



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

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Date Mailed: September 5, 2018
MAHS Docket No.: 18-007483
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 August 29, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. Petitioner's mother, ██████████, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Christine Brown, hearing facilitator.

ISSUE

The issue is whether MDHHS properly denied Petitioner's application for Child Development and Care (CDC) 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 May 7, 2018, Petitioner applied for CDC benefits.
2. During an interview concerning Petitioner's CDC application, Petitioner reported to her specialist that she worked 40 hours per week and made \$█████████/hour.
3. At the time of Petitioner's interview, MDHHS had access to Petitioner's actual income through theworknumber.com (Exhibit A, pp. 38-42).

4. On June 5, 2018, MDHHS determined Petitioner was ineligible for CDC due to excess income. The determination was based on the income reported by Petitioner during her interview.
5. On July 20, 2018, Petitioner requested a hearing to dispute the denial of CDC benefits.

CONCLUSIONS OF LAW

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute the denial of a CDC application dated May 7, 2018. MDHHS presented a Notice of Case Action (Exhibit A, pp. 21-24) dated June 5, 2018, which stated that Petitioner's application was denied based on excess income. MDHHS based the determination on Petitioner's interview statements that she made \$█████/hour and worked 40 hours per week. From Petitioner's interview statements, MDHHS determined Petitioner's monthly income was \$█████ which was less than \$█████ above the monthly income CDC limit (see Exhibit A, p. 21).

Petitioner implicitly contended that MDHHS should have requested verification rather than take her interview statements literally. Petitioner's contention is appreciated based on the comparable amounts of Petitioner's calculated monthly income (\$█████ and the CDC income limit (\$1,759). Furthermore, Petitioner was eligible for CDC benefits a few weeks after getting denied which suggests that Petitioner's income may have been low enough to qualify her for CDC benefits when her first application was submitted. Whether MDHHS properly denied Petitioner's CDC application rests on whether MDHHS properly relied on Petitioner's interview statements concerning income.

BAM 115 is the relevant policy chapter for how MDHHS is to process applications. The chapter appears silent on whether MDHHS may or may not deny applications based on a client's interview statements. MDHHS is required to request verification when it is not brought to an interview. BAM 115 (January 2018), p. 19. A requirement to request verification supports an interpretation of policy that MDHHS cannot deny an application based on unverified information.

MDHHS policy also states that an interview is required before denying assistance even if it is "clear" from the application or other sources that the group is ineligible. *Id.* The

policy is not directly applicable to the present case but is consistent with a philosophy that denying applications without verification is not preferred. Alternatively, the policy could be interpreted as an implicit allowance to deny applications after an interview with clear ineligibility. Such an interpretation would not apply to the present case because Petitioner's income, as calculated by MDHHS, is close enough to the income limit that Petitioner's ineligibility was not "clear".

It is also notable that when MDHHS relied on Petitioner's statements of income, MDHHS was a few keystrokes away from possessing Petitioner's actual income. Rather than assuming that Petitioner's reported income was accurate, MDHHS could have obtained a more reliable verification of income from theworknumber.com.

It is found that MDHHS improperly denied Petitioner's CDC application by relying on Petitioner's reported income levels rather than requesting income verification from Petitioner and/or not utilizing Petitioner's income information from theworknumber.com. The proper remedy will be for MDHHS to reregister and recalculate Petitioner's CDC eligibility based on Petitioner's actual income from theworknumber.com (see Exhibit A, pp. 38-42).


DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's CDC application. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Re-register Petitioner's CDC application dated May 7, 2018; and
- (2) Initiate processing of Petitioner's CDC application based on Petitioner's income as reported on theworknumber.com.

The actions taken by MDHHS are **REVERSED**.

CG/



Christian Gardocki
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) 763-0155; 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

Randa Chenault
MDHHS-Oakland-3-Hearings

Petitioner

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