REPORT TO THE TWENTY-SEVENTH LEGISLATURE
STATE OF HAWAII
2012

H.R. 124

REQUESTING A STUDY ON

ASSET LIMITS

TO

QUALIFY FOR PUBLIC ASSISTANCE

Completed By:

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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HOUSE RESOLUTION 124

House Resolution 124 requested that the Hawaii State Department of Human Services (DHS) conduct a study on asset limits for Hawaii's public assistance programs and include a review and evaluation of information on activities, policies, and trends regarding asset limits. The study should evaluate the cost implications of changing the current asset limits for the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Need Families (TANF), Temporary Assistance for Other Needy Families Program (TAONF) and Med-QUEST programs (MedQuest) and make recommendations for proposed legislation and appropriate changes to asset limits for these programs.

INTRODUCTION

Asset Limits Policy & Reform

In order to qualify for public assistance benefit programs, applicants must meet specific eligibility requirements. One of these requirements focuses on resources, or assets.[1] Depending on the program, an applicant is deemed eligible if it is determined that the value of an applicant's resources is less than an asset limit amount established by a state. In addition, the eligibility process may exempt or exclude certain types of assets from being counted against the asset limit set. For example, a home or vehicle may be considered an exempt asset. For current recipients, asset limits tests are also applied during the review process to maintain eligibility and continue receiving public assistance benefits.

Asset limit tests are established as a safeguard to ensure that benefit programs serve only those in need of assistance. However, asset limits can discourage families and individuals from saving for future needs. So as not to exceed these limits, applicants and current recipients often spend down their resources to meet eligibility requirements and receive help. Advocates of asset limit reform believe that a more effective policy would eliminate asset limits for public assistance programs and retain a focus on asset building and financial security. A major objective of reform is to support long-term self-sufficiency so that families and individuals can be economically independent of public assistance programs. Asset limit reform addresses the conflict between programs which seek to promote self-sufficiency but at the same time, apply asset limit rules which discourage individuals from saving and building a strong asset base.

The options for reforming asset limit policy are: 1) eliminate asset limits, 2) raise asset limits, 3) index asset limits to inflation, or 4) exclude categories of assets (e.g. vehicles, retirement savings, education savings accounts, and health savings accounts). Many other states have implemented changes to asset limits in public assistance programs. For example, six states - Ohio, Virginia, Louisiana, Alabama, Maryland and Colorado – have eliminated TANF program asset limits and Delaware increased the asset limits in its TANF program $10,000 [2] and since 1996:

- 6 states have eliminated TANF asset limits;
- 37 states (including the District of Columbia) have eliminated SNAP asset limits;
- 24 states have eliminated Medicaid asset limits entirely;
- 3 states have substantially increased asset limits in their Medicaid or TANF programs;
- 37 states have excluded important asset categories from asset limit tests in one or both Medicaid and TANF programs.[3]

Asset Limits & Public Assistance Programs In Hawaii

Currently in Hawaii, public assistance programs have assets limits which range from $2,000 to $7,000, depending on the program and size of household. Listed below are asset limits and eligibility requirements for each of Hawaii's public assistance programs as described on the DHS[4] and MedQuest[5] websites.

Table 1. Hawaii – Current Asset Limits - **Financial Assistance Programs**.

