



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]

Date Mailed: February 14, 2025
MOAHR Docket No.: 24-013906
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on February 5, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Markita Mobley, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefits?

Did the Department properly deny Petitioner 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 [REDACTED] 2024, the Department received an application for CDC from Petitioner for her seven children (Children). Petitioner reported that she was employed with [REDACTED] ([REDACTED]) with \$0 income, and that her husband, [REDACTED] III (Spouse), was self-employed doing contract work. (Exhibit A, pp. 7 – 15).
2. On October 8, 2024, the Department sent Petitioner a Verification Checklist (VCL) for FAP and MA that requested verification of school attendance for Petitioner and her husband, [REDACTED] (Spouse), verification of Spouse's self-employment income, and verification of the last 30 days of all earned and unearned income for the household by October 18, 2024. (Exhibit A, pp. 17 – 18).

3. On October 14, 2024, the Department received verification of Petitioner's employment with [REDACTED] that confirmed that she did not receive wages and reported that she received free tuition for her children. The verification did not specify which children attended [REDACTED].
4. On November 1, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) that denied Petitioner CDC for Children because she failed to provide requested verifications and failed to establish a need for CDC. (Exhibit A, pp. 20 – 22).
5. On December 10, 2024, the Department received a request for hearing from Petitioner disputing the closure of her Food Assistance Program (FAP), closure of Medicaid (MA) for herself and her son, [REDACTED] (Son), and denial of her application for CDC. (Exhibit A, pp. 3 – 5).
6. On December 17, 2024, the Department sent Petitioner a NOCA that approved Petitioner for FAP benefits of \$627 per month effective December 1, 2024 ongoing for a nine-person FAP group. (Exhibit A, pp. 24 – 25).
7. On January 3, 2025, the Department received a [REDACTED] tuition statement from Petitioner that identified which of Petitioner's children attended [REDACTED].

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).

Petitioner requested a hearing to dispute the Department's closure of Petitioner's and Son's MA, closure of Petitioner FAP case, and denial of her application for CDC. At the hearing, Petitioner clarified that her dispute as to her FAP benefits was as to the benefit amount, not closure of her case. The Department approved Petitioner and Son for full coverage MA effective December 1, 2024 ongoing. The Department approved Petitioner for FAP benefits of \$627 per month for a nine-person FAP group effective December 1, 2024 ongoing. The Department denied Petitioner CDC for failure to provide requested verifications and failure to establish a need for CDC.

MA

After commencement of the hearing, Petitioner testified that her issue with regard to MA was resolved prior to the hearing and requested to withdraw her request for hearing concerning MA. The Department testified that Petitioner and Son were approved for full coverage MA. The request for hearing was withdrawn on the record and the Department had no objection. Therefore, Petitioner's request for hearing as to MA is dismissed.

FAP

In this case, Petitioner requested a hearing on December 10, 2024 that indicated she disputed closure of her FAP case. At the onset of the hearing, Petitioner stated that her dispute was not closure of her FAP case and revised her request to dispute the Department's determination that the FAP group had \$[REDACTED] in earned income.

The evidence established that the Department issued a NOCA dated December 17, 2024, effective December 1, 2024 ongoing that included a budget summary that reflected \$[REDACTED] earned income, \$0 self-employment income, and \$[REDACTED] in unearned income. There was no evidence that the Department calculated the FAP group's earned income as \$[REDACTED] prior to the December 17, 2024 NOCA.

Because a) Petitioner's request for hearing was made prior to the actions of the Department on December 17, 2024, and b) despite a lengthy discussion during the hearing, neither party was fully prepared to discuss the validity or calculation of Spouse's income as earned income or self-employment income, and c) a review of the available evidence was insufficient to address the Department's actions taken after Petitioner's request for hearing, Petitioner's revised request for hearing as to the Department's determination of the FAP group's earned income was not properly before the undersigned. Thus, Petitioner's revised request for hearing regarding the amount of the FAP group's earned income did not present a hearable issue at the time of the hearing. Therefore, Petitioner's request for hearing as to FAP is dismissed for lack of jurisdiction.

Petitioner may request a hearing to dispute the Department's calculation of the FAP group's earned income in accordance with the hearing rights set forth in the December 17, 2024 NOCA.

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. 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.

Petitioner requested a hearing to dispute the Department's denial of her application for CDC. The Department denied Petitioner CDC for failure to provide requested verifications and failure to establish a need for CDC.

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. To qualify for CDC, clients must meet several eligibility requirements which includes establishing a valid parental need (PN) for CDC, such as

employment or to attend school, such as in Petitioner's case, and have income that does not exceed the maximum monthly gross income limit for the family size. BEM 703, pp. 1, 4, 9 – 10, 16 – 17.

In this case, Petitioner applied for CDC on [REDACTED] for Children and indicated that CDC was required to allow Petitioner and/or Spouse to work and/or complete high school or a GED. The Department sent Petitioner a VCL on October 8, 2024 that requested verification of school attendance for herself and Spouse, verification of Spouse's self-employment income, and verification of the last 30 days of all earned and unearned income for the household by October 18, 2024. Although the VCL stated it was to verify Petitioner's eligibility for FAP and MA rather than CDC, the information requested was necessary for the Department to determine Petitioner's eligibility for CDC. BEM 703.

There was no dispute that Petitioner provided some verification of Spouse's income and provided verification of her own employment at [REDACTED]. And although the Department became aware that Spouse is not self-employed because he operates his business as a limited liability company (LLC)¹, the Department testified that the verification of Petitioner's employment at [REDACTED], which confirmed that she did not receive wages, stated that she was compensated with free tuition for her children and did not specify which children attended [REDACTED]. Although Petitioner credibly testified that only three of her children attended [REDACTED], there was no evidence that verification of that fact was provided to the Department prior to its determination regarding her CDC eligibility. The Department explained that based on the verification from [REDACTED], it determined that Petitioner did not have an acceptable PN. Additionally, the Department testified that no verification of school attendance for Petitioner or Spouse was provided as requested on the VCL and Petitioner did not dispute the Department's testimony.

Based on the information Petitioner provided to the Department, the Department properly determined that Petitioner did not provide verification of PN and did not provide all requested verifications necessary to determine Petitioner's eligibility for CDC. Therefore, the Department properly denied Petitioner CDC benefits effective September 22, 2024 ongoing.

If Petitioner's circumstances or available verifications have changed, she may reapply for CDC if she so chooses.

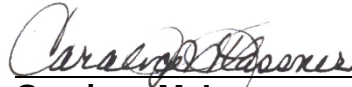
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it denied Petitioner CDC benefits effective September 22, 2024 ongoing.

¹ Acceptable verification sources for self-employment income are different than verification sources for employment income received from a business owned by the client, such as an LLC. See BEM 501 and BEM 502.

DECISION AND ORDER

Accordingly, Petitioner's requests for hearing as to MA and FAP are **DISMISSED**, and the Department's decision with respect to CDC is **AFFIRMED**.

CML/mp



Caralyce M. Lassner

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

Caryn Jackson
Wayne-Hamtramck-DHHS
12140 Joseph Campau
Hamtramck, MI 48212
**MDHHS-Wayne-55-
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Interested Parties

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MOAHR
BSC4

Via-First Class Mail :

Petitioner

