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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **02641-24 M.N.**

AGENCY DKT. NO. **C202430007 (ESSEX COUNTY DIVISION OF WELFARE)**

Petitioner challenges the correctness of the Respondent Agency's reduction of his household's Supplemental Nutrition Assistance Program ("SNAP") benefits. Petitioner contests the calculation of said reduction, as well as asserting that the Agency failed to provide him with timely notice of the reduction. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On May 1, 2024, the Honorable Kimberly A. Moss, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On May 1, 2024, the ALJ issued an Initial Decision, reversing 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 also MODIFIED, based on the discussion below.

Regulatory authority applicable to SNAP benefits 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 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.

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 may apply 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 SNAP 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, pertinent to the present matter, N.J.A.C. 10:87-9.5(j) states that, "Prior to any action to reduce or terminate a household's benefits within the certification period, the CWA shall provide the household timely and adequate advance notice before the adverse action is taken. (1) The notice of adverse action will be considered timely provided it is mailed at least 10 days prior to the date upon which the action becomes effective."

Here, an independent review of the record reflects that Petitioner had a recertification for SNAP benefits in January 2024. See Exhibit R-1 at 11. The record in this matter shows that Petitioner was advised in two notices, dated December 2, 2023, and December 12, 2023, that his recertification application for SNAP benefits had been approved, and that effective January 1, 2024, Petitioner's SNAP benefits allotment would be \$492 through the certification period ending on December 31, 2025. See Exhibits P-2, P-3 at 1-3; see also Exhibit P-4 at 2. I also note that, contrary to the ALJ's assertions in the Initial Decision, see Initial Decision at 2-3, the system generated notices in the record are not undated, but rather, contain numeric dates in MMDDYYYY format in the upper right-hand corner of the notices; thus, for example, Exhibit P-2 has a numeric date of 12122023, or December 12, 2023. The calculations provided in Exhibit P-3 reflect that the SNAP benefits allotment of \$492 was reached using the household's total unearned income, applying the standard deduction for the household size, and using Petitioner's former rental amount of \$900, combined with the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$850, an excess shelter cost deduction was applied, with a resultant SNAP net monthly income amount of \$143. That amount was then multiplied by .3 to reach \$42.9, which was rounded up and then subtracted from the maximum allowable SNAP benefit allotment of \$535 to reach the \$492 monthly allotment amount. See N.J.A.C. 10:87-12.6(a)(1)(i)-(ii), (iii); see also DFD Instruction ("DFDI") 23-09-01 at 12.

On January 24, 2024, the Agency requested verification of Petitioner's rental costs. See Exhibit P-11 at 1. Petitioner had previously provided a receipt, dated November 1, 2023, but it was unclear if that receipt was indeed for rent. See Exhibit R-1 at 9. The record then reflects that by notice dated January 24, 2024, see Exhibit P-11 at 2, and system generated notice dated January 25, 2024, see Exhibit P-9, the Agency reduced Petitioner's monthly SNAP benefits allotment effective February 1, 2024, due to exclusion of any rental costs in the monthly allotment calculations. See Exhibit P-9. Petitioner provided the requested documentation on January 29, 2024, see Exhibit P-7, and thereafter, the \$240 monthly rental amount was factored back into Petitioner's monthly SNAP allotments calculations, with notice being sent on February 16, 2024, advising Petitioner of the revised monthly benefit amount of \$294. See Exhibit P-14 at 1, 2.

There are two issues presented in this matter. First, Petitioner contends that he was not provided with timely notice of the reduction of his SNAP benefits allotment from \$492 to \$222, effective February 1, 2024. See Exhibits P-9, P-11 at 2. As outlined above, the applicable regulatory authority with respect to timely notice of a reduction in a household's allotment amount during a certification period is N.J.A.C. 10:87-9.5(j), which provides that the notice must be mailed at least 10 days before the effective date of the reduction. Clearly, based on the date of the two notices alone, January 24 and 25, 2024, respectively, timely notice was in fact not given with respect to the February 1, 2024, effective date. The SNAP benefits payment history in the record shows that Petitioner was issued two payments in February 2024, \$222 on February 1, 2024, and \$72 on February 16, 2024, for a total of \$294. See Exhibit R-1 at 3. As timely notice of the February 1, 2024, reduction was not provided, I direct that Petitioner be issued retroactive benefits in the amount of \$198 (\$492 - 294) for the month of February 2024. See N.J.A.C. 10:87-8.18. I do find, however, that given the dates on the February 16, 2024, notices, that timely and adequate notice was given of the revised monthly allotment amount which resulted from the revised rental costs of \$240. See Exhibit P-14.

This then leads to the second issue raised by Petitioner, specifically, that he challenges the calculations resulting in the revised SNAP benefits allotment of \$294. See Initial Decision at 2. As Petitioner's SNAP household contains a permanently disabled person, only the net income standard must be met for SNAP eligibility. See N.J.A.C. 10:87-6.16(d) (1); see also N.J.A.C. 10:87-2.34(b)(2) (defining a disabled household member as one who received Social Security benefits, including both Supplemental Security Income ("SSI") benefits, as well as those under Title II, known as Retirement, Survivors and Disability Benefits ("RSDI") benefits). The record in this case shows that Petitioner receives monthly RSDI benefits for himself in the amount of \$264, and both he and his spouse receive SSI benefits in the amount of \$598, for a combined unearned household income total of \$1,460. See Exhibit P-3 at 2; see also Exhibit R-1 at 2. After subtracting the standard deduction of \$198 for a household of two, Petitioner's income is reduced to \$1,262. See N.J.A.C. 10:87-6.16(b)(4); see also DFD Instruction ("DFDI") 23-09-01 at 12. There are no verified medical expenses



presented. Next, is to determine if Petitioner receives a shelter deduction and if so, how much. The record shows Petitioner's rent is \$240, plus the HCSUA of \$850, which gives total shelter costs of \$1,090. See N.J.A.C. 10:87-6.16(b) (8). Subtracted from the \$1,090 total shelter costs amount is 50% of Petitioner's income after the above referenced deductions, or half of \$1,262, which is \$631, ($\$1,090 - \631), resulting in an excess shelter deduction of \$459. See N.J.A.C. 10:87-6.16(b)(8). This amount is then subtracted from Petitioner's income minus the deductions ($\$1,460 - \$198 - \$459$), resulting in a net monthly SNAP income, for SNAP eligibility purposes, of \$803. See N.J.A.C. 10:87-6.16(b) (9). This amount is the same amount of net income reflected on the Food Stamp Calculation page, "IMFS" printout in the record, in the left-hand column TOT-NT-INC. See Exhibit R-1 at 2. That amount is then multiplied by .3 and rounded up, or \$241. See N.J.A.C. 10:87-12.6(a)(1)(i)-(ii). That amount is then subtracted from the maximum benefit allotment for a household of two persons, $\$535 - \$241 = \$294$. See N.J.A.C. 10:87-12.6(a)(1)(iii); see also DFDI 23-09-01 at 12. This is also the same amount shown in the IMFS printout, see Exhibit R-1 at 2, and is the same amount of which Petitioner was advised by notices dated February 16, 2024. See Exhibit P-14.

Based on the foregoing analysis, I find that the Agency failed to provide Petitioner with timely notice of a reduction, effective February 1, 2024, and therefore, the Agency shall issue the balance of the February 2024 benefit allotment, \$198. See N.J.A.C. 10:87-8.18, -9.5(j). Furthermore, also based on the foregoing analysis, I find that the Agency properly calculated Petitioner's revised SNAP benefits allotment of \$294, effective March 1, 2024, and provided Petitioner with timely and adequate notice of the reduced amount, resultant from the inclusion of Petitioner's new rental amount. The Initial Decision and the Agency's determinations 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. June 04, 2024

Natasha Johnson
Assistant Commissioner

