

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

██████████ 2024
SIGNATURE CONFIRMATION

██████████
██████████
REQUEST# 233289

NOTICE OF DECISION

PARTY

██████████
██████████
██████████

PROCEDURAL BACKGROUND

On ██████████ 2024, the Department of Social Services (the “Department”) issued a Notice of Action (“NOA”) to ██████████ (the “Applicant”) denying her request for benefits under the Supplemental Nutrition Assistance Program (“SNAP”) effective ██████████ 2024.

On ██████████ 2024, at ██████████ the Applicant submitted a request for an administrative hearing to appeal the Department’s decision to deny food benefits under the SNAP.

On ██████████ 2024, (the following business day) the Applicant’s request for an administrative hearing was marked as received by the Office of Legal Counsel, Regulations, and Administrative Hearings (“OLCRAH”).

On ██████████ 2024, the OLCRAH issued a notice scheduling the administrative hearing for ██████████ 2024.

On ██████████ 2024, in accordance with sections 17b-60, 17-61 and 4-176e to 4-189 inclusive, of the Connecticut General Statutes, OLCRAH held an Administrative Hearing.

The hearing was held telephonically at the Applicant's request. The following individuals participated in the hearing by phone:

██████████, Applicant
██████████, Applicant's Spouse / ("Appellant")
Willie Roundtree, Department's Representative
Jessica Gulianello, Hearing Officer

The hearing record remained open until the close of business on ██████████ 2024, for the submission of additional documentation from the Department. The closing date of the hearing record was extended until the close of business on ██████████, 2024, for the Appellant to respond. The hearing record closed accordingly on ██████████, 2024.

STATEMENT OF THE ISSUE

The issue to be decided is whether the Department's action to deny the Appellant's request for benefits under the SNAP due to excess income was correct.

FINDINGS OF FACT

1. On ██████████ 2024, the Applicant submitted an online application ("ONAP") requesting Food Assistance under the SNAP and Cash Assistance for a household comprised of eight (8) individuals: the Applicant (DOB: ██████████), ██████████ ██████████ (the Applicant's Spouse / the "Appellant") (DOB: ██████████), and their six (6) minor children. (*Exhibit 3: ONAP dated ██████████ 2024, Exhibit 5: Case Notes, Hearing Summary, Department's Testimony*)
2. On ██████████ 2024, the Applicant submitted supplemental documentation with the ONAP under online submission ID ██████████ categorized as follows: four (4) photo IDs, ██████████ bill, birth certificate, and self-employment income verification. (*Exhibit 9: ImpaCT: Document Search results*)
3. The Appellant reported the following income on the above-noted ONAP:

Individual:	Name:	Employment Type:	Amount	Frequency
██████████ ██████████	██████████ ██████████	Self Employment: Consultant/Financial Sales	\$2,370.96	Monthly
██████████ ██████████	██████████ ██████████	Work Income: Wages	\$1,124.27	Biweekly

(*Exhibit 3: ONAP dated ██████████/2024*)

4. The Applicant reported the following expenses on the above-noted ONAP:

Individual:	Expense Type:	Amount:	Frequency:
██████████	Mortgage	\$4,126.30	Monthly
██████████	Home Owners Insurance	\$8,422.41	Annually

The Applicant answered the Utility Expense questions on the ONAP as follows:

Question:	Answer:
Do you pay for utilities:	Yes
Do you pay for heating or cooling separate from your shelter expense?	Yes
Do you pay an extra fee to your landlord for heating or cooling?	[blank]
Has your household received energy assistance payments within the last year?	[blank]
Do you pay for any of the following utilities separately from your shelter expenses?	Water, Sewer/Septic, Garbage, Other Fuel

(Exhibit 3: ONAP dated ██████/2024)

5. On ██████ 2024, the Department reviewed the above-noted ONAP and the supplemental documentation. The Department registered the Applicant’s request for food assistance under the SNAP and cash assistance under the Temporary Family Assistance (“TFA”) program in the Department’s electronic eligibility case management system, (“ImpaCT”). (Exhibit 5: Case Notes dated ██████ 2024)

6. On ██████ 2024, the Department entered a case note in ImpaCT that stated, “They [the Applicant] attached business reporting showing their self-employment

business had total gross profit \$1,447,371.06. And after expense even including tax became negative. But, on the almost bottom there is RENTAL INCOME gross \$199,500/yr after expense of \$69,464 equals \$130,035.69/year. This is updated, but unknown where the rental income coming from, and how many tenants they have for the net profit.” (Exhibit 4: Case Notes dated [REDACTED]/2024)

7. The Department updated the Unearned Income record in ImpaCT to reflect that the Appellant had income generated from an estate or trust from rental income in the amount of \$130,035.69 annually. (Exhibit 11: ImpaCT Unearned Income Details & ImpaCT Unearned Income Worksheet)
8. On [REDACTED] 2024, the Department checked [REDACTED] [an online employment verification database] and confirmed that the Applicant and the Appellant each earn gross wages from [REDACTED] in the amount of \$1,346.15 biweekly. (Exhibit 5: Case Notes dated [REDACTED] 2024 & [REDACTED] 2024, Hearing Summary, Department’s Testimony)
9. On [REDACTED] 2024, the Department issued the Applicant a Proofs We Need (“W-1348”) form requesting the following proofs due by [REDACTED] 2024, required for TFA:

Household Member(s)	Proof(s) Needed	Acceptable Proof(s)	Additional Information
[REDACTED] [REDACTED]	Proof of relationship between household members	Birth Certificate, adoption papers, marriage certificate, court records, baptismal record, school records, family bible, medical records, hospital records, Acknowledgement of Paternity, statement from non-relative disinterested third party.	N/A
[REDACTED] [REDACTED]	Proof of relationship between household members	Birth Certificate, adoption papers, marriage certificate, court records, baptismal record, school records, family	N/A

		bible, medical records, hospital records, Acknowledgement of Paternity, statement from non-relative disinterested third party.	
██████████ ██████████	Proof of relationship between household members	Birth Certificate, adoption papers, marriage certificate, court records, baptismal record, school records, family bible, medical records, hospital records, Acknowledgement of Paternity, statement from non-relative disinterested third party.	N/A
██████████ ██████████	Proof of relationship between household members	Birth Certificate, adoption papers, marriage certificate, court records, baptismal record, school records, family bible, medical records, hospital records, Acknowledgement of Paternity, statement from non-relative disinterested third party.	N/A
██████████ ██████████	Proof of relationship between household members	Birth Certificate, adoption papers, marriage certificate, court records, baptismal	N/A

		record, school records, family bible, medical records, hospital records, Acknowledgement of Paternity, statement from non-relative disinterested third party.	
██████████ ██████████	Proof of relationship between household members	Birth Certificate, adoption papers, marriage certificate, court records, baptismal record, school records, family bible, medical records, hospital records, Acknowledgement of Paternity, statement from non-relative disinterested third party.	N/A

(Exhibit 8: W-1348 dated ██████████ 2024)

10. The above-noted W-1348 form is void of a request for proof(s) required to establish eligibility for benefits under the SNAP. (Exhibit 8: W-1348 dated ██████████ 2024)
11. On ██████████ the Applicant contacted the Department's BC [benefit center] and completed a telephone interview. The Department notated, "██████████ found active employment for cl [client] and sp [spouse] both with ██████████ showing biweekly gross income. See income below. Internet search found both cl and sp are the owners of ██████████. Rental income was found within the profit and loss statement that was provided with the ONAP. Sp reports subleasing space for their business. Income was previously entered. (Exhibit 5: Case Notes dated ██████████/2024)
12. On ██████████ 2024, the Department issued the Applicant a NOA that advised her request for food benefits under the SNAP and cash benefits under the TFA were both denied effective ██████████ 2024, citing the following reasons, "The monthly gross income of your household is more than the limit for this program",

and “Does not meet program requirements”. The NOA reflected the following income for the household:

Who Has Income?	Type	How Much and When?
██████████	Income generated from an estate or trust	\$130,035.69 Annually
██████████	Wages	\$1,346.15 Bi-Weekly
██████████	Wages	\$1,346.15 Bi-Weekly

(Exhibit 2: NOA dated ██████/2024)

