



**January 2023:**

S. J.

Social Security disability benefits:	\$1,090.00 <sup>6</sup>
Adult Public Assistance benefits:	\$ 366.00 <sup>7</sup>
Temporary Assistance (AVCP Benefits)	<u>\$ 513.00<sup>8</sup></u>
Total Unearned Income	\$1,969.00

N. J.

Gross Pay:	\$ 603.22 <sup>9</sup>
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U. J.

Gross Pay:	<u>\$ 302.00<sup>10</sup></u>
Total Earned Income	\$ 905.22

**February 2023:**

S. J.

Social Security disability benefits:	\$1,090.00 <sup>11</sup>
Adult Public Assistance benefits:	\$ 365.00 <sup>12</sup>
Temporary Assistance (AVCP Benefits)	<u>\$ 653.00<sup>13</sup></u>
Total Unearned Income	\$2,108.00

N. J.

Gross Pay:	\$2,088.45 <sup>14</sup>
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U. J.

Gross Pay:	<u>\$ 835.97<sup>15</sup></u>
Total Earned Income	\$2,924.42

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<sup>6</sup> S. J.'s monthly Social Security benefit was \$1,003 in 2022. It increased to \$1,090 beginning in January 2023. *See* Ex. 11.2.

<sup>7</sup> Ex. 11.3.

<sup>8</sup> Ex. 5.11.

<sup>9</sup> Ex. 5.6.

<sup>10</sup> Ex. 8.

<sup>11</sup> S. J.'s monthly Social Security benefit was \$1,003 in 2022. It increased to \$1,090 beginning in January 2023. *See* Ex. 11.2.

<sup>12</sup> Ex. 11.3.

<sup>13</sup> Ex. 5.11.

<sup>14</sup> Exs. 5.7 – 5.8.

<sup>15</sup> Ex. 5.12.

The extreme difference between N. J.'s income in January and February is due to the fact that he was unable to work due to illness in late December and the first part of January. However, his paystub for February 3, 2023, which was for the pay period from January 15 through January 28, 2023, shows that he was able to return to work in January.<sup>16</sup> His paystubs for March 2023 were higher than February's, showing gross income of \$2,760.80 received in March versus \$2,088.45 received in February.<sup>17</sup>

U. J.'s income also increased between January through March of 2023: January \$302.10, February \$835.97, March \$1,154.90.<sup>18</sup>

After reviewing the household's financial information, the Division notified M. J. on April 18, 2023, that her application for SNAP benefits was denied because her household income exceeded the net income limit for her household size.<sup>19</sup> M. J. requested a hearing to challenge that denial on April 26, 2023.<sup>20</sup> Following her hearing request, the Division took a second look at her application, and approved benefits only for January 2023 in the total amount of \$1,700. However, based upon February's income, the Division denied benefits for the following months. In its calculations, the Division counted the household income as consisting of S. J.'s Social Security and Adult Public Assistance benefits, the monthly Temporary Assistance benefit, and N. J. and U. J.'s actual pay received in February 2023, and allowed a shelter cost standard deduction of \$772.<sup>21</sup> The Household does not have a mortgage or rental payment, so no deduction was provided for those.<sup>22</sup>

N. J. is no longer working as of sometime in April. U. J. only works parttime on call.<sup>23</sup>

The one-month approval for SNAP benefits did not resolve this case. The issue of whether M. J.'s household should have been approved for February and the following months remained for hearing.<sup>24</sup>

### **III. Discussion**

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<sup>16</sup> Exs. 2.21 – 2.22 (Employment Statement); Exs. 5.6 – 5.7 (N. J. paystubs).

<sup>17</sup> Exs. 5.7 – 5.8 (February 2023 paystubs); Exs. 5.9 – 5.10 (March 2023 paystubs).

<sup>18</sup> Exs. 5.12 – 5.13, 8.

<sup>19</sup> Ex. 5.14.

<sup>20</sup> Ex. 6.

<sup>21</sup> Exs. 9, 12 – 12.1.

<sup>22</sup> M. J.'s testimony; Ex. 12.

<sup>23</sup> Ex. 3.1; M. J.'s testimony.

<sup>24</sup> Ex. 10.

SNAP is a federal program which is administered by the State of Alaska.<sup>25</sup> To administer the program in Alaska, the Alaska Department of Health has adopted the federal regulations governing the program.<sup>26</sup> Accordingly, the decision in this case is governed by the federal SNAP regulations.<sup>27</sup>

The SNAP program normally uses both a gross income and a net income test to determine financial eligibility for SNAP benefits.<sup>28</sup> However, for households such as M. J.'s, that contain either a disabled member or a member who is over 60 years old, the SNAP program uses only the net income test.<sup>29</sup> The net income limit for a six-person household is \$3,875.<sup>30</sup>

The Household has two types of income, earned and unearned. Earned income consists of wages and self-employment income. Unearned income consists of income such as unemployment, worker's compensation, the PFD, retirement, public assistance, social security payments, child support, alimony, etc.<sup>31</sup> The Household's earned income consists of N. J. and U. J.'s pay. The unearned income consists of S. J.'s Social Security and Adult Public Assistance benefits, and the Temporary Assistance benefits.

When calculating a household's net income, the gross earned income has a 20% deduction. The gross income, minus the 20% deduction is added to the unearned income, and then the household has a general deduction of \$330. That figure is totaled up. Then, if the household has shelter costs (housing expenses such as rent or mortgage, property taxes utilities, etc.) that are greater than 50% percent of the income figure (after the earned income and general deductions are subtracted), then the household is entitled to another deduction for those excess shelter costs.<sup>32</sup> After all of the allowable deductions are provided for, the result is the net income.

