

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

██████████ 2023  
Signature Confirmation

Case ID # ██████████  
Client ID # ██████████  
Hearing Request # 205716

**NOTICE OF DECISION**

**PARTY**

██████████  
██████████  
██████████

**PROCEDURAL BACKGROUND**

On ██████████, 2022, the Department of Social Services (the "Department") issued a Notice of Action ("NOA") to ██████████ (the "Appellant") denying his application for Supplemental Nutritional Assistance Program ("SNAP") benefits.

On ██████████ 2022, the Appellant requested an administrative hearing to contest the Department's decision to deny SNAP benefits.

On ██████████ 2022, the Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") issued a Notice scheduling the administrative hearing for ██████████, 2022.

On ██████████ 2022, 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  
David Dominique, Department's representative  
Scott Zuckerman, Hearing Officer

## STATEMENT OF THE ISSUE

The issue to be decided is whether the Department's decision to deny the Appellant's application for SNAP benefits is correct.

## FINDINGS OF FACT

1. On [REDACTED], 2022, the Appellant applied for SNAP for himself, his spouse and two children for a household of four. (Appellant's testimony and Hearing Summary)
2. There are no elderly or disabled members of the household. (Appellant's testimony)
3. The Appellant is self-employed and is the owner of [REDACTED], [REDACTED] (Appellant's testimony and Exhibit 3: 2021 Federal Income Tax Return)
4. The Appellant claimed gross receipts or sales of \$157,191.00, cost of goods sold of \$47,912.00 for gross profit and income of \$109,279.00. (Exhibit 3: 2021 Federal Income tax return, Schedule C)
5. The Appellant claimed the following business expenses on his 2021 Federal Income Tax Schedule C (Profit or Loss from Business):

\$490.00	Advertising
\$15,232.00	Car and Truck expenses
\$9,064.00	Depreciation
\$4875.00	Insurance (other than health)
\$2123.00	Mortgage Interest
\$2521.00	Other Interest
\$6889.00	Office expense
\$2986.00	Rent or lease (a)Vehicles, machinery, and equipment
\$8241.00	Repairs and maintenance
\$6823.00	Supplies
\$639.00	Taxes and Licenses
\$675.00	Travel
\$1521.00	Meals
<u>\$3864.00</u>	Utilities
<b>\$65,943.00</b>	<b>Total Expenses</b>

(Exhibit 3: 2021 Federal Income Tax Return, Schedule C)

6. The Appellant claimed his profit after expenses were \$43,336.00 (\$109,279.00 gross profit - \$65,943.00 total expenses). (Exhibit 3)
7. On [REDACTED], 2022, the Department issued a Notice of Action, denying the Appellant's SNAP application because, "the monthly gross income of your household

is more than the limit for this program.” (Exhibit 7: Notice of Action, ██████████, 2022)

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 ██████████, 2022. Therefore, this decision is due not later than ██████████, 2023, and is therefore timely. (Hearing Record)

### 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 (“C.F.R.”) § 273.1(a)(3) provides as follows:

General household definition. A household is composed of one of the following individuals or groups of individuals, unless otherwise specified in paragraph (b) of this section: A group of individuals who live together and customarily purchase food and prepare meals together for home consumption.

Federal regulation provides as follows:

Special household requirements (1) Required household combinations. The following individuals who live with others must be considered as customarily purchasing food and preparing meals with the others, even if they do not do so, and thus must be included in the same household, unless otherwise specified. A person under 22 years of age who is living with his or her natural or adoptive parent(s) or stepparent(s).

7 C.F.R. § 273.1(b)(1)(ii)

**The Department correctly determined a household of four: the Appellant, his spouse and two children.**

3. “Definition of income. Household income shall mean all income from whatever source excluding only items specified in paragraph (c) of this section.” 7 C.F.R. § 273.9(b)

“Earned income shall include: All wages and salaries of an employee.” 7 C.F.R. § 273.9(b)(1)(i)

Federal regulation provides as follows:

Determining income (1) Anticipating income. (i) For the purpose of determining the household's eligibility and level of benefits, the State agency shall take into account the

income already received by the household during the certification period and any anticipated income the household and the State agency are reasonably certain will be received during the remainder of the certification period. If the amount of income that will be received, or when it will be received, is uncertain, that portion of the household's income that is uncertain shall not be counted by the State agency. For example, a household anticipating income from a new source, such as a new job or recently applied for public assistance benefits, may be uncertain as to the timing and amount of the initial payment. These moneys shall not be anticipated by the State agency unless there is reasonable certainty concerning the month in which the payment will be received and in what amount. If the exact amount of the income is not known, that portion of it which can be anticipated with reasonable certainty shall be considered as income. In cases where the receipt of income is reasonably certain but the monthly amount may fluctuate, the household may elect to income average. Households shall be advised to report all changes in gross monthly income as required by §273.12.

7 C.F.R. § 273.10(c)(1)(i)

Federal regulation provides as follows:

Income only in month received. (i) Income anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the State agency shall convert the income to a monthly amount by multiplying weekly amounts by 4.3 and biweekly amounts by 2.15, use the State Agency's PA conversion standard, or use the exact monthly figure if it can be anticipated for each month of the certification period. Nonrecurring lump-sum payments shall be counted as a resource starting in the month received and shall not be counted as income.

7 C.F.R. § 273.10(c)(2)(i)

4. Federal Regulation provides as follows:

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.

7 C.F.R. 273.11(a)(1)(i)

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 total monthly earned income.

7 C.F.R. § 273.11(a)(2)(i)

If a State agency determines that a household is eligible based on its' monthly net income, the State may elect to offer the household an option to determine the benefit level by using either the same net income which was used to determine eligibility, or by unevenly prorating the household's total net income over the period for which the household's self-employment income was averaged to more closely approximate the time when the income is actually received. If income is prorated, the net income assigned in any month cannot exceed the maximum monthly income eligibility standards for the household's size.

