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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
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Date Mailed: August 16, 2024
MOAHR Docket No.: 24-007917
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 August 13, 2024, via teleconference. Petitioner appeared and represented herself. Amber Gibson, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS’ Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-28.

ISSUE

Did MDHHS properly deny Petitioner’s application for Food Assistance Program (FAP) and 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 ██████████ 2024, Petitioner applied for FAP and CDC benefits (Exhibit A, p. 7).
2. On June 14, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that her application for FAP and CDC was denied because she was over the income limit for the programs (Exhibit A, pp. 23-25).
3. On June 25, 2024, Petitioner requested a hearing regarding the denial of her application for FAP and CDC benefits (Exhibit A, pp. 3-6).

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 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. MDHHS administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

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 determined that Petitioner was not eligible for FAP and CDC due to excess income. Petitioner disputed MDHHS' determination. Although Petitioner applied for FAP and CDC for a household of four, she confirmed during the eligibility interview that her partner, Anthony Jones, Jr. (Partner), was also residing in the home. Petitioner also reported that Partner's daughter was also in the home half-time, which would bring the household to a group-size of six. MDHHS testified that although its decision was based on a group-size of five, it also calculated whether Petitioner would be eligible for a group-size of six and concluded that the household would still not be eligible for either program based on excess income.

To determine eligibility for FAP, MDHHS is required to consider all earned and unearned income available to the household. BEM 500 (April 2022), pp. 1-5. A group's FAP benefit rate is based on actual income and prospective income. BEM 505 (October 2023), p. 1. Prospective income is the best estimate of income expected to be received by the group during a specific month. *Id.* To determine a group's prospective income, MDHHS is required to seek input from the client whenever possible. *Id.* Each source of income is converted into a standard monthly amount. *Id.*

MDHHS determined that the family received monthly earned income in the amount of [REDACTED] based on Petitioner and Partner's employment income. MDHHS testified that it standardized the household's income based on the paystubs that it received from Petitioner. The record shows that Petitioner was receiving \$[REDACTED] in gross employment income biweekly (Exhibit A, p. 19), and Partner was receiving \$[REDACTED] in gross employment income biweekly (Exhibit A, p. 17). To standardize income received

biweekly, MDHHS multiplies the biweekly pay by 2.15. BEM 505, p. 8. Multiplying the household income by 2.15 equals [REDACTED] (dropping the cents). No evidence was presented that the income information on the paystubs was inaccurate or likely to change. Therefore, MDHHS properly determined that the monthly earned income from the household was [REDACTED]

There was no evidence presented that Petitioner's household was a senior/disabled/disabled veteran (SDV) household under BEM 554 (February 2024), p. 1. Petitioner's household income exceeded the categorical income limit of 200% of FPL, which was \$6,714.00 for a household of six and \$5,858.00 for a household of five. RFT 250 (October 2023). Non-categorically eligible groups are subject to the FAP monthly gross income limit, which was \$4,364.00 for a group size of six and \$3,807.00 for a group size of five. *Id.*

Thus, whether Petitioner's FAP group was a group-size of five or six, Petitioner was not eligible for FAP because the household income exceeded the gross income limit.

MDHHS also determined that Petitioner's gross household income exceeded the entry limit for CDC eligibility. 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 (March 2024), p. 1. At application, eligibility for CDC services exists if MDHHS has established 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. Groups who are not categorically eligible for CDC benefits (based on protective services, foster care, FIP related situations, migrant farmworkers, or homeless) may be eligible for CDC if they pass the income eligibility test. BEM 703, pp. 13-17.

To be eligible for the CDC program at application, a program group's countable 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). BEM 703, pp. 15-17. After initial income eligibility is determined, a family's income must not exceed the maximum gross monthly income eligibility limit by family size associated with the program exit limit. CDC eligibility ends when the group's income exceeds the income eligibility scale. Income eligibility is based on program group size and non-excluded income received by any member of the program group. For income limit and family contribution amounts, see RFT 270. BEM 703, pp. 16-17.

In order for Petitioner to be eligible for CDC, her gross monthly income must be below the entry limit for the program. For a four-member CDC group, the entry limit was \$5,000.00; for a five-member CDC group, the entry limit was \$5,856.00; and for a six-member CDC group, the entry limit was \$6,714.00. Although there was a discrepancy regarding Petitioner's household size, the record shows that Petitioner was not income-eligible for

CDC for a group-size of four, five or six, due to excess income. Therefore, MDHHS properly denied Petitioner's application for CDC benefits.

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 denied Petitioner's application for FAP and CDC benefits.

DECISION AND ORDER

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

LJ/pt



Linda Jordan
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

