STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **07303-25 L.M.**

AGENCY DKT. NO. **C171505003** (**BURLINGTON COUNTY BD. OF SOC. SVCS**)

Petitioner appeals from the Respondent Agency's denial of Petitioner's application for continued Supplemental Nutrition Assistance Program ("SNAP") benefits, at recertification. The Agency denied Petitioner continued SNAP benefits at recertification, contending that Petitioner's household income exceeded the maximum permissible net income level for continued receipt of said benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law ("OAL") for a hearing. On July 2, 2025, the Honorable Kim C. Belin, Administrative Law Judge, held the plenary hearing, took testimony and admitted documents. On July 23, 2025, the ALJ issued an Initial Decision, reversing the Agency's determination.

Exceptions to the Initial Decision were received from the Agency, on July 24, 2025. A rebuttal to the Agency 's Exceptions was filed by Petitioner on July 24, 2025.

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

Regulatory authority applicable to a SNAP household recertification for SNAP benefits states that "[n]o household may participate beyond the expiration of the certification period … without a determination of eligibility for a new period. Households shall apply for recertification and shall comply with interview and verification requirements." See N.J.A.C. 10:87-9.1(a).

Further, N.J.A.C. 10:87-9.1(b) states, in pertinent part, "The Agency shall provide … households the [Notice of Expiration] before the first day of the last month of the certification period, but not before the first day of the next-to-the-last month."

Following submission of the recertification application, and requested documentation, households that have met all application requirements shall be notified of their eligibility or ineligibility by the end of their current certification period. N.J.A.C. 10:87-9.2(b). N.J.A.C 10:87-9.4(b), applicable to denial notices issued at recertification, states, "If [a recertification] application is denied, the [Agency] shall provide the household with written notice explaining the basis for the denial. This requirement shall be accomplished by use of the 'Adverse Action Notice'. The notice shall be sent as soon as possible, but not later than 30 days following the date the application was filed."

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 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).

Additionally, since December 6, 2013, DFD has utilized a standardized self-employment deduction of 51% when determining gross income from self-employment in both Work First New Jersey (WFNJ) and SNAP cases. See DFD Instruction 13-12-01. "Gross income earned from self-employment is to be reduced by the allowable business expenses to determine the amount of countable earned income. The process of documenting all applicable allowable expenses can be a time consuming and burdensome process for both the applicant/recipient and the [Agency]. In an effort to simplify the process for all those involved DFD is establishing a simplified deduction calculation for determining the countable income earned from self-employment." Ibid. As federal regulations, 7 CFR 273.11(b)(3)(iv) permit States to: "Use the standard amount the State uses for its TANF program," the same 51% standardized self-employment deduction is also applied to SNAP cases for a self-employed household which can verify an allowable expense. Ibid.

Turning to the present case, it is clear that the basis for Agency's denial of continued SNAP benefits at the time of Petitioner's recertification for said benefits, is due to the Agency's contention that Petitioner's net income, as calculated by the Agency exceeded the net income threshold for continued eligibility. See Exhibit R-4. I note that the net income threshold for a household of four persons, such as Petitioner's, is $2,600. See DFDI 24-10-04 at 13. The Initial Decision in this matter erroneously states the amount of $4,810, which is the gross income threshold, not the net income threshold. Id. at 14; see also Initial Decision at 5. Additionally, the record is devoid of any notice of denial on the basis that Petitioner failed to provide documentation or information necessary to determine eligibility. To the contrary, it is clear that the Agency proceeded to calculate Petitioner's eligibility for continued benefits based upon the information provided in Petitioner's Self-Employment Ledger. See Exhibit R-3.

Based on an independent review of the record, I hereby take official notice that the records of this office show that Petitioner's certification period ended on March 31, 2025, and that Petitioner was sent a NOE on February 3, 2025. See N.J.A.C. 1:1-15.2(a) and N.J.R.E. 201(b)(4). Thereafter, Petitioner submitted her recertification application on February 24, 2025. See Exhibit R-1. The Agency then sent Petitioner a Request for Verification on February 24, 2025, and Petitioner provided a Self-Employment Ledger (hereinafter "the Ledger") on March 4, 2025. See Exhibits R-2 and R-3. As referenced above, it is undisputed that the Agency utilized the rental amounts listed on the Ledger, adding them together and dividing by 12 to arrive at an average monthly rental income amount of $4,470. See Initial Decision at 4. The Agency further acknowledges that it relied on the computations in the Income Management Food Stamp ("IMFS") program in arriving at the determination to deny Petitioner continued SNAP benefits at recertification. Ibid.; see also Exhibit R-3. The record reflects that, after using the average monthly gross income of $4,470, which notably is below the gross income threshold of $4,810, and applying the standard deduction for the household size, together with shelter expenses, and the Heating or Cooling Standard Utility Allowance, Petitioner's net income for SNAP eligibility purposes was calculated by IMFS to be $3,256.50, which exceeds the maximum allowable net income threshold of $2,600. See Exhibit R-3. On this basis, on April 1, 2025, the Agency denied Petitioner continued SNAP benefits at recertification. See Exhibit R-4. The transmittal in this case reflects that Petitioner requested a fair hearing on the denial on April 8, 2025.

