

Date Mailed: January 29, 2026

Docket No.: 25-041638

Case No.: [REDACTED]

Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 via Microsoft Teams on January 8, 2026. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Corlette Brown, hearings facilitator, and Kenya Wyche, specialist.

ISSUES

The first issue is whether MDHHS properly denied Petitioner's application for Family Independence Program (FIP) benefits.

The second issue is whether MDHHS properly processed Petitioner's Child Development and Care (CDC) benefits.

The third issue is whether MDHHS properly denied Petitioner's incomplete application for State Emergency Relief (SER).

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] 2025, Petitioner applied for FIP and SER benefits. Petitioner did not complete the application concerning SER.
2. On October 10, 2025, MDHHS interviewed Petitioner concerning FIP benefits and neither requested Petitioner to complete the SER application nor interviewed Petitioner concerning SER.
3. On October 10, 2025, MDHHS denied Petitioner's SER application due to an invalid need reason.

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4. On October 10, 2025, MDHHS approved Petitioner and two children for food benefits; one of Petitioner's children received Supplemental Security Income (SSI).
 5. Beginning October 25, 2025, Petitioner was eligible for ██████ in gross biweekly unemployment compensation benefits (UCB); ██████ of Petitioner's biweekly UCB was recouped by the Michigan Unemployment Agency (MUA).
 6. As of October 2025, Petitioner received ongoing CDC benefits for her child, ██████ (hereinafter, "Child").
 7. As of October 2025, Petitioner paid \$157 in monthly child support.
 8. In October 2025, MDHHS likely suspended Petitioner's CDC provider's ability to bill after Petitioner stopped employment.
 9. On November 7, 2025, Petitioner requested a hearing to dispute FIP, SER, and CDC eligibility.
 10. On November 13, 2025, MDHHS denied Petitioner's FIP application due to excess income.

CONCLUSIONS OF LAW

The FIP was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. MDHHS administers FIP pursuant to 45 CFR 233 to 45 CFR 261; MCL 400.10; the Social Welfare Act, MCL 400.1 *et seq.*; and Mich Admin Code, R 400.3101 to R 400.3131. FIP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute FIP benefit eligibility. Exhibit A, pp. 3-5. Petitioner requested a hearing to compel MDHHS to process her FIP benefit application dated ██████ 2025. Exhibit A, pp. 7-11. After Petitioner requested a hearing, MDHHS sent Petitioner a Notice of Case Action dated November 13, 2025, stating that Petitioner's FIP application was denied due to excess income.¹ Exhibit A, pp. 20-22.

Financial need must exist to receive FIP benefits. BEM 518 (July 2023) p. 1. Financial need exists when the certified group passes the Qualifying Deficit Test, Issuance Deficit Test and the Child Support Income Test. *Id.* The only relevant test in the present case is the Issuance Deficit Test.

¹ The subsequent denial of Petitioner's FIP application technically resolved Petitioner's hearing dispute. Nevertheless, the analysis will proceed to evaluate whether MDHHS properly denied Petitioner's application.

To perform the Issuance Deficit Test, MDHHS subtracts budgetable income from the certified group's payment standard for the benefit month. *Id.*, p. 2. The group is ineligible for the benefit month if no deficit exists, or the group has a deficit less than \$10. *Id.* pp. 1-3. The payment standard is the maximum benefit amount that can be received by the group. BEM 515 (February 2024) p. 1.

For the Issuance Deficit Test budget, MDHHS compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. BEM 518 (July 2023) p. 3. For starting income, MDHHS is to use the best available information to prospect income for the benefit month. BEM 505 (June 2025) p. 8. For biweekly income, MDHHS is to convert stable and fluctuating income to a standard monthly amount by multiplying average biweekly income by 2.15. *Id.*

Documents obtained from a data exchange with MUA listed gross biweekly UCB for Petitioner of █████ beginning October 25, 2025. Exhibit A, pp. 17-19. It was not disputed that Petitioner's payments were reduced to █████ because of recoupment by the MUA. MDHHS factored Petitioner's reduced biweekly income of █████ in determining Petitioner's FIP eligibility. Multiplying Petitioner's average reduced biweekly UCB of █████ by 2.15 results in a converted monthly income of █████. For FIP benefits, paid child support is deducted from the countable income. MDHHS credibly testified that Petitioner paid \$157 in child support for August and September 2025 and \$96.78 in September 2025; MDHHS favorably averaged Petitioner's child support payments to be \$157. Though Petitioner testified that she paid \$187 in child support per month, Petitioner's testimony was neither corroborated nor verified. Subtracting Petitioner's established child support of \$157 from the converted monthly income results in a net income of █████ the same amount calculated by MDHHS. Exhibit A, pp. 23-24.

A Notice of Case Action dated October 10, 2025, approved Petitioner and two children for food benefits. Exhibit A, pp. 12-15. It was not disputed that one of Petitioner's children received SSI benefits. SSI recipients are excluded from FIP benefit groups (see BEM 210). As a grantee of a two-person FIP group, Petitioner's FIP payment standard is █████ RFT 210 (January 2025) p. 1. Petitioner's FIP group's countable income exceeds the FIP payment standard. Thus, MDHHS properly denied Petitioner's FIP benefit application due to excess income.

