

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

**IN THE MATTER OF:**



Reg. No.: 20148130  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: December 11, 2013  
County: Allegan

**ADMINISTRATIVE LAW JUDGE:** Gary F. Heisler

**HEARING DECISION**

Following Claimant'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. After due notice, a telephone hearing was held on December 11, 2013, from Lansing, Michigan. Claimant appeared and testified. Participants on behalf of the Department of Human Services (Department) included FIS [REDACTED] and FIM [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's September 30, 2013, application for State Emergency Relief (SER)?

**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 September 30, 2013, Claimant submitted an application for State Emergency Relief (SER) for [REDACTED] to pay for deliverable fuel. Claimant's SER benefit group must include her 16 year old son, [REDACTED].
2. On October 7, 2013, the Department received verification of [REDACTED]'s bank account. He has a personal checking account in his name only. The account balance was [REDACTED].
3. On October 9, 2013, Claimant was sent a Decision Notice State Emergency Relief (DHS-1419) which denied the SER application. The reason for the denial was the group's income/asset copayment was equal or greater than the requested amount.
4. On October 21, 2013, Claimant submitted a request for hearing.

**CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Family Independence Agency) pursuant to MCL 400.10 and by Mich Admin Code, R 400.7001 through R 400.7049.

None of the facts listed above are in dispute. The question raised in this hearing is the status of █████ cash funds. State Emergency Relief Manual 205 Assets (2013) page 4 allows for exclusion of:

The accumulated earnings of a member of the SER group who is a dependent child (under age 21). The accumulated earnings are exempt if both of the following conditions are met:

- The earnings are held in a savings account of which the dependent child who earned the money is the sole tenant.
- The earnings are not commingled with money from any source except the earnings of the dependent child.

Verification of █████ account shows the only funds put in were by direct payroll deposit from █████. Claimant testified that █████ works during the summer and has his pay deposited in his checking account. █████ earnings fit the described exclusion in all ways except the type of account his money is in. Claimant's SER application was denied because █████ has a checking account instead of a savings account. The Department representatives testified that their research and inquiries did not shed any light on why the earnings had to be in a savings account to be excluded. Claimant testified that █████ was not going to put his money in a savings account because he liked having his debit card to use whenever he wanted to.

While the "savings account" requirement is clear from the plain language in policy, the reason is not immediately apparent. A historical review of the exclusion is necessary to understand the basis for this specific requirement. This exclusion was updated on April 1, 2008. Prior to the current language State Emergency Relief Manual 205 Assets allowed for exclusion of:

The accumulated earnings of a member of the SER group who is a dependent child (under age 21). The accumulated earnings are exempt if:

- the earnings are in a separate account intended for further education. The earnings cannot be commingled with money from other sources and the account must list the child as the primary owner.

The update of the exclusion removed the requirement of an account “intended for further education.” Removing the specific purpose of the earnings, removed any bias toward families with dependent children working toward a goal which might not include, or allow, for higher education. The specified purpose of the account was replaced with the specification of using a savings account for the earnings. Money can be withdrawn from a savings account for any desired expenditure. However, they are most commonly used to save up for use on a long term goal. Specifying that the earnings be in a savings account, targets that more general principle behind the exclusion. Designing the specifics of public assistance eligibility is a difficult task. It requires finding an acceptable blend of support for numerous overarching social goals and policies.

The current policy language could have been written to provide a better understanding of the purpose behind the exclusion. However, the policy language is not ambiguous or unclear in dictating the savings account requirement.

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 denied Claimant’s September 30, 2013 application for State Emergency Relief (SER).

**DECISION AND ORDER**

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

/s/ \_\_\_\_\_  
Gary F. Heisler  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 12/12/2013

Date Mailed: 12/13/2013

**NOTICE OF APPEAL:** 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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 (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

GFH/sw

cc:

