



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: February 9, 2017
MAHS Docket No.: 16-017675
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 January 12, 2017, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Eligibility Specialist, and [REDACTED] [REDACTED] Assistance Supervisor.

During the hearing proceeding the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-15, and Petitioner's request for hearing was admitted as Exhibit 1, pp. 1-7. The record was left open through the end of the day for the Department to provide copies of the pay check stubs received from Petitioner that were utilized in determining the income copayment. These documents were received from the Department on January 12, 2017, and have been admitted as Exhibit B, pp. 1-2.

ISSUE

Did the Department properly deny Petitioner's application for State Emergency Relief (SER) for relocation services?

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 October 27, 2016, Petitioner applied for SER for relocation services totaling \$ [REDACTED] (Rent to Relocate \$ [REDACTED] Moving Expenses \$ [REDACTED] Security Deposit \$ [REDACTED] (Exhibit A, pp. 1 and 14; Department Testimony)
2. On October 27, 2016, a SER Verification Checklist was issued, in part requesting employment income verification for SER group members by the November 3, 2016, due date. (Exhibit A, pp. 5-6)
3. On November 3, 2016, two paycheck stubs for a SER group member were received by the Department. (Exhibit B, pp. 1-2)
4. The Department verified income for other SER group members via SOLQ reports for the Social Security benefits as well as The Work Number for other employment income. (Exhibit A, pp. 7-11; Department Testimony)
5. The Department determined the total net household income was \$ [REDACTED] (Exhibit A, pp. 1 and 12-13; Department Testimony)
6. The Department determined that at least the income portion of the income/asset co-payment would be greater than the amount of SER requested by Petitioner. (Exhibit A, pp. 12-13; Department Testimony)
7. On November 4, 2016, a SER Decision Notice was issued to Petitioner stating the SER request for relocation services was denied because the income/asset copayment is equal to or greater than the amount needed to resolve the emergency. (Exhibit A, pp. 14-15)
8. On November 16, 2016, and November 28, 2016, Petitioner filed hearing requests contesting the Department's determination. (Exhibit A, pp. 2-3; Exhibit 1, pp. 1-7)

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 assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses. ERM 303, October 1, 2015, p. 1.

The Department completes an SER budget in Bridges for each request/application; see ERM 208 for budget procedures. Bridges calculates payment maximums, required payments, income and asset copayment, client contributions, etc. based on the information entered from the SER application and determines eligibility or ineligibility for SER. ERM 103, October 1, 2015, p. 2. If the copayment, shortfall, contribution or combination exceeds the need, the application shall be denied unless good cause is granted. ERM 103, p. 4.

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. 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, October 1, 2016, p. 1. Per the table found in ERM 208 as Exhibit I, SER Income Need Standards for Non-Energy Services, the income need standard for a group size of four is \$755. ERM 208, p. 5.

In this case, on October 27, 2016, Petitioner applied for SER for relocation services totaling \$ [REDACTED] (Rent to Relocate \$ [REDACTED] Moving Expenses \$ [REDACTED] Security Deposit \$ [REDACTED] (Exhibit A, pp. 1 and 14; Department Testimony) Petitioner applied for SER for relocation services for a group size of four, consisting of Petitioner, Petitioner's 18 year old child, Petitioner's 16 year old child, and Petitioner's uncle. (Petitioner and Department Testimony) Petitioner testified that it actually cost her \$ [REDACTED] to move, but acknowledged that she requested less on the SER application because she figured the full amount would not be accepted because she had been having so many issues. (Petitioner Testimony)

The Department determined that at least the income portion of the income/asset copayment would be greater than the amount of SER requested by Petitioner. (Exhibit A, pp. 12-13; Department Testimony) On November 4, 2016, a SER Decision Notice was issued to Petitioner stating the SER request for relocation services was denied because the income/asset copayment is equal to or greater than the amount needed to resolve the emergency. (Exhibit A, pp. 14-15)

Petitioner testified that the net income amount calculated by the Department, \$ [REDACTED] seemed high to her. (Petitioner Testimony, Exhibit A, pp. 1 and 12-13)

In calculating the SER budget, the Department verified unearned income amounts for the SER group members from SOLQ reports. The Department determined that the group had \$ [REDACTED] in unearned income (\$ [REDACTED] SSI and \$ [REDACTED] RSDI). (Exhibit A, p. 12) Petitioner indicated the inaccuracy seemed to be with the earned income amount. (Petitioner Testimony) The SER budget shows that the Department determined that the SER group had \$ [REDACTED] in earned income prior to the mandatory taxes deduction. (Exhibit A, p. 12) However, based on the documentation submitted into evidence by the

Department regarding the earned income verifications utilized in this case, it is not clear how the Department calculated this total for the earned income. Rather, the combined total of the last two bi-weekly paychecks from each of the two reports from The Work Number and the paycheck stubs from the third employer appear to total only \$ [REDACTED] (Exhibit A, pp. 7-11; Exhibit B, pp. 1-2) Therefore, it does not appear that the SER budget was accurately calculated. Accordingly, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's SER application based on the determination that at least the income portion of the income/asset copayment would be greater than the amount of SER requested by Petitioner.

DECISION AND ORDER

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's application for SER for relocation services.

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Re-determine eligibility for Petitioner's October 27, 2016, SER application in accordance with Department policy.

CL/mc



Colleen Lack
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]

Petitioner

[REDACTED]