

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8155

BILL NUMBER: HB 1866

DATE PREPARED: Mar 3, 1999

BILL AMENDED: Feb 24, 1999

SUBJECT: Personal Needs Allowance.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill allows the monthly personal allowance for certain elderly or disabled individuals who reside in a county home (ARCH program), room and board assistance facility (RBA program), hospital, or nursing facility to be between \$28.50 and \$50. (Current statute requires the personal needs allowance to be between \$28.50 and \$35.)

Effective Date: (Amended) July 1, 1999.

Explanation of State Expenditures: (Revised) This bill increases the upper range of the personal needs allowance from \$35 to \$50 for residents of nursing facilities, ICFs/MR, and individuals receiving assistance through the Assistance to Residents of County Homes (ARCH) and Room and Board Assistance (RBA) programs. These individuals are currently allowed a monthly personal needs allowance of \$35. A personal needs allowance of \$35 per month is within the new range provided by the bill, thus, there would be no additional costs to the state required by this provision.

Since the maximum permissible personal needs allowance is increased, any additional costs to the state would be a result of administrative action.

Some costs associated with increasing the allowance would be shared with the federal government as part of the Medicaid program. Personal needs allowance costs associated with the Assistance to Residents of County Homes (ARCH) and Room and Board Assistance (RBA) programs would be state funded. For informational purposes, each \$5 increase in the personal needs allowance for these populations is estimated to cost about \$810,000 in state dollars (total cost = \$1.924 million; federal share = \$1.114 million) for FY2000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: