



State of New Jersey

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DIVISION OF FAMILY DEVELOPMENT
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Assistant Commissioner

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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **00100-22 M.H.**

AGENCY DKT. NO. **C088523015 (OCEAN COUNTY BOARD OF SOC. SVCS.)**

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutrition Assistance Program ("SNAP") benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On January 21, 2022, the Honorable Judith Lieberman, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. The record remained open to allow the parties to supplement the record, and the record then closed on February 11, 2022. On February 15, 2022, 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 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. See N.J.A.C. 10:87-5.5(a)(2).

In the SNAP benefits eligibility calculations, deduction of medical expenses is for that portion of medical expenses in excess of \$35.00 per month, incurred by any household member who is defined as elderly or disabled. See N.J.A.C. 10:87-5.10(a)(3).

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). The maximum gross income for a household of six persons, such as Petitioner's, is \$5,486. See DFDI Instruction ("DFDI") 21-09-01 at 15.

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).

Here, an independent review of the record reflects that Petitioner applied for SNAP benefits for himself, his wife and their five children on October 19, 2021. See Exhibit R-1. In the transmittal of this matter, it is reflected that Petitioner was disputing the SNAP household size and the medical expenses used by the Agency in its calculations and eligibility determination. With respect to the SNAP household size, in a thorough and comprehensive decision, the ALJ in this matter concluded the Agency had properly excluded one of Petitioner's children from the SNAP household in its eligibility calculations, due to the fact that the child is in college, and because Petitioner had not provided the Agency with required documentation to verify that Petitioner does not contribute towards costs of the son's schooling. See Initial Decision at 5-13. I agree with the ALJ, that Petitioner's son was properly excluded from the SNAP household by the Agency in its eligibility calculations. *Ibid.* However, I do note that the standard deduction for a household of six persons, and a household of seven persons is in fact the same, \$246, and therefore, had the additional household member been included in the SNAP household, the eligibility calculations would have remained exactly identical. See DFDI no. 21-09-04 at 13.

Turning to the SNAP eligibility calculations, the record reflects that Petitioner's wife receives monthly Retirement, Survivors and Disability Insurance ("RSDI") benefits. See Exhibit R-5. As Petitioner's household includes someone who is considered permanently disabled, Petitioner's household must meet only the net income test for SNAP eligibility. See N.J.A.C. 10:87-2.34(a)(2) and N.J.A.C. 10:87-6.16(b)(1). The record further reflects that Petitioner's household has monthly earned income in the amount \$2,617.00, and a monthly unearned income totaling \$2,329.00, for a total household gross income of \$4,946.00. See Exhibit R-10 at 2. Although not subject to consideration in this case, it should be noted that this amount is below the maximum gross income level of \$5,486 for a household of six persons. See DFDI no. 21-09-01 at 15; see also N.J.A.C. 10:87-6.16(d)(1).



Next, 80% of the household's earned income (\$2617 x .80), or \$2,083.60 is added to the total household unearned income of \$2,329.00, for a total household income of \$4,422.60. See N.J.A.C. 10:87-6.16(b) (2), (3). From this amount, the standard deduction for a household of six persons, or \$246, is subtracted, as well as medical expenses in excess of \$35.00, or \$96 (\$131 - \$35), for a balance of \$4,080.60. See N.J.A.C. 10:87-6.16(b)(4), (5); see also DFDI no. 21-09-01 at 13 and Exhibit R-10 at 2. In accordance with applicable regulatory authority, outlined above, only the medical expenses for a household member who is disabled are permitted to be used in the eligibility calculations, and as such, only those expenses for Petitioner's wife, and not the other household members, were properly used by the Agency in this case. See N.J.A.C. 10:87-5.10(a)(3). Next is to determine if Petitioner receives a shelter deduction and if so, how much. Petitioner's shelter costs total \$282, plus the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$583, which equals \$865. See N.J.A.C. 10:87-6.16(b)(8); see also DFDI 21-09-01 at 13. Subtracted from that amount is 50% of Petitioner's income after the above deductions, or half of \$4,080.60, which is \$2,040.30, (\$865 - \$2,040.30), resulting in a negative number, and therefore, no excess shelter deduction is permissible and a zero amount is applied. See N.J.A.C. 10:87-6.16(b)(8). This amount is then subtracted from Petitioner's income minus the deductions ((\$4,422.60 - \$246 - 96) - \$0), resulting in a net monthly SNAP income of \$4,080.60. See N.J.A.C. 10:87-6.16(b)(9); see also Exhibit R-10 at 2. For SNAP benefits eligibility, the current maximum net income level for a household of six persons is \$2,965. See DFDI 21-09-01 at 14. As Petitioner's calculated net income of \$4,080.60 exceeds the maximum net income eligibility amount of \$2,965, I find that the Agency correctly denied Petitioner's application for SNAP benefits due to excess income above the maximum net income eligibility threshold. Ibid. The Initial Decision, and the Agency's adverse action notice, are both hereby modified to reflect the above findings. See Initial Decision at 14; see also Exhibit R-11.

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

Officially approved final version.

April 5, 2022

Natasha Johnson
Assistant Commissioner

