
A BILL FOR AN ACT

RELATING TO SOCIAL SERVICES.

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

1 SECTION 1. The legislature recognizes that social security
2 recipients who reside in institutional care settings receive a
3 monthly personal allowance. Approximately four thousand
4 individuals living in nursing-level of care institutional
5 settings receive approximately \$30 of monthly benefits to be
6 used for individual needs. The needs allowance is intended to
7 pay for clothing, toiletries, bus fare, personal postage costs,
8 snacks, and other incidental expenses of day-to-day living.

9 An allowance has never been formally established or
10 required for the approximately two thousand five hundred
11 individuals living in adult residential care homes, licensed
12 developmental disabilities domiciliary homes, community care
13 foster family homes, certified adult foster homes, and other
14 domiciliary care. However, the department of human services has
15 informally recommended that care home operators also provide \$30
16 per month for the residents' personal needs.

17 In 1974, the federal government established the minimum
18 needs allowance for a nursing home resident at \$25, which was



1 subsequently raised in 1988 to \$30, the current monthly
 2 allowance. In 2004, only eleven states' monthly allowance
 3 remained at \$30, while other states raised the minimum monthly
 4 allowance. If the needs allowance was pegged to the Consumer
 5 Price Index, \$25 in 1974 would have been equivalent to \$115.19
 6 in 2004.

7 The legislature finds that it is imperative that the
 8 minimum monthly allowance be increased to allow institutional
 9 long-term care residents to enjoy an acceptable quality of life.

10 The purpose of this Act is to establish a personal
 11 allowance for individuals residing in care homes, nursing homes,
 12 and other long-term care facilities.

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

16 **"§346D- Personal allowance; waiver program. (a)**

17 There is established a monthly needs allowance for individuals
 18 living in qualified facilities. The needs allowance shall be
 19 administered by the department of human services to pay for
 20 clothing and other miscellaneous personal needs such as bus
 21 fare, personal postage costs, haircuts, and other costs of day-
 22 to-day living.



1 (b) The needs allowance shall be \$50 per month per
2 individual, and shall be increased annually by a percentage
3 equal to any percentage increase in the social security income
4 benefit.

5 (c) The needs allowance is not intended to replace or
6 affect the funds received from the federal supplemental security
7 income program, and shall be supplemental to any funds provided
8 to a recipient by the federal supplemental security income
9 program.

10 (d) The operators of adult residential care homes type I
11 and type II, developmental disabilities domiciliary homes,
12 community care foster family homes, adult foster homes, and
13 other domiciliary care facilities, shall pay for generic
14 toiletries (including toilet paper, hand soap, and paper
15 towels), linens (including bedding, sheets, blankets, towels,
16 and bath rugs), and meals and snacks for outings.

17 (e) The needs allowance shall apply to persons otherwise
18 eligible to receive monthly income pursuant to state laws or
19 rules and federal laws or regulations, and is not intended to
20 affect the classifications of or number of persons eligible to
21 receive such funds.



1 (f) The department shall perform an annual review of the
2 monthly needs allowance to ensure it provides adequate coverage
3 and shall report annually to the legislature beginning no later
4 than twenty days prior to the regular session of 2008 with and
5 suggestions for corrections or improvements to the monthly needs
6 allowance, including any proposed legislation.

7 (g) For the purposes of this section, "qualified facility"
8 means adult residential care home type I and type II facilities,
9 developmental disabilities domiciliary homes as defined under
10 section 321-15.9, community care foster family homes as defined
11 under section 346-331, adult foster homes as defined under
12 section 321-11.2, domiciliary care residences and facilities as
13 defined under section 346-1, nursing facilities as defined under
14 section 346E-1, and for individuals served by the residential
15 alternatives community care program."

16 SECTION 3. Section 235-7, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) There shall be excluded from gross income, adjusted
19 gross income, and taxable income:

20 (1) Income not subject to taxation by the State under the
21 Constitution and laws of the United States;



- 1 (2) Rights, benefits, and other income exempted from
2 taxation by section 88-91, having to do with the state
3 retirement system, and the rights, benefits, and other
4 income, comparable to the rights, benefits, and other
5 income exempted by section 88-91, under any other
6 public retirement system;
- 7 (3) Any compensation received in the form of a pension for
8 past services;
- 9 (4) Compensation paid to a patient affected with Hansen's
10 disease employed by the State or the United States in
11 any hospital, settlement, or place for the treatment
12 of Hansen's disease;
- 13 (5) Except as otherwise expressly provided, payments made
14 by the United States or this State, under an act of
15 Congress or a law of this State, which by express
16 provision or administrative regulation or
17 interpretation are exempt from both the normal and
18 surtaxes of the United States, even though not so
19 exempted by the Internal Revenue Code itself;
- 20 (6) Any income expressly exempted or excluded from the
21 measure of the tax imposed by this chapter by any
22 other law of the State, it being the intent of this