Program	Asset Limit	Additional Information	Eligibility Requirements
Aid to Aged, Blind, Disabled (AABD)	$ 2,000 Household of 1	$3,000 Household of 2	Provides cash benefits for food, clothing, shelter, and other essentials to adults who are elderly (65 years of age or older), blind, or who meet the Social Security Administration (SSA) definition of disabled. To qualify, individuals must have countable income that is below 34% of the 2006 Federal Poverty Level and may not have resources in excess of asset limits. A home and vehicles are exempt from consideration as an asset.
General Assistance (GA)	$ 2,000 Household of 1	$3,000 Household of 2	Provides cash benefits for food, clothing, shelter, and other essentials to adults ages 18 through 64, without minor dependents, who are temporarily disabled and who do not qualify for Social Security. To be eligible, the adult must have little or no income, not qualify for a federal category of assistance, and be certified by a DHS medical board to be unable to engage in any substantial employment of at least thirty hours per week for a period of at least sixty days. To qualify, individuals must have countable income that is below 34% of the 2006 Federal Poverty Level and may not have resources in excess of asset limits. A home and vehicles are exempt from consideration as an asset. GA is funded by a block-grant and currently, the monthly benefit is $319 a month.
SNAP/Food Stamps	$ 2,000 No asset limit for Categorically Eligible households	$ 3,250 If household includes Senior or Disabled	• Households in which all members receive or are authorized to receive TANF or SSI cash assistance are categorically eligible for SNAP. There is no gross income limit, no net income limit and no asset limit. • Households that are provided a TANF funded service, such as the DHS 1464 TANF Informational Brochure, whose gross monthly income is less than 200% of the federal poverty level (FPL), may also be categorically eligible for SNAP with no asset limit. • Households that contain a member who is disqualified from SNAP may not be categorically eligible for SNAP, but may be eligible for SNAP at 130% FPL and with an asset limit of $2,000 or $3,000 if there is an elderly or disabled household member. Net monthly income must be 100% or less of current federal poverty guidelines. Net income is figured by adding all of a household's gross income, and then taking a number of approved deductions for child care, some shelter costs and other expenses. Households with an elderly or disabled member are subject only to the net income test.
TANF / TAONF	$ 5,000	---	Provides monthly cash benefits to families for food, clothing, shelter, and other essentials. To qualify, a family must include children under the age of 19 and the family's total gross income must be under 185% of the 2006 Federal Poverty Level (FPL). For a household of three persons, this means that the monthly gross income must be less than $2,941 and the net income must be under $636 if the household includes an employable adult. Vehicles and the home in which a household resides are exempt from consideration as an asset or resource. For an exempt household, e.g., disabled, caring for a child under six months, or other exemptions, their net income must be under $795 per month.

Table 2. Hawaii – Current Asset Limits – **Medicaid QUEST Programs**.

Program	Asset Limit	Additional Information	Eligibility Requirements
Quest Expanded Access (QExA) 300% FPL	$ 2,000 Household of 1	$3,000 Household of 2	$ 250 each additional person
Quest – Adult 133% FPL	$ 5,000 Household of 1	$ 7,000 Household of 2	$ 500 each additional person; Asset limits do not apply to individuals under age 19. Countable assets include cash, bank accounts, stocks, bonds, real property and other personal property. Exempt assets include the home property, motor vehicles, clothing and household furnishing and appliances.
QUEST - Keiki Quest – Child only 200% FPL	No Asset Limit for Minors	---	---

For comparison, see the state-by-state breakdown of the asset limits in Attachment 1.

Exempted Assets - Hawaii Public Assistance Programs

During the eligibility process, certain categories of assets are excluded from consideration. In Hawaii, excluded assets for financial assistance programs include the following: a home, educational assistance and a burial plot. Programmatically the Department has also excluded retirement accounts and vehicles. For the Medicaid/MedQuest program in Hawaii, excluded assets include home property, motor vehicles, clothing and household furnishing and appliances. For comparison, see state-by-state breakdown of excluded assets in Attachment 2.

TRENDS, PROMISING POLICIES AND ACTIVITIES

There is little consistency in asset limits across federal and state assistance programs. The federal government allows states to set asset rules for TANF and the Children's Health Insurance Program (CHIP). As required by the federal Affordable Care Act, Medicaid asset tests will be eliminated nationally by 2014 (except for aged, blind, or disabled individuals). **For SNAP, there is a national asset limit, but states can modify it or as many states have done, eliminate asset limits entirely by implementing broad-based categorical eligibility.** In an attempt to reduce administrative complexity and make eligibility requirement easier to understand for potential recipients, the Obama administration proposed in their fiscal year 2011 budget to create a national asset limit of no less than $10,000 for all federally funded means-tested programs but these efforts were unsuccessful.[6]

TANF

Increase of TANF Asset Limits in Other States

Many organizations[7] have conducted research on the issue of asset limits in state public assistance programs. One of these organizations, the Corporation for Enterprise Development (CFED)[8], recommends that states can take intermediate steps to support asset building by raising asset limits to $15,000 and / or indexing limits to inflation. In recent years, two states – Colorado and Delaware – have raised asset limits at or near this recommended level.