As stated above, since December 6, 2013, DFD has utilized a standardized self-employment deduction of 51% when determining gross income from self-employment in both Work First New Jersey (WFNJ) and SNAP cases. See DFD Instruction 13-12-01. This was not done in the present matter, and as such, a recalculation is warranted, applying the 51% deduction, as Petitioner presented an allowable expense, namely real estate taxes. See Exhibit P-2. The average monthly gross income amount to be utilized for the recalculation will be the amount utilized by the Agency, in reaching its April 1, 2025, denial which had been provided by Petitioner in the Ledger, and from which Petitioner appealed. See Exhibit R-3.

Taking that average monthly income amount of $4,470, which is below the gross income threshold of $4,810, and multiplying that by .51, results in a deduction of $2,279.70, which is rounded up to $2,280. See DFDI 13-12-01 and N.J.A.C. 10:87-6.16(c)(1)(i). That amount is then subtracted from $4,470 ($4,470 - $2,280) to determine the household's gross income from self-employment of $2,190. See DFDI 13-12-01 and N.J.A.C. 10:87-6.16(b)(2). The household has no unearned income, and as such, the household's countable income is $2,190. See N.J.A.C. 10:87-6.16(b)(3). After subtracting the standard deduction of $217 for a household of four persons, Petitioner's income is reduced to $1,973. See N.J.A.C. 10:87-6.16(b)(4); see also DFD Instruction ("DFDI") 24-10-04 at 12. Petitioner has no excess medical expenses. See Exhibit R-3; see also 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. The record shows Petitioner's shelter expense is $904, to which is added the Heating or Cooling Standard Utility Allowance ("HCSUA") of $878, for total shelter costs of $1,782. See N.J.A.C. 10:87-6.16(b)(8); see also Exhibit R-3. Subtracted from the $1,782 total shelter costs amount is 50% of Petitioner's income after the above referenced deductions, or half of $1,973, which is $986.50, ($1,782 - $986.50), resulting in an excess shelter deduction of $795.50. See N.J.A.C. 10:87-6.16(b)(8). However, because Petitioner's household does not contain anyone who is elderly or disabled, Petitioner is limited to the maximum amount of shelter deduction of $712. See N.J.A.C. 10:87-5.10(a)(6), -6.16(b)(9) and DFDI 24-10-04 at 12. This amount is then subtracted from Petitioner's countable income minus the deductions (($2,190 - $217) - $712), resulting in a net monthly SNAP income, for SNAP eligibility purposes, of $1,261. See N.J.A.C. 10:87-6.16(b)(9). This net income amount is then multiplied by 30%, or $378.30, and rounded up to $379. See N.J.A.C. 10:87-12.6(a)(1)(i), (ii). This amount is the subtracted from the maximum benefit allotment for the household size, or ($975 - $379) for a monthly SNAP benefits allotment amount of $596. Based on the foregoing analysis and the record presented, I find that at the time of recertification, Petitioner was entitled to a monthly SNAP benefits allotment of $596, and I direct that the Agency provide Petitioner with SNAP benefits in that monthly amount retroactive to April 1, 2025, as Petitioner's prior certification period ended March 31, 2025, as well as prospectively. See N.J.A.C. 10:87-8.18. The Initial Decision is modified to reflect the above analysis and findings.

By way of comment, I note that the Initial Decision incorrectly references N.J.A.C. 10:87-2.27(f), which is applicable at the time of an individual's initial application for SNAP benefits, and not at recertification. Rather, the correct applicable regulatory authority utilized in SNAP benefits recertification matters is found at N.J.A.C. 10:87-9.1, et seq.

By way of further comment, I have reviewed the Exceptions filed by the Agency and find that the arguments made therein do not alter my decision in this matter.

Additionally, by way of further comment, I note for Petitioner's benefit that replies/rebuttals to Exceptions are not permitted in DFD hearings. See N.J.A.C. 1:10-18.2.

Also by way of comment, if Petitioner contends that her average monthly earned income has changed from that which had been provided in the Ledger with her application for recertification, she may provide proof of same to the Agency, together with an explanation for the changes from those provided to the Agency in March, 2025.

Therefore, based upon the foregoing, I hereby MODIFY the Initial Decision in this matter, and REVERSE the Agency determination, as outlined above.

Officially approved final version. August 13, 2025

Natasha Johnson
Assistant Commissioner