

STATE OF CONNECTICUT  
DEPARTMENT OF SOCIAL SERVICES  
OFFICE OF LEGAL COUNSEL, REGULATIONS, AND ADMINISTRATIVE HEARINGS  
55 FARMINGTON AVENUE  
HARTFORD, CT 06105-3725

██████████ 2019  
Signature Confirmation

Case ID # ██████████  
Client ID # ██████████  
Hearing Request # 144357

NOTICE OF DECISION

PARTY

██████████  
██████████

PROCEDURAL BACKGROUND

On ██████████, 2019, the Department of Social Services (the "Department") issued a Notice of Action to ██████████ (the "Appellant") granting his SNAP benefits in the amount of \$15.00 monthly.

On ██████████ 2019, the Appellant requested an administrative hearing to contest the amount of his SNAP benefits.

On ██████████, 2019, the Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") issued a Notice scheduling the administrative hearing for ██████████, 2019.

On ██████████ 2019, in accordance with sections 17b-60, 17b-61 and 4-176e to 4-189, inclusive, of the Connecticut General Statutes, OLCRAH held an administrative hearing. The following individuals were present at the hearing:

██████████, the Appellant  
Ruth Jenkins-Belcher, Department's Representative  
Swati Sehgal, Hearing Officer

## STATEMENT OF THE ISSUE

The issue to be decided is whether the Department correctly determined the Appellant's monthly SNAP benefit amount of \$15.00.

## FINDINGS OF FACT

1. On [REDACTED], 2019, the Appellant appeared at the local Regional Office and requested the Department to recalculate his Snap benefits based on his self-employment income as he did not agree with the Department's calculation of his self-employment income at the time of redetermination. (Hearing Summary, Appellant's testimony, Exhibit 2: Case Notes)
2. The Appellant is a household of one. (Hearing Record)
3. The Appellant pays \$345.00 a month in rental expenses and pays for utilities. (Appellant's Testimony, Exhibit 7: Renewal Form dated [REDACTED] 2019, Exhibit 2)
4. The Appellant is self-employed, sells goods on [REDACTED], with gross annual receipts of \$43,843. (Exhibit 8: 2018 Income Tax return with Schedule C)
5. The Appellant claimed the following business expenses on his 2018 Income Tax Schedule C (Profit or Loss from Business):
 

\$21,449.00	Cost of Goods
\$408.00	Supplies
\$715.00	Car and Truck Expenses
\$1,012.00	Office Expenses
\$38.00	Taxes and licenses
\$6,822.00	Shipping Fees
\$3,659.00	EBay Fees
\$264.00	Other expenses (Telephone and Disposal)

 (Exhibit 8)
6. On [REDACTED] 2019, the Department reevaluated the Appellant's SNAP benefits and determined the Appellant's allowable business deductions for [REDACTED] business as follows:
 

\$21,449.00	Cost of Goods
\$408.00	Supplies
\$715.00	Car and Truck Expenses
\$1,012.00	Office Expenses

 (Department's Testimony)
7. On [REDACTED] 2019, the Department issued a Notice of Action. The notice stated that effective [REDACTED] 2019, the Appellant's monthly SNAP benefit amount is \$15.00. (Exhibit 9: Notice of Action dated [REDACTED] 2019)

8. The issuance of this decision is timely under the Code of Federal Regulations § 273.15 which states that a decision must be reached and the household notified within 60 days of receipt of a request for a fair hearing. The Appellant requested an administrative hearing on [REDACTED] 2019. Therefore, this decision is due not later than [REDACTED] 2019.

### **CONCLUSIONS OF LAW**

1. Section 17b-2 of the Connecticut General Statutes, authorizes the Commissioner of the Department of Social Services to administer the SNAP program in accordance with federal law.
2. Title 7 of the Code of Federal Regulations (“CFR”) § 273.11(a)(1)(i) provides that self-employment income must be averaged over the period the income is intended to cover, even if the household receives income from other sources. If the averaged amount does not accurately reflect the household’s actual circumstances because the household has experienced a substantial increase or decrease in business, the State agency must calculate the self-employment income on the basis of anticipated, not prior earnings.
3. Title 7 of the CFR § 273.11(a)(2) provides that when determining monthly income from self-employment and states that for the period of time over which self-employment income is determined, the State agency must add all gross self-employment income (either actual or anticipated, as provided in paragraph (a)(1)(i) of this section) and capital gains (according to paragraph (a)(3) of this section), exclude the costs of producing the self-employment income (as determined in paragraph (a)(4) of this section), and divide the remaining amount of self-employment income by the number of months over which the income will be averaged. This amount is the monthly net self-employment income. The monthly net self-employment income must be added to any other earned income received by the household to determine the total monthly earned income.
4. The Department was correct when it counted the income the Appellant received from his business as provided for in the Code of Federal Regulations.
5. Title 7 of the CFR § 273.11(b)(1) provides for allowable costs of producing self-employment income and states that allowable costs of producing self-employment income include, but are not limited to, the identifiable costs of labor; stock; raw material: seed and fertilizer; payments on the principal of the purchase price of income-producing real estate and capital assets; equipment, machinery, and other durable goods; interest paid to purchase income producing property; insurance premiums; and taxes paid on income-producing property.