Colorado has eliminated the TANF asset limit entirely and according to the state's TANF program administrator, there has been "little, if any impact" on caseload.[9] Prior to elimination of an asset test for TANF, Colorado increased TANF asset limits from $1,000 to $15,000 in 2006. The initial legislative proposal called for the elimination of asset limits but there was concern by some that individuals with significant assets would become eligible. The proposal was amended and the asset limit was raised to $15,000 based on consensus that the $2,000 asset limit at the time was too low, and discouraged self-sufficiency by requiring individuals to spend down rather than save for future needs.[10]

In 2009, the state of Delaware raised TANF asset limits to $10,000. Elimination of asset limits was considered during discussion between the state, advocates and community partners. However, an asset limit of $10,000 received the support of all parties. At the same time, Delaware also exempted vehicles from consideration as an asset. Delaware has not seen a significant increase in caseload after the TANF asset limit was raised.[11]

Table 3: States That Raised TANF Asset Limits

State	Year	Changed by:	Result
Colorado	2006	Legislation	- Raised to $15,000.[9]
Colorado	2011	Legislation	- Eliminated TANF asset limit with "little, if any impact" on caseload.[10]
Delaware	2009	Administrative Rules	- Raised to $10,000. - No significant increase in caseload.[11]

Oregon's TANF asset limit policy is mentioned in this section because of how it is structured to conditionally increase asset limits based on adherence to case plan requirements. Oregon has a $2,500 asset limit for a TANF applicant. The asset limit increases to $10,000 provided that recipients show progress on their case plan; if at any time recipients no longer cooperate with their case plan, the asset limit is reduced back to $2,500.

Elimination of TANF Asset Limits in Other States

Six states have eliminated asset limits for TANF – Ohio, Virginia, Louisiana, Alabama, and Maryland[12] and as mentioned above, Colorado. The first four states gave the following reasons why eliminating asset limits was important:

Ohio[13]

- In light of welfare reform's emphasis on work, caseworkers should focus on helping people find employment and maintain their connection to the labor force;
- Workers need cars and savings to obtain and retain jobs, address emergencies and advance in the labor market;
- The state's responsibility is to support work efforts through policies such as work requirements, earned income disregards and car ownership.

Virginia[14]

- Abolishing asset tests would streamline and align programs, improve service delivery and ease the administrative burden for the Department, applicants, and recipients;
- Welfare reforms' time limits and work requirements made them obsolete;
- People use their resources before applying for benefits;
- Making people get rid of resources, only to encourage them to build resources back up, is counterproductive;
- Allowing asset development puts greater emphasis on employment and self-sufficiency;
- Eliminating the asset test would have little impact on caseload (only 0.5% of applications were denied due to excess assets in Virginia[15]).

Louisiana[16]

- Acknowledgement by agency leadership "… that accumulating and being able to pass assets on to the next generation is one key strategy for families to escape the cycle of poverty…";
- Conflicting program goals needed to be changed because on the one hand, state programs were promoting and encouraging the goals of savings, asset building and self-sufficiency. Yet, the application of TANF asset tests directly penalized families for owning assets.

Alabama[17]

- Eliminating assets limits would streamline the eligibility process;
- Evaluation of caseload information showed that few cases were denied due to excess assets. Of current cases, few recipients had many assets;
- When the estimated cost was compared to the administrative savings, it was concluded that it was in the best interests of the program to eliminate asset limits.