The Child Development and Care (CDC) program is established by Titles IV-A, IV-E and XX of the Social Security Act, 42 USC 601 to 42 USC 619, 42 USC 670 to 42 USC 679c, and 42 USC 1397 to 42 USC 1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9857 to 42 USC 9858r; and 42 USC 618 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1 to 45 CFR 99.33. MDHHS administers the program pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 to R 400.5020. CDC policies are contained in the BAM, BEM, and RFT.

Petitioner also requested a hearing to dispute CDC eligibility. Exhibit A, pp. 3-5. Petitioner credibly testified that her child's daycare center advised her in October 2025 that it was unable to bill for CDC benefits. Petitioner also credibly testified that she has been unable to use CDC benefits since approximately October 22, 2025, and that she received no written notice of CDC benefit suspension or termination.

It was not disputed that MDHHS initially approved CDC for benefits based on Petitioner's ongoing employment at the time of benefit approval. Some of the hearing was spent discussing whether Petitioner should have received continuing benefits after Petitioner's employment ended in October 2025.

CDC benefit applicants must establish a need, such as employment, for CDC benefits before benefits can be authorized (see BEM 703). Once CDC eligibility has been determined, the child(ren) will remain eligible for the entire 12-month certification period unless CDC closes for one of the reasons listed in BAM 220. BEM 703 (October 2024) p. 1. Valid reasons to end CDC eligibility during a certified period include case correction, out-of-state residency, assets exceeding \$1 million, and others. BAM 220 (June 2025) pp. 1-2. MDHHS policy notably states that a change or termination in the parent's valid need reason will not affect the child's eligibility. BEM 703 (October 2024) p. 1.

During the hearing, MDHHS correctly cited its policy that CDC eligibility does not end for recipients when a need for CDC benefits ends. MDHHS presented documentation from its database listing "approved" CDC pay periods throughout 2025. Exhibit A, p. 27. The evidence verified that Petitioner was eligible and active to receive CDC benefits. However, active CDC benefits does not equate to providers being able to bill for CDC benefits. CDC payments are made when all of the following are true:

- All eligibility requirements are met.
- A CDC case is open in Bridges.
- An eligible provider is assigned to the child and provides care.
- The provider successfully bills for child care.
- Payment limits have not been reached.

The evidence did not establish whether Petitioner's CDC provider was assigned to Petitioner's CDC case after Petitioner lost employment in October 2025. However, hearing testimony indicated that Petitioner was told not to use CDC benefits after losing employment. The testimony suggested that MDHHS may have removed Petitioner's CDC provider after Petitioner lost employment in October 2025. Though Petitioner's established need for CDC stopped, MDHHS policy clearly states that Petitioner is to remain eligible to receive benefits. MDHHS has no known policy authorizing the detachment of a provider from CDC billing.

Given the evidence, MDHHS did not establish that Petitioner's CDC provider's ability to bill was not halted. To ensure that it was not, MDHHS will be ordered to add Petitioner's CDC provider to Petitioner's case beginning October 2025.

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1 *et seq.* MDHHS administers the program pursuant to MCL 400.10 and Mich Admin Code, R 400.7000 to R 400.7049. SER policies are contained in the Emergency Services Manual (ERM).

Petitioner lastly requested a hearing to dispute a denial of SER. Exhibit A, pp. 3-5. Petitioner testified she sought SER for assistance with energy payments. Petitioner applied for SER on [REDACTED] 2025. Exhibit A, pp. 7-11. A Benefit Notice dated October 10, 2025, stated that Petitioner's SER was denied due to an invalid need reason. Exhibit A, pp. 28-31.

MDHHS contended that Petitioner's SER application was denied because Petitioner's SER application failed to include any specific SER programs requested. Indeed, Petitioner's SER application did not include an entire section of questions related to SER such as the type of relief being sought. Exhibit A, pp. 7-11.

An MDHHS-1171, Assistance Application, is considered an application for SER if the client indicates they are applying for SER and the minimum information is provided, even if the MDHHS-1171-SER supplement has not been submitted. ERM 103 (October 2024) p. 1. In instances where the MDHHS-1171-SER supplement is not received by MDHHS, it should be requested from the client or completed during an interview. *Id.* Incomplete SER applications may be filed, but must be completed before authorizing SER. *Id.*

MDHHS policy prohibits denying SER merely because an application was incomplete. MDHHS should have requested that Petitioner complete the SER application or completed the application during an interview. MDHHS testified that an interview was completed concerning FIP benefits on October 10, 2025, but the evidence did not establish that MDHHS interviewed Petitioner concerning SER or that a completed SER application was requested.

The evidence established that MDHHS improperly denied Petitioner's SER application. As a remedy, MDHHS will be ordered to re-register and process Petitioner's incomplete SER application dated [REDACTED] 2025, concerning Petitioner's stated need for energy assistance.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's FIP application dated [REDACTED] 2025, due to excess income. Concerning FIP, the actions taken by MDHHS are **AFFIRMED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly suspended Petitioner's CDC billing. MDHHS also improperly denied Petitioner's SER application. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Process Petitioner's preferred CDC provider information to allow billing for CDC benefits beginning October 2025;
- (2) Register and reprocess Petitioner's SER application dated [REDACTED] 2025 for SER-Energy; and
- (3) Issue notice and supplements, if any, in accordance with policy.

Concerning CDC and SER benefits, the actions taken by MDHHS are **REVERSED**.

Christian Gardocki

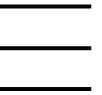
**CHRISTIAN GARDOCKI
ADMINISTRATIVE LAW JUDGE**

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.



Via

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