

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2010-51565  
Issue No.: 4013  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: December 2, 2010  
Macomb County DHS (20)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on December 2, 2010. The claimant appeared and testified; [REDACTED] also appeared and testified on behalf of Claimant. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

**ISSUE**

Whether DHS properly denied Claimant's application for State Disability Assistance (SDA) benefits based on excess income.

**FINDINGS OF FACT**

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

1. On an unspecified date, Claimant applied for SDA benefits.
2. Claimant is a disabled individual receiving \$1081/month (Exhibit 4) in Retirement, Survivors, Disability Insurance (RSDI) gross income
3. Claimant is part of an SDA group which includes her spouse.
4. On 7/28/10, DHS determined that Claimant had excess income (Exhibit 3) for SDA benefits.
5. On 7/28/10, DHS mailed Claimant a Notice of Case Action (Exhibit 1) denying Claimant's application for SDA benefits based on excess income.

6. On 8/9/10, Claimant requested a hearing disputing the DHS denial of SDA benefits.

### **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 (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

State Disability Assistance (SDA) provides financial assistance to disabled adults who are not eligible for Family Independence Program (FIP) benefits. BEM 100 at 4. The goal of the SDA program is to provide financial assistance to meet a disabled person's basic personal and shelter needs. *Id.* A common set of circumstances involving SDA eligibility are when a disabled person is awaiting a Social Security Administration (SSA) decision concerning disability and has little to no income while awaiting the SSA decision.

Financial need exists when the certified group passes both the Deficit Test and the Child Support Income Test. BEM 518 at 1. To perform the Deficit Test, Bridges (the DHS database) subtracts budgetable income from the certified group's payment standard (BEM 515) for the benefit month. *Id.* Financial need exists if there is at least a \$1 deficit after income is budgeted. *Id.* at 2. If there is no deficit, the group is ineligible for SDA benefits. *Id.*

The SDA benefit calculation is more clearly stated in BEM 515 where it reads, "Income is subtracted from the payment standard to determine the grant amount." BEM 515 at 1. SDA group payment standards are found in RFT 225. *Id.*

The SDA payment standard for a two-person SDA group is \$423. RFT 225 at 1. For all programs, DHS is to count the gross RSDI benefit amount as unearned income. BEM 503 at 20. It was not disputed that Claimant's monthly income was \$1081/month from RSDI. DHS allows disregards for earned income but none are allowed for unearned income. BEM 518 at 4. Subtracting Claimant's countable income (\$1081) from the SDA payment standard (\$423) results in a negative number and a determination that Claimant is not income eligible for SDA benefits.

Claimant contended that DHS failed to consider expenses such as rent or utilities in determining Claimant's eligibility for SDA benefits. There is no basis within DHS regulations to consider such expenses in determining SDA eligibility.

Claimant also contended that she has significant medical needs which require her spouse to spend many hours addressing her needs. DHS concedes that Claimant is a disabled individual. Claimant's medical or household needs are not otherwise relevant to a SDA benefit determination. It is found that DHS properly denied Claimant's application for SDA benefits based on excess income by Claimant.

As discussed during the hearing, Claimant and her spouse should probably pursue eligibility for Chore Services/Home Help Care payments rather than SDA benefits. Chore service payments would assist Claimant with paying an individual to assist her with household and medical needs.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's application for SDA benefits due to excess income. The actions taken by DHS are AFFIRMED.



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Christian Gardocki  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: 12/13/2010

Date Mailed: 12/13/2010

**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 mailing 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.

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