



## State of New Jersey

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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 **03405-23 A.J.**

AGENCY DKT. NO. **C119883011 (MERCER COUNTY BOARD OF SOC. SVCS..)**

Petitioner appeals from the Respondent Agency's termination of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency terminated Petitioner's SNAP benefits because Petitioner's combined 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 May 23, 2023, the Honorable Nicole T. Minutoli, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. Following the hearing, additional information and complete copies of certain exhibits were asked to be submitted by the Agency. The Agency submitted same on June 2, 2023, and Petitioner also responded on that day, and the record then closed. On June 13, 2023, the ALJ issued an Initial Decision, affirming the Agency's termination.

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 AFFIRMED, based on the discussion below.

Regulatory authority applicable to SNAP benefits 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. See N.J.A.C. 10:87-5.5(a)(2).

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. 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 was receiving SNAP benefits for a household of three persons in the amount of \$159 in December, 2022, when, by notice dated December 3, 2022, the Agency advised that his SNAP benefit would be reduced to \$0, and his case closed, effective January 1, 2023. See Exhibit R-1. The record further reflects that, at that time, Petitioner's household income was comprised of Petitioner's earned income, as well as unearned income, in the form of Supplemental Security Income ("SSI") benefits on behalf of Petitioner's minor child. See Exhibit R-1 at 2. As Petitioner's household contains a permanently disabled person, only the net income standard must be met for continued SNAP eligibility. See N.J.A.C. 10:87-6.16(d)(1); see also N.J.A.C. 10:87-2.34(b)(2) (defining a disabled household member as one who received Social Security benefits, including those under Title XVI, known as SSI benefits). The calculations completed in December, 2022, and outlined in the Agency's December 3, 2022, notice, show that, after 80% of Petitioner's earned income amount is added to the household unearned income amount, and thereafter, giving the standard deduction for a household of three people of \$193, and factoring in Petitioner's rent, together with the inclusion of the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$730, the household's net income, for SNAP eligibility purposes, was calculated to be \$3,008.20. See Exhibit R-1 at 2-3; see also N.J.A.C. 10:87-6.16(b)(8) and DFDI Instruction ("DFDI") 22-09-02 at 12. The maximum allowable net income for a household of three persons in December, 2022, was, and still remains at, \$1,920, and therefore, Petitioner's household did not meet the net income test for continued receipt of SNAP benefits. See DFDI 22-09-02 at 13. The ALJ in this matter incorrectly applied the gross income test to this case in upholding the Agency's termination of Petitioner's SNAP benefits, rather than the net income test, as required by applicable regulatory authority. See Initial Decision at 5; see also N.J.A.C. 10:87-6.16(d)(2). Nevertheless, as outlined above, the ALJ's final conclusion, that the Agency's termination of Petitioner's SNAP benefits was proper and must stand, is correct. See Exhibit R-1. The ALJ's Initial Decision is hereby modified to reflect the above analysis and findings.

By way of comment, if Petitioner's circumstances have changed since the time of the SNAP benefits termination, Petitioner is without prejudice to reapply for SNAP benefits.

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



Officially approved final version. July 12, 2023

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Natasha Johnson  
Assistant Commissioner

