



Testimony before the Human Services Committee
In support of HB 5439
An Act Concerning the Elimination of Asset Limits in Certain Public Assistance Programs
By Nancy Boone, Executive Director
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Good afternoon. I am Nancy Boone, the Executive Director of the Connecticut Alliance for Basic Human Needs, a statewide network of over 2,000 social service providers, advocates, faith based organizations, and individuals concerned about issues affecting very low-income families and communities throughout Connecticut.

I am here to SUPPORT HB 5439, An Act Concerning the Elimination of Asset Limits in Certain Public Assistance Programs.

Eliminating asset tests in Connecticut's three cash programs, SAGA Cash, TFA, and State Supplement will result in greater administrative efficiency, streamlined eligibility evaluations, and cost savings to the State.

ASSET LIMITS COST THE STATE MONEY

Elimination of asset limits would relieve time consuming verification process from DSS workers and administrators. Often eligibility is not in question; delays are caused by misunderstanding between applicants and financial institutions about what document is being requested. For TFA in particular, because of the extremely low income limits and strict work requirements, **denials based on assets typically account for significantly less than one percent of total denials.** Consequently, administrators in states that have eliminated asset tests report a minimal impact on the caseload, the **cost of which was easily offset by administrative savings.**

Eleven of the 51 questions on Connecticut's application for assistance are about assets. The answers, or lack of answers, to each of those questions must be verified by DSS. Verifying assets is a particularly burdensome part of eligibility assessment because of the complex rules and exemptions and associated documentation requirements.

VERY FEW APPLICANTS HAVE ASSETS OVER THE CURRENT LIMIT

Most applicants to public assistance programs have little savings, thus asset tests impose needless barriers to both benefits access and efficient processing of applications. In fact, the average resources of a family receiving cash assistance in Connecticut is only \$315. Eligibility determination and much needed benefit payments are sometimes delayed, solely due to missing paperwork or documentation that needs to be re-submitted repeatedly until the appropriate documents are received.

ASSET LIMITS COUNTER THE LONG-TERM GOALS OF PUBLIC ASSISTANCE PROGRAMS AND KEEP PEOPLE FROM BEING SELF-SUFFICIENT

Because of the strict time limits, asset limits are now an unnecessary relic of entitlement program policies that no longer exist. Requiring families to maintain low levels of assets results in greater financial vulnerability and dependence on benefits over the course of a lifetime. Asset limits force low-income families to "spend down" personal reserves that can keep families from falling deeper into poverty and help them move to financial security and opportunity.

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OTHER STATES ARE ELIMINATING ASSET LIMITS, AND IT'S WORKING

Eight states have eliminated asset tests from cash assistance programs (Alabama, Colorado, Hawaii, Illinois, Louisiana, Maryland, Ohio, and Virginia). Those states report that eliminating asset limits had a minimal impact on the caseload and saved money. Here's what they have to say:

Eliminating the TFA asset test resulted in a **savings of up to ninety minutes per case in Colorado.**

The state of Virginia **accrued savings of \$323,050 in administrative staff time** after eliminating its TFA asset test.

Oklahoma is spending \$1 million less to administer its Medicaid program after eliminating asset tests.

New Mexico estimates that increased cost of enrollment was easily offset by administrative cost savings.

TO CUT COSTS, ASSET TESTS MUST BE ELIMINATED ACROSS ALL THREE PROGRAMS

Lack of policy coordination among programs can undermine the benefit of eliminating an asset limit in one program alone. For example, Connecticut has eliminated the SNAP asset tests, but most households will nevertheless have to provide proof of their assets because most people apply for all programs on the W-1E form.

Thank you for your attention to this matter.