

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL
BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES**

In the Matter of)	
)	OAH No. 12-0462-SNA
N L)	Division No
_____)	

DECISION

I. Introduction

N L receives Food Stamp (also referred to as Supplemental Nutrition Assistance Program) benefits.¹ The Division of Public Assistance (Division) lowered his monthly Food Stamp benefit amount. ²Mr. L requested a hearing on September 21, 2012.³

Mr. L' shearing was held on October 15, 2012. Mr. L represented himself and testified on his own behalf. Jeff Miller, Public Assistance Analyst with the Division, represented the Division. The hearing was recorded.

Because Mr. L's housing expenses have decreased, the Division's decision lowering his Food Stamp benefit amount to \$35 per month is AFFIRMED.

II. Facts

Mr. L has a one-person household.⁴ He is disabled and his monthly disability income is \$1,060.⁵ From July through September 2012, he received \$207 in monthly Food Stamp benefits based upon his monthly disability income of \$1,060, monthly rental cost of \$1,080 and a telephone allowance of \$27.⁶

Mr. L obtained an unfurnished apartment in early August 2012. The rent for that apartment is \$500 per month and includes utilities. Mr. L timely reported the fact his rent had changed to the Division on August 9, 2012.⁷ Due to his limited income, Mr. L lives a very spartan lifestyle and purchases items, including essential items such as bedding, that are either secondhand or on sale as he can afford them. Besides his rent, Mr. L has a cellphone that he

¹ Ex. 1.

² Ex. 6.

³ Exs. 7 – 7.1.

⁴ Ex. 1.

⁵ \$698 in Social Security Supplemental Security Income and \$362 in Adult Public Assistance payments. Exs. 1, 9, 10.

⁶ Exs. 3, 20 – 20.1.

⁷ L testimony; Ex. 5.1.

pays for and a \$55 per month storage unit charge. He also has monthly costs for Medicaid co-pays and over the counter medication that comes to approximately \$22 per month. He has some upcoming medical procedures where he anticipates having a copayment.⁸

After Mr. L told the Division that his rent had been reduced to \$500 per month, the Division recalculated his monthly Food Stamp benefits, based upon his disability income of \$1,060, rent of \$500, and a telephone allowance of \$27. That recalculation resulted in the Division lowering Mr. L's monthly Food Stamp benefit to \$35 beginning with the month of October 2012.⁹ Mr. L cannot meet his food needs with this amount of benefits, and is forced to go to Food Banks for assistance.¹⁰

III. Discussion

Food Stamps is a federal program administered by the State.¹¹ In Alaska, the Division follows the rules contained in the Code of Federal Regulations (C.F.R.) when determining both Food Stamp eligibility and benefit amounts.¹² Food Stamp benefit amounts are calculated based upon a household's monthly income, after allowable deductions are taken from the household's gross monthly income, and the number of people living in the household.¹³

The starting point for Food Stamp benefit calculations begins with a household's gross monthly income. The household's gross monthly income is reduced by a standard deduction of \$256, and if the household includes a disabled person, he or she is allowed a medical expense deduction for the amount of his or her medical expenses that exceed \$35 per month.¹⁴

Once the standard deduction and any medical deduction are subtracted from the household's gross monthly income, the household's "shelter expenses" (rent and utilities) are taken into account. A Food Stamp recipient is not allowed to deduct his or her entire shelter costs from his or her income, but only that portion that exceeds 50% of his or her income, after

⁸ L testimony.

⁹ Ex. 6. The Division's calculations are contained at Exs. 20.2 – 20.3.

¹⁰ L testimony.

¹¹ 7 C.F.R. § 271.4(a).

¹² 7 AAC 46.010.

¹³ 7 C.F.R. § 273.9(b) and (d); 7 C.F.R. 273.10(e).

¹⁴ 7 C.F.R. § 273.9(d)(1) and (3). *Alaska Food Stamp Manual Addendum 4*. Persons who are employed are entitled to an additional deduction, which is based upon the amount of their employment income. 7 C.F.R. § 273.9(d)(2).

the gross income has been reduced by the standard deduction of \$256 and the excess medical costs deduction.¹⁵ No deduction is allowed for storage unit charges.¹⁶ After applying the “shelter expenses” deduction, the result is the household’s net income.

