



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

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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **07583-22 J.H.**

AGENCY DKT. NO. **C176904003 (BURLINGTON COUNTY BD. OF SOC. SVCS)**

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency denied Petitioner 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. A hearing was initially scheduled for September 26, 2022, but was adjourned. The matter was rescheduled, and on November 3, 2022, the Honorable Jeffrey N. Rabin, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On November 16, 2022, the ALJ issued an Initial Decision, affirming the Agency's determination.

No Exceptions to the Initial Decision were filed.

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 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. See N.J.A.C. 10:87-5.5(a)(2).

Expenses to be considered in determining a shelter cost deduction, when calculating a household's eligibility for SNAP benefits, include rent, mortgage, condo and association fees, property taxes and insurance on the household structure itself. See N.J.A.C. 10:87-5.10(a)(6)(i)(1), (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(b)(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 only 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).

The salient facts in this matter reveal that Petitioner applied for SNAP benefits, for a household of three persons, on June 14, 2022. See Initial Decision at 2; see also Exhibit R-A. On June 23, 2022, the Agency requested additional documentation from Petitioner to determine eligibility, and when no documentation was received, the Agency calculated Petitioner's SNAP benefits eligibility with unearned income information, applied the standard deduction for the household size, a medical expense deduction, but no shelter expense or utility allowance, resulting in a calculated net income amount of \$2,548. See Exhibit R-D at 2-3. As a result, the Agency denied Petitioner SNAP benefits on July 14, 2022, for her calculated net income of \$2,548 exceeding the maximum allowable net income level of \$1,830 for the household size of three persons. See Exhibit R-D; see also DFD Instruction ("DFDI") 21-09-01 at 14, included in the Agency's exhibits as Exhibit R-K and hereafter referred to solely as Exhibit R-K. In the July 14, 2022, denial notice, the Agency also indicated that Petitioner had failed to provide documentation needed to verify household expenses, thus resulting in no shelter expense or utility allowance being utilized in the SNAP benefits eligibility calculations. See Exhibit R-D at 3, 6. Petitioner's request for a fair hearing of the July 14, 2022, denial was received by the Agency on August 2, 2022. See Exhibit R-E. Thereafter, Petitioner retained counsel on August 4, 2022. See Initial Decision at 3; see also Petitioner's Exhibit B.

The record further reflects that, on August 9, 2022, Petitioner's counsel forwarded documentation, previously requested by the Agency, needed to verify shelter expenses and to provide for application of a utility allowance in the eligibility calculations, and to exclude possible earned income in the household. See Exhibit R-F; see also Initial Decision at 3. The Agency thereafter recalculated Petitioner's SNAP benefits eligibility, this time applying a shelter expense and a utility allowance, as a result of the documentation submitted by Petitioner's counsel. See Exhibit R-G. The end result, however, was the same, as Petitioner's net income, for SNAP eligibility purposes, was calculated to be \$2,430, which was still above the maximum allowable net income of \$1,830 for the household size. *Ibid.*; see also Exhibit R-K at 14. Accordingly, the Agency again denied Petitioner SNAP benefits on September 8, 2022. See Exhibit R-G.

Based upon an independent review of the record, I agree with the calculations done by the Agency resulting in both the July 14, 2022, and September 8, 2022, denials of SNAP benefits to Petitioner.



