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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 **05616-22 S.H.**

AGENCY DKT. NO. **C264021009 (HUDSON COUNTY DEPT OF FAM SVCS)**

Petitioners appeal from the Respondent Agency's termination of Supplemental Nutrition Assistance Program ("SNAP") benefits, at recertification. The Agency terminated Petitioners' SNAP benefits at recertification because Petitioners' income exceeded the maximum permissible level for receipt of said benefits. Because Petitioners appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On August 17, 2022, the Honorable Julio C. Morejon, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On August 23, 2022, the ALJ issued an Initial Decision, reversing the Agency's determination, based on excess income of the gross income threshold.

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.

In order to determine an applicant's eligibility for SNAP, the applicant's income and resources must be below a certain threshold. 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 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, the Agency initially denied Petitioners continued SNAP benefits at recertification due to the household's gross income exceeding the maximum permissible gross income threshold for the household size. See Initial Decision at 2; see also Exhibit R-1. At the hearing before the ALJ, the Agency acknowledged that it had incorrectly included unearned Unemployment Insurance Benefits ("UIB") in the eligibility calculations, and accordingly, based upon revised calculations, Petitioners gross income now did not exceed the maximum gross income threshold. See Initial Decision at 3. As a result, the ALJ found that the Agency had improperly denied Petitioners SNAP benefits. *Id.* at 7. While I agree with the ALJ, that based upon the revised calculations, Petitioners gross income now falls at the maximum allowable level for their household size, because there is no indication in the record that any household member is elderly or disabled, further calculations must be done to determine if the household also meets the net income level for their household size. See N.J.A.C. 10:87-6.16(d)(2); see also Exhibit J-1.

The record in this matter reflects that Petitioner's household is comprised of six people. See Initial Decision at 3. The household's total household earned income is \$5,486. See Exhibit R-7A, right column "EARNED-INC." The household's net monthly earned income totals \$4,388.80 ($\$5,486 \times .8$). See N.J.A.C. 10:87-6.16(b)(2). Petitioners' household has no unearned income. See N.J.A.C. 10:87-6.16(b)(3). After subtracting the correct standard deduction for a household of six of \$246, from the net monthly earned income total of \$4,388.80, Petitioners' household income is reduced to \$4,142.80. See N.J.A.C. 10:87-6.16(b)(4), see also Exhibit J-1 at 13. There is no indication that Petitioner has any medical expenses which exceed \$35. See N.J.A.C. 10:87-6.16(b)(5). Next is to determine if Petitioner receives a shelter deduction and if so, how much. Petitioners' shelter costs total \$1,375, plus the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$583, for total shelter costs of \$1,958. See N.J.A.C. 10:87-6.16(b)(8); see also Exhibit R-7A. Subtracted from the shelter costs, \$1,958, is 50% of Petitioner's net monthly income after the above deductions, or half of \$4,142.80, which is \$2,071.40, resulting in a negative number ($\$1,958 - \$2,071.40 = -113.40$), and therefore, no excess shelter deduction is given. See N.J.A.C. 10:87-6.16(b)(8). Accordingly, Petitioner's total net monthly SNAP income is calculated as $\$4,388.80 - 246 = \$4,142.80$. *Ibid.*; see also N.J.A.C. 10:87-6.16(b)(9). This amount is the same as reflected on Exhibit R-7A, in the left hand column for "TOT-NT INC." That amount is then compared to maximum allowable net income chart, which reflects that the maximum allowable net income for a household of six is \$2,965. See Exhibit J-1 at 14; see also N.J.A.C. 10:87-6.16(d)(2). As Petitioners' net monthly SNAP income (\$4,142.80) is more than the maximum allowable (\$2,965), Petitioners are not eligible for SNAP benefits.

Based on the foregoing, I find that Petitioners' household income exceeds the maximum net income level allowable, and therefore, Petitioners' household is ineligible for SNAP benefits. Accordingly, the Agency's termination of Petitioner's SNAP benefits in this matter is correct, but on other grounds, specifically, the household's calculated net income exceeding the permitted maximum net income threshold for the household size. See Exhibit R-1; see also Exhibit J-1 at 14. The Initial Decision, and the Agency's adverse action, are both modified to reflect the above analysis and findings.



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.

September 22, 2022

Natasha Johnson

Assistant Commissioner