The final step in the Food Stamp benefit calculation process is to calculate 30 percent of the household’s net income, and then subtract that amount from the maximum Food Stamp benefit amount for the household size. The result is the household’s Food Stamp benefit amount.¹⁷ The maximum Food Stamp allotment amount for a one person household located in Anchorage is \$239.¹⁸

Mr. L lives by himself and is disabled. All of his income is from disability and is classified as “unearned” income.¹⁹ He is allowed a standard deduction of \$256 from his income and a medical expense deduction. The evidence in this case shows that Mr. L’s normal out of pocket medical costs total approximately \$22 per month. Because this amount is less than \$35 per month, he is not currently entitled to a deduction for his medical expenses. A review of the Division’s calculations shows that it followed the correct procedure when it took his income of \$1,060, subtracted the standard deduction of \$256 from it, and arrived at a figure of \$804.²⁰

Mr. L’s “shelter expenses” include both his rent of \$500 and a standard \$27 allowance for his telephone, for a total of \$527.²¹ In order to receive a “shelter expense” deduction, his “shelter expenses” must be greater than 50 percent of his income, after his standard deduction is applied. As stated above, his income, after it is reduced by his shelter costs, is \$804. 50 percent of \$804 is \$402. His “shelter expenses” of \$527 exceed \$402 by \$125. He is therefore entitled to an additional deduction of \$125 from the figure of \$804.²² This caused his net income for Food Stamp calculation purposes to be \$679 ($\$804 - \$125 = \679). A review of the Division’s

¹⁵ 7 C.F.R. § 273.9(d)(6)(2)(ii).

¹⁶ See 7 C.F.R. § 273.9(d) for the list of allowable deductions.

¹⁷ 7 C.F.R. § 273.10(e)(1) and (2).

¹⁸ *Alaska Food Stamp Manual Addendum 4.*

¹⁹ 7 C.F.R. § 273.9(b)(2).

²⁰ Ex. 20.2.

²¹ 7 C.F.R. § 273.9(d)(6)(2)(ii) and (iii). *Alaska Food Stamp Manual Addendum 4.*

²² 7 C.F.R. § 273.10(e)(1).

calculations shows that it followed this procedure and also arrived at a net income figure of \$679.²³

The final step in calculating the Food Stamp benefit amount is calculating 30 percent of Mr. L's \$679 net income, which is \$203.70, and subtracting that amount from the \$239 maximum Food Stamp benefit amount for a one person household, to arrive at the monthly Food Stamp benefit amount. This Division followed this process and arrived at a monthly benefit amount of \$35 (rounding down).²⁴

Mr. L did not disagree with the Division's figures or its calculations. Instead, Mr. L convincingly argued that his expenses were high compared to his income, that he lived very frugally, and yet he could still not afford to feed himself on his Food Stamp benefit amount. However, the Food Stamp program has a uniform benefit calculation process set out in the federal Food Stamp regulations, which is based solely upon a person's income and authorized deductions, and which the Division is legally required to follow.²⁵ As a result, when Mr. L's monthly rent costs went down from \$1,080 per month to \$500 per month, application of the Food Stamp regulations required that Mr. L's Food Stamp benefits be lowered to \$35 per month.

IV. Conclusion

The Division's decision to lower Mr. L's Food Stamp benefit amount to \$35 per month is AFFIRMED.

DATED this 22nd day of October, 2012.

Signed

Lawrence A. Pederson
Administrative Law Judge

²³ Exs. 20.2 – 20.3.

²⁴ Exs. 20.2 – 20.3.

²⁵ 7 AAC 46.010.

Adoption

The undersigned, by delegation from the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 6th day of November, 2012.

By: Signed
Name: Lawrence A. Pederson
Title: Administrative Law Judge

[This document has been modified to conform to the technical standards for publication.]