

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

In the Matter of	)	
	)	
J. T.	)	OAH No. 25-2478-SNA
_____	)	

DECISION

I. Introduction

J. T. is an able-bodied adult of working age without dependents (ABAWD). She received SNAP (Food Stamp) benefits in January, February, March, April, May and June of 2025. The Division of Public Assistance (Division) notified her on July 3, 2025 that she had been overpaid three months of benefits (April–June), for a total of \$1,131.00.¹ The notice included a statement that once her repayment was delinquent her Alaska Permanent Fund Dividend (PFD) could be garnished to repay the amount due was included in the notice. She appealed the notice, as “inconsistent and unfair” because the new work requirement should not be applied retroactively to her “May 1 application or prior months” as the new work requirement had not been communicated to her or made public.² She did not deny receiving the benefits or that she was an able bodied adult of working age (between 18 and 54 years). She did not claim she was excused from the work requirements.

After Ms. T. filed her request for a hearing, the Division notified her that it had reduced the overpayment to \$360.00, essentially waiving recovery of two months of overpaid benefits.³ Therefore, this case concerns whether the Division may recover \$360.00 in overpaid SNAP benefits from Ms. T. and garnish her PFD to do so. For the reasons set out below, the Division’s

¹ Div. Ex. 5.1.

² Case Referral Notice July 14, 2025 (filed Aug. 5, 2025) p. 2 (email from J. T. to “HSS DPA Offices” July 14, 2025, subject: Requesting Fair Hearing). SNAP benefit administration by the State of Alaska is driven by federal regulations, which are incorporated by reference at 2 AAC 46.010. The division administers the SNAP program in accordance with federal regulations, *including changes* to those regulations by the federal Department of Agriculture, at 7 C.F.R. Parts 271-274. The final rule was published by the Food and Nutrition Service of the U.S. Department of Agriculture on Dec. 17, 2024 (89 F.R. 102342) following the enactment of the Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023 (Fiscal Responsibility Act (FRA) of 2023), Pub. Law 118-5. The effective date of the final rule was Jan. 15, 2025. The work requirements were, in fact, *made public by the federal government in the process of adopting the final rule*, and passing the underlying FRA.

³ Div. Ex. 6.

claim for repayment is AFFIRMED and the Division's action for garnishment of Ms. T.'s PFD is APPROVED.

II. Facts

This discussion begins with the procedural events of Ms. T.'s request for an administrative hearing. Then, the facts of the Division's claim for repayment of \$360.00 are addressed.

A. Procedural History

On July 14, 2025, Ms. T. requested a fair hearing to contest the Division's notification of overpaid SNAP benefits.⁴ The matter was referred to the Office of Administrative Hearings on August 5, 2025. The Office initially scheduled the hearing for August 27, 2025. Two days prior to that date, Ms. T. requested a continuance, stating she needed additional time to secure legal representation. She also stated, "This hearing involves complex issues related to SNAP eligibility, work requirements, and procedural concerns, and I want to ensure I have proper support and documentation." The Division did not oppose the request. The administrative law judge granted the continuance and rescheduled the hearing for October 7, 2025 — a delay of 41 days.

The afternoon before the rescheduled hearing, Ms. T. requested a second continuance. She requested an additional 60 days, claiming she was "finalizing" specialized legal representation and alleging official misconduct by the Division's representative regarding a separate June 5, 2025, hearing request.⁵ The Division opposed this second request. Consequently, the Office of Administrative Hearings notified both parties that the request for a continuance would be addressed at the time scheduled for the hearing to allow for sworn testimony and evidence regarding the need for further delay.⁶

At the time set for the hearing on October 7, 2025, Ms. T. failed to appear. The administrative law judge attempted to reach her by telephone, twice, but there was no answer. The final attempt to reach Ms. T. was made between 10:15 a.m. and 10:20 a.m. Following her failure

⁴ Case Referral Notice July 14, 2025 (filed Aug. 5, 2025) p. 2 (email from J. T. to "HSS DPA Offices" July 14, 2025, subject: Requesting Fair Hearing).

