



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: February 28, 2019  
MAHS Docket No.: 18-013621  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: John Markey**

**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 February 13, 2019, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Richkelle Curney, Hearings Facilitator. During the hearing, a 15-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-15.

**ISSUE**

Did the Department properly deny Petitioner's application for Child Development and Care (CDC) benefits based on a conclusion that Petitioner's gross income exceeded the limit for program eligibility?

**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] 2018, Petitioner submitted to the Department an application for CDC benefits for assistance in child care expenses for her two children.
2. During the relevant time period, Petitioner was working at [REDACTED] on a full-time basis earning \$12.10 per hour. Exhibit A, pp. 10-15.
3. During the relevant time period, Petitioner was receiving approximately \$638 per month in child support. Exhibit A, pp. 8-9.

4. On December 7, 2018, the Department issued to Petitioner a Notice of Case Action informing Petitioner that her application for CDC benefits was denied for exceeding the gross income limit for program eligibility. Exhibit A, pp. 1-2.
5. On [REDACTED] 2018, Petitioner submitted to the Department a request for hearing objecting to the Department's denial of her application for 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.

On [REDACTED], 2018, Petitioner submitted an application for CDC benefits for her two children. At the time of application, Petitioner was working full-time at [REDACTED] making \$12.10 per hour and receiving approximately \$638 per month in child support. On December 7, 2018, the Department issued to Petitioner a Notice of Case Action informing Petitioner that her application for CDC benefits was denied because Petitioner's income exceeded the entry limit for the CDC program. Petitioner then filed a request for hearing objecting to the Department's denial of her application.

Eligibility for CDC benefits is based on program group size and non-excluded income received by any member of the group. BEM 703 (July 2018), p. 16. To be eligible for the CDC program at application, a family's gross monthly income must not exceed the maximum monthly gross income limit by family size associated with the program entry limit (\$15 family contribution category). RFT 270 (October 2018), p. 1. After initial eligibility has been determined, a family's income must not exceed the maximum monthly gross income eligibility limit by family size associated with the \$90 family contribution category. RFT 270, p. 1.

Petitioner lived with her two children. Therefore, Petitioner has a group size of three. BEM 205, pp. 1-2. The income limit at entry for a group size of three is \$2,213. RFT 270, p. 2. The Department testified that it determined Petitioner's household income was \$2,493.86 for the month of application, which exceeded the limit. Thus, the Department denied the application.

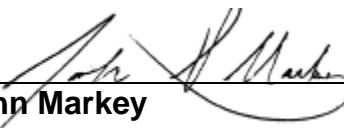
During the hearing, the Department's presented Petitioner's paycheck stubs from her employment with [REDACTED] and documentation showing that Petitioner received \$638 per month in child support. The paycheck stubs and Petitioner's testimony demonstrated that at the time of application, Petitioner was working full-time hours or more at a rate of pay of \$12.10 per hour. That equals a weekly gross income of \$484. To convert that weekly income into a monthly figure, the Department must multiply it by 4.3. BEM 505 (October 2017), p. 8. Thus, properly budgeted, Petitioner's monthly gross income was \$2,081.20. Added to the \$638 in child support, Petitioner's income at the time of application was at least as high as determined by the Department. Based on the information presented, the Department underbudgeted Petitioner's gross income from employment but still reached the correct conclusion that Petitioner's income exceeded the gross income limit for entry into the program. Therefore, the Department acted in accordance with policy when it determined Petitioner was not eligible for CDC benefits.

During the hearing, Petitioner wanted to focus on the fact that her wages were inflated during the time period used to determine her eligibility and that they were reduced after the first of the year 2019. As that change occurred after the determination of eligibility and after the request for hearing, it is not relevant for determining Petitioner's initial eligibility for the program during the month of application. However, Petitioner may apply for CDC benefits again. A new determination will be issued regarding her eligibility, and it will be based upon her recent income.

### **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 determined Petitioner was not eligible for CDC benefits. Accordingly, the Department's decision is **AFFIRMED**.

JM/cg

  
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**John Markey**  
Administrative Law Judge  
for Robert Gordon, 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

**Via Email:**

MDHHS-Wayne-17-Hearings  
L. Brewer-Walraven  
BSC4- Hearing Decisions  
MAHS

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

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