

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-006594
Issue No.: 5001
Case No.: [REDACTED]
Hearing Date: June 3, 2015
County: Wayne (76)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on June 3, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included [REDACTED], program manager, and [REDACTED], specialist.

ISSUE

The issue is whether MDHHS properly denied Claimant's State Emergency Relief (SER) application for security deposit assistance.

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 [REDACTED], Claimant applied for SER, seeking assistance with payment of a \$700 security deposit.
2. As of [REDACTED], Claimant's monthly income was \$0.
3. Claimant reported to MDHHS that her prospective rent would be \$0/month.
4. On [REDACTED], MDHHS mailed Claimant a State Emergency Relief Decision Notice (Exhibits 1-3) informing Claimant that her SER application was denied based on her rent being unaffordable.
5. On [REDACTED], Claimant requested a hearing to dispute the denial of SER.

CONCLUSIONS OF LAW

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

Claimant requested a hearing to dispute an SER application denial concerning a \$700 security deposit for a prospective residence. It was not disputed that DHS denied Claimant's application because Claimant could not afford her prospective residence.

Housing affordability is a condition of eligibility for SER and applies to Relocation Services. ERM 207 (March 2013), p. 1. DHS is to authorize SER for services only if the SER group has sufficient income to meet ongoing housing expenses. *Id.* 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. *Id.* DHHS is to deny SER if the group does not have sufficient income to meet their total housing obligation. *Id.* The total housing obligation cannot exceed 75 percent of the group's total net countable income. *Id.* The percentage increases up to 100 percent, depending on which utilities are included in the client's housing obligation.

Claimant testified that she received subsidized housing assistance, and based on her total lack of income, she would be expected to pay \$0/month in rent. MDDHS testimony initially indicated that Claimant's SER eligibility was properly denied after factoring that Claimant did not have to pay rent. MDHHS presented an Affordability Test (Exhibit 3) which indicated that MDHHS actually budgeted \$700 in prospective rent. Had MDHHS properly factored a rent of \$0, MDHHS would have concluded that Claimant's rent was affordable, no matter which utilities were or were not included in her rent.

Accordingly, it is found that MDHHS improperly determined that Claimant's rent was unaffordable. MDHHS will be ordered to reinstate and process Claimant's SER application. Hearing testimony raised some disputes about how the order should be processed.

Claimant testimony stated that she borrowed money and managed to move into her prospective residence without MDHHS. In previous hearings, MDHHS contended that even if a client's SER application was improperly denied, the application cannot be approved if a client resolved the emergency. Such an argument is not persuasive. MDHHS is expected to reprocess Claimant's SER application based on the circumstances from [REDACTED], the date that Claimant submitted her application.

MDHHS testimony alleged that Claimant's SER application misreported her actual household members. MDHHS alleged that a child listed by Claimant as a household member was in foster care and outside of Claimant's household. MDHHS also alleged that Claimant's adult son lived with Claimant despite Claimant not listing him as a household member. The issue of which children live with Claimant matters because one of the children receives employment income. Claimant's testimony in response to the MDHHS allegations was very defensive. Claimant's testimony also tended to corroborate MDHHS' allegations. This decision will not order MDHHS to reprocess Claimant's SER eligibility based on any findings. MDHHS, however, is under no obligation to reprocess Claimant's application by factoring erroneously reported information simply because that is how the application was first processed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Claimant's application for SER assistance with a security deposit. It is ordered that MDHHS perform the following actions:

- (1) reregister Claimant's SER application dated [REDACTED]; and
- (2) initiate reprocessing of Claimant's SER application subject to the findings that Claimant's prospective rent is \$0/month and that reprocessing shall be based on Claimant's household circumstances as of [REDACTED].

The actions taken by MDHHS are **REVERSED**.



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **6/9/2015**

Date Mailed: **6/9/2015**

CG / hw

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date. A copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

cc:

