

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

In the Matter of	)	
	)	OAH No. 15-0557-SNA
K E	)	Division No.
_____	)	

**DECISION**

**I. Introduction**

K E receives Food Stamp (also referred to as Supplemental Nutrition Assistance Program) benefits. After his March 2015 reapplication, the Division of Public Assistance (Division) lowered his monthly Food Stamp benefit amount to \$33. Mr. E requested a hearing.

Mr. E's hearing was held on June 16, 2015. Mr. E represented himself and testified on his own behalf. Jeff Miller, Public Assistance Analyst with the Division, represented the Division and testified on its behalf.

Mr. E had an increase in his Social Security Income (SSI) benefits, because he had neglected to report his rent to the Social Security Administration (SSA). The increase in his income caused a reduction in the amount of Food Stamp benefits he was entitled to receive. There is no dispute regarding Mr. E's household income, and his allowable deductions are limited. Accordingly, the Division correctly calculated his benefit amount and the reduction in his Food Stamp benefit amount is upheld.

**II. Facts**

Mr. E is 57 years old. He receives SSI, Adult Public Assistance (APA) and Food Stamp benefits for his one-person household.<sup>1</sup> He suffers from hepatitis-C with advanced cirrhosis, and he is on the list for a liver transplant.<sup>2</sup> At the time of his March 2015 reapplication, Mr. E lived on No Name Street where he paid \$600 a month on rent including utilities.<sup>3</sup> He listed no phone or internet expenses on his application.<sup>4</sup>

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<sup>1</sup> Exhs. 1, 2.4.  
<sup>2</sup> See record in OAH Case No. 15-0347-MDS.  
<sup>3</sup> Exh. 3.  
<sup>4</sup> Exh. 2.6.

Mr. E neglected to report his rent cost to the SSA for a period of about six months.<sup>5</sup> When he reported his rent, his SSI benefits increased, which resulted in a decrease in Mr. E's Food Stamp benefits.

Mr. E also has some prescriptions that he pays for out of pocket.<sup>6</sup> Mr. E testified that he had multiple prescriptions which cost over \$35 a month that he cannot afford.<sup>7</sup> Mr. E testified that the pharmacy aided him by providing him with the prescriptions free of charge. At the time of his March 2015 reapplication, however, Mr. E had not provided information about his medication expenses to the Division.<sup>8</sup>

The Division recalculated Mr. E's Food Stamp benefit amount, taking into account his rent and his increased SSI income. The Division determined that he was eligible for \$33.00 per month in benefits and notified him that he would receive that amount beginning May 1, 2015.<sup>9</sup> The Division's calculations were based upon there being one person in the household, with household income of \$1,095<sup>10</sup>, and rent of \$600.<sup>11</sup> The Division did not provide Mr. E with a medical expense deduction.

### **III. Discussion**

The Food Stamp program is a federal program administered by the State of Alaska.<sup>12</sup> In administering the program in Alaska, the Division follows rules set forth in the Code of Federal Regulations (C.F.R.) when determining both Food Stamp eligibility and benefit amounts.<sup>13</sup>

Food Stamp benefit calculations begin by determining a household's gross monthly income. The next step is to subtract the standard deduction, which is \$266 for a household of 5 persons or less.<sup>14</sup> A household with earned income is entitled to an additional deduction which is based upon the amount of income earned by the household.<sup>15</sup> A household with unearned income only (SSI and APA benefits are considered unearned income) does not receive the earned

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<sup>5</sup> Testimony of K E.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> Exhs. 2.4-2.8.

<sup>9</sup> Exh. 5.

<sup>10</sup> Mr. E currently receives \$733.00 in SSI benefits and \$362 in APA benefits. Exh. 2.

<sup>11</sup> Exh. 3.

<sup>12</sup> 7 C.F.R. § 271.4(a).

<sup>13</sup> 7 AAC 46.010.

<sup>14</sup> *Alaska Food Stamp Manual Addendum 4.*

<sup>15</sup> 7 C.F.R. § 273.9(d).

income deduction.<sup>16</sup> Mr. E's household has only unearned income.<sup>17</sup> Because he is disabled, however, Mr. E is entitled to a medical expense deduction for the amount of his medical expenses that exceed \$35 per month.<sup>18</sup> Thus far, he has not taken advantage of this potential deduction.<sup>19</sup>

After subtracting the standard deduction and medical expense deduction from the household's gross monthly income, the household's "shelter expenses" (rent and utilities) are taken into account. A Food Stamp recipient may deduct only those shelter costs that exceed 50 percent of income less the standard deduction and medical deduction.<sup>20</sup> 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 subtract 30 percent of the household's net income from the maximum Food Stamp benefit for the household size. The end result of the calculation is the household's Food Stamp benefit.<sup>21</sup>

There are no disputes in this matter regarding household size or income. This case presents only one issue: whether the Division correctly calculated Mr. E's benefits, taking his income and disability into consideration. Mr. E's testimony centered on his financial difficulty due to his disability. He argues that the Division ought to provide him with special financial accommodation, because of his disability, transportation needs, and the special diet required for a potential recipient of a liver transplant.<sup>22</sup> When he expressed confusion as to why he previously received more benefits, Mr. Miller explained that Mr. E's Food Stamp benefits had previously been higher because Mr. E failed to report his rent to the SSA, which temporarily decreased his SSI benefits.<sup>23</sup>

The Division provided Mr. E with the standard deduction of \$266 and determined that his only shelter expenses were his rent (\$600). It did not provide Mr. E with a medical expense deduction, because he had not provided documentation of his expenses.<sup>24</sup> Mr. E's benefits were calculated using the Food Stamp Budget Work Sheet for Households with Elderly or Disabled

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<sup>16</sup> See 7 C.F.R. § 273.9(b) for the definitions of earned and unearned income.

<sup>17</sup> Exh. 3.

<sup>18</sup> 7 C.F.R. § 273.9(d)(3).

<sup>19</sup> Testimony of K E.

<sup>20</sup> 7 C.F.R. § 273.9(d)(6)(2)(ii).

<sup>21</sup> 7 C.F.R. § 273.10(e)(1) and (2).

<sup>22</sup> Testimony of K E.

<sup>23</sup> Testimony of Jeff Miller.

<sup>24</sup> The Division agreed at hearing that Mr. E could, in future, be eligible for a medical expense deduction based on his prescription medication costs.

Members.<sup>25</sup> The Division's calculations followed the regulatory calculation process. Given the information the Division had for the time period relevant to this hearing, the calculation of \$33 in Food Stamp benefits was correct. This is not a matter of discretion for the Division. The benefit calculation process is set by federal law, as discussed above.

#### **IV. Conclusion**

The Division's reduction in Mr. E's Food Stamp benefit amount is upheld.

DATED this 29<sup>th</sup> day of July, 2015.

*Signed*

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Andrew M. Lebo

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 12<sup>th</sup> day of August, 2015.

By: *Signed*

\_\_\_\_\_  
Name: Andrew M. Lebo

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Title: Administrative Law Judge, OAH

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

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<sup>25</sup> Exh. 3.