

ACT 237

H.B. NO. 928

A Bill for an Act Relating to Social Services.

*Be It Enacted by the Legislature of the State of Hawaii:*

PART I

SECTION 1. The legislature finds that the federal section 8 homeownership option program and the federal housing choice voucher family self-sufficiency program provide unique opportunities for low- and moderate-income earners to save and pay for homeownership. The section 8 homeownership option program provides continued monthly homeownership assistance payments to qualified section 8 housing choice voucher program participants to help reduce their monthly mortgage payments as well as pay for other monthly homeownership expenses in lieu of rental payments.

The housing choice voucher family self-sufficiency program provides funds to public housing agencies to hire coordinators to help participating families set a plan for employment, education, and possibly homeownership. A baseline rent is established in the first year. As a family's income increases, the family continues to pay a percentage of its income toward rent, and the difference between its new rental payment and its baseline rent is deposited into an escrow account that can be applied towards the goals in the plan.

The purpose of this part is to increase low- and moderate-income families' homeownership by:

- (1) Appropriating funds to:
  - (A) Increase outreach to increase enrollment in the section 8 homeownership option and the housing choice voucher family self-sufficiency programs;
  - (B) Increase administrative support for both of the programs;
  - (C) Provide matching grants or loan forgiveness to section 8 homeownership option program participants to help with down payments; and
  - (D) Provide additional state matches to housing choice voucher family self-sufficiency program participants to help participants build homeownership savings; and
- (2) Exempting family self-sufficiency escrow accounts from the asset test for public assistance.

SECTION 2. Section 346-29, Hawaii Revised Statutes, is amended by amending subsection (b) to read:

“(b) No applicant or recipient who is found guilty of fraudulently misrepresenting residence to obtain assistance in two or more states shall be entitled to public assistance under this chapter for ten years from date of conviction. No applicant or recipient shall be entitled to public assistance under this chapter who is a fugitive felon or who is in violation of a condition of probation or parole or has sufficient income or other resources to provide a standard above that provided in this chapter, or who is an inmate of any public institution, except that any inmate of a public institution who is otherwise eligible for medical assistance and who has been determined by the medical director of the institution as having a major illness or medical condition requiring the provision of medical care outside of the institution may receive assistance under this chapter. An inmate of a public institution or resident of a medical institution may apply for assistance to begin after the inmate’s discharge from the institution. In determining the needs of an applicant or recipient for public assistance by the department, the department shall:

- (1) Disregard the amounts of earned or unearned income as required or allowed by federal acts and other regulations, to receive federal funds and disregard from gross earned income twenty per cent plus \$200 and a percentage of the remaining balance of earned income consistent with federal regulations and other requirements;
- (2) Consider as net income in all cases the income as federal acts and other regulations require the department to consider for receipt of federal funds and may consider the additional income and resources as these acts and regulations permit~~[-, now or in the future,]~~ to be considered;
- (3) For households with minor dependents, disregard a total of \$5,000 in assets and the value of one motor vehicle in determining the needs of persons for financial assistance; provided that the amount to be disregarded shall not exceed standards under ~~[the department’s]~~ federally funded financial assistance programs. This paragraph shall not apply to persons eligible for federal ~~[Supplemental Security Income]~~ supplemental security income benefits, aid to the aged, blind or disabled, or general assistance to households without minor dependents. In determining the needs of ~~[such]~~ persons~~[,]~~ eligible for federal supplemental security income benefits, aid to the aged, blind, or disabled, or general assistance to households without minor dependents, the department shall apply all the resource retention and exclusion requirements under the federal ~~[Supplemental Security Income Program;]~~ supplemental security income program;
- (4) Apply the resource retention requirements under the federal ~~[Supplemental Security Income Program]~~ supplemental security income program in determining the needs of a single person for medical assistance only;
- (5) Apply the resource retention requirements under the federal ~~[Supplemental Security Income Program]~~ supplemental security income program in determining the needs of a family of two persons for medical assistance only and an additional \$250 for each additional person included in an application for medical assistance only;
- (6) Disregard amounts of emergency assistance granted under section 346-65;
- (7) Not consider as income or resources any payment for services to or on behalf of, or any benefit received by, a participant under the first to work program of part XI, other than wages. Wages earned by a partici-

pant while participating in the first to work program shall be considered income of the participant, unless the wages are excluded or disregarded under any other law;

