Q: WHAT POLICY CHANGES ARE BEING MADE TO ASSET TEST POLICY?

- Governor Gretchen Whitmer and Michigan Department of Health and Human Services (MDHHS) Director Robert Gordon announced policy changes to make it easier for eligible families to access food assistance and other public benefits while planning for a more stable future.
- Asset limits for food assistance, cash assistance and State Emergency Relief will now be the same – $15,000. That means a family can have up to $15,000 in assets such as money in a savings account and still be eligible for assistance.

Q: WHEN DOES THIS TAKE EFFECT?

- In order to provide more opportunity and easier access to services, effective Dec. 1, 2019, MDHHS will be changing its policies regarding the asset tests that are used in determining whether households are eligible to receive public assistance benefits such as food assistance.
- In another change effective Dec. 1, MDHHS will accept a client statement of assets rather than requiring applicants to complete an assets verification checklist.

Q: HOW ARE THESE CHANGES GOOD FOR MICHIGAN RESIDENTS?

- In addition to a family now being able to have up to $15,000 in assets such as money in a savings account and still being eligible for assistance, this also means less work for caseworkers who struggle to manage caseloads as high as 800 people per person.
- Reducing the burden of processing cases will mean that people get benefits more quickly.

Q: DOES THIS CHANGE THE NEED FOR INDIVIDUALS TO ESTABLISH INCOME LIMITS?

- In order to qualify for programs like food, cash, or emergency assistance, individuals always need to establish that they have limited incomes. The change in asset test policy will not impact this requirement.

Q: WHERE DOES MICHIGAN CURRENTLY RANK RELATED TO ASSET TESTS?

- The changes announced will bring Michigan’s asset tests into the mainstream of states. They will also make the tests consistent across programs and reduce paperwork requirements.
Q: WHAT ARE THE CHANGES BY PROGRAM?

- **Food Assistance Program**, which is what Michigan calls the federal Supplemental Nutrition and Assistance Program (SNAP):
  - Asset limit increases from $5,000 to $15,000.
  - Vehicles (which are currently counted as assets) are removed from the asset check, aligning Food Assistance Program with cash assistance programs.
  - MDHHS will accept a client statement of assets rather than requiring a verification checklist be completed.
  - Michigan will be more in alignment with most states; currently 34 states have removed asset tests altogether for SNAP.
    - Note: SNAP assistance payments are funded entirely by the federal government.

- **Family Independence Program** (often referred to as cash assistance), Refugee Cash Assistance, State Disability Assistance.
  - Asset limit increases from $3,000 to $15,000.
  - MDHHS will accept a client statement of assets.
  - Asset limits for these programs vary widely among states, but eight states have no asset limit.

- **State Emergency Relief**, which provides funds for conditions of extreme hardship or emergencies threatening health and safety, such as preventing utility shutoffs or restoring utilities or home repairs to correct unsafe conditions such as a non-functioning furnace.
  - Asset limit increases from $500 to $15,000. It had been raised from $50 to $500 on June 1, 2019.
  - MDHHS will accept a client statement of assets.
  - Even with the change, Michigan will have relatively stringent asset tests. Thirty-nine states have no asset limit for State Emergency Relief funded with federal Low-Income Heating Assistance Program (LIHEAP) dollars.

Q: WHAT MEASURES ARE IN PLACE TO MAINTAIN INTEGRITY OF THE PROGRAM?

- In cases where people submit questionable reports, assets will still be verified. This includes cases where reported liquid assets are $10,000 or higher; the applicant or a family or household member of the applicant was previously denied benefits based on having assets above the revised limit; or the case record contains an indication of fraud. Caseworkers will still be free to use their judgment to ask for documents when necessary.
We also will be working with the Inspector General to study the effects of the new policy. Submitting a knowingly false statement is a crime and subject to prosecution. We are proud that our Inspector General’s Office saved taxpayers more than $237 million in fiscal year 2018 through its anti-fraud efforts. Governor Whitmer requested and received funding for a $3.4 million increase in the OIG’s budget this year and authorization for 30 new positions. We know the OIG will continue to play an important role going forward.

We believe these changes will actually reduce error rates because the complexity of the current system, with three different asset tests, actually leads to mistakes.

It’s difficult to estimate the specific impact on Michigan’s caseload sizes, as MDHHS cannot predict who will apply or if they will be eligible. We will be monitoring caseloads very closely to evaluate impact on applications, determinations, worker relief and discrepancies between reported and actual assets. If there is caseload growth, there will also be administrative savings.

The change in the asset test for FAP would become impossible if the federal government in Washington successfully finalizes a draft rule eliminating Broad Based Categorical Eligibility. That rule is inconsistent with bipartisan congressional intent, as well as devastating to families in need. Gov. Whitmer led a group of 17 governors in submitting comments asking that the Trump Administration not proceed with the rule. If it does go forward, litigation is certain.

Q: WHERE CAN MORE INFORMATION BE FOUND REGARDING THESE ASSET

More details on asset tests and other eligibility requirements for public assistance benefits programs administered by MDHHS can be found at www.michigan.gov/MDHHS and clicking on the “Assistance Programs” tab near the top of the page.