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The following Decision is distributed for your information. This Decision has been made in consideration of the specific facts of this case. This Decision is not to be interpreted as establishing any new mandatory policy or procedure otherwise officially promulgated.

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW 04758-21 G.S.

AGENCY DKT. NO. C143250001 (ATLANTIC CO. DEPT OF FAM. & COM. DEV)

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency denied Petitioner's SNAP benefits contending that Petitioner's countable household income exceeded the maximum permissible level for receipt of said benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On July 16, 2021, the Honorable Tama B. Hughes, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony and admitted documents. On July 29, 2021, the ALJ issued an Initial Decision, affirming the Agency's determination.

No Exceptions to the Initial Decision were received.

As Assistant Commissioner, Division of Family Development ("DFD"), Department of Human Services, I have considered the ALJ's Initial Decision and following an independent review of the record, the ALJ's Initial Decision is hereby MODIFIED, and the Agency determination is also MODIFIED, based on the discussion below.

Regulatory authority applicable to SNAP benefit cases, defines income as "all income from whatever source unless such income is specifically excluded." See N.J.A.C. 10:87-5.3. Additionally, for SNAP benefits cases, unearned income includes survivors, disability, and Social Security benefits for both adults and children in the household, as well as child support or alimony payments made directly to the household from non-household members. See N.J.A.C. 10:87-5.5(a)(2), (5).

In order to determine an applicant's eligibility for SNAP, the applicant's income and resources must be below a certain threshold. In accordance with N.J.A.C. 10:87-6.16(d)(1), households which contain an elderly or permanently disabled individual, as defined by N.J.A.C. 10:87-2.34, must meet the net income test for SNAP eligibility. N.J.A.C. 10:87-6.16(d)(2), states that households that do not contain an elderly or permanently disabled household member must meet both the gross income test, as well as the net income test, meaning that the respective income amounts must be below the established standards. See also N.J.A.C. 10:87-12.3, -12.4.



Gross income is determined by adding together the household's monthly earned and unearned income, minus any earned income exclusions. See N.J.A.C. 10:87-6.16(b), (b)(1). That total gross income amount is then utilized to determine a household's SNAP eligibility in accordance with N.J.A.C. 10:87-6.16(d)(1) and (2).

N.J.A.C. 10:87-6.16(b) further outlines the procedures used to calculate both gross and net income for SNAP benefits purposes, and the applicable benefit levels, if eligible. The regulation provides that the applicant's monthly net income is determined by adding together all earned and unearned income, then subtracting all income exclusions. Then, the standard deduction, based upon the size of the household, is subtracted from the income.

Thereafter, the household is evaluated to determine if a medical deduction is appropriate, which is if the household has medical expenses that exceed \$35.00. If the household is entitled to a medical deduction, then the amount in excess of \$35.00 is subtracted from the applicant's income. Then, the applicant is evaluated for an excess shelter deduction. Such a deduction is permitted when the individual's shelter costs exceed 50% of their net income. If this deduction is allowable, then the difference between the shelter costs and the 50% net income, or up to the maximum allowable amount, is subtracted from the individual's income. The remaining figure is Petitioner's net income for SNAP benefits purposes. This net income is then compared against the maximum allowable net income amount for the household's size, as outlined at N.J.A.C. 10:87-12.3, to determine eligibility. If eligible, the household's monthly SNAP allotment shall be equal to the maximum food stamp allotment for the household's size, reduced by 30 percent of the household's net monthly income. See N.J.A.C. 10:87-12.6(a)(1).

Here, an independent review of the record reflects that Petitioner's SNAP household is comprised of Petitioner and her child, who receives Supplemental Security Income ("SSI") benefits. See Initial Decision at 2; see also Exhibit R-1 at 2. As Petitioner's household includes someone who is considered permanently disabled, due to the child's receipt of SSI benefits, Petitioner must meet only the net income test for SNAP eligibility. *Ibid.*; see also N.J.A.C. 10:87-2.34(a)(2) and N.J.A.C. 10:87-6.16(b)(1). While the Agency's adverse action notice, entered into the record in this case, states that Petitioner's was denied SNAP benefits for being over the maximum gross income level, case notes entered into the record, dated May 4, 2021, reflect that the Agency had discovered that the SSI had not been coded properly in the eligibility calculations, and that, after proper adjustment, Petitioner was ineligible for SNAP benefits as being over the maximum net income level, rather than the gross income level. See Exhibit R-1 at 1-3, 15.

A further review of the record shows that Petitioner had monthly earned income in the amount of \$3,201. See Initial Decision at 4; see also Exhibit R-1 at 2. 80 percent of the earned income is \$2,560.80, which is then added to the household's unearned income, comprised of Petitioner's child's monthly SSI benefits of \$632, bringing the household's income to \$3,192.80. See N.J.A.C. 10:87-6.16(b)(2), (3). After subtracting the standard deduction of \$167 for a household of two persons, Petitioner's household income is reduced to \$3,025.80. See N.J.A.C. 10:87-6.16(b)(4); see also DFDI Instruction ("DFDI") 20-09-04 at 11. Next is to determine if Petitioner receives a shelter deduction and if so, how much. Petitioner's shelter costs are \$2,152, plus the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$548, which total \$2,700. See N.J.A.C. 10:87-6.16(b)(8); see also DFDI 20-09-04 at 11. Subtracted from that amount is 50% of Petitioner's income after the above deductions, or half of \$3,025.80, which is \$1,512.90, (\$2,700 - \$1,512.90), resulting in an excess shelter deduction of \$1,187.10. See N.J.A.C. 10:87-6.16(b)(8). This amount is then subtracted from Petitioner's income minus the deductions ((\$3,192.80 - \$167) - \$1,187.10), resulting in a net monthly SNAP income of \$1,838.70. See N.J.A.C. 10:87-6.16(b)(9). For SNAP benefits eligibility, the maximum net income level for a household of two persons is \$1,437. See DFDI 20-09-04 at 12. As Petitioner's calculated net income of \$1,838.70 exceeds the maximum net income eligibility amount of \$1,437, Petitioner is not



eligible for SNAP benefits. Ibid. The Initial Decision and the Agency's March 18, 2021, adverse action notice, are hereby modified to reflect the above analysis and findings.

Accordingly, the Initial Decision in this matter is hereby MODIFIED and the Agency's determination is MODIFIED, as outlined above.

Officially approved final version.

AUG 24 2021

Natasha Johnson

Assistant Commissioner