6. Title 7 of the CFR § 273.11(b)(2) provides that in determining net self-employment income, the following items are not allowable costs of doing business: (i) Net losses from previous periods; (ii) Federal, State and local income taxes, money set aside for retirement purposes, and other work-related personal expenses (such as transportation to and from work), as these expenses are accounted for by the 20 percent earned income deduction specified in §273.9(d)(2); (iii) Depreciation; and (iv) Any amount that exceeds the payment a household receives from a boarder for lodging and meals.

Uniform Policy Manual (“UPM”) § 5035.15(A)(1) provides the income earned by any member of the assistance unit through self-employment is adjusted by subtracting the following costs of producing income as they apply:

- a. payments to employees;
  - b. cost of stock, raw material, seed, or fertilizer;
  - c. interest paid to purchase income-producing property;
  - d. insurance premiums and taxes paid on income-producing property; and
  - e. cost of providing meals in daycare programs to children, other than the provider’s own, and to adults.
7. The Department was correct when it deducted the following expenses from the Appellant’s gross income: Car and Truck expenses \$715.00; supplies \$408.00; Office expenses \$1012.00; and cost of Goods \$21,449.00, a total of \$23,584.00.
8. The Department was incorrect when it did not allow the following costs of doing business: Shipping fees, \$6,822.00, tax & licenses 38.00, [REDACTED] fees \$3,659.00 and other expenses \$264.00.
9. The Department was incorrect when it determined the net annual business gain of \$20259.00 (\$43,843.00 gross income – \$23,584.00 deductions the Department allowed).
10. The Department was incorrect when it determined the Appellant’s gross monthly self-employment income of \$1688.25(\$20259.00 / 12).
11. Title 7 CFR § 273.9 (b)(1)(ii) provides that earned income shall include the gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business as provided in paragraph (c) of this section.

12. The Department was incorrect when it did not allow for self-employment deductions from other expenses (Shipping Fees, Taxes and Licenses, eBay Fees and other expenses) as a cost of doing business.

### **DISCUSSION**


After reviewing the testimony and evidence presented at this hearing, I find that the Department did not allow for all of the self-employment deductions as set forth in the policy. The Appellant sells goods on [REDACTED], and incur shipping fees, [REDACTED] Fees and other expenses including taxes and license to do his business. The Department should consider these expenses when it calculates the Appellant's income.

### **DECISION**

The Appellant's appeal is **REMANDED** to the Department for further action.

### **ORDER**

1. The Department shall determine a SNAP benefit amount based on the Appellant's self-employment income minus the cost of doing business as set forth in this decision and issue a Notice of Action informing the Appellant of new outcomes.
3. Compliance with this order shall be submitted to the undersigned no later than [REDACTED] 2019.

  
Swati Sehgal  
Hearing Officer

CC: Brian Sexton, Social Services Operations Manager, Middletown, R.O. #50.  
Rutha Jenkins-Belcher, Fair Hearing Liaison, Middletown, R.O. #50.

### **RIGHT TO REQUEST RECONSIDERATION**

The appellant has the right to file a written reconsideration request within **15** days of the mailing date of the decision on the grounds there was an error of fact or law, new evidence has been discovered or other good cause exists. If the request for reconsideration is granted, the appellant will be notified within 25 days of the request date. No response within 25 days means that the request for reconsideration has been denied. The right to request a reconsideration is based on §4-181a (a) of the Connecticut General Statutes.

Reconsideration requests should include specific grounds for the request: for example, indicate what error of fact or law, what new evidence, or what other good cause exists.

Reconsideration requests should be sent to: Department of Social Services, Director, Office of Administrative Hearings and Appeals, 55 Farmington Avenue, Hartford, CT 06105-3725.

### **RIGHT TO APPEAL**

The appellant has the right to appeal this decision to Superior Court within 45 days of the mailing of this decision, or 45 days after the agency denies a petition for reconsideration of this decision, provided that the petition for reconsideration was filed timely with the Department. The right to appeal is based on §4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 55 Elm Street, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue Hartford, CT 06105. A copy of the petition must also be served on all parties to the hearing.

The 45 day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than 90 days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or the Commissioner's designee in accordance with §17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extension is final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the appellant resides.