



State of New Jersey

PHILIP D. MURPHY
Governor

DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT
PO BOX 716

SARAH ADELMAN
Commissioner

SHEILA Y. OLIVER
Lt. Governor

TRENTON, NJ 08625-0716

NATASHA JOHNSON
Assistant Commissioner

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 **04822-23 C.D.**

AGENCY DKT. NO. **C150780006 (CUMBERLAND COUNTY BD OF SOC SVCS.)**

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency denied Petitioner's application for SNAP benefits, contending that Petitioner's countable household income exceeded the maximum permissible level for continued receipt of said benefits for the household size. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On July 5, 2023, the Honorable Robert D. Herman, Administrative Law Judge ("ALJ"), held the plenary hearing, took testimony and admitted documents. On July 17, 2023, the ALJ issued an Initial Decision, reversing the Agency's determination and remanding the matter to the Agency for recalculation.

No Exceptions to the Initial Decision were received.

As Assistant Commissioner, Division of Family Development ("DFD"), Department of Human Services, I have reviewed the ALJ's Initial Decision and the record, and I hereby MODIFY the ALJ's Initial Decision, REVERSE the Agency's determination, and REMAND the matter to the Agency, based on the discussion below.

In order to determine eligibility for SNAP benefits, mandatory verification of certain information is required, such as household income, both earned and unearned income. See N.J.A.C. 10:87-2.19, -2.20.

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.

In order to determine an applicant's eligibility for SNAP benefits, 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 for eligible individuals 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).

In the present case, the salient issue revolves around the earned income of Petitioner's household, more specifically, income from self-employment and how that income amount was used to reach the determination that Petitioner's application for SNAP benefits should be denied due to exceeding the maximum allowable net income for the household size. See Initial Decision at 4-5; see also Exhibit R-1 at 2, 4-5. The ALJ in this matter issued a very thorough and comprehensive Initial Decision, outlining the procedural history, providing a detailed factual timeline, and rendering a well thought out analysis, applying law to fact. The ALJ found that, when Petitioner had not included an actual income amount on the income affidavit, indicating "N/A unsure/self-employed," the Agency had used information from the household's 2021 tax returns, and had not sought additional information from Petitioner for clarification. See Initial Decision at 5-6. Petitioner testified that, at the time of the income affidavit, due to certain circumstances, the household income was significantly less than in 2021. See Initial Decision at 5. Based on the facts presented, the ALJ determined that, due to the steep decline in income, the Agency should have focused on determining anticipated income, instead of prior income, and further concluded that the Agency should have attempted to clarify the ambiguity resulting from Petitioner's income affidavit. *Id.* at 9-10; see also N.J.A.C. 10:87-7.2(a)(1). As such, the ALJ reversed the Agency's denial of SNAP benefits, and remanded the matter to the Agency to recalculate Petitioner's SNAP benefits eligibility using anticipated household self-employment income, as of November 15, 2022. See Initial Decision at 10. Based on an independent review of the record, I agree and I remand this matter back to the Agency for action as follows. The Agency shall reevaluate Petitioner's application for SNAP benefits in accordance with the Initial Decision. The Agency shall expedite that reevaluation of Petitioner's application accordingly, and if Petitioner is determined to be eligible for SNAP benefits, Petitioner is to then be provided with retroactive SNAP benefits to November 15, 2022. See N.J.A.C. 10:87-8.18. Should the substantive evaluation result in another denial of SNAP benefits, Petitioner may request another fair hearing on that substantive denial. The Initial Decision is modified to reflect these findings.



Accordingly, the Initial Decision is hereby MODIFIED, the Agency's determination is hereby REVERSED, and the matter is REMANDED to the Agency, as outlined above.

Officially approved final version. August 22, 2023

Natasha Johnson
Assistant Commissioner

