



DEPARTMENT OF HUMAN SERVICES

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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW 5715-15 B.C.

AGENCY DKT. NO. C128702 (ESSEX COUNTY DIVISION OF WELFARE)

Petitioner challenges the correctness of Respondent Agency's reduction of her Supplemental Nutrition Assistance Program ("SNAP"), f/k/a the Food Stamp Program, benefits. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. A hearing was scheduled for May 14, 2015, before the Honorable Kimberly A. Moss, Administrative Law Judge, ("ALJ"), but was adjourned to allow the Agency to recalculate Petitioner's income. On May 22, 2015, the ALJ held a plenary hearing, took testimony and admitted documents into evidence.

On May 28, 2015, the ALJ issued her Initial Decision which reversed the Agency's reduction of Petitioner's benefits. The ALJ determined that the Agency failed to use the proper sources to determine the household's income. See Initial Decision at 2, 4. Specifically, the Agency had utilized an income amount reflected in a document from the Newark Housing Authority ("NHA") rather than Petitioner's daughter's pay stubs. *Ibid.* Utilizing the proper amount of household income, the ALJ then proceeded to recalculate Petitioner's proper SNAP benefit amount, which the ALJ found to be \$497. See *id.* at 5-6.

No exceptions to the Initial Decision were filed.

As the Director of the Division of Family Development ("DFD"), Department of Human Services, I have reviewed the Initial Decision and having made an independent review of the record in this matter, I hereby MODIFY the Initial Decision and REVERSE the Agency's determination. Specifically, while I concur with the proper amount used by the ALJ to reflect the household's income, the ALJ did not utilize updated amounts for the standard deduction, the maximum shelter allowance or the maximum benefit

level, as discussed below, which change the calculations and resultant SNAP benefit amount. See DFD Instruction ("DFDI") 14-08-03 at 2, 11.

SNAP is designed to promote the general welfare and to safeguard the health and well-being of the population by raising the levels of nutrition among low-income households. See N.J.A.C. 10:87-1.1(a). 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 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).

As noted above, I agree with the ALJ that the Agency improperly used an amount from an NHA document to determine the household's income. Notably, the NHA calculation of household income included the yearly amount Petitioner received from Work First New Jersey/General Assistance ("WFNJ/GA") benefits, which the record now indicates Petitioner no longer receives. See Exhibit P-5, Initial Decision at 2. Rather, as indicated by the ALJ, the household's income was a total of Petitioner's daughter's employment and unearned income in the form of child support payments. See Initial Decision at 2.

With regards to the actual calculation used to determine the correct benefit amount, I note that the ALJ failed to use updated amounts for the standard deduction for a household of three persons (\$155 versus \$152), the maximum shelter allowance (\$490 versus \$478), and the maximum benefit amount for the household size (\$511 versus \$497). See Initial Decision at 5-6. The updated, correct amount for the Heating or Cooling Standard Utility allowance ("HCSUA"), \$491, was utilized. See *id.* at 5. These amounts were updated effective October 1, 2014. See N.J.A.C. 10:87-12.1 and DFDI 14-08-03. I also note that numbers in the benefits calculation are rounded up or down to whole numbers in accordance with N.J.A.C. 10:87-6.16(c)(1).

Applying the proper updated deduction amounts, and rounding up or down as required, results in the following benefits calculation. The record reveals that

Petitioner's household consists of herself, her daughter and granddaughter. See Initial Decision at 2. The household's earned income is \$649, 80% of which is \$519. See Initial Decision at 5. Added to \$519 is the household's unearned income of \$186, for a gross income amount of \$705. Ibid. After subtracting the correct standard deduction of \$155, Petitioner's income is reduced to \$550. There are no excess medical deductions in this matter. Next, to determine if Petitioner receives a shelter deduction and if so, how much. Petitioner's shelter costs are \$392 rent, plus the HCSUA utility allowance of \$491 or \$883. See N.J.A.C. 10:87-6.16(b)(8). Subtracted from that amount is 50% of Petitioner's net income after the above deductions, or half of \$550, which is \$275, resulting in an excess shelter amount of \$608. However, Petitioner is only entitled to excess shelter costs up to the maximum allowable amount, or \$490. See *id.* at (b)(9). This amount is then subtracted from \$550, resulting in a net monthly SNAP income of \$60. Ibid. That amount is then multiplied by .3, or \$18. See N.J.A.C. 10:87-12.6(a)(1)(i)-(ii). That amount is then subtracted from the maximum benefit for a household of three, \$511 - \$18, or \$493. See N.J.A.C. 10:87-12.6(a)(1)(iii).

Based upon the foregoing, I find that the correct amount of SNAP benefits to which Petitioner is entitled is \$493, and I hereby direct the Agency to adjust Petitioner's SNAP benefits to that amount, retroactive to the date of Petitioner's recertification in this matter, March 1, 2015. See Exhibit P-2 at 2.

Accordingly, the Initial Decision in this matter is MODIFIED and Agency determination is REVERSED.

JUN 15 2015

Signed Copy on File

at DFD, BARA

Natasha Johnson
Director