CALFRESH (CF) PROGRAM
REQUEST FOR POLICY/REGULATION INTERPRETATION

INSTRUCTIONS: Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. Retain a copy of the CF 24 for your records.

- Questions from counties, including county Quality Control, must be submitted by the county CalFresh Coordinator and may be submitted directly to the CalFresh Policy analyst assigned responsibility for the county, with a copy directed to the appropriate CalFresh Policy unit manager.
- Questions from Administrative Law Judges may be submitted directly to the CalFresh Policy analyst assigned responsibility to the county where the hearing took place, with a copy of the form directed to the appropriate CalFresh Bureau unit manager.

1. RESPONSE NEEDED DUE TO:
   - ☐ Policy/Regulation Interpretation
   - ☑ QC
   - ☐ Fair Hearing
   - ☐ Other:

2. REQUESTOR NAME: Robin Zeno-Jackson

3. PHONE NO.: 951 358-4994

4. REGULATION CITE(S): ACIN 0I-03-02

5. DATE OF REQUEST: 7/16/2012

NEED RESPONSE BY: 7/20/2012

6. COUNTY/ORGANIZATION: County of Riverside

7. SUBJECT: PI for a QC Error

8. REFERENCES: *(Include ACL/ACIN, court cases, etc. in references)*
NOTE: All requests must have a regulation cite(s) and/or a reference(s).

63-502.36 -

9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

A CalFresh customer is receiving room rental payments for two rooms within her home. The CWD has determined this is a self-employment situation. The customer does not have a mortgage, but pays utilities, taxes and insurance on the home. Is the customer entitled to receive the 40% self-employment deduction as well as the excess shelter and utility deduction in the budget? Our county received a QC error for not allowing the 40% self-employment deduction. However, when calculating the budget, a question arose about whether or not allowing the 40% deduction and the Excess Shelter deduction is a duplication of deductions with room rentals because the business expenses includes a contribution towards the shelter costs..

ACIN I-03-02 addresses room rental situations but does not clearly indicate if the Excess Shelter Deduction is used as a separate deduction when using the 40% Self-Employment Deduction.

10. REQUESTOR'S PROPOSED ANSWER:

ACIN I-03-02 states, "She cannot claim a portion of her share of rent and utilities as business expenses, as well as claiming her full share of rent and utilities as a shelter deduction." or "The excess shelter deduction and the 40% self-employment deductions are both allowable deductions in a room rental situation when the landlord lives in the home".

1. MPP 63-509 (B) Shelter costs shall be determined at application and recertification and shall remain fixed at the determined amount until the household reports either a change on the QR 7, makes a voluntary mid-quarter report, or a mandatory report of a move. (This doesn't suggest a mandatory report of a change if a customer decides to rent some rooms during the certification period). 2. MPP 63-503.3- Total the allowable shelter expenses to determine shelter costs. Subtract from the total shelter costs 50% of the household's monthly income after all deductions have been subtracted. The remaining amount, if any, is the excess shelter cost.

11. STATE POLICY RESPONSE *(CFPB USE ONLY)*:

Based on interpretations in ACIN I-03-02, the county is correct in assessing the room rental as self-employment and as such, the recipient is entitled to the 40% self-employment deduction. In addition to this, ACIN I-03-02 states that both the Excess Shelter Deduction and the 40% self-employment deduction are allowable in a room rental situation when the landlord lives in the home as is the case in the example.

FOR CDSS USE

DATE RECEIVED:	DATE RESPONDED TO COUNTY/ALJ:
7/20/2012	8/10/2012