



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: December 9, 2016
MAHS Docket No.: 16-014880
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 telephone hearing was held on November 16, 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 application for State Emergency Relief (SER).

FINDINGS OF FACT

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

1. From April 2016 through August 2016, Petitioner did not pay [REDACTED] of her rent.
2. From April 2016 through August 2016, Petitioner's SER group's income exceeded [REDACTED]/month.
3. On [REDACTED], Petitioner applied for SER seeking assistance with [REDACTED] in rent.
4. As of [REDACTED] Petitioner was a member of a 4-person SER group.

5. As of [REDACTED], Petitioner's group's gross earned income was projected to be [REDACTED] over the next 30 days.
6. As of [REDACTED], Petitioner had [REDACTED] in assets.
7. On [REDACTED], MDHHS denied Petitioner's SER application due to copayments exceeding the amount requested.

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 a denial of SER for rent. MDHHS presented a State Emergency Relief Decision Notice (Exhibit 1, pp. 1-2) dated [REDACTED]. The notice stated Petitioner's application was denied due to the combined asset and income copayment exceeding the amount requested.

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 2015), 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. *Id.* This is the income copayment. *Id.*

It was not disputed that Petitioner's gross monthly income was [REDACTED]. MDHHS credited Petitioner with a mandatory 25% expense credit (see ERM 206 (October 2013), p. 7) leaving Petitioner with a net countable income of [REDACTED]. As a group size of 4, Petitioner's need standard is [REDACTED] (see *Id.*, p. 5). Subtracting Petitioner's income-need standard from net income results in an income copayment of [REDACTED].

In most cases cash assets in excess of \$50 result in an asset copayment. *Id.* An asset copay cannot be reduced or waived. *Id.*

Petitioner conceded her assets were [REDACTED] at the time of SER application. Subtracting \$50 from Petitioner's assets leaves an asset copayment of [REDACTED].

The income and asset copayments combined together determine the SER group's total copayment. The total copayment is the amount the SER group must pay toward their emergency. *Id.*, p. 2. Copayment amounts are deducted from the cost of resolving the emergency. *Id.*

Adding Petitioner's income and asset copayment results in a total copayment of [REDACTED]. Petitioner requested [REDACTED] in assistance. Theoretically, MDHHS could have approved Petitioner for [REDACTED] in SER, subject to Petitioner's payment of her copayment within 30 days; such a decision would be precluded by Petitioner's payment history.

[For shelter emergencies, DHHS is to] evaluate the [client's] payment history for the preceding six-month period to determine the required payment criteria. ERM 204 (August 2014), p. 1. Required payments are actual shelter costs or required energy and/or utility payments as outlined in ERM 301 & ERM 302. *Id.* Required payments are determined based on the group members in the home during the required payment period. *Id.*

Good cause may exist as a basis for an applicant's failure to prevent an emergency. *Id.* Good cause for failure to meet obligations for shelter, energy, or utilities exists if... 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 this item... *Id.*, p. 2. The good cause amount for a group size of 4 is [REDACTED] (see *Id.*, p. 3). The client must pay the shortfall amount toward the cost of resolving the emergency. ERM 208 (October 2015), p. 4.

MDHHS did not specifically cite a shortfall as a factor in denying Petitioner's SER application. Despite the absence of a reference to a shortfall within the application denial notice, presented evidence was suggestive that it factored in the application denial.

Only information for 5 of the 6 months (April-August) before Petitioner's SER application was provided; Petitioner will be given credit for paying her full rent in the 6th month (March). It was not disputed Petitioner's rental obligation for each month was [REDACTED]. It was not disputed Petitioner's total payments in those 5 months totaled [REDACTED]. In the 6 months before Petitioner's application, Petitioner's shortfall is calculated to be [REDACTED]. It was not disputed Petitioner's income exceeded good cause limits; thus, Petitioner's [REDACTED] shortfall is part of Petitioner's required payment.

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. Petitioner's combined shortfall, income copayment, and asset copayment exceeded her requested amount. Thus, it is found that MDHHS properly denied Petitioner's SER application.

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 dated [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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]