



GOV. MSG. NO 854

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

May 24, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 24, 2007, the following bill was signed into law:

SB1182 SD2 HD1 CD1

A BILL FOR AN ACT RELATING TO NEEDS
ALLOWANCE.
(ACT 096)

Sincerely,


LINDA LINGLE

Approved by the Governor

on MAY 24 2007

THE SENATE
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

ACT 096
S.B. NO. 1182
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO NEEDS ALLOWANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Social Security Administration currently
2 requires \$30 of monthly benefits be set aside for social
3 security recipients who reside in certain institutional care
4 settings. The \$30 is used for the individual's needs. The
5 personal needs allowance is intended to pay for clothing,
6 toiletries, bus fare, personal postage costs, snacks, and other
7 incidental expenses of day-to-day living.

8 In 1974, the federal government established the minimum
9 needs allowance for a nursing home resident to be \$25, which was
10 raised in 1988 to \$30, which is still in effect today. In 2004,
11 only eleven states remained at \$30, with the other states having
12 since raised their minimum allowance. If the needs allowance
13 was pegged to the Consumer Price Index with 1974 as a baseline,
14 it would have taken \$115.19 in 2004 to match the buying power of
15 \$25 in 1974.

16 Raising the needs allowance may require the use of general
17 funds. However, the legislature finds that the \$30 amount
18 should be increased to allow residents of long-term care



1 facilities and community care home residents to enjoy a
2 minimally acceptable daily quality of life.

3 The purpose of this Act is to enable the department of
4 human services to establish a needs allowance for persons
5 residing in community care homes and other long-term care
6 facilities.

7 SECTION 2. Chapter 346D, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§346D- Needs allowance; waiver program individuals.

11 (a) There may be established a monthly needs allowance for
12 individuals living in:

- 13 (1) Adult residential care home type I and type II
14 facilities;
15 (2) Licensed developmental disabilities domiciliary homes
16 as defined in section 321-15.9;
17 (3) Community care foster family homes as defined in
18 section 346-331;
19 (4) Certified adult foster homes as defined in section
20 321-11.2;
21 (5) Domiciliary care as defined in section 346-1;
22 (6) A nursing facility as defined in section 346E-1; or



1 (7) A community-based residence as part of the residential
2 alternatives community care program.

3 (b) The needs allowance may be administered by the
4 department of human services to pay for clothing and other
5 personal miscellaneous needs, such as bus fare, personal postage
6 costs, haircuts, and other costs of day-to-day living.

7 (c) The State's supplemental payment for a needs allowance
8 under subsection (a) shall be increased by an amount necessary
9 to bring the allowance up to \$50 per month. The payment under
10 this section shall be afforded to an individual notwithstanding
11 that the individual is incapacitated; provided that the moneys
12 may be spent on behalf of the client, with a written accounting,
13 by the operator of the residence or facility."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2007.



GOVERNOR OF THE STATE OF HAWAII

Approved this day: MAY 24 2007