



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Department of Social and Health Services, Economic Services Administration

- Preproposal Statement of Inquiry was filed as WSR: 14-24-078; or
- Expedited Rule Making--Proposed notice was filed as WSR:___; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

- Original Notice
- Supplemental Notice to WSR:
- Continuance of WSR:

Title of rule and other identifying information:

WAC 388-450-0085, "Does the department count all of my self-employment income to determine if I am eligible for benefits?"

Hearing location(s):

Office Building 2
DSHS Headquarters
1115 Washington
Olympia, WA 98504
Public parking at 11th and Jefferson. A map is available at:
<http://www1.dshs.wa.gov/msa/rpau/RPAU-OB-2directions.html>

Submit written comments to:

Name: DSHS Rules Coordinator
Address: PO Box 45850
Olympia, WA 98504
e-mail DSHSRPAURulesCoordinator@dshs.wa.gov
fax (360) 664-6185
by: 5:00 p.m. February 24, 2015

Date: **February 24, 2015** Time: **10:00 a.m.**

Assistance for persons with disabilities: Contact Jeff Kildahl, DSHS Rules Consultant by TTY (360) 664-6178 or (360) 664-6092 or by email at Kildaja@dshs.wa.gov

Date of intended adoption: Not earlier than February 25, 2015
(Note: This is **NOT** the **effective** date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

This department is proposing to amend WAC 388-450-0085 to allow households with self-employment income and who receive cash and/or food assistance to take the greater of:

- A standard 50% deduction from the gross self-employment income; or
- A deduction consisting of actual verified and allowable cost of producing self-employment income.

This rule will eliminate the current \$100 standard self-employment income deduction for cost of doing business.

Statutory authority for adoption:

RCW 74.04.050, 74.04.055, 74.04.057, 74.04.510, and 74.08.090

Statute being implemented:

RCW 74.04.050, 74.04.055, 74.04.057, 74.04.510, and 74.08.090

Is rule necessary because of a:

- | | | |
|-------------------------|---|--|
| Federal Law? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION: 7 CFR 273.11 (b)(3)(iv)

DATE

January 13, 2015

NAME (type or print)

Katherine Vasquez

SIGNATURE

TITLE

DSHS Rules Coordinator

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: January 16, 2015

TIME: 11:13 AM

WSR 15-03-074

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

None.

Name of proponent: (person or organization)

Department of Social and Health Services

- Private
- Public
- Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Robert Thibodeau	712 Pear St. SE Olympia, WA 98504	(360) 725-4634
Implementation.... Robert Thibodeau	712 Pear St. SE Olympia, WA 98504	(360) 725-4634
Enforcement..... Robert Thibodeau	712 Pear St. SE Olympia, WA 98504	(360) 725-4634

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

Phone: ()

Fax: ()

e-mail

No. Explain why no statement was prepared.

These proposed rules do not have an economic impact on small businesses. The proposed amendment only affects certain households served by DSHS who claim self-employment income to be counted toward financial eligibility and benefit level for cash and food assistance.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

Phone: ()

fax: ()

e-mail:

No: Please explain:

These amendments are exempt as allowed under RCW 34.05.328 (5)(b)(vii) which states in part, “[t]his section does not apply to...rules of the department of social and health services relating only to client medical or financial eligibility and rules concerning liability for care of dependents.”

WAC 388-450-0085 Does the department count all of my self-employment income to determine if I am eligible for benefits? This section applies to cash assistance and Basic Food programs.

(1) We decide how much of your self-employment income to count by:

(a) Adding together your gross self-employment income and any profit you make from selling your business property or equipment;

(b) Subtracting your business expenses as described in subsection (2) below; and

(c) Dividing the remaining amount of self-employment income by the number of months over which the income will be averaged.

(2) We subtract ~~((one hundred dollars))~~ the greater value of one of the following as a business expense:

(a) Fifty percent of the gross self-employment income total described in subsection (1)(a) in this section even if your costs are less than this; or

(b) The actual verified and allowable costs of producing your self-employment income. If you want us to subtract your actual costs ~~((of more than one hundred dollars))~~, you must list and give us proof of your expenses within the time limits under WAC 388-406-0030 for us to count them.

(c) We never allow the following expenses when calculating (2)(b):

~~((a))~~ (i) Federal, state, and local income taxes;

~~((b))~~ (ii) Money set aside for retirement purposes;

~~((c))~~ (iii) Personal work-related expenses (such as travel to and from work);

~~((d))~~ (iv) Net losses from previous periods;

~~((e))~~ (v) Depreciation; or

~~((f))~~ (vi) Any amount that is more than the payment you get from a boarder for lodging and meals.

(3) If you have worked at your business for less than a year, we figure your gross self-employment income by averaging:

(a) The income over the period of time the business has been in operation; and

(b) The monthly amount we estimate you will get for the coming year.

(4) For cash assistance, if your self-employment expenses are more than your self-employment income, we do not use this "loss" to reduce income from other self-employment businesses or other sources of income to your assistance unit.

(5) For Basic Food, we use a "loss" from self-employment farming or fishing income to reduce other sources of income **only** if you meet the following three conditions:

(a) Someone in your assistance unit is a self-employed farmer or fisher;

(b) Your gross yearly income from farming or fishing is or is expected to be at least one thousand dollars; and

(c) Your allowable costs for farming or fishing are more than your income from farming or fishing.