

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

IN THE MATTER OF:



Reg. No.: 2014-34327
Issue No(s): 5001
Case No.: [REDACTED]
Hearing Date: May 22, 2014
County: Wayne (18)

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 May 22, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED], Family Independence Specialist Case Manager.

ISSUE

Did the Department properly process Claimant's application for State Emergency Relief (SER) benefits?

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 March 19, 2014, Claimant submitted an application for SER assistance with rent to prevent eviction in the amount of \$1738. (Exhibit 1)
2. On March 27, 2014, the Department sent Claimant a SER Decision Notice informing her that she was approved for SER assistance, but that she was required to make a payment of \$1427 (\$630 shortfall and \$797 income/asset copayment) towards the amount of assistance she had requested, prior to the Department making the approved \$311 payment. (Exhibit 2)
3. On April 2, 2014, Claimant submitted a hearing request disputing the Department's actions.

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 Mich Admin Code, R 400.7001 through R 400.7049.

Additionally, SER assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses. ERM 303 (October 2013), p.1.

In this case, Claimant submitted an application for SER assistance with rent to prevent eviction in the amount of \$1738. (Exhibit 1). On March 27, 2014, the Department sent Claimant a SER Decision Notice informing her that the Department would pay \$311 towards the cost of her request, provided that Claimant make her payment of \$1427, which consisted of a \$630 unmet required payment (shortfall) and a \$797 income/asset copayment. (Exhibit 2).

SER group members must use their available income and cash assets to help resolve the emergency. ERM 208 (October 2013), p.1. If an application is made for shelter, heat, electricity or utilities, a determination of required payments must be made. 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. ERM 208, p.4. The good cause amount for Claimant's confirmed group size of three is \$255. ERM 204 (March 2013), p.3.

Good cause for a failure to prevent a housing emergency exists if either of the following conditions are met: (i) 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 ERM 204, provided that the income was not reduced because of a disqualification of SSI or department benefits for failure to comply with a program requirement; or (ii) the emergency resulted from unexpected expenses related to maintaining or securing employment, which expenses equal or exceed the monthly obligation. ERM 204, pp 1-2. If the client failed without good cause to make required payments, a short fall amount is determined. The client must pay the shortfall amount toward the cost of resolving the emergency. Verification that the shortfall has been paid must be received before any SER payment can be made. ERM 208, p.4.

At the hearing, the Department presented an SER Unmet Need summary showing how the \$630 shortfall in Claimant's case was determined. (Exhibit 3). The Department testified that Claimant did not have good cause for failing to make her rental payment of \$630 for the month of February 2014, because her net countable income for February 2014 (\$1597.68) was greater than the good cause amount of \$255. The Department stated that Claimant's net income included income from Family Independence Program benefits, child support and SSI. The Department presented documentation in support of the income calculations. (Exhibits 5, 6 and 8).

Because Claimant failed without good cause to make her rental payment for the month of February 2014, the Department properly calculated Claimant's shortfall from unmet required payments to be \$630.

Additionally, with respect to the income/asset copayment policy, cash assets in excess of \$50 result in an asset copayment. ERM 208, p.1. 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, p. 1. The SER income need standard for Claimant's confirmed group size of three is \$625. ERM 208, p. 5.

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 2013), p. 1. 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. ERM 208, p. 1. This is the income copayment. ERM 208, p. 1. The income and asset copayments are combined together to determine the SER group's total copayment, which is deducted from the cost of resolving the emergency. ERM 208, p. 2.


At the hearing, the Department presented a SER Copayment Details summary showing how the total copayment in Claimant's case was calculated. (Exhibit 4). The Department properly determined that the countable income period was March 19, 2014 through April 17, 2014, and considered income earned by Claimant during this period. The Department testified that in calculating Claimant's copayment, it considered earned income from her employment that began on March 24, 2014, at the rate of \$9.05 per hour and her average weekly employment of 40 hours. The Department also considered unearned income from SSI in the amount of \$721 and \$158 in monthly FIP benefits to determine that Claimant's net countable income was \$1422. (Exhibit 4).

After further review of the evidence presented, the Department properly subtracted the \$625 income need standard from Claimant's net countable income to determine that Claimant had an income copayment of \$797. The budget did not indicate that Claimant had an asset copayment. Therefore, the Department properly calculated Claimant's income/asset copayment to be \$797.

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 determined that Claimant was required to pay \$1427 (\$630 shortfall/unmet required payment and \$797 income/asset copayment), prior to the Department authorizing its approved SER payment of \$311.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.



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

Date Signed: June 18, 2014

Date Mailed: June 18, 2014

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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:

2014-34327/ZB

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

ZB/tlf

cc:

