

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No.: 201332070
Issue No.: 3000, 5016
Case No.: [REDACTED]
Hearing Date: March 19, 2013
County: SSPC-West

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on March 19, 2013, from Lansing, Michigan. Claimant personally appeared and provided testimony. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Eligibility Specialist).

ISSUE

Did the Department properly deny Claimant's request for State Emergency Relief (SER) assistance with shelter emergency?

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 February 19, 2013, Claimant applied for SER assistance with shelter emergency.
2. On or about March 1, 2013, the Department sent notice of the application denial to Claimant.
3. On March 4, 2013, the Department received Claimant's hearing request, protesting the SER denial.

CONCLUSIONS OF LAW

The State Emergency Relief (SER) program is established by 2004 PA 344. The SER program is administered pursuant to MCL 400.10, *et seq.*, and by, 1993 AACS R 400.7001-400.7049. Department policies are found in the State Emergency Relief Manual (ERM).

The SER program is designed to prevent serious harm to individuals and families. ERM 101. SER assists applicants with safe, decent, affordable housing and other essential needs when an emergency situation arises. ERM 101.

Generally, residence in the state of Michigan is not required as SER serves all persons physically present in Michigan. ERM 101. In addition, SER applicants must meet the following requirements: (1) complete the application process; (2) meet financial and non-financial requirements; (3) have an emergency which threatens health or safety and can be resolved through issuance of SER; (4) take action within their ability to help themselves (for example, obtain potential resources and/or apply for assistance); (5) not have caused the emergency (See ERM 204) and (6) cooperate in providing information about income, assets, living arrangements, and other persons living in the home. ERM 101. The Department will deny SER services for applicants who fail to meet any of the above requirements. ERM 101.

As a condition of SER eligibility, all the adults in the SER group must agree to take actions within their ability to make potential resources available. ERM 203. "Potential resource" means an asset or income that may be available to a client if action is taken to make this available. ERM 203. The Department does not require the SER group to apply for loans, including home equity loans from financial institutions or individuals. ERM 203. Policy indicates that pursuing a potential resource increases the group's ability to resolve their emergency with the additional income or asset. ERM 203.

SER does not assist a group who failed to use their available money to prevent a shelter, energy or utility emergency. ERM 204. In other words, SER does not provide relief for a "client-caused emergency." ERM 204. A client-caused emergency is when an SER group fails to pay required payments for the six month period prior to the month of application. ERM 204. However, this does not apply to categorically eligible cases. (See Emergency Services in ERM 301). ERM 204.

The Department will evaluate the payment history for the preceding six-month period to determine the required payment criteria. ERM 204. Required payments are actual shelter costs or required energy and/or utility payments as outlined in ERM 301 & ERM 302. ERM 204. Required payments are determined based on the group members in the home during the required payment period. ERM 204. Required payments include the deceased if alive during the required payment period. ERM 204. Previously issued SER funds cannot be used to make required payments, but contributions from any other source can count toward required payment amounts. ERM 204.

Good cause for failure to meet obligations for shelter, energy, or utilities exists if: (1) the SER group's net countable income from all sources during each month the group failed to pay their obligations was less than the amount shown for the SER group size in the good cause table in this item or (2) the income was not reduced by a disqualification of SSI or department benefits for failure to comply with a program requirement. ERM 204. This includes income of people who were in the group during the required payment period. ERM 204.

The SER group must use countable cash assets to assist in resolving their emergency. The protected cash asset limit is \$50. The Department will exclude the first \$50 of an SER group's cash assets. ERM 205. The amount in excess of the protected cash asset limit is deducted from the cost of resolving the emergency and is called the asset copayment. See ERM 208 for instructions on using excess cash assets as a copayment. ERM 205.

SER applicants must meet income eligibility. ERM 206. The Department's computer system "Bridges" establishes the SER countable income period and determines the SER group's net countable income based on the application date and entry of income information in the data collection screens. ERM 206. See ERM 208, Budget Computation, for policy on determining the group's SER financial eligibility and their required copayments. ERM 206. The SER budget computation period is 30 days. This is referred to as the countable income period. ERM 206. The first day of the countable income period is the date the local office receives a signed application for SER. ERM 206.

The Department will verify and budget all nonexcluded gross income the SER group expects to receive during the countable income period. ERM 206. But the Department will not prorate income. ERM 206.

The Department will authorize SER for services only if the SER group has sufficient income to meet ongoing housing expenses. ERM 207. An SER group that cannot afford to pay their ongoing housing costs plus any utility obligations will not be able to retain their housing, even if SER is authorized. ERM 207.

ERM 208 sets forth the budget procedures used by the Department with regard to SER. SER group members must use their available income and cash assets that will help resolve the emergency. ERM 208. The Department will not authorize a SER payment unless it will resolve the emergency. ERM 208.

