

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

In the Matter of:)
)
C M) OAH No. 14-1967-SNA
) DPA Case No.

DECISION

I. Introduction

This case is C M’s appeal of the State of Alaska Division of Public Assistance (DPA or Division) determination that it must collect \$1,245 in Supplemental Nutrition Assistance Program (SNAP or Food Stamp) benefits which were overpaid to C M due to an admitted mistake made by the Division.

The parties agree that Ms. M was paid \$1,245 more in SNAP benefits than she should have been paid for the months of July, August and September of 2014. This decision concludes that, pursuant to the applicable federal regulations, the Division is required to seek reimbursement from Ms. M for the overpaid SNAP benefits even if the overpayment was due to the Division’s error. Accordingly, the Division’s decision establishing a claim against Ms. M for the \$1,245 in overpaid SNAP benefits is affirmed.

II. Facts

A. The Overpayment at Issue

The relevant facts of this case are not in dispute. On August 23, 2014, the Division belatedly processed employment records that were filed for Ms. M on June 4, 2014. This delay in processing Ms. M's change in earnings led to the \$1,245 overpayment in SNAP.¹ At the hearing, Ms. M did not dispute the Division’s calculation of the amount of overpaid SNAP benefits. Ms. M argued that it is unfair to make her pay back these benefits because she kept the Division informed of her employment information. Ms. M also explained that requiring her to repay the over-issued SNAP benefits would create a hardship. Ms. M's explained that she just cannot afford to pay back \$1,245 right now.²

¹ Exhibit 1.

² Recording of Hearing- Testimony of Ms. M.

B. Procedural History

In a letter dated October 16, 2014, the Division explained to Ms. M it was seeking repayment of the overpayment of \$830 in SNAP benefits that were issued due to an agency error. The Division later reviewed this determination and concluded that Ms. M actually owed \$1,245.³

Ms. M appealed and the hearing was held on December 3, 2014. Ms. M participated in the hearing by phone, represented herself, and testified on her own behalf. Jeff Miller, represented the Division, and testified on its behalf. The record closed at the end of the hearing.

III. Discussion

The Food Stamp or Supplemental Nutrition Assistance Program (SNAP) is a federal program administered by the states.⁴ SNAP benefit amounts are based primarily on the number of people living in the household, and on the monthly income, after certain deductions, received by those household members.⁵ In general, the greater a household's income, the smaller the amount of SNAP benefits the household will receive each month.⁶

The federal statute pertaining to the recoupment of overpaid SNAP benefits is 7 U.S.C.A. § 2022. Subsection (b)(1) of that statute provides in relevant part that the “state agency shall collect any overissuance of benefits issued to a household” This statute requires that the Division attempt to recover overpaid SNAP benefits.

The federal implementing regulation pertaining to the recoupment of overpaid SNAP benefits is 7 C.F.R. § 273.18. Subsection (a)(2) and Subsection (e)(1) of that regulation require collection of claims for overpayment. Subsection (b)(3) of that regulation specifically requires collection of overpayments even when the overpayment was caused by an action or failure to take action by the agency issuing the benefits. This federal regulation, 7 C.F.R. § 273.18, therefore requires that the Division attempt to recover overpaid SNAP benefits, even if the overpayment was the result of the Division’s own error. This was confirmed by the Alaska Supreme Court in the case of *Allen v. State of Alaska Department of Health & Social Services*, 203 P.3d 1155 (Alaska 2009). The federal regulations, and the *Allen* decision, are binding on the Department of Health and Social Services.

As discussed at the hearing, **Ms. M has the right to request that the Division compromise, that is, write-off or forgive repayment of all or part of the overpaid benefits.** The

³ Exhibit 5-5.10.

⁴ 7 C.F.R. § 271.4(a).

⁵ 7 C.F.R. § 273.10(e)(2)(ii)(A).

⁶ See Alaska Food Stamp Manual, Addendum 4.

Division explained that Ms. M could apply for this type of relief in the Division's letter dated October 16, 2014 and the form labeled "Attachment D," which was provided with that letter.⁷ As discussed at the hearing, Ms. M may also wish to consider applying for Food Stamps again if she is now eligible due to unemployment. She may also wish to ask the Division about a payment plan.

IV. Conclusion

Even if the overpayment at issue was the Division's fault, the applicable federal regulations require the Division to collect overpaid Food Stamp benefits. This is the case even if the overpayment is not the fault of the benefit recipient. Accordingly, the Division's decision to seek recovery of the \$1,245 in Food Stamp (SNAP) benefits, which the Division overpaid to Ms. M's household during the months of July, August and September of 2014, is affirmed.

Dated this 17th day of December 2014.

Signed _____
Mark T. Handley
Administrative Law Judge

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 8th day of January, 2015.

By: *Signed* _____
Signature
Mark T. Handley
Name
Administrative Law Judge
Title

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

⁷ See SNAP regulation 7 C.F.R. § 273.18(e)(7). Division's exhibit 5.9 is "Attachment D."