- (8) Not consider as income or resources payment made to eligible individuals, eligible surviving spouses, surviving children or surviving parents as specified under Title I of the Civil Liberties Act of 1988, Public Law 100-383, which made restitution to individuals of Japanese ancestry who were interned during World War II;
- (9) Allow the community spouse of an individual residing in a medical institution to maintain countable resources to the maximum allowed by federal statutes or regulations with provisions for increases, as allowed by the Secretary of Health and Human Services by means of indexing, court order, or fair hearing decree, without jeopardizing the eligibility of the institutionalized spouse for medical assistance;
- (10) Allow an individual residing in a medical institution to contribute toward the support of the individual's community spouse, thereby enabling the community spouse to maintain the monthly maximum income allowed by federal statutes or regulations, with provisions for increases as allowed by the Secretary of Health and Human Services by means of indexing, court order, or fair hearing decree; [and]
- (11) Consider the transfer of assets from the applicant's name to another name within the specified time period as required by federal regulations, known as the "lookback" period, prior to the application for medical assistance for care in a nursing home or other long-term care facility. Pursuant to rules adopted under chapter 91, the director may attribute any assets that have been transferred within the required federal "lookback" period from the applicant if the director determines that transfer of certain assets was made solely to make the applicant eligible for assistance under this chapter[-]; and
- (12) Not consider as income or resources any funds deposited into a family self-sufficiency escrow account on behalf of a participant under a federal housing choice voucher family self-sufficiency program as required or allowed under federal law."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof as may be necessary for fiscal year 2008-2009 for the Hawaii public housing authority to:

- (1) Increase outreach to increase enrollment in the section 8 homeownership option and the housing choice voucher family self-sufficiency programs;
- (2) Increase administrative support for both of the programs;
- (3) Provide matching grants or loan forgiveness to section 8 homeownership option program participants to help with down payments; and
- (4) Provide additional state matches to housing choice voucher family self-sufficiency program participants to help participants build homeownership savings.

The sums appropriated shall be expended by the Hawaii public housing authority for the purposes of this part.

## PART II

SECTION 4. Section 346-53, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The director, pursuant to chapter 91, shall determine the rate of payment for domiciliary care, including care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes, to be provided to recipients who are eligible [either] for Federal Supplementary Security Income[,] or public assistance [in accordance with state standards], or both. The director shall provide for level of care payment as follows:

- (1) For ~~[those]~~ adult residential care homes classified as facility type I, licensed developmental disabilities domiciliary homes as defined under section 321-15.9, community care foster family homes as defined under section 346-331, and certified adult foster homes as defined under section 321-11.2, the state supplemental payment shall not exceed ~~[\$621.90; and] \$641.90;~~
- (2) For ~~[those]~~ adult residential care homes classified as facility type II, the state supplemental payment shall not exceed ~~[\$729.90;] \$749.90; and~~
- (3) For skilled nursing facilities and intermediate facilities, the state supplemental payment shall not exceed \$20.

If the operator does not provide the quality of care consistent with the needs of the individual to the satisfaction of the department, the department may remove the recipient to another facility.

The department shall handle abusive practices under this section in accordance with chapter 91.

Nothing in this subsection shall allow the director to remove a recipient from an adult residential care home or other similar institution if the recipient does not desire to be removed and the operator is agreeable to the recipient remaining, except where the recipient requires a higher level of care than provided or where the recipient no longer requires any domiciliary care.”

### PART III

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2007.

(Approved June 30, 2007.)