



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

ORLENE HAWKS
DIRECTOR

[REDACTED]
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Date Mailed: April 16, 2019
MAHS Docket No.: 19-002168
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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; 42 CFR 438.400 to 438.424; 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 April 15, 2019, from Detroit, Michigan. Petitioner was present with [REDACTED]. The Department of Health and Human Services (Department) was represented by Jeffrey Robinson, Family Independence Manager and Otis Evans, Assistance Payments Worker.

ISSUE

Did the Department properly process Petitioner's October 18, 2018 application for State Emergency Relief (SER) benefits?

Did the Department properly deny Petitioner's February 13, 2019 application for SER benefits?

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 18, 2018, Petitioner submitted an SER application for relocation services requesting \$[REDACTED] for a security deposit.
2. On November 14, 2018, the Department sent Petitioner a State Emergency Relief Decision Notice approving her SER application. The Department did not issue payment to the provider.

3. On February 13, 2019, Petitioner submitted a second SER application for relocation services requesting \$[REDACTED] for a security deposit.
4. On February 22, 2019, the Department sent Petitioner a State Emergency Relief Decision Notice informing her that her application was denied, as her income/asset copayment exceeded the need (Exhibit A).
5. On March 1, 2019, Petitioner submitted a request for 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.

In this case, Petitioner submitted an application for SER benefits on October 18, 2018. Petitioner requested assistance with her security deposit in the amount of \$[REDACTED]. The Department approved the application but was unable to issue payment due to the vendor failing to properly register.

Before assistance payments can be issued, all SER service providers must be enrolled in the Department's electronic program management system. ERM 401 (October 2018), p. 2. Providers must also register in the SIGMA Vendor Self Service (VSS) in order to receive SER payment. ERM 401, p. 2.

The Department testified that Petitioner's provider refused to provide her Social Security Number, and therefore, was unable to register in SIGMA VSS. Per policy, all providers must properly register before payment can be issued. Therefore, the Department acted in accordance with policy when it did not issue payment to Petitioner's provider.

Petitioner submitted a second SER application on February 13, 2019. Petitioner again requested assistance with her security deposit in the amount of \$[REDACTED]. The Department denied Petitioner's application due to her income/asset copayment exceeding the need.

State Emergency Relief (SER) assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses. ERM 303 (October 2015), p. 1. SER group members must use their available income

and cash assets that will help resolve the emergency. ERM 208 (February 2017), p. 1. The total copayment is the amount the SER group must pay toward their emergency. ERM 208, p. 2. Copayment amounts are deducted from the cost of resolving the emergency. ERM 208, p. 2. In most cases cash assets in excess of \$50 result in an asset copayment. ERM 208, 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. This is the income copayment. ERM 208, p. 1. The income and asset copayments combined together determine the SER group's total copayment. ERM 208, p. 2. ERM 208, p. 1. When processing an application, if the copayment, shortfall, contribution or combination exceeds the need, the application shall be denied. ERM 103 (February 2017), p. 4.

The Department presented Petitioner's SER copayment budget (Exhibit B). The Department determined Petitioner had earned income in the amount of \$ [REDACTED] per month. The Department stated Petitioner's income was calculated using pay stubs that were submitted to the Department. However, the Department did not present the pay stubs. Petitioner's total income copayment was \$ [REDACTED]. The Department also determined Petitioner had an asset copayment of \$ [REDACTED]. The Department was unsure as to what asset or assets it was counting but surmised it was funds in a checking and/or savings account. The Department determined Petitioner's total income/asset copayment was \$ [REDACTED] which exceeded the need.

Petitioner testified the only asset she had was a checking account. Petitioner testified that her income from employment is direct deposited into her checking account. Petitioner argued that she does not have additional funds in her checking account other than what is deposited from her employer. Petitioner contended that the Department was counting her income from employment as income and an asset.

The SER group must use countable cash assets to assist in resolving their emergency. ERM 205 (October 2015), p. 1. The Department is to exclude the first \$50 of an SER group's cash assets. ERM 205, p. 1. Additionally, the department is to exclude the budgetable portion of income deposited into a checking or savings account. ERM 205, p. 3. The Department is not to count the same funds as both income and an asset in the same month. ERM 205, p. 3.

The Department failed to establish it properly calculated Petitioner's income/asset copayment, as it was unable to provide any details as to the calculation of Petitioner's earned income or what asset(s) were included. The Department was also unable to verify that Petitioner's income was deducted from any included cash assets. Therefore, the Department failed to establish it properly denied Petitioner's SER application.

It should be noted that per policy stated above, if Petitioner is deemed eligible for SER benefits after the reprocessing of the February 13, 2019 SER application, the provider must be properly registered. The Department will be unable to issue payment without proper registration of the provider.

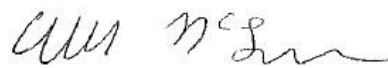
DECISION AND ORDER

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 February 13, 2019 SER application.

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. Reinstatement and reprocess Petitioner's February 13, 2019 SER application;
2. If Petitioner is eligible for SER benefits, issue payment to provider in accordance with Department policy if provider is properly registered; and
3. Notify Petitioner of its SER decision in writing.



EM/

Ellen McLemore

Administrative Law Judge

for Robert Gordon, 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) 763-0155; 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

Linda Gooden
MDHHS-Oakland-6303-Hearings

Petitioner

[REDACTED]
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