13. On ██████ 2024, the Applicant submitted additional documentation under the online submission ID ██████, task # ██████ categorized as, “Tax record (self-employment)”. (Exhibit 9: ImpaCT Document Search)
14. The above-noted tax record is a copy of the household’s 2022 personal tax return. Schedule E in the above-noted tax return reflects that the household’s nonpassive losses from their corporations totaled \$2,340,375.00 in 2022:

Trade, Business, or Aggregation Name	Taxpayer Identification Number	Qualified business income or (loss)
██████████	██████████	-\$2,306
██████████	██████████	-\$19,109
██████████	██████████	-\$3,372
██████████	██████████	-\$170,128
██████████	██████████	-\$30,023
██████████	██████████	-\$1,798,121

(Exhibit 7: 2022 Tax Return (tax record) received on ██████/2023)

15. The household files business tax returns for each of the above-noted corporations. (Appellant’s Testimony)
16. On ██████, 2024, at ██████ the Applicant submitted a request for an administrative hearing to contest the Department’s denial of her request for food benefits under the SNAP and cash benefits under the TFA (auto marked as received on the Department’s next business day, ██████ 2024). The Applicant reported the following, “We were denied snap due to our gross income being above the charts. We are financially not doing well at all. We are in the process of trying to sell our property to cover our enormous debt. We very much need all the help we can get.” (Exhibit A: Hearing Request submission date: ██████ 2024, received date: ██████ 2024)

17. On [REDACTED] 2024, the Department reviewed the previously noted tax record received on [REDACTED] 2024, and completed the task with no further action taken. (*Exhibit 5: Case Notes – Details dated [REDACTED] 2024*)
18. The Appellant affirmed that he and the Applicant each draw a salary from [REDACTED]. Furthermore, he corroborated the Department's determination that they are each receive biweekly wages of \$1,336.15 from their business. (*Appellant's Testimony*)
19. The Applicant and the Appellant co-own a total of five (5) corporations: [REDACTED]
[REDACTED]. [REDACTED] is a dormant subsidiary Inc. under [REDACTED]. (*Appellant's Testimony*)
20. The Department could not explain its calculation of the household's rental income. (*Department's Testimony*)
21. The Appellant asserted that the Department failed to consider its business liabilities (expenses). (*Appellant's Testimony*)
22. The issuance of this decision is timely under section 17b-61(a) of Connecticut General Statutes, which requires that a decision be issued within [REDACTED] days of the request for an administrative hearing. The Appellant requested an administrative hearing on [REDACTED] 2024, at [REDACTED]. The hearing request was received on [REDACTED] 2024, the Department's next business day. This decision therefore is due no later than [REDACTED] 2024, and it is timely. (*Hearing Record*)

CONCLUSIONS OF LAW

1. Section 17b-2(7) of the Connecticut General Statute provides as follows: "The Department of Social Services is designated as the state agency for the administration of the supplemental nutrition assistance program pursuant to the Food and Nutrition Act of 2008."

The Department has the authority to administer the SNAP.

2. Title 7 of the Code of Federal Regulations ("C.F.R") § 273.2(b)(1) provides as follows: A State agency may consider an application form to be a paper document, on-line document or a recorded conversation.

3. 7 C.F.R § 273.2(c)(1)(iv) provides as follows: Recording the filing date. The date of application is the date the application is received by the State agency. State agencies must document the application date on the application. If the application is received outside normal business hours the State agency will consider the date of application the next business day. For online applications, the date of application is the date the application is submitted, or the next business day if it is submitted after business hours. For telephonic applications, the date of application is the date on which the household member provides verbal assent.

The Department correctly determined the Applicant filed an online application (ONAP) on [REDACTED] 2024.

4. C.F.R. § 273.1(a) 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: (1) An individual living alone; (2) An individual living with others, but customarily purchasing food and preparing meals for home consumption separate and apart from others; or (3) A group of individuals who live together and customarily purchase food and prepare meals together for home consumption.
5. 7 C.F.R § 273.1(b)(1)(ii) provides as follows: 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 step-parent(s).

The Department correctly determined the SNAP household comprised of eight (8) individuals (the Applicant, the Appellant, and their six (6) minor children).

6. 7 C.F.R § 273.2(a)(2) provides as follows: Application processing. The application process includes filing and completing an application form, being interviewed, and having certain information verified. The State agency must act promptly on all applications and provide SNAP benefits retroactive to the month of application to those households that have completed the application process and have been determined eligible. States must meet application processing timelines, regardless of whether a State agency implements a photo EBT card policy. The State agency must make expedited service available to households in immediate need. Specific responsibilities of households and State agencies in the application process are detailed below.

7. 7 C.F.R § 273.2(e)(1) provides as follows: Except for households certified for longer than 12 months, and except as provided in paragraph (e)(2) of this section, households must have a face-to-face interview with an eligibility worker at initial certification and at least once every 12 months thereafter. State agencies may not require households to report for an in-office interview during their certification period, though they may request households to do so. For example, State agencies may not require households to report en masse for an in-office interview during their certification periods simply to review their case files, or for any other reason. State agencies may not require an in person interview solely to take a photo. Interviews may be conducted at the SNAP office or other mutually acceptable location, including a household's residence. If the interview will be conducted at the household's residence, it must be scheduled in advance with the household. If a household in which all adult members are elderly or disabled is certified for 24 months in accordance with § 273.10(f)(1), or a household residing on a reservation is required to submit monthly reports and is certified for 24 months in accordance with § 273.10(f)(2), a face-to-face interview is not required during the certification period. The individual interviewed may be the head of household, spouse, any other responsible member of the household, or an authorized representative. The applicant may bring any person he or she chooses to the interview. The interviewer must not simply review the information that appears on the application, but must explore and resolve with the household unclear and incomplete information. The interviewer must advise households of their rights and responsibilities during the interview, including the appropriate application processing standard and the households' responsibility to report changes. The interviewer must advise households that are also applying for or receiving PA benefits that time limits and other requirements that apply to the receipt of PA benefits do not apply to the receipt of SNAP benefits, and that households which cease receiving PA benefits because they have reached a time limit, have begun working, or for other reasons, may still qualify for SNAP benefits. The interviewer must conduct the interview as an official and confidential discussion of household circumstances. The State agency must protect the applicant's right to privacy during the interview. Facilities must be adequate to preserve the privacy and confidentiality of the interview.

8. 7 C.F.R § 273.2(e)(2) provides as follows: The State agency may use a telephone interview instead of the face-to-face interview required in paragraph (e)(1) of this section for all applicant households, for specified categories of households, or on a case-by-case basis because of household hardship situations as determined by the State agency. The hardship conditions must include, but are not limited to, illness, transportation difficulties, care of a household member, hardships due to residency in a rural area, prolonged severe weather, or work or training hours that prevent the household from participating in an in-office interview. If a State agency has not already provided that a telephone interview will be used for a household, and that household meets the State agency's hardship criteria and requests to not have an in-office interview, the State agency must offer to the household to conduct the interview by telephone. The State agency may provide a home-based interview only if a household meets the hardship criteria and requests one. A State agency that chooses to routinely

interview households by telephone in lieu of the face-to-face interview must specify this choice in its State plan of operation and describe the types of households that will be routinely offered a telephone interview in lieu of a face-to-face interview. The State agency must grant a face-to-face interview to any household that requests one.

The Department correctly conducted an on-demand interview by telephone with the Applicant on [REDACTED] 2024.

9. 7 C.F.R § 273.2(c)(5) provides as follows: Notice of Required Verification. The State agency shall provide each household at the time of application for certification and recertification with a notice that informs the household of the verification requirements the household must meet as part of the application process. The notice shall also inform the household of the State agency's responsibility to assist the household in obtaining required verification provided the household is cooperating with the State agency as specified in (d)(1) of this section. The notice shall be written in clear and simple language and shall meet the bilingual requirements designated in § 272.4(b) of this chapter. At a minimum, the notice shall contain examples of the types of documents the household should provide and explain the period of time the documents should cover.

10. 7 C.F.R § 273.2(f) provides as follows: Verification is the use of documentation or a contact with a third party to confirm the accuracy of statements or information. The State agency must give households at least 10 days to provide required verification. Paragraph (i)(4) of this section contains verification procedures for expedited service cases.

11. 7 C.F.R § 273.2(f)(1) provides as follows: Mandatory verification. State agencies shall verify the following information prior to certification for households initially applying: Gross nonexempt income. Gross nonexempt income shall be verified for all households prior to certification.

