
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; 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 via telephone conference on March 25, 2026. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Arnesia Woods, Eligibility Specialist, and Eileen Kott, Family Independence Manager.

ISSUE

Did the Department properly determine Petitioner's eligibility for 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. Petitioner was an ongoing recipient of CDC benefits for her two minor children.
2. On September REDACTED, 2025, the Department received Petitioner's redetermination for CDC benefits. The redetermination did not specify the number of hours Petitioner's children needed childcare every two weeks. Exhibit A, pp. 39-43.
3. On October REDACTED, 2025, the Department sent Petitioner a verification checklist (VCL) with a due date of October 24, 2025 that requested verification of CDC Needed for Employment, including number of hours worked, and wages from REDACTED (Employer). Exhibit A, pp. 14-16.
4. On October REDACTED, 2025, the Department received Petitioner's MDHHS-38 employment verification form and checks payable to Employer. Exhibit A, pp. 21-27.
5. On October REDACTED, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that informed Petitioner her CDC benefits closed effective October 19, 2025 ongoing due to Petitioner's failure to provide information requested by the Department. Exhibit A, pp. 7-13.
6. On January 20, 2026, the Department received Petitioner's request for hearing that disputed the closure of her CDC benefits. Exhibit A, pp. 4-6.

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 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.

In this case, Petitioner disputed the closure of her CDC benefits. The Department explained that Petitioner did not return verification of her hours worked as requested in the October 14, 2025 VCL.

At application or redetermination, eligibility for CDC services exists when the Department has established all of 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 or substitute parent (P/SP) meets the need criteria as outlined in this item; and all eligibility requirements are met. BEM 703 (October 2024), p. 1. There are four valid CDC need reasons: family preservation; high school completion; an approved activity; employment. *Id.*, p. 4. Each P/SP of the child needing care must have a valid need reason when childcare is requested. Each need reason must be verified. *Id.*, p. 4.

For verification of need based on employment, the Department must verify the need for CDC using the following: a copy of a work schedule indicating the number of hours worked; pay stubs indicating number of work hours; MDHHS-38, Verification of Employment, completed by the employer; Equifax Verification Services; DHS-3569, Agricultural Worker Income Verification, completed by the employer; a signed statement by the employer that contains: employment begin date; number of hours the client works; collateral contact if the employer refuses or is unable to complete the MDHHS-38, DHS-3569 or signed statement. *Id.*, pp. 13-14. S-Corporations and Limited Liability Companies (LLCs) are not self-employment; see BEM 502. *Id.*, p. 13. Verification of need must be obtained at application and redetermination, or when there is a request for an increase in need hours during 12-month continuous eligibility. *Id.*, p. 14.

Here, Petitioner submitted her CDC redetermination on September REDACTED, 2025 and did not specify the number of hours that her children needed care. Petitioner's CDC need reason was employment. Petitioner is the owner of Employer, an LLC. The Department properly determined that Petitioner had employment, not self-employment, and sent Petitioner a VCL that requested verification of her CDC need, including hours worked, and wages. While Petitioner timely returned the MDHHS-38 and copies of checks

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payable to Employer, Petitioner did not provide the number of hours that she works. On the MDHHS-38 in the section titled “# of hours”, Petitioner reported “varied.” Exhibit A, p. 22. Petitioner acknowledged that “varied” did not reflect a weekly schedule or weekly hours worked. Further, the check copies Petitioner provided did not include any indication of her hours worked. The Department testified that it tried to contact Petitioner regarding the missing information but was unable to reach her. The Department must obtain verification of need at redetermination and properly requested verification from Petitioner in a VCL. In response to the VCL, Petitioner provided some, but not all, of the requested information. Because none of the documentation Petitioner submitted to the Department provided the number of hours that she works, the Department acted in accordance with Department policy when it closed Petitioner’s CDC benefits for failing to provide the requested information.

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 determined Petitioner’s eligibility for CDC benefits.

DECISION AND ORDER

Accordingly, the Department’s decision is **AFFIRMED**.



JULIA NORTON
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.
