

STAND. COM. REP. NO.

989

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1182
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1182, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NEEDS ALLOWANCE,"

begs leave to report as follows:

The purpose of this measure is to assist social security recipients who reside in certain institutional care settings with personal expenditures.

Specifically, this measure establishes a needs allowance of \$50 monthly for residents of care homes and long-term care facilities, to be increased annually in an amount equal to the Social Security income benefit increase. This measure also exempts from the income tax law and the general excise tax the monthly needs allowance received indirectly by a facility operator on behalf of an individual resident of a qualified facility or directly by an individual resident of a qualified facility.

Your Committee received comments in support of this measure from the Department of Human Services, University of Hawaii School of Social Work, Maui County Office on Aging, National Association of Social Workers, Services for Seniors, and seventy-two individuals.

Your Committee believes that the establishment of a needs allowance indexed to future Social Security income benefit increases constitutes a significant step in assisting elderly residents residing in certain institutional care settings.

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Your Committee has amended this measure by clarifying that the needs allowance may be spent on behalf of the client by the operator of the residence or facility in which the client resides. Your Committee has also made technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1182, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1182, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