12. 7 C.F.R § 273.2(f)(2)(i) provides as follows: The State agency shall verify, prior to certification of the household, all other factors of eligibility which the State agency determines are questionable and affect the household's eligibility and benefit level. The State agency shall establish guidelines to be followed in determining what shall be considered questionable information. These guidelines shall not prescribe verification based on race, religion, ethnic background, or national origin. These guidelines shall not target groups such as migrant farmworkers or American Indians for more intensive verification under this provision.

13.7 C.F.R § 273.2(f)(5)(i) provides as follows: The household has primary responsibility for providing documentary evidence to support statements on the application and to resolve any questionable information. The State agency must assist the household in obtaining this verification provided the household is cooperating with the State agency as specified under paragraph (d)(1) of this section. Households may supply documentary evidence in person, through the mail, by facsimile or other electronic device, or through an authorized representative. The State agency must not require the household to present verification in person at the SNAP office. The State agency must accept any reasonable documentary evidence provided by the household and must be primarily concerned with how adequately the verification proves the statements on the application. However, the State agency has primary responsibility for verifying fleeing felon and parole or probation violator status in accordance with § 273.11(n). If a SNAP applicant's attestation regarding disqualified felon status described in § 273.2(o) is questionable, the State agency shall verify the attestation. Each element of a questionable attestation—that the individual has been convicted of a crime listed at § 273.11(s), and that the individual is not in compliance with the terms of their sentence—shall be verified by the State agency. The State agency shall determine whether an attestation is questionable based on the standards established under § 273.2(f)(2)(i). In conducting verifications of questionable attestations under this paragraph, the State agency shall establish reasonable, consistent standards, evaluate each case separately, and document the case file accordingly.

14.7 C.F.R § 273.2(f)(6) provides as follows: Documentation. Case files must be documented to support eligibility, ineligibility, and benefit level determinations. Documentation shall be in sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination.

The Department correctly used the [REDACTED] [REDACTED] [REDACTED] [REDACTED] employment verification database to verify that the Applicant and the Appellant each earn wages of \$1,346.15 biweekly from [REDACTED].

The Applicant and the Appellant also co-own [REDACTED]. The hearing record is void of a Request for Proofs: W-1348 form to verify that the Department properly notified the household of its requirement to verify their business income and expenses under the SNAP. Additionally, the Department testified that it was unable to fundamentally explain how it determined an annual income of \$130,035.69 as cited on the NOA that coincided with the program denials.

It should be further noted that the hearing record is void of evidence to substantiate that the Applicant and the Appellant clearly notified the Department of their ownership of five (5) corporations at the time of their application in question as evidenced by the ONAP which lacks a statement of the rental properties.

15.7 C.F.R § 273.9(a) provides as follows: Income eligibility standards. Participation in the Program shall be limited to those households whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Households which contain an elderly or disabled member shall meet the net income eligibility standards for SNAP. 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 SNAP. Households which 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 Federal income poverty levels established as provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)). (1) 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. (ii) The income eligibility standards for Alaska shall be 130 percent of the Federal income poverty levels for Alaska. (iii) The income eligibility standards for Hawaii shall be 130 percent of the Federal income poverty levels for Hawaii. (2) The net 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 the Federal income poverty levels for the 48 contiguous States and the District of Columbia. (ii) The income eligibility standards for Alaska shall be the Federal income poverty levels for Alaska. (iii) The income eligibility standard for Hawaii shall be the Federal income poverty levels for Hawaii. (3) The income eligibility limits, as described in this paragraph, are revised each October 1 to reflect the annual adjustment to the Federal income poverty guidelines for the 48 States and the District of Columbia, for Alaska, and for Hawaii. (i) 130 percent of the annual income poverty guidelines shall be divided by 12 to determine the monthly gross income standards, rounding the results upwards as necessary. For households greater than eight persons, the increment in the Federal income poverty guidelines is multiplied by 130 percent, divided by 12, and the results rounded upward if necessary. (ii) The annual income poverty guidelines shall be divided by 12 to determine the monthly net income eligibility standards, rounding the results upward as necessary. For households greater than eight persons, the increment in the Federal income poverty guidelines is divided by 12, and the results rounded upward if necessary. (4) The monthly gross and net income eligibility standards for all areas will be prescribed in tables posted on the FNS web site, at www.fns.usda.gov/snap .

