



2. Did MDHHS properly deny the Petitioner's [REDACTED] 2022 application for CDC program benefits due to excess gross income?
3. Did MDHHS properly close Petitioner's Food Assistance Program (FAP) case due to excess gross 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. Petitioner was an ongoing recipient of FAP for a group size of two, consisting of herself and her minor child. Petitioner's household contains no senior (over 60 years old), disabled, or disabled veteran (S/D/V) group members.
2. On [REDACTED] 2022, Petitioner applied for CDC (Exhibit A, pp. 4-9). Petitioner reported earned income from employment. MDHHS subsequently updated Petitioner's FAP case to reflect this income.
3. On [REDACTED] 2022, MDHHS issued a Notice of Case Action to Petitioner, informing her that her CDC application was denied and FAP case closed, both due to excess gross income (Exhibit A, pp. 17-21).
4. On September 15, 2022, MDHHS received a timely submitted verbal hearing request from Petitioner.

### **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).

#### **Child Development and Care (CDC)**

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, Petitioner disputes that her [REDACTED] 2022 CDC application was denied based on excess gross income. Petitioner verbally requested a hearing on September 15, 2022. Requests for a hearing must be made in writing and signed by an adult member of the eligible group or authorized hearing representative (AHR). The

request must bear a signature. The exception being, that for FAP only, a hearing request may be written or oral. BAM 600 (March 2021) p. 2. Since Petitioner did not submit a written request regarding the denial of her CDC application, the MDHHS decision is unable to be reviewed.

It is noted that MDHHS issued a Notice of Case Action regarding the denial of Petitioner's CDC application on [REDACTED] 2022. The client or AHR has 90 calendar days from the date of the written notice of case action to request a hearing. BAM 600, p. 6. Therefore, Petitioner would still be within time limits to submit a written request for a hearing regarding the denial of her CDC application.

### **Food Assistance Program (FAP)**

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, Petitioner disputes the closure of her FAP case due to excess gross income, effective [REDACTED] 2022.

On [REDACTED] 2022, Petitioner applied for CDC, providing MDHHS with earned income information from employment. MDHHS then used this income information to review Petitioner's FAP eligibility. MDHHS is required to evaluate each change reported and determine if it affects eligibility, for all programs that clients participate in. BAM 220 (April 2022), p. 1. When MDHHS updated Petitioner's FAP household budget, they determined that she was over the gross income limit for eligibility, effective October 1, 2022. During the hearing, all relevant budget factors were discussed with Petitioner (see Exhibit A, pp.34-35).

All FAP groups which do not contain a Senior, Disabled, or Disabled Veteran (S/D/V) group member must have income below the Gross Income Limit and the Net Income Limit. BEM 550 (January 2022), p. 1. Petitioner confirmed that her household is a group size of two and does not contain a S/D/V member. Effective October 1, 2022, the Gross Income Limit for a group size of two was \$1,984.00 and the Net Income Limit was [REDACTED] RFT 250 (October 2022), p. 1; BEM 213 (October 2022), p. 1.

In determining income, MDHHS begins by calculating the group's gross monthly income. MDHHS determined that Petitioner receives \$[REDACTED] in monthly unearned income from child support payments. Department policy requires that that child support payments Petitioner received in the past three calendar months be averaged unless changes are expected. BEM 505 (October 2022), p. 4. In this case, Petitioner confirmed that the amounts that MDHHS relied on is what she receives. Petitioner confirmed that she receives no other unearned income. Therefore, MDHHS properly calculated Petitioner's unearned income amount.

MDHHS determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. In prospecting income, MDHHS is required to use the gross income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, pp. 5-6. A standard monthly amount must be determined for each income source used in the budget, which is determined by multiplying average biweekly pay by 2.15 and average weekly pay by 4.3. BEM 505 pp. 8-9. In this case, Petitioner is paid bi-weekly. MDHHS testified that they calculated Petitioner's earned income from employment based upon the information retrieved from the Work Number database, using the paystubs from August 19, 2022 and September 2, 2022 (see Exhibit A, pp. 24-27). This calculates to \$[REDACTED]. Since this amount is over the gross income limit of \$1,984.00, MDHHS acted in accordance with policy in determining Petitioner was not eligible to receive FAP benefits due to excess gross income.

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 MDHHS acted in accordance with Department policy when it closed Petitioner's FAP case due to excess gross income.

**DECISION AND ORDER**

Petitioner's verbal request for hearing regarding the denial of her CDC application is **DISMISSED**.

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

DN/mp



---

**Danielle Nuccio**  
Administrative Law Judge

**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**  
MDHHS-Genesee-Clio-Hearings  
L. Brewer-Walraven  
D. Sweeney  
M. Holden  
MOAHR  
BSC2

**Via-First Class Mail :**

**Petitioner**  
[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]