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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 12674-23 H.I.

AGENCY DKT. NO. C734755007 (ESSEX COUNTY DIVISION OF WELFARE)

Petitioner challenges the Respondent Agency's reduction of Supplemental Nutrition Assistance Program ("SNAP") benefits, and the denial of Work First New Jersey/Temporary Assistance for Needy Families ("WFNJ/TANF") benefits. Petitioner's SNAP benefits were reduced as a result of total household income, both earned and unearned. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. A plenary hearing was initially scheduled for February 12, 2024, but was adjourned due to inclement weather. The matter was rescheduled for March 14, 2024, but that date was also adjourned for the receipt of additional documents from the Agency. The case was again rescheduled, and on March 21, 2024, the Honorable Mumtaz Bari-Brown, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On April 22, 2024, 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 AFFIRMED, based on the discussion below.

Pursuant to N.J.A.C. 10:90-3.1(c), once initial financial eligibility for WFNJ/TANF is found to exist, financial eligibility continues to exist so long as the assistance unit's ("AU") total countable income (with benefit of the appropriate disregards at N.J.A.C. 10:90-3.8 for earned income) is less than the maximum benefit payment level allowable for the size of the assistance unit, in accordance with Schedule II at N.J.A.C. 10:90-3.3(b). For an assistance unit of two persons, the maximum allowable benefit level is \$425. See N.J.A.C. 10:90-3.3(b); see also DFD Informational Transmittal ("IT") 19-21.

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 child support payments made directly to the household from non-household members. See N.J.A.C. 10:87-5.5(a) (5).

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).

N.J.A.C. 10:87-6.16 then outlines the procedures used to calculate net income and benefit levels for SNAP recipients. 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. 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 Initial Decision in this case states that Petitioner's WFNJ/TANF issue was resolved. See Initial Decision at 2. Specifically, the Agency approved Petitioner's application for WFNJ/TANF benefits from the date of application, October 12, 2023, through November 30, 2023, and issued Petitioner two payments on March 15, 2024, in the amounts of \$269 for the prorated amount for October, and the full monthly amount of \$425 for November, 2023. See Exhibit R-2 at 2. Petitioner did not qualify for further WFNJ/TANF benefits beginning December 1, 2023, due to the receipt of bi-weekly child support payments, which put the assistance unit over the maximum allowable payment level. See N.J.A.C. 10:90-3.1(c); see also Initial Decision at 2. While the Initial Decision states the matter was resolved, I agree with the Agency's issuance of WFNJ/TANF benefits for October and November, 2023, and further agree that Petitioner was no longer eligible for said benefits beginning December 1, 2023.

With respect to the household's SNAP benefits, an independent review of the record reflects that Petitioner was initially denied SNAP benefits in October 2023, due to the household's income being over the maximum allowable gross income amount. See Exhibit R-1. Thereafter, in March, 2024, Petitioner was subsequently determined eligible for SNAP benefits in the amount of \$556 for the month of November 2023, and a monthly allotment of \$320 thereafter. *Ibid.*; see also Exhibit R-2 at 3, 5. A retroactive payment for the months of December 2023, through March 2024, was to be made in the amount of \$1,280 (\$320 x 4). See Initial Decision at 2; see also Exhibit R-3 at 1. The income utilized in the calculation to reach the \$320 monthly allotment was Petitioner's bi-weekly child support payments of \$488, multiplied by the applicable regulatory multiplier of 2.167 for a total of \$1,057, together with the calculated monthly earned income from Petitioner's son, in the amount of \$1,622. See Exhibit R-3 at 2; see also N.J.A.C. 10:87-6.9(d)(1). The monthly earned income of Petitioner's son was calculated using quarterly income. See Exhibit R-5 at 12. The quarterly wage amount of \$4,492 was divided by 12 weeks for an average weekly amount of \$374.33, which was then multiplied by the appropriate regulatory multiplier of 4.333, to reach the monthly income of \$1,622. *Ibid.*; see also N.J.A.C. 10:87-6.9(d)(1). That amount is reflected in the calculations page in the record. See Exhibit R-2 at 5. The Initial Decision is modified to reflect the above findings.

Based on the foregoing, I agree with the ALJ that the Agency correctly reduced Petitioner's SNAP benefits allotment beginning December 1, 2023. See Initial Decision at 3,4; see also Exhibit R-1. It should also be noted, that when all other expenses in the SNAP benefits calculation remain constant, but total household income, earned and/or unearned, increases, the household SNAP benefits allotment will be reduced.

By way of comment, based on the affirmance of the SNAP benefits allotment amount, as stated in this Final Agency Decision, the Agency shall issue Petitioner retroactive SNAP benefits back to December, 2023, if it has not already done so. See N.J.A.C. 10:87-8.18.

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



Officially approved final version. May 15, 2024

Natasha Johnson
Assistant Commissioner