1 chapter not to repeal or supersede any such express
2 exemption or exclusion;

3 (7) Income received by each member of the reserve
4 components of the Army, Navy, Air Force, Marine Corps,
5 or Coast Guard of the United States of America, and
6 the Hawaii national guard as compensation for
7 performance of duty, equivalent to pay received for
8 forty-eight drills (equivalent of twelve weekends) and
9 fifteen days of annual duty, at an:

10 (A) E-1 pay grade after eight years of service;
11 provided that this subparagraph shall apply to
12 taxable years beginning after December 31, 2004;

13 (B) E-2 pay grade after eight years of service;
14 provided that this subparagraph shall apply to
15 taxable years beginning after December 31, 2005;

16 (C) E-3 pay grade after eight years of service;
17 provided that this subparagraph shall apply to
18 taxable years beginning after December 31, 2006;

19 (D) E-4 pay grade after eight years of service;
20 provided that this subparagraph shall apply to
21 taxable years beginning after December 31, 2007;
22 and

- 1 (E) E-5 pay grade after eight years of service;
- 2 provided that this subparagraph shall apply to
- 3 taxable years beginning after December 31, 2008;
- 4 (8) Income derived from the operation of ships or aircraft
- 5 if the income is exempt under the Internal Revenue
- 6 Code pursuant to the provisions of an income tax
- 7 treaty or agreement entered into by and between the
- 8 United States and a foreign country, provided that the
- 9 tax laws of the local governments of that country
- 10 reciprocally exempt from the application of all of
- 11 their net income taxes, the income derived from the
- 12 operation of ships or aircraft that are documented or
- 13 registered under the laws of the United States;
- 14 (9) The value of legal services provided by a prepaid
- 15 legal service plan to a taxpayer, the taxpayer's
- 16 spouse, and the taxpayer's dependents;
- 17 (10) Amounts paid, directly or indirectly, by a prepaid
- 18 legal service plan to a taxpayer as payment or
- 19 reimbursement for the provision of legal services to
- 20 the taxpayer, the taxpayer's spouse, and the
- 21 taxpayer's dependents;



- 1 (11) Contributions by an employer to a prepaid legal
- 2 service plan for compensation (through insurance or
- 3 otherwise) to the employer's employees for the costs
- 4 of legal services incurred by the employer's
- 5 employees, their spouses, and their dependents; [~~and~~]
- 6 (12) Amounts received in the form of a monthly surcharge by
- 7 a utility acting on behalf of an affected utility
- 8 under section 269-16.3 shall not be gross income,
- 9 adjusted gross income, or taxable income for the
- 10 acting utility under this chapter. Any amounts
- 11 retained by the acting utility for collection or other
- 12 costs shall not be included in this exemption[~~-~~];
- 13 (13) Amounts received in the form of a monthly needs
- 14 allowance under section 346D- received:
- 15 (A) Indirectly by the operator of a qualified
- 16 facility on behalf of an individual resident of
- 17 the qualified facility; or
- 18 (B) Directly by an individual resident of a qualified
- 19 facility; and
- 20 (14) Amounts received in the form of a monthly needs
- 21 allowance received indirectly by the operator of a
- 22 qualified facility on behalf of an individual resident

1 of the qualified facility, as provided in section
2 346D-_____."

3 SECTION 4. Section 237-24.75, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "~~+~~**§237-24.75**~~+~~ **Additional exemptions.** In addition to the
6 amounts exempt under section 237-24, this chapter shall not
7 apply to amounts received ~~as~~:

8 (1) As a beverage container deposit collected under
9 chapter 342G, part VIII~~-~~; and

10 (2) In the form of a monthly needs allowance received
11 indirectly by a facility operator on behalf of an
12 individual resident of a qualified facility, as
13 provided in section 346D-_____."

14 SECTION 5. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so much
16 thereof as may be necessary for fiscal year 2007-2008 to provide
17 a monthly personal allowance for individuals living in adult
18 residential care home type I and type II facilities,
19 developmental disabilities domiciliary homes as defined under
20 section 321-15.9, community care foster family homes as defined
21 under section 346-331, adult foster homes as defined under
22 section 321-11.2, domiciliary care residences and facilities as



1 defined under section 346-1, nursing facilities as defined under
2 section 346E-1, and for individuals served by the residential
3 alternatives community care program.

4 The sum appropriated shall be expended by the department of
5 human services for the purposes of this Act.

6 SECTION 6. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 7. This Act shall take effect on July 1, 2007.



Report Title:

Personal allowance; Care homes

Description:

Establishes provisions for a minimum monthly allowance for residents of certain care homes, and regular increases of the allowance. (HB1475 HD1)

