nevertheless, based on Petitioner's actual earnings as reflected in the paystubs she submitted to the Department, her gross income is more than the [REDACTED] CDC income limit. Petitioner testified that her hours of employment and income have since decreased. Petitioner is advised that she is entitled to submit a new application for CDC benefits to have her current eligibility determined.

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 Petitioner's CDC application for exceeding the income limit for eligibility.

#### **DECISION AND ORDER**

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

ZB/tlf



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**Zainab A. Baydoun**  
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

**Via Email:**

[REDACTED]

**Petitioner – Via First-Class Mail:**

[REDACTED]