



**Testimony Supporting Senate Bill 35
House Economic Development and Small Business Committee
Michigan League for Public Policy
May 9, 2023**

Good morning Chairman Hoskins and members of the House Committee on Economic Development and Small Business. Thank you for allowing me to testify today. I am Rachel Richards, Fiscal Policy and Government Relations Director for the Michigan League for Public Policy. The League urges this Legislature to support SB 35, which would eliminate the asset test as an eligibility requirement for food assistance through the Supplemental Nutrition Assistance Program (SNAP). In doing this, Michigan would join 36 other states as diverse as Alabama, New York, Oklahoma and Wisconsin that have already eliminated the asset test.

We believe that the state should not punish families who have fallen on difficult times and need food assistance, by requiring them to spend down their savings in order to receive temporary help as they look for work and try to regain financial security. Because Michigan's Unemployment Insurance program has very restrictive eligibility requirements, for some unemployed workers and their families, SNAP is the only assistance program for which they qualify. While the current \$15,000 asset limit is a great improvement over the much lower asset test of \$5,000 that was in place prior to 2019, it still leaves some families and individuals out.

Hard financial times are disruptive to families and children, and eliminating the asset test would help reduce the disruption. In addition to helping the 710,500 Michigan households that receive SNAP (including more than 531,000 children), eliminating the asset test helps reduce paperwork for the Michigan Department of Health and Human Services frontline caseworkers, who have such high caseloads that it can be difficult to give public assistance recipients the attention they need.

According to the Center for Law and Social Policy, eliminating asset limits leads to greater participation in the financial mainstream. Families without access to banking may feel compelled to rely on alternative financial service providers, many of which lack consumer protections and can be costly for those struggling to make ends meet. A recent Urban Institute study found that eliminating asset tests leads to a 5% increase in lower-income households with a bank account, which helps them conduct basic financial transactions without large fees or interest payments, save for emergencies, build credit history, and access affordable credit.

Because SNAP benefits are 100% federally funded, any increase in cases resulting from the elimination of the asset limit would not cost Michigan taxpayers money. On the contrary, SNAP helps stimulate local economies by ensuring families have enough money to buy food at their local grocers. SNAP generally has a low error and fraud rate, and every dollar spent with a SNAP benefit increases the Gross Domestic Product by \$1.54.

Using data to educate, advocate and fight for policy solutions that undo historic and systemic racial and economic inequities to lift up
Michiganers who have been left out of prosperity.

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In sum, the Michigan League for Public Policy asks you to eliminate the SNAP asset test. It will help more Michigan families, encourage bank saving, reduce paperwork for departmental staff and will not cost our state any money.

I will be happy to answer any questions.