



RICK SNYDER
GOVERNOR

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

MIKE ZIMMER
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]
Date Mailed: April 1, 2016
MAHS Docket No.: 16-000391
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 telephone hearing was held on March 3, 2016, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

ISSUE

Did the Department properly deny Petitioner's request for State Emergency Relief (SER) assistance with property taxes?

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 or around December 18, 2015, Petitioner applied for SER assistance with her property taxes in the amount of \$1800. (Exhibit A, pp. 10-21)
2. Petitioner reported on her application that she earns \$200 monthly in self-employment income and that her [REDACTED] year old son, a household group member works 30 hours per week and is paid \$20 per hour. (Exhibit A, pp. 10-21)
3. Petitioner reported on her application that she and her household group members have assets of \$1840 consisting of cash assets and money in bank accounts. (Exhibit A, pp. 10-21)

4. Based on the information provided with her SER application, the Department determined that Petitioner had an income copayment of \$1175 and an asset copayment of \$1790, with the total copayment being \$2965. (Exhibit A, pp. 6-8)
5. On December 18, 2015, the Department sent Petitioner a SER Decision Notice advising her that her request for SER assistance with property taxes was denied on the basis that her income/asset copayment is equal to or greater than the amount needed to resolve the emergency. (Exhibit A, pp. 3-5)
6. On January 6, 2016, Petitioner requested a hearing disputing the Department's actions.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

SER helps to prevent loss of a home if no other resources are available and the home will be available to provide a safe shelter for the SER group in the foreseeable future. ERM 304 (October 2015), p. 1. Property taxes and fees are considered covered home ownership services for SER purposes and payments are only issued to save a home threatened with loss due to tax foreclosure or sale. ERM 304, p. 1.

Additionally, the Department will complete a SER budget for each request and determine the payment maximums, required payments, income and asset copayment, and client contributions based on the information provided to determine eligibility for SER. ERM 103 (October 2015), pp. 2-3. SER group member must use their available income and cash assets that will help resolve the emergency. ERM 208 (October 2015), p. 1. The protected cash asset limit is \$50 and the Department will exclude the first \$50 of an SER group's cash assets. The amount of in excess of the protected cash asset limit is deducted from the cost of resolving the emergency and is called the asset copayment. ERM 205 (October 2015), p. 1; ERM 208.

A group is eligible for non-energy SER services, such as property taxes, 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. 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. 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. The total copayment is the amount the SER group must pay towards their emergency and copayments are deducted from the costs of resolving the emergency. Thus, if the copayment exceeds the need, the application shall be denied unless good cause is granted. ERM 208, pp.1-2; ERM 103, p. 4.

With respect to the asset copayment, the Department stated that it relied on the self-attested asset information included with Petitioner's SER application. The Department presented a SER Asset budget showing how the Asset Co-Payment of \$1790 was calculated. (Exhibit A, p. 6). Specifically, the Department considered cash assets of \$1840 which it testified consisted of \$150 in liquid cash assets and \$1690 in cash assets in bank accounts, as reported on the SER application. See ERM 205 (October 2015). The Department properly excluded the first \$50 as the protected cash asset limit and determined that Petitioner had excess cash assets of \$1790.

With respect to the income copayment, the Department stated that it relied on the self-attested income reported by Petitioner on the SER application. The Department presented a SER Copayment Details budget how the Income Co-Payment of \$1175 was calculated. (Exhibit A, pp.7-8). Specifically, the Department considered Petitioner's son's earnings from employment. The Department stated that he is paid \$20 per hour and works 30 hours per week, resulting in monthly gross income of \$2400. See ERM 206 (October 2013). The Department stated that although Petitioner reported earning \$200 in self-employment income monthly, for an unexplained reason, this amount was not included in the earned income calculation. A review of the budget shows that the Department properly deducted \$600 for mandatory withholding taxes (which is 25 percent of the gross income) and determined that the remaining countable earned income for the SER group was \$1800. Based on Petitioner's confirmed group size of three, the Department properly applied a \$625 income need standard. ERM 206, p. 6; ERM 208, p. 5.

Upon further review, the Department properly determined that Petitioner's total copayment of \$2695 (\$1175 income copayment and \$1790 asset copayment) was greater than her need for \$1800 in SER assistance with property taxes. As such, 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 Petitioner's SER application.

DECISION AND ORDER

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



ZB/tlf

Zainab Baydoun
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

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