
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 hearing was held via telephone conference on March 9, 2026. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Diane Godfrey, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for State Emergency Relief (SER) assistance?

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 about November REDACTED, 2025, Petitioner ended her employment with REDACTED (Employer 1). Exhibit A, p. 19.
2. On or about November REDACTED, 2025, Petitioner began her employment with REDACTED REDACTED REDACTED REDACTED (Employer 2) and was paid biweekly. Exhibit A, pp. 23-24.
3. On December REDACTED, 2025, Petitioner received a paycheck from Employer 2 for \$1,585.00 gross. Exhibit A, p. 24.
4. On January REDACTED, 2026, a default judgment was entered against Petitioner in a Landlord Tenant action. A possession judgment was entered. Exhibit A, p. 11.
5. On January REDACTED, 2026, Petitioner submitted her SER application to the Department. Petitioner listed herself and her minor daughter in the household. Petitioner requested SER assistance for eviction. Exhibit A, pp. 5-10.
6. Petitioner receives Michigan State Housing Development Authority (MSHDA) assistance with rent. Petitioner's monthly client obligation is \$732.00. Exhibit A, p. 18.
7. On January REDACTED, 2026, the Department sent Petitioner a SER Decision Notice (SERDN) that informed Petitioner her request for rent to prevent eviction of \$3,930.00 was denied because the total amount of her income/asset copayment and her shortfall is equal to or greater than the amount needed to resolve the emergency. Exhibit A, p. 27.

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8. On January 20, 2026, the Department received Petitioner's request for hearing disputing the denial of her SER application. Exhibit A, p. 4.
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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 disputed the denial of her SER application. Petitioner clarified at the hearing that she disputed the denial of the January REDACTED, 2026 SER application that requested rent to prevent eviction in the amount of \$3,930.00. The Department explained that Petitioner's application was denied because the combined amount of her income copay and shortfall exceeded the need amount requested in her application.

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 2024), p. 1. The Department will authorize any combination of the following services: moving expenses (to relocate household effects), security deposit (if required), first month's rent and rent arrearage. ERM 303, p. 1. The fiscal year maximum payment for SER relocation assistance for a SER group size of two is \$520.00. ERM 303, p. 7.

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 the SER Income Need Standards for All Non-Energy Services (Except Water/Sewer) in ERM 208. ERM 208, p. 1. When determining a SER group's income, the SER budget computation period is 30 days. This is referred to as the countable income period. The first day of the countable income period is the date the local office receives a signed application for SER. ERM 206 (October 2025), p. 1. The Department is to verify and budget all non-excluded gross income the SER group expects to receive during the countable income period. ERM 206, p. 1. The Department budgets unearned income and earned income, such as wages from employment. ERM 206, pp.1-3.

Net income from employment must be determined by deducting allowable expenses of employment from the gross amount received. ERM 206, p. 5. Expenses from employment

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are limited to the following: mandatory withholding taxes (25 percent of the gross for employment and 50 percent for self-employment and room and board); deductions required by employer as a condition of employment; deductions for health insurance; court-ordered child support paid, including arrears; the cost of dependent care for either of the following: a dependent child who is less than 13 years old or a person who is 13 years old or older who needs care due to a mental or physical impairment. ERM 206, p. 5.

SER group members must use their available income and cash assets that will help resolve the emergency. ERM 208 (October 2025), 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. Income that is more than the basic monthly income need standard for the number of group members is the income copayment. ERM 208, p. 1. In most cases cash assets in excess of \$15,000 result in an asset copayment. ERM 208, p. 1. The income and asset copayments combined determine the SER group's total copayment. ERM 208, p. 2.

Further, in processing an application for SER assistance with rent to relocate, security deposit, moving expenses and rent to prevent eviction, the Department must verify a client's shelter expenses for the six months preceding the client's application *and* the amount the client paid each of those months. ERM 303 (October 2024), p. 4; ERM 204, p. 1 (emphasis added). The client must make required payments unless they have good cause for failing to do so. ERM 303, p. 4. Good cause for failure to meet obligations for shelter or cooking gas 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 and the income was not reduced by a disqualification of SSI or department benefits for failure to comply with a program requirement. ERM 204 (October 2023), p. 2. Good cause due to unexpected expenses includes when the emergency resulted from unexpected expenses related to maintaining or securing employment. ERM 204, p. 2. The Department must verify unexpected expenses for each month the group failed to pay their obligations. ERM 204, p. 2. The employment-related expenses must equal or exceed the monthly obligation. *Id.* Payment differences are the responsibility of the SER group. ERM 204, p. 2. If the client has not made required payments *and* has no good cause for the nonpayment, a shortfall amount is determined, and the client must pay the shortfall amount toward the cost of resolving the emergency. ERM 303, p. 4; ERM 208 (October 2024), p. 4 (emphasis added).

When processing an application, if the copayment, shortfall, contribution or combination exceeds the need, the application shall be denied. ERM 103 (October 2024), p. 4.

Here, the Department determined that Petitioner had an income copayment and a shortfall amount and, when combined, these amounts exceeded the need. In determining the income copayment, the Department testified that it considered the paychecks Petitioner received in the 30-day countable income period. Petitioner began working for

Employer 2 on November 24, 2025 and was paid biweekly. Petitioner provided her December 12, 2025 biweekly paycheck for \$1,585.00 gross. Exhibit A, p. 26. No other paychecks were introduced. The Department multiplied this paycheck by two and determined that Petitioner's monthly gross income for SER purposes was \$3,170.00. After deducting 25% as an allowable expense for mandatory withholding taxes, Petitioner's monthly net income was \$2,377.50. No evidence was presented of any other reported allowable expenses of employment. Petitioner's net income (\$2,377.50) deducted by the basic monthly income need standard for a group of two (\$500.00) is \$1,877.50. Petitioner's income copayment is \$1,877.50. Petitioner did not have an asset copayment. The Department properly determined Petitioner's total copayment is \$1,877.50.

The Department testified it determined Petitioner had a shortfall amount of \$2,928.00. The Department did not explain how it arrived at this amount. Based on the consolidated inquiry, Petitioner had a monthly shelter expense of \$732.00 per month for the six months preceding her application. Exhibit A, p. 18. The Department is required to verify the amount the client paid each of those months. However, the Department did not present any documentation, such as a SER Unmet Need printout, to establish that it verified the amounts Petitioner paid, if any, toward her monthly shelter expenses for the six months preceding her January 2026 application. Although the landlord tenant judgment reflected a possession amount of \$3,752.00, Petitioner testified that she had paid \$2,100.00 to her landlord. Additionally, while the wage histories for Employer 1 and Employer 2 (Exhibit A, p. 21, 24) evidenced that Petitioner's monthly net income for the past six months exceeded the amount shown for the SER group size in the good cause table, the Department did not establish that it determined Petitioner did not have good cause due to unexpected employment-related expenses. Based on the foregoing, the Department did not establish that it acted in accordance with policy when it determined Petitioner's shortfall amount.

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 did not act in accordance with Department policy when it determined Petitioner's eligibility for SER assistance.

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. Reregister and reprocess Petitioner's January REDACTED, 2026 SER application;
2. If eligible, issue supplements to Petitioner's provider/landlord for any payment that she was eligible to receive but did not; and
3. Notify Petitioner of its decision in writing.



**JULIA NORTON
ADMINISTRATIVE LAW JUDGE**

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.