

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]
Claimant

Reg. No: 2008-29330
Issue No: 4013
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
May 27, 2009
Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Jonathan W. Owens

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was held on May 27, 2009. Claimant appeared and testified.

ISSUE

Did the Department properly deny Claimant's State Disability Assistance (SDA) application for excess income?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as a material fact:

1. On August 4, 2008 Claimant applied for Medical Assistance (MA) and State Disability Assistance (SDA).
2. The Claimant provided a letter from his mother indicating she was charging him \$800 a month for rent and expected to be paid once he received his benefits.

3. On August 11, 2008 the Department determined the \$800 indicated in the Claimant's mothers letter was income and budgeted it as such and determined the Claimant was ineligible for SDA based upon excess income.

4. On August 18, 2008 the Claimant requested a hearing.

CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services administers the SDA program pursuant to MCL 400.10, et seq., and MAC R 400.3151-400.3180. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

In the present case, Claimant filed a hearing request on August 18, 2008 regarding the Departments denial of his SDA application for excess income. The Department presented a letter from the Claimant's mother indicating she expected to be paid back for rent he would owe her once he began receiving benefits. The letter fails to indicate any income being given to the Claimant and only supports a debt being established whereby the Claimant owes his mother for rent when he begins to receive money. The Department incorrectly determined the \$800 in rental obligation as income. There is no evidence of any such income being given to the Claimant. The Claimant is not receiving money from his mother to pay his monthly rent he is simply living at residence provided by his mother who is asserting that he will owe her for back rent once he is able to pay. The simple assertion of a rental obligation in and of itself is not proof on income. At this point the Claimant has no ability to pay any amount of rent to his mother nor is his mother paying

on his behalf any rental obligation. Simply the Claimant has been given notice by his mother she expects payment in the future for his stay with her.

The Department cites PEM 500, 260 and PAM 130 and 600. None of the policies cited indicates a debt being used to establish monthly income for an individual applying for SDA or MA. Therefore the Department incorrectly placed the \$800 rental obligation into the Claimant's SDA budget as income.

The Department acknowledged during the hearing that the Claimant's original application included a MA and that the Department needed to process that request and would in fact do so.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services was not acting in compliance with Department policy when it determined eligibility for the programs requested.

Accordingly, it is ORDERED that the Department's decision in this regard be and is hereby REVERSED, the Department shall complete a new budget and process the Claimant's application for SDA.

/s/
Jonathan W. Owens
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 6/11/09

Date Mailed: 6/16/09

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

JWO/at

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