⁵ Email from J. T., Oct. 6, 2025, 12:55 p.m. She also alleged "manipulation of the docket" by deletion of a June 5 fair hearing request, which she claimed was "official misconduct" and demanded appointment of an impartial representative of the Division. Ms. T. misconstrues the position of the Office of Administrative Hearings, which is not a part of the Department of Health; the administrative law judges of this Office are neutral judges of fact and law. The *only* matter before this administrative law judge is the overpayment (presently \$360.00) appealed on July 14, 2025, by Ms. T. and referred to this office for hearing on Aug. 5, 2025. Her earlier appeal (OAH 25-1640-SNA) was not joined with this case.

⁶ Email from Office of Administrative Hearings, Oct. 6, 2025, 3:07 p.m.

to appear, the Office provided Ms. T. an opportunity to show good cause for her absence.⁷ Ms. T. responded by email on Sunday, October 26, 2025, the day before the opportunity to provide good cause expired. Ms. T. explained why she did not appear or answer a phone call at the time set for hearing as follows:

I sent an email the day before the hearing, requesting a postponement to seek legal representation. I was informed this was not submitted in time. On October 7th, less than five minutes after the OAH's last phone call, I immediately called back, spoke with the secretary, and explained I was at work but would call back in 15 or 20 minutes to attempt to speak to the ALJ. The OAH called back only four minutes later and, upon receiving no answer, the ALJ immediately dismissed my case. The dismissal occurred almost immediately after I engaged with the OAH staff and requested a brief delay to call back. This denial of even a small window of time to appear, following an active attempt to participate, is an unreasonable and arbitrary denial of due process.⁸

There are significant problems with Ms. T.'s statement. She was informed that her request for continuance *would be heard* at the time scheduled for the hearing; therefore, she was not denied a continuance for being too late. She did not answer phone calls placed at the time of the scheduled hearing, even though she knew that this was the time set for her to request another continuance or, if denied a continuance, to present her case. She states that she called back "less than 5 minutes after the OAH's last phone call," but in fact, her phone call arrived at 10:40 a.m., well past the last call placed to Ms. T. between 10:15 a.m. and 10:20 a.m. The administrative law judge did not "immediately dismiss" her case; she received notice of an opportunity to show good cause for her failure to participate in the hearing that she requested, and that had already been continued at her request. Ms. T. did not say why she *could not* appear at the hearing to explain her need for another continuance.

B. Substantive Facts: Overpayment and Notice

J. T. is an able-bodied adult without dependents (ABAWD) between the ages of 18 and 54. She received SNAP benefits for the months of January through June 2025. Under federal and state regulations, an ABAWD is generally limited to three months of benefits in a thirty-six-month period unless they meet certain work requirements. Because Ms. T. received benefits in January, February, and March, the Division determined she was ineligible for the benefits she received in April, May, and June.

⁷ Notice of Opportunity to Show Good Cause for Failing to Participate, Oct. 13, 2025.

⁸ Email from J. T., Oct. 26, 2025.

On July 3, 2025, the Division notified Ms. T. that she had been overpaid \$1,131.00 for those three months.⁹ However, on that same day, the Division’s Benefit Issuance and Recovery Unit notified Ms. T. that it had compromised the debt, to the lowest amount allowable by law. This reduced her total liability to \$360.00.¹⁰

The July 3, 2025, notice advised Ms. T. that if she did not establish a repayment agreement, the debt would become delinquent, subjecting her Alaska Permanent Fund Dividend (PFD) to garnishment. Ms. T. requested a fair hearing to challenge the Division’s determination. In that request, she did not deny receiving the benefits or her status as an able-bodied adult. Instead, she argued the action was “inconsistent and unfair” because the new work requirement should not be applied retroactively to her “May 1 application or prior months” as the new work requirement had not been communicated to her or made public.¹¹

On August 6, 2025, the Division sent a final notice warning that the debt was past due and that her future PFD would be garnished if the debt was not paid within 30 days.¹² Ms. T. has submitted no evidence that the debt has been repaid.

