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

In the Matter of	)	
	)	
M. K.	)	OAH No. 25-1650-CMB
	)	Agency No.

DECISION

I. Introduction

The Division of Public Assistance ("DPA") denied Supplemental Nutrition Assistance Program ("SNAP") benefits for M. K. and her two teenage sons because savings accounts that Ms. K. set up for her sons' Permanent Fund Dividends ("PFDs") pursuant to court orders represent resources in excess of the resource limit for SNAP eligibility. As discussed below, Ms. K. would likely be in violation of the court orders if she withdrew funds from these savings accounts absent leave of court. These funds are therefore not countable resources and DPA's decision denying her SNAP application for exceeding the resource limit is reversed.

II. Facts

M. K. has two teenage sons, K. and U.[1] Following a custody hearing for K. on November 9, 2010, the court ordered on the record for "Ms. K. to put K.'s Permanent Fund Dividend into an account for his education and to provide Mr. K. with a copy, every December."[2] The following January, the court signed a proposed order drafted by Ms. K.'s counsel, ordering that "[a] bank account will be set up for K. for his Alaska Permanent Fund Dividends to be deposited in by mother and mother will show father a bank record each and every December showing that it has been deposited."[3] Ms. K. opened a savings account for K. in 2010 and since then has been annually applying for PFDs on his behalf and depositing the funds into K.'s account without making any withdrawals.[4] Ms. K. understands the court's order as requiring her to deposit K.'s PFDs into the account for his use after he reaches adulthood and that she would be in violation of the court order to use funds from K.'s PFDs for the household.[5]

A different judge approved a similar requirement for U. Ms. K. entered a Parenting Agreement with U.'s father on June 30, 2015, signed by the judge the same day, stating that:

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1 M. K. testimony.
2 Court log notes, submitted by Ms. K.
3 Ex. 9.12.
4 M. K. testimony.
5 *Id.*

> Mother should timely apply for U.'s Alaska Permanent Fund Dividend (PFD) each year while he is a minor. The Parent who claims the federal tax exemption for any child agrees to pay the taxes on the child's PFD. We agree that U.'s PFD funds should be saved in an interest-bearing account in Mother's name and both parents should have access to all statements from the account.[6]

As with K., Ms. K. opened a saving account for U. and has been annually applying for PFDs for U. and depositing those funds into his account, without making any withdrawals.[7] She understands this to be required by the court's order.[8]

K.'s account has a current balance of $23,386.41 and U.'s account has a balance of $18,734.04.[9]

Ms. K. opened the accounts for both of her children as a savings account rather than a 529 college savings plan because it is her understanding that if either has their education paid by another source, such as the military or scholarships, and wanted to use the funds for non-education purposes, they would incur a fee.[10]

Ms. K. applied for SNAP benefits for her household on November 4, 2024.[11] Nearly five months later that application had not been processed, along with an application for hearing assistance, so Ms. K. requested a hearing.[12] A few weeks later, on April 16, 2025, DPA denied her SNAP application for being over the resource limit.[13] Her heating assistance application, however, was granted.[14] Ms. K. disputes the SNAP denial. Because she already had a pending hearing request regarding DPA not processing her application, the request was converted to one for a hearing on the merits of her SNAP denial.[15] A hearing was held on August 21, 2025.

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6 Ex. 9.35.
7 M. K. testimony.
8 *Id.*
9 Ex. 5-6.
10 *Id.*
11 Ex. 2-2.14.
12 Ex. 3.
13 Ex. 4.
14 M. K. testimony.
15 Position Statement at 1; Marie Thirlwell testimony.

III. Discussion

To be eligible for SNAP benefits as of November 2024 when Ms. K. applied, a household could not have countable assets in excess of $3000.[16] K.'s and U.'s savings account far exceed this limit. Some assets, however, are not countable.[17]

"Liquid resources, such as . . . money in checking and savings accounts" are countable resources.[18] Certain specific education accounts, such as a 529 college savings plan, are not countable.[19] Savings accounts, like the ones Ms. K. opened for K. and U. here, do not fall within this exception.

At the hearing, DPA stated that a bank account would not be considered countable resources if a court order prohibited withdrawal for household use.[20] DPA considered the specific language and nature of the court orders here and concluded that because they do not expressly prohibit withdrawal for household use, they are countable resources.[21]

DPA reads the court's orders too narrowly. Both orders require the PFD funds to be deposited into an account. Both require statements to be available to the other parent, which would allow that parent to verify the deposits. Neither order provides for a parent or the child to withdraw or use the funds for any purpose. Nor does either order include a process for a parent or the child to pursue withdrawing or using the funds. These orders address how the children will be cared for and their care financed. In that context, a directive for a parent to apply for and acquire PFDs for a child and put those funds into an interest bearing account for the child's education, for the other parent to have access to statements to verify these deposits — paired with the absence of any provision or process for the parents or child to withdraw or use the funds — means that the parents may not use these funds without leave of court. Whether the type of accounts Ms. K. opened is sufficient to comply with the court orders is beyond the scope of this proceeding. DPA is correct that Ms. K. could physically withdraw funds from these savings accounts at any time. But based on the language and context of the orders, she could not do so

16 Ex. 12; 7 C.F.R. § 273.8(b). There is a different limit for households with elderly or disabled members, but this does not apply to the K. household.
17 Ex. 18.4-19; 7 C.F.R. § 273.8(e).
18 7 C.F.R. § 273.8(c).
19 7 C.F.R. § 273.8(e)(20).
20 Marie Thirlwell testimony.
21 Ex. 9-9.3; Marie Thirlwell testimony.

without violating the court orders. Thus, these accounts are not the type of liquid resources federal regulations treat as countable for purposes of SNAP eligibility.

At the hearing, DPA questioned whether a court would restrict access to these savings accounts in a situation where Ms. K. is struggling to feed her children. DPA may very well be right that, given the opportunity to consider Ms. K.'s current circumstances, a superior court judge would modify these court orders. But neither judge provided, or included a process, for Ms. K. to utilize the boys' PFD funds in the existing court orders. And neither judge has been asked to revisit these orders.[22] As the orders stand, Ms. K. is not free to access these funds and therefore they are not countable, liquid resources for the household.

IV. Conclusion

For the reasons discussed above, DPA's decision denying Ms. K.'s SNAP application for exceeding the resource limit is reversed.

Dated: August 25, 2025

By: *Signed*
Signature
Rebecca Kruse
Name
Administrative Law Judge
Title

[22] M. K. testimony.

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 6th day of October 2025.

By: *Signed*
Name: Amanda Woody
Title: Policy Advisor to the Chief Medical Officer

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