

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.: 2010-10238  
Issue No.: 5034  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: August 30, 2010  
Oakland County DHS (03)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**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 August 30, 2010. The claimant appeared and testified. [REDACTED], FIM and [REDACTED], FIS appeared and testified on behalf of the Department.

**ISSUE**

Did the Department properly deny the Claimant's application for Employment Support Service (ESS) funds for vehicle repair?

**FINDINGS OF FACT**

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

- 1) The Claimant applied for vehicle repair under the Direct Support Services Program on two separate occasions, September 15, 2009 and October 19, 2009.
- 2) The Claimant requested car repair authorization in the amount of \$1,000.97. Exhibit V
- 3) The Department properly denied the Claimant's first application because it had already authorized repairs in that fiscal year and the amount of repairs exceeded what the department could authorize in that fiscal year which ended September 30, 2009. Exhibit III

- 4) The Claimant's second application was denied by the Department because it determined that the value of the repairs exceeded the value of the car. Exhibit II
- 5) The Department followed the correct policy and determined that the car pursuant to valuation was worth only \$880 and denied the request on November 3, 2009. The department had two valuations of the value of the car, one for \$1050 and another which it utilized for \$880. Exhibit IV and X
- 6) After the Department denied the Claimant's second application, the Claimant provided her own car valuation and faxed the information to the Department on either November 5, 2009 or November 12, 2009. The Claimant's information indicated that the value of the car was more than the value of the repairs. Exhibit VI
- 7) On November 4, 2009 the Director of Michigan Department of Human Services Oakland County issued a Management Directive Letter advising that only Family Independence Program recipients would be eligible for Direct Support Services. Exhibit IX
- 8) On November 13, 2009 the Department again denied the Claimant's application for DSS by letter advising the Claimant that non FIP recipients were not entitled to DSS benefits.
- 9) The Claimant requested a hearing on November 4, 2009 received by the Department on that date protesting the denial of the DSS application for vehicle repair.

### **CONCLUSIONS OF LAW**

Under Bridges Administrative Manual Item 600, clients have the right to contest any agency decision affecting eligibility or benefit levels whenever they believe the decision is illegal or improper. The agency provides an Administrative Hearing to review the decision and determine if it is appropriate. Agency policy includes procedures to meet the minimal requirements for a fair hearing. Efforts to clarify and resolve the client's concerns start when the agency receives a hearing request and continues through the day of the hearing.

In the present case the claimant applied ESS for assistance with vehicle repair costs to get her back and forth to her job. The department denied a request for assistance because the cost of the vehicle repair exceeded the value of the car. Employment Support Services include but are not limited to transportation special clothing tools physical exams vehicle purchases and vehicle repair.

The relevant policy can be found in BEM 232:

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Funds for direct support services for FIP, CDC, MA, and FAP Families, are allocated to local offices annually. Local offices must prioritize the services provided to assure expenditures do not exceed their allocation. BEM 232, Page 1.

There is no entitlement for DSS (Direct Support Services). The decision to authorize DSS is within the discretion of the DHS or the MWA. Id.

The Claimant was denied vehicle repair costs on two occasions. The first denial resulted when the Department properly denied the Claimant's first request for the vehicle repair as the Claimant's \$900 limit for Direct Support Services in the fiscal year had been expended. The total DHS/MWA cost of repairs may not exceed \$900 including any repairs done in the previous 12 months. BEM 232 page 11.

Likewise, when the Department denied the Claimant's second application for vehicle repair on November 3, 2009 it determined to the best of its ability that the value of the car was less than the cost of repairs. The Department did not abuse its discretion when it made that determination notwithstanding the fact that the Claimant provided a different valuation for the vehicle after the application was denied.

The Department properly followed its policy set forth in BEM 232 which provides the following with regard to vehicle repair:

Verify that the cost of the vehicle or repairs will **not** exceed the vehicle's retail value. Acceptable verifications are a written statement from, or phone call to, a vehicle dealer or via the NADA Appraisal Guide on the DHS-Net, internet sites. [The NADA Appraisal Guide for Older Cars may be purchased from ESS funds.

The department utilized an appraisal based on Blue Book value of \$880. While it did not use did not use the NADA value of \$1005 not to use this appraisal value was not an abuse of discretion.. The Claimant's car had over 174,000 miles on it and was an older vehicle (1997). The intention behind the policy is to not put money into a car when its value is less than the repair cost. A review of the whole record supports the Department's decision in that the cost of repairs were more than the value of the vehicle especially if you look at both valuations of the vehicle, on average the vehicle is worth \$942.

Lastly, the Claimant was deemed not eligible for repair services as a result of a policy change which deemed her ineligible because she was not a FIP recipient. The Department has the discretion to make these changes and did so when the Management Directive Letter of November 4, 2009 was issued. Clearly with regard to changing the eligibility requirements, and determining that only FIP recipients could receive Direct Support Services, again the Department acted within its authority and

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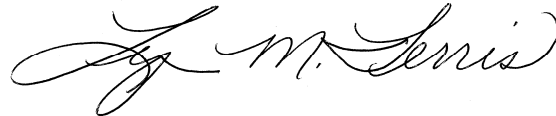
discretion to set priorities to use its available funds as it deems appropriate. Thus the denial of the Claimant's application must be upheld.

The Administrative Law Judge is not unsympathetic to the Claimant's plight based on the record as a whole the Department acted within the lawful discretion given to it and acted within its discretion with regard to the denial of the Claimant's DSS application.

During the hearing, the Department advised that the DSS program has recently been reopened to non FIP recipients again and the Claimant is encouraged to reapply for DSS vehicle repair benefits as the Claimant may be eligible depending upon the present value of the car and the present cost of repairs which may now be required.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law finds that the Department's decision to deny the Claimant Direct Support Services ESS funds for vehicle repair was within its discretion and in accordance with Department Policy set out in BEM 232, and therefore must be AFFIRMED.



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Lynn M. Ferris  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: 9/2/2010

Date Mailed: 9/2/2010

**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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