16.7 C.F.R § 273.9(b) provides as follows: Definition of income. Household income shall mean all income from whatever source excluding only items specified in paragraph (c) of this section. (1) Earned income shall include: (i) All wages and salaries of an employee. (ii) 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. Ownership of rental property shall be considered a self-employment enterprise; however, income derived from the rental property shall be considered earned income only if a member of the household is actively engaged in the management of the property at least an average of 20 hours a week. Payments from a roomer or boarder, except foster care boarders, shall also be considered self-employment income.

17.7 C.F.R § 273.9(b)(2)(ii) provides as follows: Unearned income shall include, but not be limited to: Annuities; pensions; retirement, veteran's, or disability benefits; worker's or unemployment compensation including any amounts deducted to repay claims for intentional program violations as provided in § 272.12; old-age, survivors, or social security benefits; strike benefits; foster care payments for children or adults who are considered members of the household; gross income minus the cost of doing business derived from rental property in which a household member is not actively engaged in the management of the property at least 20 hours a week.

18.7 C.F.R § 273.11 provides as follows: Action on households with special circumstances. (a) Self-employment income. The State agency must calculate a household's self-employment income as follows: (1) Averaging self-employment income. (i) 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. (ii) If a household's self-employment enterprise has been in existence for less than a year, the income from that self-employment enterprise must be averaged over the period of time the business has been in operation and the monthly amount projected for the coming year. (iii) Notwithstanding the provisions of paragraphs (a)(1)(i) and (a)(1)(ii) of this section, households subject to monthly reporting and retrospective budgeting who derive their self-employment income from a farming operation and who incur irregular expenses to produce such income have the option to annualize the allowable costs of producing self-employment income from farming when the self-employment farm income is annualized. (2) *Determining monthly income from self-employment.* (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. (ii) If the cost of producing self-employment income exceeds the income derived from self-employment as a farmer (defined for the purposes of this paragraph (a)(2)(ii) as a self-employed farmer who receives or anticipates receiving annual gross proceeds of \$1,000 or more from the farming enterprise), such losses must be prorated in accordance with paragraph (a)(1) of this section, and then offset against countable income to the household as follows: (A) Offset farm self-employment losses first against other self-employment income. (B) Offset any remaining farm self-employment losses against the total amount of earned and unearned income *after* the earned income deduction has been applied. (iii) 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. (3) *Capital gains*. The proceeds from the sale of capital goods or equipment must be calculated in the same manner as a capital gain for Federal income tax purposes. Even if only 50 percent of the proceeds from the sale of capital goods or equipment is taxed for Federal income tax purposes, the State agency must count the full amount of the capital gain as income for SNAP purposes. For households whose self-employment income is calculated on an anticipated (rather than averaged) basis in accordance with paragraph (a)(1) of this section, the State agency must count the amount of capital gains the household anticipates receiving during the months over which the income is being averaged.

19.7 C.F.R § 273.11(b) provides as follows: Allowable costs of producing self-employment income. (1) 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. (2) 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.

The Department did not provide credible testimony and/or evidence to validate its determination of the household's countable business income generated from their corporations. Additionally, the hearing record lacks evidence to support if the Department explored the maintenance hours associated with the rental properties.

DECISION

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

ORDER

- 1). The Department shall reopen the Applicant's request for benefits under the SNAP effective [REDACTED] 2024.
- 2). The Department shall confirm self-managed maintenance hours associated with each rental property.
- 3). The Department shall request business tax returns or the equivalent for each of the above-noted corporations to verify the business income and expenses and recalculate the countable income under the SNAP.
- 4). The Department shall provide proof of compliance with the reopening of the SNAP to the undersigned no later than [REDACTED] 2024.

Jessica Gulianello

**Jessica Gulianello
Hearing Officer**

CC: Willie Roundtree, ESS
Sarah Chmielecki, Tim Latifi, Ralph Filek, SSOM's [REDACTED]

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 §4-1181a (a) of the Connecticut General Statutes.

Reconsideration requests should include specific grounds for the request: for example, indicate what error of fact or law, 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 with 45 days of the mailing of this decision, or 45 days after the agency denies 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 06105-3725. 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 her 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.