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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 **03124-24 S.N.**

AGENCY DKT. NO. **C155298001 (ATLANTIC CO. DEPT OF FAM. & COM. DEV)**

Petitioner appeals from the Respondent Agency's denial of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency denied Petitioner SNAP benefits because Petitioner's combined household income exceeded the maximum permissible level for receipt of said benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On May 10, 2024, the Honorable Rebecca C. Lafferty, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On May 16, 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.

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. 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. "Earned income" is defined, in pertinent part, as "[a]ll wages and salaries received as compensation for services performed as an employee[.]" See N.J.A.C. 10:87-5.4(a)(1).

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 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, an independent review of the record reflects that Petitioner, and her husband, applied for SNAP benefits on November 30, 2023, and that Petitioner's household is comprised of five persons. See Exhibit R-1 at 29-42. The record further reflects that Petitioner's household income is comprised of earned income from self-employment. See Initial Decision at 2-4. Because the household does not contain anyone who is elderly or disabled, the household needs to meet both the gross and net income tests for eligibility. See N.J.A.C. 10:87-6.16(d)(2). Using information provided from the household, and following the procedure outline in DFD Instruction ("DFDI") 13-12-01, the Agency determined the household's gross monthly income to be \$5331. See Initial Decision at 2, 3, 4. The maximum allowable gross income for a household of five persons is \$5418, and as such, Petitioner meets the gross income test, but must also meet the net income test for SNAP eligibility. See DFDI 23-09-01 at 13. The eligibility calculations completed show that, after inclusion of the standard deduction for a household of five people of \$244, and factoring in Petitioner's rent, together with the inclusion of the Heating and Cooling Standard Utility Allowance ("HCSUA") of \$850, the household's net income, for SNAP eligibility purposes, was calculated to be \$4020.80. See Exhibit R-1 at 2-3, 4; see also N.J.A.C. 10:87-6.16(b)(8) and DFDI 23-09-01 at 12. The maximum allowable net income for a household of five persons is \$2929, and therefore, Petitioner's household did not meet the net income test for receipt of SNAP benefits, and the Agency denied Petitioner's application for SNAP benefits by notice dated February 6, 2024. See Exhibit R-1 at 1-3; see also DFDI 23-09-01 at 12. The ALJ in this matter concluded that the Agency had properly calculated the net income for Petitioner's household, and as it exceeds the maximum net income level allowable, Petitioner is ineligible for SNAP benefits. See Initial Decision at 5-8. Accordingly, the Agency's denial of SNAP benefits to Petitioner in this matter was proper and must stand. *Id.* at 8. I agree with the ALJ's ultimate conclusion, but modify the Initial Decision in this case to correct the gross income level used (the 185% of Federal Poverty Level amount, rather than the 130% of Federal Poverty Level amount), and the ALJ's statement that Petitioner's household did meet the gross income test.

By way of comment, Petitioner is without prejudice to reapply for SNAP benefits.

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

Officially approved final version. June 18, 2024

Natasha Johnson
Assistant Commissioner