Little to No Change in Caseload When States Eliminated TANF Asset Limits

After the elimination of TANF asset limits, caseloads have not increased significantly in Ohio, Virginia, Louisiana and Colorado. In Alabama and Maryland, where asset tests were eliminated in 2009 and 2010, respectively, the effect on caseloads is still being evaluated.[18]

In 1997, Ohio became the first state to abolish TANF asset limits through legislative changes. Elimination of asset tests in Ohio resulted in no increase in caseload as of 2010, even with a national recession and an increase in the TANF benefit level. Overall, caseloads in Ohio are significantly lower than in the past. When compared to peak levels in 1992, caseloads were 60% lower in 2010.[19]

In 2003, Virginia's Department of Social Services adopted administrative rules which eliminated asset limits in TANF and family and child medical programs, and evaluated only liquid assets in its SNAP programs. Welfare reform efforts at the time were wide-ranging and also included simplification of earned income and student income disregards. Concerns were expressed by Virginia's Department of Planning and Budget that eliminating asset tests posed a fiscal risk. This department recommended that Virginia retain asset limits and achieve administrative savings by decreasing review of all cases and instituting random verification instead. Despite the concerns, rule changes were adopted to eliminate asset tests. Virginia has not experienced an increase in caseload; TANF caseload at the end of 2010 was 29% lower than in 1997.

In Louisiana, three years after the 2009 change, there has been minimal change in TANF caseload. And, in Colorado where asset limits were eliminated effective 2011, the impact has also been minimal. The table below summarizes the effects seen by states which eliminated TANF asset limits:

Table 4: States That Eliminated TANF Asset Limits

State	Year	Changed by:	Result
Ohio	1997	Legislation	- "…no caseload increase…" [20] from 1997 to 2010.
Virginia	2003	Administrative Rules	- "…has not seen a significant long-term caseload increase" [21] from 1997 to 2010.
Louisiana	2009	Legislation	"Little to no change in caseload" [22] from 2009 to 2012.
Alabama	2009	Administrative Rules	- "… more time will be needed to determine the long-term effects on caseloads." [23]
Maryland	2010		
Colorado	2011	Legislation	- "little, if any impact" [24]

SNAP

Elimination of SNAP Asset Limits

According to CFED, thirty-seven states (including the District of Columbia) have eliminated the asset test for SNAP as of October 2011. [25] Currently in Hawaii, Broad Based Categorical Eligibility (BBCE) allows some households to become eligible for SNAP and there are no asset limits requirements for:

- Households in which all members receive or are authorized to receive TANF or SSI cash, and
- Households that are provided a TANF funded service, such as the DHS 1464 TANF Informational Brochure, whose gross monthly income is less than 200% of the federal poverty level.

For households in Hawaii that contain a member who is disqualified from SNAP, the asset limit is $2,000 at 130% federal poverty level (FPL), or, $3,000 if there is an elderly or disabled household member.[26]

Recent Issues Regarding SNAP Categorical Eligibility

SNAP categorical eligibility has received scrutiny recently, including congressional attention due to situations such as lottery winners receiving SNAP benefits. In June 2012, the U.S. Senate voted on, but did not pass an amendment to the farm bill that would have restored strict asset tests for SNAP eligibility. The amendment sought to eliminate categorical eligiblity, except for individuals who receive TANF or Supplemental Security Income cash benefits. [27]

In July 2012, The Government Accountability Office (GAO) released the results of a study to determine if BBCE added households to SNAP that would have not been otherwise eligible and to find the effect of BBCE on program costs. The study found that BBCE contributed just 2.6 percent to the size of the SNAP caseload and that the effect on costs was modest; in fiscal year 2010, the cost increase attributed to BBCE was just 0.7 percent. It was determined that BBCE households received benefits far smaller than the average for other SNAP households and few BBCE households likely had assets in excess of SNAP program limits. Additionally, GAO stated that recent increases in SNAP participation are not due to BBCE, but more influenced by the economic downturn and increases in SNAP benefits authorized by the American Recovery and Reinvestment Act. The study noted some problems that may be caused by BBCE such as higher error rates and recommended greater oversight but in its conclusion, GAO commented that "SNAP generally continues to serve households with the same types of characteristics it always has, and is intended to." [28]

