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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

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ACTING DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]

Date Mailed: February 21, 2024
MOAHR Docket No.: 23-008925
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; 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 hearing was held via telephone conference line on February 14, 2024. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Avery Smith, manager.

ISSUE

The issue is whether MDHHS properly denied Petitioner's application for State Disability Assistance (SDA) benefits due to excess assets.

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 [REDACTED] [REDACTED] 2023, Petitioner applied for SDA benefits.
2. As of September 2023, Petitioner's homestead had a state equalized value (SEV) of \$112,950.
3. On November 20, 2023, MDHHS denied Petitioner's application for SDA benefits due to excess assets.
4. On December 6, 2023, Petitioner requested a hearing to dispute the denial of SDA.

CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180. SDA policies are contained in the BAM, BEM, and RFT.

Petitioner requested a hearing, to dispute a denial of cash benefits. Exhibit A, pp. 3-5. A Notice of Case Action dated November 20, 2023, stated that Petitioner was ineligible for SDA due to excess assets. Exhibit A, pp. 19-22.

For non-refugees, MDHHS offers two types of cash assistance programs.¹ The Family Independence Program (FIP) provides financial assistance to families with dependent children.² BEM 100 (April 2023) p. 1. SDA provides financial assistance to disabled adults who are not eligible for Family Independence Program (FIP) benefits. *Id.*, p. 5. As Petitioner was neither a caretaker to minor children nor pregnant, Petitioner was only potentially eligible to receive cash assistance under SDA.

For SDA, MDHHS is to consider assets, BEM 400 (July 2023) p. 1-2. For SDA, MDHHS is to consider real property. *Id.* pp. 2-3. The SDA asset limit for real property is \$200,000. *Id.*, p. 5. For SDA, MDHHS is to determine the fair market value of real property. *Id.*, p. 33. A fair market value may be calculated by multiplying the SEV by two. *Id.*

For various programs, a homestead (i.e., a person's residence) is an excluded asset; SDA is not among the various programs *Id.*, pp. 35-40. For various programs, MDHHS only counts the equity value of real property; SDA is not among the programs that factor equity value of real property. *Id.*

MDHHS presented property tax records for Petitioner's homestead address. Exhibit A, pp. 15-17. The records listed a current SEV of \$112,950 for Petitioner's homestead. *Id.* Doubling the SEV results in a fair market value of \$225,900 for Petitioner's homestead.³

Petitioner provided a mortgage statement stating she owes more than \$216,000 on her mortgage. Exhibit A, pp. 13-14. Petitioner credibly testified she has a second mortgage of \$12,500 on her homestead. Given the evidence, Petitioner owes more on her homestead than its fair market value. However, the evidence is irrelevant because a property's equity value is not factored in determining asset eligibility for SDA.

The evidence established that Petitioner's home is a countable asset for purposes of SDA eligibility. The evidence further established that Petitioner's home has a fair market

¹ A third type of cash assistance is available for refugees (see BEM 630).

² Pregnant women are also eligible to receive FIP benefits (see BEM 210).

³ MDHHS, without explanation, factored a fair market value of \$222,000. Exhibit A, p. 18.

value exceeding the SDA asset limit. Thus, MDHHS properly denied Petitioner's application for SDA benefits due to excess assets.

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 application for SDA benefits dated [REDACTED] [REDACTED] 2023, due to excess assets. The actions taken by MDHHS are **AFFIRMED**.

CG/nr



Christian Gardocki
Administrative Law Judge

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via-Electronic Mail :

DHHS

Yaita Turner
Oakland County Southfield District III
25620 W. 8 Mile Rd
Southfield, MI 48033

**MDHHS-Oakland-6303-
Hearings@michigan.gov**

Interested Parties

Oakland 3 County DHHS
BSC4
L. Karadsheh
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
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