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Gov. Whitmer, MDHHS act to allow people to receive food aid, other public assistance while they plan for a better future

Asset tests that are among most stringent in U.S. will be eased

LANSING, Mich. – Gov. Gretchen Whitmer and Michigan Department of Health and Human Services (MDHHS) Director Robert Gordon today announced policy changes that will make it easier for needy families to access food assistance and other public benefits while planning for a more stable future.

Effective Nov. 1, 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.

“These asset test policy changes are important because right now too many Michigan families are struggling to get ahead,” said Whitmer. “This is about doing what’s right to help more families get the resources they need and building a stronger Michigan for everyone.”

Michigan will ease asset test requirements that are currently among the most restrictive in the United States for people applying for public assistance benefits. The new asset limits will put Michigan more in alignment with most other states, which have concluded that stringent asset tests are counterproductive. Currently 34 states have no asset test for food assistance under the federal Supplemental Assistance Program (SNAP).

Currently asset limits range from $500 for State Emergency Relief such as assistance to prevent utility shutoff or repair furnaces, to $3,000 for the Family Independence Program and other cash assistance programs, to $5,000 for food assistance. The limit for State Emergency Relief had been $50, but was raised after Whitmer became governor and Gordon took over at MDHHS.

Whitmer and Gordon announced the new policy at the Greater Lansing Food Bank, which provides food for needy families and individuals in seven counties.

Gordon said it’s wrong to prevent families from having a rainy-day account in order to receive public assistance.

“People should be encouraged to save – not discouraged from saving – so that they can get out of poverty,” he said. “Michigan is unusual in saying that in addition to having a low income, families also have to establish that they have almost nothing in the bank to receive public assistance. Most states have moved away from stringent asset tests because they are hard to administer, they lead to higher administrative costs as people come on and off programs more frequently, and they discourage low-income families from saving to build a better future.”
In another change effective Nov. 1, MDHHS will accept a client statement of assets rather than requiring applicants to complete an assets verification checklist. Among states that still have asset tests for SNAP, most states allow individuals to self-attest.

“Reducing barriers to proper nutrition allows Michigan residents to focus on becoming healthier and more financially stable,” said Michelle Lantz, CEO of Greater Lansing Food Bank. “Without food and other basic needs, our most vulnerable neighbors, including senior citizens, children and low-income working adults, do not have the physical or emotional well-being to improve their lives. This alignment of asset limits with other states simply makes sense.”

“We are pleased by the action being taken by our partners at MDHHS for the benefit of families that are affected by poverty,” said Jill Sutton, president of the Board of Directors for Michigan Community Action, the state association for the 28 designated community action agencies in Michigan. “Community action agencies strive to help Michiganders by championing solutions to poverty and promoting economic opportunity. Making asset tests less restrictive is consistent with that mission.”

MDHHS remains committed to addressing fraud and abuse in all its programs. Whitmer sought a $3.4 million increase in the Office of Inspector General budget that was approved by the Legislature, and the Office of Inspector General is increasing its monitoring of asset reports.

“We remain strongly committed to program integrity,” Gordon said. “Caseworkers will still be free to use their judgment to ask for documents when reports are questionable. Intentionally false reports are crimes subject to prosecution.”

Vehicles will no longer be counted in the asset test for food assistance, which will now be consistent with the requirements for cash assistance programs. A household’s first vehicle will continue to not be counted in the State Emergency Relief asset test.

For more information about public assistance programs administered by MDHHS, visit www.michigan.gov/MDHHSassistance.