III. Discussion

A. *Ms. T. failed to establish good cause for her failure to appear, so her request for hearing may be dismissed.*

Federal regulation 7 C.F.R. § 273.15(l)(2) permits dismissal of a hearing request if the recipient of SNAP benefits fails to appear for a hearing without good cause. The Alaska Supreme Court has recognized that significant due process rights may be implicated in cases involving “welfare benefits.” In *Baker v. State, Dep’t of Health and Social Services*, the Court explained:

Where the recipient has a “brutal need” for the benefit at issue, as in the case of welfare recipients, courts have traditionally required that agencies

⁹ Div. Ex. 5.1.

¹⁰ Div. Ex. 6.

¹¹ Case Referral Notice July 14, 2025 (filed Aug. 5, 2025) p. 2 (email from J. T. to “HSS DPA Offices” July 14, 2025, subject: Requesting Fair Hearing). SNAP benefit administration by the State of Alaska is driven by federal regulations, which are incorporated by reference at 2 AAC 46.010. The division administers the SNAP program in accordance with federal regulations, *including changes* to those regulations by the federal Department of Agriculture, at 7 C.F.R. Parts 271-274. The final rule was published by the Food and Nutrition Service of the U.S. Department of Agriculture on Dec. 17, 2024 (89 F.R. 102342) following the enactment of the Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023 (Fiscal Responsibility Act (FRA) of 2023), Pub. Law 118-5. The effective date of the final rule was Jan. 15, 2025. The work requirements were, in fact, *made public by the federal government in the process of adopting the final rule*, and passing the underlying FRA.

¹² Div. Ex. 11.

go to greater lengths—incurring higher costs and accepting inconveniences—to reduce the risk of error. Recipients of PCA services are arguably as dependent on their benefits as are welfare recipients; without them, they may be unable to do things as basic as bathing, preparing a meal, or using the toilet. An error in the agency’s determination to reduce PCA services could result in serious harm to the service recipient. *It follows that the agency should be required to make every reasonable effort to reduce the risk of erroneously depriving PCA services recipients of their benefits.*¹³

Ms. T.’s case is significantly different than the case presented in *Baker* as she is not facing a reduction or termination of public benefits. Instead, she was *overpaid* SNAP benefits for three months. The Division waived recoupment of all but \$360.00 of the overpaid benefits, which it seeks now to recover from her PFD, not from ongoing wages.¹⁴ Thus, Ms. T.’s private interest is limited to preventing the Division from recovering \$360.00 of overpaid public benefits, which she does not contest receiving. She is not in the position of a recipient with a “brutal need” for *ongoing* “welfare benefits.” She received full notice of the reason, amount, calculation, and law under which recoupment is sought before the recoupment is made. She has received notice of a right to appeal, she exercised that right, and she was given adequate notice of the hearing on her appeal. When she failed to appear, she was given an opportunity to show good cause why she did not appear. The Division has made reasonable efforts to reduce the risk of erroneously garnishing Ms. T.’s PFD.

While in cases of “brutal need,” a broad interpretation of “good cause” for failure to appear may be reasonable to avoid erroneous deprivation of public benefits, that is not the case here. Although “good cause” is not defined in our regulations, or in 7 AAC 49.100, guidance on what constitutes sufficient “good cause” was provided by the Anchorage Superior Court in *Arreola v. State of Alaska Dep’t of Health and Social Services*, Case No. 3AN-02-8767 Civil (September 24, 2003). That case involved a claimant’s failure to attend an administrative hearing involving Alaska Temporary Assistance Program (ATAP) benefits. The hearing officer had ruled that the claimant had abandoned her case by failure to appear for the hearing. On

¹³ *Baker v. State, Dep’t of Health & Soc. Servs.*, 191 P.3d 1005, 1010 (Alaska 2008) (emphasis added). More recently, in *Dep’t of Family & Cmty Servs. v. Z.C.*, 569 P.3d 1153, 1169 (Alaska 2025), *Baker* was cited to support the existence of due process protections for individuals who receive public benefits, including notice when an agency contemplates the termination or reduction in a recipient’s public benefits.