See Exhibit R-D and Exhibit R-G. Based upon Petitioner's age, Petitioner is clearly considered elderly for SNAP purposes and the household must meet only the net income test for SNAP eligibility. Ibid.; see also N.J.A.C. 10:87-2.34(a)(1) and N.J.A.C. 10:87-6.16(b)(1). The record further shows that both Petitioner, and one of her adult sons in the household, were receiving monthly Retirement, Survivors and Disability Insurance ("RSDI") benefits in the amounts of \$1,498 and \$1,362 respectively, for a total household unearned income of \$2,860. See Initial Decision at 2; see also Exhibit R-C, Exhibit R-D at 2 and Exhibit R-G at 2. The household has no earned income. See N.J.A.C. 10:87-6.16(b)(2),(3); see also Exhibit R-D at 2 and Exhibit R-G at 2. After applying the standard deduction of \$177 for a household of three persons, and a medical deduction for the amount in excess of \$35, (\$170 - \$35) or \$135, Petitioner's income is reduced to \$2,548. See N.J.A.C. 10:87-6.16(b)(4), (5); see also Exhibit R-C at 1 (denoting "MED-REDUCTION" in center column, and "TOT-NT INC" in left column), Exhibit R-D at 2, Exhibit R-G at 2 and Exhibit R-K at 13 (indicating the standard deduction for the household size). With no shelter expense or utility allowance applied, due to lack of verifying documentation, \$2,548 was the calculated net income for SNAP eligibility on July 14, 2022, which was over the maximum allowable net income for the household size of \$1,830, and therefore, the Agency properly denied Petitioner SNAP benefits on July 14, 2022. See Exhibit R-D.

For the September 8, 2022, recalculation, with the verifying documentation having been provided, the Agency was able to next to determine if Petitioner was eligible to receive a shelter deduction and if so, how much. The Agency calculated Petitioner's shelter costs as \$809, which are comprised of a monthly amount for real estate taxes and home owners insurance, plus the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$583, which equals \$1,392. See N.J.A.C. 10:87-6.16(b)(8); see also Exhibit R-G at 3, and Exhibit R-K at 13 (denoting the allowable HCSUA amount). Subtracted from that amount is 50% of Petitioner's income after the above deductions, or half of \$2,548, which is \$1,274, (\$1,392 - \$1,274), resulting in an excess shelter deduction of \$118. See N.J.A.C. 10:87-6.16(b)(8); see also Exhibit R-G at 3. This amount is then subtracted from Petitioner's income minus the deductions ((\$2,860 - \$177 - \$135) - \$118), resulting in a net monthly SNAP income of \$2,430. See N.J.A.C. 10:87-6.16(b)(9); see also Exhibit R-G at 3. As stated above, for SNAP benefits eligibility, the current maximum net income level for a household of three persons is \$1,830, and as Petitioner's calculated net income on September 8, 2022, of \$2,430 exceeds the maximum income eligibility amount, I find that Petitioner is not eligible for SNAP benefits, and I therefore concur with the Agency's September 8, 2022, denial as well. See Exhibit R-G; see also Exhibit R-K. The Initial Decision is modified to reflect the above analysis and findings.

Additionally, the ALJ stated that the calculated net income would have resulted in a SNAP allotment of \$11 per month. See Initial Decision at 4-5. However, this is incorrect, and it appears that the ALJ may have used incorrect values which came into effect on October 1, 2022, and without adjusting all other increased amounts in the calculations accordingly, to reach this amount, rather than utilizing those which were in effect in July, and September, 2022. See Exhibit R-K versus DFDI 22-09-02. Using the applicable values in effect at the time, if the calculated net income amount of \$2,548 in July, 2022, was then multiplied by .3, and rounded up, it would result in an amount of \$765. See N.J.A.C. 10:87-12.6(a)(1). The maximum SNAP allotment for a household of three persons at that time was \$658, and subtracting \$765 from that maximum allotment results in a negative number, and thus a zero coupon allotment. See Exhibit R-D; see also Exhibit R-K at 13 (showing the maximum SNAP benefit allotment for the household size). Similarly, taking the calculated net income in September, 2022, of \$2,430, and multiplying it by .3, equals \$729. See N.J.A.C. 10:87-12.6(a)(1). Subtracting that amount from the maximum SNAP allotment of \$658 also results in a negative number, and a zero coupon allotment. See Exhibit R-G. The Initial Decision is also modified to reflect these findings.

By way of comment, 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.

December 13, 2022

Natasha Johnson

Assistant Commissioner