The Division's calculation sheet shows that the Division followed the SNAP regulations.<sup>33</sup> It counted earned income in February of \$2,942, which was N. J. and U. J.'s combined gross pay, subtracted the 20% deduction of \$584.88, which resulted in a figure of

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<sup>25</sup> 7 C.F.R. § 271.4(a).

<sup>26</sup> 7 AAC 46.010.

<sup>27</sup> The applicable regulations are located at 7 C.F.R. § 273.1 *et. seq.*

<sup>28</sup> 7 C.F.R. § 273.9(a).

<sup>29</sup> 7 C.F.R. § 273.9(a).

<sup>30</sup> Ex. 12.1.

<sup>31</sup> 7 C.F.R. § 273.9(b).

<sup>32</sup> The list of allowable deductions is contained at 7 C.F.R. § 273.9(d). The net income and benefit level calculation process is set forth in 7 C.F.R. § 273.10(e).

<sup>33</sup> *See* Exs.12 – 12.1.

\$2,339.54. It added the unearned income of \$2,108 to the \$2,339.54, which resulted in a figure of \$4,447.54. It then subtracted the \$330 standard deduction to arrive at a figure of \$4,117.54. The Division next looked to see if The Household had enough shelter costs to provide for an additional deduction. For them to be eligible for this deduction, they would need to have shelter costs of more than \$2,058.77.<sup>34</sup> The Household does not have any rent or mortgage payments. They have heat, telephone, and general utility bills. Because of this, the Division gave them a shelter cost standard utility deduction of \$772,<sup>35</sup> which is the general deduction used for the Southwest region of Alaska where The Household resides and where the household pays for heat.<sup>36</sup> Because The Household's only shelter cost deduction was the standard utility deduction of \$772, which was less than \$2,058.77, The Household was not eligible for an additional deduction when arriving at their net income. This meant that the household's net income was \$4,117.54. This exceeded the net income limit of \$3,875 for the six-person household.<sup>37</sup>

M. J. has the burden of proof in this case by a preponderance of the evidence because the case involves the denial of an application for SNAP benefits.<sup>38</sup> The facts of this case show that she did not meet the burden because the net income for her household for February 2023 was greater than allowed by the SNAP program for her household size.

M. J. argued that the Division should not have stopped with the month of February 2023, and that it should have instead looked at the following months. The SNAP regulations provide that when the Division reviews SNAP applications, it is to determine eligibility for both the month of the application and for the month following the application. If financial eligibility is established for the month of the application, and it appears that the household will not be eligible for benefits for the following month, the application is only approved for the first month, and denied for the following months. The regulations do not provide for eligibility to be determined beyond the second month if the applicant is not eligible for the second month.<sup>39</sup> This is the

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<sup>34</sup> 50% of \$4,117.54 is \$2,058.77.

<sup>35</sup> The State of Alaska has elected to use standard utility deductions as allowed under 7 C.F.R. § 273.9(d)(6)(iii). See 7 AAC 46.021(a)(23).

<sup>36</sup> Exs. 9, 12. See the *Alaska SNAP Manual* Addendum 4 for a list of the utility standards by region. ([http://dpaweb.hss.state.ak.us/manuals/fs/fsp.htm#t=addenda%2Faddendum\\_4%2B.htm](http://dpaweb.hss.state.ak.us/manuals/fs/fsp.htm#t=addenda%2Faddendum_4%2B.htm) date accessed June 1, 2023).

<sup>37</sup> The Division's calculation sheet showing the income and deductions allowed is contained at Exs. 12 – 12.1.

<sup>38</sup> 7 AAC 49.135.

<sup>39</sup> 7 C.F.R. § 273.10(a)(3); *Alaska SNAP Manual* § 601-5 A ([http://dpaweb.hss.state.ak.us/manuals/fs/fsp.htm#t=601%2F601-5.htm%23601\\_5\\_a\\_approving\\_the\\_application](http://dpaweb.hss.state.ak.us/manuals/fs/fsp.htm#t=601%2F601-5.htm%23601_5_a_approving_the_application) date accessed June 1, 2023).

process followed by the Division and it comports with the requirements of the SNAP regulations. As a result, M. J.'s argument does not change the outcome. It should also be noted that N. J. and U. J.'s employment income was greater in March than February, while the other income (S. J.'s disability payments and the Temporary Assistance payment) remained the same, meaning that the household would have also been over the net income eligibility limit for March.

M. J. made the point that the Division was not in compliance with the SNAP regulations which require that an application be processed within 30 days.<sup>40</sup> The application was filed on January 4, 2023. The Division did not begin processing it until the end of March 2023. However, the SNAP regulations do not provide any affirmative relief to applicants when the Division does not comply with application processing times, and the delay is caused by the Division and not the applicant. Instead, the Division is directed to continue to process the application, and if the applicant is found eligible, benefits are issued back to the date of the application.<sup>41</sup> This is what occurred here. The Division did not act on the application in a timely manner. However, the Division did issue retroactive benefits for the month of January, which was the month in which The Household was eligible for benefits.

#### **IV. Conclusion**

The approval of M. J.'s SNAP application for the month of January 2023 only is  
AFFIRMED.

DATED: June 2, 2023.

*Signed*

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Lawrence A. Pederson  
Administrative Law Judge

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<sup>40</sup> 7 C.F.R. § 273.2.

<sup>41</sup> 7 C.F.R. § 273.2(h).

## Adoption

The undersigned, by delegation from the Commissioner of Health, 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 16<sup>th</sup> day of June, 2023.

By: *Signed* \_\_\_\_\_  
Lawrence A. Pederson  
Administrative Law Judge

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]