¹⁴ While due process requires an explanation of the reasons for recoupment, as well as reduction or denial of benefits, *Heitz v. State, Dep’t of Health & Soc. Servs.*, 215 P.3d 302, 307 (Alaska 2009), there is no question here that Ms. T. was given the explanation for the recoupment or that it was given before the recoupment. She argues only that it is unfair to apply the work requirement to her without first giving her notice of the work requirement.

appeal, the Superior Court judge held that, because 7 AAC 49.100 does not define “good cause” for failing to appear, it is appropriate to look to another ATAP regulation (7 AAC 45.261) to define “good cause.” Under 7 AAC 45.261, examples of “good cause” for failure to appear for a hearing are: (1) a sudden and temporary situation beyond the control of the recipient, affecting one’s health or ability to attend, including family illness or death or tragedies of nature; (2) if the recipient must appear in court or serve on a jury; (3) if the recipient is in detention or is incarcerated; (4) if the recipient’s transportation breaks down or otherwise becomes unavailable and the recipient has no reasonable form of alternative transportation available; or (5) if weather conditions prohibit travel.¹⁵

Ms. T. has not shown (or even alleged) that she was *prevented* from taking a telephone call at the scheduled hearing time by (1) a sudden and temporary situation beyond her control, affecting her health or ability to attend, including family illness or death or tragedies of nature; (2) a requirement that she appear in court, appear elsewhere in response to a subpoena, or serve on a jury; (3) that she was in detention or incarcerated or hospitalized; (4) that her telephone service was down or otherwise unavailable for reasons unrelated to payment for service, or internet service was interrupted if video participation was planned; or (5) if weather conditions, earthquakes, floods or other natural events prohibited attendance by telephone, video, or in person. Nor has she raised any argument that would support a finding of good cause. Although informed her continuance request would be heard at the time scheduled for hearing the next day, so she could make a case for another continuance before the hearing proceeded,¹⁶ she failed to appear or accept a telephone call at the scheduled time. As Ms. T. failed to demonstrate she had good cause for her failure to appear without good cause, her request for hearing may be dismissed.

B. SNAP Overpayment

SNAP is a federal program that is administered by the State of Alaska.¹⁷ To administer the program in Alaska, the Alaska Department of Health has adopted the federal regulations governing

¹⁵ Relied on in a decision by the Office of Administrative Hearings concerning failure to appear for a requested hearing, *In re M.S.*, OAH No. 12-0828-ATP (Comm’r of Health & Soc. Servs. 2012) (available at <https://aws.state.ak.us/OAH/Decision/Display?rec=353>).

¹⁶ Ms. T.’s request for another continuance contained no hint that she is *prevented* from taking a phone call at the appointed time. In view of the opposition, and that this was a second request, allowing her the opportunity to make a case for a continuance gave her the chance to more fully explain why she needed the continuance and provide verifiable information about her representation. Ms. T. did not avail herself of this opportunity.

¹⁷ 7 C.F.R. § 271.4(a).

the program.¹⁸ Accordingly, the decision in this case is governed by the federal SNAP regulations.¹⁹ The Division has the burden of proof in this case because it is seeking to recover paid SNAP benefits from Ms. T..²⁰

This case involves the application of a change to the federal work requirements for the SNAP program. That change was part of the Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act (FRA) of 2023.²¹ The final rule was published by the Food and Nutrition Service of the U.S. Department of Agriculture on December 17, 2024.²² The effective date of the final rule was January 15, 2025. As a result, the work requirements were, in fact, *made public by the federal government in the process of adopting the final rule*, and passing the underlying FRA.

