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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

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██████, MI ████████

Date Mailed: October 19, 2022
MOAHR Docket No.: 22-004081
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on October 6, 2022. Petitioner appeared and represented herself. Ashley Soper, Family Independence Manager, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly deny Petitioner's application for Child Development and Care (CDC) program 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 ██████████ 2022, Petitioner applied for CDC benefits for her son (Exhibit A, p. 5).
2. On September 1, 2022, MDHHS sent Petitioner a Notice of Case Action indicating that the CDC application was denied, effective July 1, 2022 ongoing, because Petitioner's gross income exceeded the entry limit for the CDC program (Exhibit A, pp. 11-12).
3. On ██████████, 2022, Petitioner filed a Request for Hearing to dispute the denial of her CDC application (Exhibit A, pp. 3-4).

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. MDHHS 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.

In this case, MDHHS denied Petitioner's application for CDC benefits because she was over the income-limit for the program.

The goal of the CDC program is to support low-income families by providing access to high-quality, affordable, and accessible early learning and development opportunities and to assist the family in achieving economic independence and self-sufficiency. BEM 703 (April 2022), p. 1. At application, eligibility for CDC services exists when MDHHS has established all the following: there is a signed application and a request for CDC services; each child for whom CDC is requested is a member of a valid eligibility group; each parent meets the need criteria (family preservation, high school completion, an approved activity, or employment); and all other eligibility requirements are met. BEM 703, pp. 1-5. If a child is not categorically eligible for CDC benefits (based on protective services, foster care, Family Independence Program-related situations, migrant farmworkers, or homelessness), the child's group may be eligible for CDC benefits if they pass the income eligibility test. BEM 703, pp. 13-17.

To be income eligible for CDC at application, a group's countable gross monthly income must not exceed the maximum monthly gross income limit by family size associated with the program entry limit. BEM 703, p. 16. BEM 525 (January 2017), p. 1; RFT 270 (July 2022), p. 3. For income-eligible CDC determinations, the income of all program group members must be considered. BEM 525, p. 1. To compute income, MDHHS considers the gross countable monthly income to determine income eligibility and the family contribution. *Id.* MDHHS is required to complete a CDC budget at application and include the amount on the Notice of Case Action. *Id.* Effective July 3, 2022, the income limit for a family of two at application was \$ [REDACTED] RFT 270, p. 3.

A group's financial eligibility and monthly benefit amount are determined using actual income and prospective income. BEM 505 (November 2021), p. 1. Each source of income is converted into a standard monthly amount. *Id.* To prospect income, MDHHS must determine the best estimate of income expected to be received during the month

and to seek input from the client to establish the estimate, whenever possible. *Id.*, p. 3. MDHHS uses past income to prospect income for future months unless a change is expected and uses income from the past 30 days if it appears to accurately reflect what is expected to be received during the benefit month. *Id.*, p. 6. MDHHS converts stable and fluctuating income to a standard monthly amount by multiplying weekly income by 4.3, biweekly income by 2.15 and adding amounts received twice a month together. *Id.*, p. 8.

MDHHS presented evidence that Petitioner had income from employment, which was paid biweekly (Exhibit A, pp. 15-17). To reach a standard amount, MDHHS added together the August 8, 2022 and August 22, 2022 paystubs in which Petitioner earned [REDACTED] and [REDACTED] in gross income, respectively (Exhibit A, pp. 16-17). Adding these amounts together equaled [REDACTED] (dropping the cents) (Exhibit A, p. 18). Based on this amount, MDHHS concluded that Petitioner's CDC group exceeded the income limit for the CDC program for a group of two, which was \$ [REDACTED] RFT 270, p. 3.

The record shows that Petitioner was paid biweekly and not twice a month. For biweekly income, MDHHS is required to use an averaged amount of biweekly income and multiply that amount by 2.15. Averaging Petitioner's gross income received on August 8, 2022 and August 22, 2022 equals \$ [REDACTED]. Multiplying that amount by 2.15 equals [REDACTED] (dropping the cents). Petitioner also exceeded the income limit for the CDC program using this method of standardization.

Petitioner objected to MDHHS using her gross income rather than her take-home pay. However, policy provides that MDHHS use gross countable income. No evidence was presented that the Petitioner's past income did not accurately reflect what she would receive in the benefit month and no evidence was presented that the income was not countable under program standards.

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 application for CDC benefits.

DECISION AND ORDER

Accordingly, MDHHS' decision is **AFFIRMED**.



Linda Jordan
Administrative Law Judge

LJ/tm

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via-Electronic Mail :

DHHS

Linda Gooden
Oakland County Southfield District III
25620 W. 8 Mile Rd
Southfield, MI 48033

Interested Parties

L. Brewer-Walraven
BSC4
MOAHR

Via-First Class Mail :

Petitioner

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