



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR



Date Mailed: August 29, 2016  
MAHS Docket No.: 16-009967  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **HEARING DECISION**

Following Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, a 3-way telephone hearing was held on August 22, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly denied Petitioner's State Emergency Relief (SER) application for rent arrearage.

### **FINDINGS OF FACT**

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner failed to pay her [REDACTED]/month rent in [REDACTED].
2. Petitioner had an ongoing income of [REDACTED]/month in SSA-issued benefits.
3. Petitioner was the only member of her household.
4. On an unspecified date, Petitioner applied for SER seeking assistance for [REDACTED] in rent arrearage.

5. On [REDACTED], MDHHS denied Petitioner's SER application due to Petitioner's required payment exceeding her need.
6. On [REDACTED], Petitioner 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).

Petitioner requested a hearing to dispute the denial of an SER application. It was not disputed Petitioner sought [REDACTED] towards a rent arrearage. MDHHS presented a State Emergency Relief Decision Notice (Exhibit 1, pp. 1-3) dated [REDACTED] stating Petitioner's application was denied due to Petitioner's required payment exceeding her SER need.

MDHHS presented a document listing the breakdown of Petitioner's copayments. A "shortfall" of [REDACTED] and a copayment of [REDACTED] were stated. The combined client-calculated payments total [REDACTED] which exceed the amount of [REDACTED] requested.

If the copayment, shortfall, contribution or combination exceeds the need, the application shall be denied unless good cause is granted. ERM 103 (October 2015), p. 3. Thus, it can be found that if MDHHS correctly calculated Petitioner's shortfall and copayment, the SER application was properly denied.

If an application is made for shelter, heat, electricity or utilities, a determination of required payments must be made. ERM 208 (October 2015), p. 4. 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... *Id.* If the client failed without good cause to make required payments, a short fall amount is determined. *Id.*

MDHHS defines good cause as a standard income limit based on the SER group size. Whenever a client's income exceeds the good cause amount, good cause is absent; this is true no matter by how much a client's rent may exceed the rent obligation.

Petitioner testimony conceded she did not pay her rent in [REDACTED]. MDHHS budgeted Petitioner's rent to be [REDACTED]. Petitioner testified her rent was higher. For purposes of this decision, [REDACTED] will be accepted as Petitioner's correct rent amount for [REDACTED] because a lower rent amount is more favorable for Petitioner in a shortfall calculation.

Based on Claimant's reported group size of 1, Petitioner's good cause amount is [REDACTED] (see ERM 204 (August 2014), p. 3). It was not disputed that Petitioner's income

exceeded [REDACTED] in [REDACTED]. Thus, Petitioner did not have good cause for failing to pay rent in [REDACTED] and the entire rent amount of [REDACTED] must be paid by Petitioner before SER payment can be issued.

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 (October 2014), p. 1. The income-need standard for a group size of 1 is [REDACTED]. *Id.*, p. 5.

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 (October 2015), p. 1. This is the income copayment. *Id.*

It was not disputed that Petitioner was a group size of 1 with a monthly income of [REDACTED]/month. Subtracting Petitioner's income need standard ([REDACTED]) from her monthly income results in an income copayment of [REDACTED], the same amount calculated by MDHHS.

Adding Petitioner's income copayment and shortfall results in a required copayment of [REDACTED]. Petitioner's SER need was [REDACTED]. It is found MDHHS properly denied Petitioner's SER application because Petitioner's copayment/shortfall exceeded her SER need.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's SER application (associated with a denial notice dated [REDACTED]) for rent arrearage. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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**Christian Gardocki**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

**DHHS**

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]