Here, the exhibits introduced by the Division demonstrate that Ms. T. was paid, at least, \$377 in SNAP benefits for April, May, and June 2025.²³ On June 6, 2025, the Division determined that Ms. T. was overpaid those months because, as an able-bodied adult with no dependents, she was limited to three months of benefits in a thirty-six month period, and she had been paid three months (January through March) of 2025.²⁴

Here, the overpayment was the Division’s error. Certainly, being faced with repaying all benefits that were issued to her because of the Division’s error is distressing. Unfortunately, federal law requires the Division to pursue an overpayment claim even where the overpayment was caused by “an action or failure to take action by the State agency.”²⁵

The federal statute that addresses SNAP overpayments provides that the “state agency *shall* collect any issuance of benefits issued to the household...”²⁶ The specific federal regulation pertaining to the recoupment of SNAP benefits provides that “the State agency *must* establish and collect any claim.”²⁷ Collection action is required even when the “overpayment [is] caused by an action or failure to take action by the State agency.”²⁸

¹⁸ 7 AAC 46.010.

¹⁹ The applicable regulations are located at 7 C.F.R. § 273.1 *et seq.*

²⁰ 7 AAC 49.135.

²¹ Fiscal Responsibility Act (FRA) of 2023, Pub. Law 118-5.

²² 89 F.R. 102342.

²³ Div. Ex. 4, 4.1., Ex. 7 (showing SNAP payment from Sept. 2024 through June 2025).

²⁴ Div. Ex. 4.3.

²⁵ 7 C.F.R. § 273.18(b)(3).

²⁶ 7 U.S.C. § 2022(b)(1) (emphasis added).

²⁷ 7 C.F.R. § 273.18(a)(2).

²⁸ 7 C.F.R. § 273.18(b)(3).

The Alaska Supreme Court confirmed this in *Allen v. State*.²⁹ In that case, two food stamp recipients received excess benefits due to agency error. The Court in that case recognized that the federal law may raise a concern about fairness, but found that Congress had already taken this concern into account in shaping the policy behind the regulation:

We are sympathetic to the argument that it is unfair to require indigent food stamp recipients to repay benefits that were overissued to them through no fault of their own, but Congress has already made the policy decision that a ten dollar or ten percent cap on monthly allotment reduction, coupled with allowing state agencies some flexibility to compromise claims, is sufficient to mitigate this unfairness.³⁰

The federal regulations and the *Allen* decision are binding on the Department of Health and require the Division to pursue a claim for the overpayment in this case, even though it was caused by agency error.

However, the Division does have some discretion in how it seeks recoupment and the total amount it seeks. The Division retains the ability to compromise the claim, or agree to a payment plan.³¹ In situations where it can be “determined that a household’s economic circumstances dictate that the claim will not be paid in three years” the Division has the discretion to compromise the claim.³² Here, the Division’s Benefit Issuance and Recovery Unit gave Ms. T. notice that it had compromised the claim, so that the balance she owed was only \$360.00.³³ On August 6, 2025, she was notified her payment was past due and that her future PFD could be garnished if not repaid in 30 days.³⁴ Accordingly, the Division correctly determined that Ms. T. had been overpaid at least \$360.00 in SNAP benefits and is required to seek repayment of those benefits.

C. PFD Execution Hearing Procedure

Alaska Statute 47.05.080(b) specifically authorizes garnishment of a PFD to satisfy the balance due in cases of default on public assistance overpayment claims. Hearings to contest Division executions against the PFD do not fall under the public assistance “Fair Hearing” regulations. Instead, they are Administrative Procedure Act (APA) cases: “AS 44.62.330 – 44.62.630 apply to a hearing requested by an individual under (b)(3) of this section.”³⁵ Under

²⁹ 203 P.3d 1155 (Alaska 2009).

