

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

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No.: 2013-24505
Issue No.: 5012;6015
Case No.: [REDACTED]
Hearing Date: June 20, 2013
County: Macomb (20)

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 June 20, 2013, from Detroit, Michigan. Claimant appeared and testified. Participating on behalf of the Department of Human Services (Department) was [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly deny Claimant's request for State Emergency Relief (SER) assistance with rent to prevent eviction?

Did the Department properly deny Claimant's application for Child Development and Care (CDC) due to a failure to verify necessary information?

Did the Department properly process Claimant's request for Direct Support Services (DSS) assistance with vehicle purchase?

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 October 16, 2012, Claimant applied for SER assistance with rent to prevent eviction.
2. On October 18, 2013, the Department sent Claimant a State Emergency Relief Decision Notice informing her that her application for SER assistance with rent to prevent eviction was denied due to her shelter not being affordable. (Exhibit 1).

3. On September 13, 2012, Claimant submitted an application for CDC benefits.
4. On October 18, 2012, the Department sent Claimant a CDC Provider Verification form for which Claimant was required to submit requested Child Care Provider information by October 29, 2012. (Exhibit 5).
5. On October 29, 2012, the Department sent Claimant a Notice of Case Action informing her that her CDC application was denied because she had failed to provide requested information. (Exhibit 3).
6. In November 2012, Claimant requested DSS assistance with the purchase of a vehicle.
7. On January 8, 2013, Claimant submitted a hearing request disputing the Department's actions.

CONCLUSIONS OF LAW

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

SER

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 Mich Admin Code, R 400.7001 through R 400.7049.

Housing affordability is a condition of eligibility for SER benefits for assistance with rent to prevent eviction. ERM 207; ERM 303. In order to determine whether the Claimant's housing is affordable, the Department must multiply the group's total net countable income by seventy-five percent. ERM 207 (April 2011), p. 1. If an SER group does not have sufficient income to meet their total housing obligation, the application will be denied. ERM 207, p. 1.

In determining Claimant's total net countable income, the Department must consider the gross earnings from employment that Claimant will receive or is expected to receive during the 30 day countable period beginning on the date the SER application is received by the local office. ERM 206 (October 2011), p. 1. Net income from employment must be determined by deducting allowable expenses of employment from the gross amount received. ERM 206, p.4. The Department is to verify all non-excluded income, expenses and deductions by sending clients an SER Verification Checklist (VCL) informing them what verifications are required, where to return the verifications and the due date. ERM 206, p. 5.; ERM 103 (August 2011), p. 5. The client must make a reasonable effort to obtain required verifications. If neither the client nor the

Department can obtain the verifications despite a reasonable effort, the Department is to use the best available information. ERM 103, p.5.

In this case, on October 16, 2012, Claimant applied for SER assistance with rent to prevent eviction. The application was denied due to Claimant's shelter not being affordable. (Exhibit 1). At the hearing, the SER Affordability Test was reviewed. (Exhibit 2). The Department concluded that Claimant had net countable income of \$469.05 but was unable to explain which figures were relied on in making that determination. (Exhibit 2). The Department testified that it considered Claimant's income from the last six months in concluding that Claimant's shelter was not affordable, rather than considering the gross earnings from employment that Claimant will receive or is expected to receive during the 30 day countable period, as required under ERM 206, p.1. There was no information provided to establish that the Department sent Claimant a SER VCL requesting that she submit verification of all non-excluded income, expenses and deductions in order to properly determine her net countable income. ERM 206, p. 5; ERM 103, p. 5. Although Claimant confirmed that her home rent is \$625.00, which the Department properly considered, the Department did not act in accordance with Department policy when it concluded that Claimant's housing was not affordable and denied her application for SER assistance. ERM 103, p.5. ERM 206, p. 5; ERM 207, p. 1. As such, the Department's SER decision is REVERSED.