A group is eligible for non-energy SER services with respect to income if the total combined monthly net income that is received or expected to be received by all group members in the 30-day countable income period does not exceed the standards found in Exhibit I, SER Income Need Standards for Non-Energy Services. ERM 208. Income that is more than the basic monthly income need standard for the number of group members must be deducted from the cost of resolving the emergency. This is the income copayment. ERM 208. There are no income copayments for SER energy services. ERM 208. With respect to income, clients are either eligible or they are not. ERM 208. For a group to be eligible for energy services, the combined monthly net income that is received or expected to be received by all group members in the 30-day countable income period, cannot exceed the standard for SER energy/LIHEAP services for the number of group members. ERM 208. If the income exceeds the limit, the request must be denied; see Exhibit II, SER Income Need Standards for Energy Services. ERM 208.

The income and asset copayments combined together determine the SER group's total copayment. ERM 208. The total copayment is the amount the SER group must pay

toward their emergency. ERM 208. Copayment amounts are deducted from the cost of resolving the emergency. ERM 208.

The group is not required to pay the copayment more than once during the 30-day authorization period. If multiple services are requested, the client is only required to pay the copayment on one service. However, the copayment must be paid before any other service is paid. The client is notified on the DHS-1419, Decision Notice, of their copayment amount and the deadline to return verification that they have paid their copayment. In Bridges, the worker must pseudo-authorize the application in order to establish the deadline date and to issue the DHS-1419. The deadline date is always the last day of the 30-day eligibility period regardless of when the client requests the service. The client must provide verification of their payment by the last day of the 30-day eligibility period. **Note:** Asset copayments cannot be reduced or waived. ERM 208.

The SER group must contribute toward the cost of resolving the emergency if SER does not cover the full cost of the service. ERM 208. Other persons or organizations can also contribute funds on behalf of the SER group. ERM 208. Verification that the contribution has been paid must be received before any SER payment can be made. ERM 208. For burial contributions, see ERM 306. For energy services, any additional payment made by another agency to reduce the balance on the client's total bill to zero should not reduce the SER payment. ERM 208.

If an application is made for shelter, heat, electricity or utilities, a determination of required payments must be made. ERM 208. Required payments are determined based on the group size, the group's income and the obligation to pay for the service that existed during each month of the six months prior to application; see ERM 204, ERM 301, ERM 302, ERM 303, ERM 304. ERM 208. If the client failed without good cause to make required payments, a short fall amount is determined. ERM 208. The client must pay the shortfall amount toward the cost of resolving the emergency. ERM 208. Verification that the shortfall has been paid must be received before any SER payment can be made. ERM 208.

If the SER group meets all eligibility criteria but has a copayment, shortfall or contribution, the Department will not issue payment until the client provides proof that their payment has been made or will be made by another agency. Verification of payment must be received in the local office within the 30-day eligibility period or no SER payment will be made. The client will then have to reapply. The DHS-1419, Decision Notice, must be used to inform the SER group of the amounts that they must pay and the due date for returning proof of their payment. ERM 208.

Before authorizing the department's portion of the cost of services, the Department will verify that the copayment, shortfall, and contribution have been paid by the client or will be paid by another agency. ERM 208. See ERM 306 for burial copayments and contributions. The Department seeks to avoid creating situations where the department

issues a partial payment for services, but the SER group fails to pay the remainder of the payment and the vendor does not provide the service. This can result in loss of the SER payment and no benefit to the SER group. ERM 208.

For energy services, required payments must be met for each month the SER group has an obligation to pay for the service. Failure to make required payments may result in a shortfall.

Here, Claimant sought SER for heat. The Department properly verified and calculated Claimant's monthly gross income from RSDI \$1,429.00 and determined that he had paid only \$50.00 in the past 24 months. In his application, Claimant noted that he paid \$25.00 per month for heat. The actual obligation required per month was \$62.00 for August, 2012 through January, 2013. The total need amount was \$443.17 but the co-pay allocation was \$976.90.

Regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in Mich Admin Code, R 400.901 through R 400.951. Rule 400.903 provides in relevant part:

An opportunity for a hearing shall be granted to an applicant who requests a hearing because a claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by a Department action resulting in suspension, reduction, discontinuance, or termination of assistance. [R 400.903(1).]

Here, Claimant also requested a hearing concerning the Food Assistance Program (FAP); however the record shows that Claimant was not active for FAP and had not even applied for FAP at the time.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department properly denied Claimant's SER application for assistance with shelter emergency.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did act properly when it denied Claimant's SER application.

Accordingly, the Department's SER decision is **AFFIRMED**.

Claimant's request for a hearing concerning FAP is **DISMISSED** due to lack of jurisdiction.

IT IS SO ORDERED.

/s/
C. Adam Purnell
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: March 25, 2013

Date Mailed: March 26, 2013

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error , or other obvious errors in the hearing decision that effect the substantial rights of the claimant;
 - the failure of the ALJ to address other relevant issues in the hearing decision

Request must be submitted through the local DHS office or directly to MAHS by mail at

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

CAP/cr

cc:

