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

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In the Matter of

ΜT

OAH No. 13-0017-SNA Agency No.

DECISION

I. Introduction

M T's household was terminated from the Food Stamp program by the Division of Public Assistance (division). Ms. T appealed that decision. A hearing was held on January 24, 2013. Ms. T appeared by telephone and represented herself. The division was represented by Jeff Miller. Based on the evidence in the record, the household's resources exceed the maximum resource limit, and the division's action is affirmed.

II. Facts

Ms. T testified¹ that her husband is receiving social security benefits and she is disabled, though not currently receiving disability benefits. They have custody of three grandchildren who they are raising. Their income includes \$650 per month for caring for their grandchildren, and \$1,412 per month in social security benefits.

Mr. T owns a fishing boat. He bought it back from his insurance company for \$25,000 after it capsized. The boat currently can't be used because it needs repairs. Mr. T also owns a commercial fishing permit. Ms. T was not sure of its value, but on the family's eligibility review form, they estimated the value to be \$185,000.² Mr. T does not wish to sell the permit as he is saving it for his son. The household did not earn any income from the boat or the permit in 2011 or 2012.

III. Discussion

Eligibility for Food Stamp benefits is based on the household's circumstances during the month of application.³ For recertification, eligibility is based on circumstances as they

¹ The factual findings in this case are based on Ms. T's testimony, unless otherwise noted.

² Exhibit 2.1.

³ 7 CFR §273.10(a)(1).

are expected to be for the certification period beginning the month after the current certification period expires.⁴

Among other eligibility requirements, a household is not eligible for Food Stamps if it has more than the maximum allowable resources.

The maximum allowable resources, including both liquid and nonliquid assets, of all members of the household shall not exceed \$2,000 for the household, except that for households including one or more disabled members or a member or members age 60 or over, such resources shall not exceed \$3,000.^[5]

Some resources are excludable and are not counted when determining the household's resources. There are several exclusions that are potentially applicable here. First, a fishing boat used for income-producing purposes is excludable.⁶ Similarly, property which produces annual income consistent with its fair market value is excludable even if the income is seasonal.⁷ Finally, property which is essential to employment or self-employment of a household member is excludable.⁸

Both a fishing boat and a fishing permit are resources that can be essential to employment or self-employment. In this case, however, the T's boat and permit have not been used for employment or self-employment during 2011 or 2012. While a temporary cessation of use for employment or self-employment will not necessarily prevent a resource from being excluded,⁹ the T household had not used either resource for over one year. In addition, the fishing boat is not currently operable. Since it cannot be used for fishing, it cannot be used for employment or self-employment purposes. Neither the fishing boat nor the commercial fishing permit are excludable resources. The value of each of these assets is greater than the resource limit of \$3,000.

IV. Conclusion

The fishing boat and commercial fishing permit have a total value of well over

⁴ 7 CFR §237.10(a)(2).

⁵ 7 CFR §237.8(b).

 $^{^{6}}$ 7 CFR §273.8(e)(3)(i)(A).

⁷ 7 CFR §273.8(e)(4). ⁸ 7 CFR §272.8(e)(5).

⁸ 7 CFR §273.8(e))(5).

⁹ See 7 CFR §273.8(e)(3)(iii).

\$3,000. These are not excludable resources. Accordingly, the division correctly determined that the T household was not eligible for Food Stamp benefits.

Dated this 29th day of January, 2013.

<u>Signed</u> Jeffrey A. Friedman Administrative Law Judge

Adoption

The undersigned, by delegation from of 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 7th day of February, 2013.

By:

<u>Signed</u> Name: Jeffrey A. Friedman Title: Administrative Law Judge

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