CDC

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and 1997 AACR 400.5001-5015.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (May 2012), p.1. To request verification of information, the Department sends a Verification Checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, pp. 2-3. CDC clients are given 10 calendar days to provide the verifications requested by the Department. Verifications are considered to be timely if received by the date they are due. BAM 130, p.5. For CDC cases, if the client cannot provide the verification despite a reasonable effort, extend the time limit at least once. BAM 130, p.5. The Department sends a negative action notice stating the intent to close a case when the client indicates a refusal to provide a verification or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 5.

In this case, Claimant submitted an application for CDC benefits on September 13, 2012. On October 18, 2012, the Department sent Claimant a CDC Provider Verification form for which Claimant was required to submit requested Child Care Provider information by October 29, 2012. (Exhibit 5). The Department stated that it did not receive the requested information from Claimant by the due date, and as a result, on

October 29, 2012 sent Claimant a Notice of Case Action informing her that her CDC application would be denied based on a failure to verify necessary information. (Exhibit 4). The Department testified that it received the CDC Provider Verification form and supporting documents on November 8, 2012, but Claimant's application had already been denied, as the due date to submit the information had lapsed. (Exhibit 5). Claimant confirmed that she submitted the requested information to the Department on November 8, 2012. Although the Department is authorized to extend the time limit to provide verifications, there was no evidence to indicate that Claimant was having difficulty in providing the verifications despite a reasonable effort. BAM 130, p.5.

Because the Department did not receive the requested CDC provider verification by the due date, the Department did act in accordance with Department policy when it denied Claimant's application for CDC benefits based on a failure to provide necessary information. As such, the Department's CDC decision is AFFIRMED.

DSS

Direct Support Services (DSS) is administered by the Department pursuant to MCL 400.57a, *et seq.*, and Mich Admin Code R 400.3603.

DSS are goods and services provided to help families achieve self-sufficiency and include Employment Support Service (ESS) which allows for vehicle purchase. BEM 232 (May 2012), p. 1. There is no entitlement for DSS. BEM 232, p. 1. The decision to authorize DSS is within the discretion of the Department or the work participation program. BEM 232, p. 1. The Department may authorize up to \$2,000 to purchase, not lease, a vehicle to be used as a participant's primary means of transportation for work or employment-related activities. Vehicle purchase is limited to once in a client's lifetime. BEM 232, p.13. The Department is to send a DHS-1605, Client Notice, informing the client of the outcome of the DSS request. BEM 232, p.6.

In this case, Claimant testified that in November 2011, she submitted a request for DSS assistance with vehicle purchase. Claimant stated that with her request, she submitted a voucher from the vehicle sales lot, insurance information, recent pay stubs and a statement as to why she needs the vehicle. Claimant further testified that she did not know what the outcome of her DSS request was, as she never received any type of notice or information from the Department regarding her request. At the hearing, the Department did not present any evidence regarding whether or not it processed Claimant's request for DSS assistance with vehicle purchase. The Department could not establish if the application was denied and was unable to provide any information on the status of Claimant's DSS request for assistance or if a notice regarding the outcome was sent to Claimant. Therefore, the Department failed to establish that it acted in accordance with Department policy when it processed Claimant's DSS request.

DECISION AND ORDER

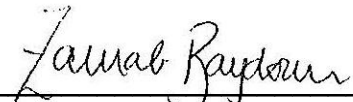
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for reasons stated on the record, finds the Department did act in accordance with Department policy when it denied Claimant's application for CDC

benefits based on a failure to provide necessary information. As such, the Department's CDC decision is AFFIRMED.

The Administrative Law Judge further finds that the Department did not act in accordance with Department policy when it denied Claimant's application for SER and failed to process Claimant's request for DSS assistance. Accordingly, the Department's SER and DSS decisions are REVERSED.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister Claimant's October 16, 2012 SER applications;
2. Begin reprocessing the application in accordance with Department policy and consistent with this Hearing Decision to determine Claimant's eligibility for SER benefits;
3. Issue a new SER Decision Notices for the application;
4. Reregister Claimant's November 2012 request for DSS assistance;
5. Begin reprocessing the request; and
6. Notify Claimant in writing of its DSS decision in accordance with Department policy.



Zainab Baydoun

Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: July 10, 2013

Date Mailed: July 20, 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 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.

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

ZB/cl

cc:

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