³⁰ *Id.* at 1164 (footnotes omitted).

³¹ 7 C.F.R. § 273.18(d)(7).

³² 7 C.F.R. § 273.18(d)(7)(i).

³³ Div. Ex. 6.

³⁴ Div. Ex 11.

³⁵ AS 43.23.170(c).

the APA procedural requirements, if a party does not show up for the hearing, the case can proceed in two ways depending upon which party has the burden of proof.³⁶

In order to present its case, the Division must first establish that it has complied with the proper notice requirements, which includes the information that underlying overpayment claim has not been contested or has been resolved in the Division's favor.³⁷ The Division therefore has the burden of proof to demonstrate that it complied with the procedural requirements. After it has done so, it is incumbent upon the party objecting to the execution to demonstrate that the Division had made a mistake.³⁸ Because the Division had the initial burden of proof, this case cannot simply be dismissed or affirmed. Instead, the underlying evidence in the record can be considered, and a decision issued based upon that evidence, regardless of Ms. T.'s non-participation.³⁹

1. Is the Division Entitled to Execute Against Ms. T.'s PFD?

Before it can execute on a PFD, the Division is required to comply with certain procedural safeguards.⁴⁰ Among them are rules requiring the Division to certify that: (1) the Division has notified the recipient that her future PFDs will be taken to satisfy the overpayment claim; (2) the Division notified the recipient of her right to request a hearing on the overpayment claim, allowing 30 days from the date of the notice to request that hearing; (3) the overpayment claim either was not contested or, if contested, the issue was resolved in the Division's favor; and (4) if the overpayment claim was contested and resolved in the Division's favor, the matter is final - that is, no appeal is pending, the time limit for filing an appeal has expired, or the appeal was resolved in the Division's favor.⁴¹ Here, the Division's notice complied with all the requirements of AS 47.05.080(b), and its determination that an overpayment had been made is being affirmed.

In response, Ms. T. did not contest that she had received the benefits. She did not contest the calculation of the amount she was overpaid, only that it was unfair to assert an overpayment because she did not receive prior notice of the work requirement.⁴² More than 30 days had passed

³⁶ AS 44.62.530.

³⁷ AS 44.23.170(a).

³⁸ AS 43.23.170(b)(3).

³⁹ AS 44.62.530.

⁴⁰ AS 43.23.170(a).

⁴¹ AS 43.23.170(a)(3).

⁴² Div. Ex. 8.1 indicates she was given notice of the work requirements on May 6, 2025. Her May 1, application for continuing SNAP benefits (Div.Ex.10) was denied. On June 3 Ms. T. called the Division office to discuss the work requirements and demanded to speak to a supervisor. (Div. Ex. 9).

by the date of the hearing scheduled, and Ms. T. produced no evidence that she had repaid the \$360.00 debt. Ms. T. presented no evidence to show that a mistake was made. The Division has met its burden of showing it is entitled to the proposed garnishment.

IV. Conclusion

The Division correctly determined that Ms. T. has exhausted her SNAP eligibility and sent her proper notice that it had overpaid her SNAP benefits. Ms. T. failed, without good cause, to appear for a hearing she requested on the claimed overpayment. The Division's evidence, submitted in advance of the hearing and uncontradicted by Ms. T., is that Ms. T. was given due notice of the debt, that the debt was unpaid, and that if not repaid in 30 days, the Division could garnish her PFD. More than 30 days passed, and Ms. T. did not pay, so the debt is in default. Therefore, the Division's claim for repayment of \$360.00 in overpaid SNAP benefits is AFFIRMED and the Division's action for garnishment of Ms. T.'s PFD is APPROVED.

Dated: November 24, 2025

SIGNED
Kristin S Knudsen
Administrative Law Judge

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 22nd day of December, 2025.

By: SIGNED

Name: Daniel R. Phelps II

Title: Process Improvement Manager

Office of the Commissioner

Alaska Department of Health

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