7 C.F.R. 273.11(a)(2)(iii)

**The Department was correct when it counted the income the Appellant received from his business as provided for in the Code of Federal Regulations.**

Federal regulation provides as follows:

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.

7 C.F.R. § 273.11(b)(1)

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.

7 C.F.R. § 273.11(b)(2)

The Department was correct when it deducted the following from the Appellant's gross income: the cost of goods sold (\$157,191.00 gross - \$47,912 [cost of goods sold]).

The Department was correct when it did not allow the following expenses associated with the costs of doing business:

\$9,064.00	Depreciation
\$2123.00	Mortgage Interest paid to banks
\$675.00	Travel
\$1521.00	Meals

The following are considered allowable costs of producing self-employment income:

\$490.00	Advertising
\$15,232.00	Car and Truck expenses
\$4875.00	Insurance (other than health)
\$2521.00	Other Interest
\$6889.00	Office expense
\$2986.00	Rent or lease (a)Vehicles, machinery, and equipment
\$8241.00	Repairs and maintenance
\$6823.00	Supplies
\$639.00	Taxes and Licenses
<u>\$3864.00</u>	Utilities
\$52,560.00	Total Expenses

The Department was correct when it determined the net business gain of \$56,719.00 (\$109,279.00 gross profit - \$52,560.00 allowable costs of production self – employment income)

The Department correctly determined the Appellant's net monthly self-employment income and total household income of \$4,726.58 (\$56,719.00 / 12 months = \$4,726.58)

5. Federal regulation provides as follows:

Households are categorically eligible for SNAP benefits unless the entire household is institutionalized as defined in §273.1(e) or disqualified for any reason from receiving SNAP benefits. (E) any household in which all members receive or are authorized to receive PA and/or SSI benefits in accordance with paragraphs (j)(2)(i)(A) through (j)(2)(i)(D) of this section.

7 C.F.R. § 273.2 (j) (2) (i)

**The Appellant is not a recipient of Public Assistance (cash assistance) or SSI and is therefore not categorically eligible.**

6. Federal regulation provides as follows:

Participation in the Program shall be limited to those households whose income incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Households that contain an elderly or disabled member shall meet the net income eligibility standards for the Food Stamp Program. Households, which do not contain an elderly or disabled member, shall meet both the net income eligibility standards and the gross income eligibility standards for the Food Stamp Program. Households that are categorically eligible as defined in §273.2 (j) (2) or 273.2 (j) (4) do not have to meet either the gross or net income eligibility standards. The net and gross income eligibility standards shall be based on the levels established in Section 673 (2) of the Community Services Block Grant Act (42 U.S.C. 9902 (2)).

7 C.F.R. § 273.9 (a)

Federal regulation provides as follows:

An elderly or disabled member as a member of a household who: (1) Is 60 years of age or older; (2) Receives supplemental security income benefits under title XVI of the Social Security Act or disability or blindness payments under titles I, II, X, XIV, or XVI of the Social Security Act; (3) Receives federally or State-administered supplemental benefits under section 1616(a) of the Social Security Act provided that the eligibility to receive the benefits is based upon the disability or blindness criteria used under title XVI of the Social Security Act.

7 C.F.R. § 271.2

**The Department correctly determined that the Appellant's household does not contain a disabled or elderly individual and is therefore subject to the gross income and net income eligibility standards.**

7. Federal regulation provides as follows:

The gross income eligibility standards for SNAP shall be as follows: (i) The income eligibility standards for the 48 contiguous States and the District of Columbia, Guam and the Virgin Islands shall be 130 percent of the Federal income poverty levels for the 48 contiguous States and the District of Columbia.

7 C.F.R. § 273.9 (a) (1)

"The monthly gross and net income eligibility standards for all areas will be prescribed in tables posted on the FNS website, at [www.fns.usda.gov/snap](http://www.fns.usda.gov/snap)."

7 C.F.R. § 273.9 (a) (4)

Effective June 19, 2009, the Department implemented SNAP changes referred to as Expanded Categorical Eligibility ("ECE"). Effective July 1, 2009, the gross income limit for the SNAP increased to 185% of the Federal Poverty Level ("FPL") for SNAP households that do not contain an elderly or disabled household member. Effective

October 1, 2022, the gross income limit for the SNAP increased to 200% of the FPL for SNAP households that do not contain an elderly or disabled household member.

**The Department correctly used \$4,625.00 (200% of the FPL for a household of four effective [REDACTED] 2022, to [REDACTED] 2023) in its eligibility determination.**

**On [REDACTED], 2022, the Department correctly denied the Appellant's SNAP application because his monthly net profit from self-employment of \$4,726.58 is more than the monthly income limit of \$4,625.00 for an assistance unit of four. The Appellant's household is ineligible for SNAP benefits.**

### **DISCUSSION**

Under SNAP, households that do not meet the categorical eligibility requirements of the program are subject to income limits. Because the Appellant's household does not contain an elderly or disabled individual, the assistance unit is subject to the gross income test. This means the individual's gross income must fall below the gross income standard to conduct an eligibility determination. In the present case, the Appellant's income is above this standard. Therefore, household or other expenses are not considered and no further calculation of eligibility is completed.

### **DECISION**

The Appellant's appeal is **DENIED**.

Scott Zuckerman  
Scott Zuckerman  
Hearing Officer

CC: Jill Sweeney, Operations Manager, DSS, Danbury Regional Office  
David Dominique, Fair Hearing Liaison, DSS, Danbury Regional Office



### **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.

### **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, 165 Capitol Avenue, 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.