Against the Trend – Pennsylvania and Michigan Reinstate SNAP Asset Limits

Going against the recent trend of states eliminating SNAP asset limits, Pennsylvania and Michigan reinstated asset limits for the states' SNAP programs. Just this past May 2012, Pennsylvania began applying a SNAP asset test of $5,500 for anyone under 60 years of age, and $9,000 for those 60 years and older.[29] As of October 2011, SNAP applicants and recipients in Michigan are limited to $5,000 in liquid assets and $15,000 in vehicles. Those who opposed reinstatement of asset tests in Michigan considered the change to be short-sighted and created a disincentive for saving and achieving self-sufficiency. In addition, the following point was made regarding the increased financial cost, instead of savings, that would result from reinstating SNAP asset limits:

"Not only does the decision hurt poor families in Michigan, it doesn't make sense from a financial standpoint. Money to pay for SNAP benefits comes from the federal government – not the state of Michigan. Michigan only pays for the administrative portion of the the SNAP program, which will actually increase under the new rule change, since the state will now have to verify the assets of the 1.9 million people receiving SNAP benefits." [30]

General Assistance (GA)

A comprehensive review - the first since 1998 - of GA programs was recently completed in 2011 and found that state general assistance programs have weakened considerably over the years. Many states have eliminated GA programs entirely or reduced funding and benefits, restricted eligibility, and in some cases, imposed time limits. These cutbacks have continued, despite the effects of the recession such as high unemployment and increasing numbers of individuals exhausting their unemployment insurance benefits.

Most states, including Hawaii, eliminated GA programs for non-disabled individuals between the late 1980s and late 1990s. From 1998 to 2010, an additional five states eliminated GA programs and ten states made cutbacks to their GA programs. Twenty-nine states including Hawaii, and the District of Columbia have GA programs to serve low-income individuals who are unable to work due to incapacity or disability but who are not receiving Supplemental Security Income benefits (SSI). However, for those who qualify, the benefits are minimal; of the 29 states with GA programs, 28 of those states and the District of Columbia provide maximum GA benefits that fall 50 percent or more below the poverty line for individuals.[31]

Across state and county GA programs, eligibility requirements and asset limits vary considerably. The majority of states model GA asset limits after those set in their TANF programs and / or the SSI program. Only a few states and county GA programs have no asset limits. Typically, states will also exempt certain types of income to create incentives for work by allowing recipients to obtain employment without immediately losing their benefits

In Hawaii, GA asset limits are $2,000 and $3,000 for a household of one and two, respectively; these asset limits also apply to Hawaii's AABD program and the federal Supplemental Security Income (SSI) program. Another eligibility requirement is countable income must be less than 34% of the 2006 FPL. Vehicles and a home are exempt from consideration as assets.

Aid to Aged, Blind or Disabled (AABD)

A comprehensive, state-by-state review of AABD programs was not found. As part of this study, resources were not available to complete a review of all AABD programs in every state. Therefore, AABD eligibility and asset limit information was obtained only for those states which had this information readily accessible on state agency websites. Overall, public cash assistance programs for the aged, blind, or disabled seem to have experienced similar levels of cutbacks as state GA programs. Across the states reviewed, asset limits for AABD programs range from $250 and up to $7,500 for a household of one.[32] Of these states, most listed asset limits of $2,000 and $3,000 for a household of one and two, respectively; these asset limits also apply to Hawaii's AABD program and the federal Supplemental Security Income (SSI) program. In Hawaii, an additional AABD eligibility requirement is income must be below 34% of the 2006 FPL, and vehicles and a home are exempt from consideration as an asset.

Medicaid

Elimination of Medicaid Asset Limits due to the Affordable Care Act

Enacted in 2010, the federal <u>Affordable Care Act</u> (ACA) included changes to Medicaid eligibility requirements that would require extended coverage to all individuals - not eligible for Medicare - who are under age 65 with incomes up to 133 percent of the federal poverty level (FPL).[33] However, a recent U.S. Supreme Court ruling concluded that states cannot, by a threat to withhold federal funding, be forced to extend Medicaid coverage. Therefore, states now have the option to extend Medicaid coverage. As outlined in ACA, eligibility for Medicaid recipients, <u>except aged, blind, or disabled individuals</u>, will be determined without asset limits or a resource test. States also have the flexibility to eliminate Medicaid asset limits before the January 1, 2014 effective date, as New York did in April 2010.

Medicaid Asset Limits Across States and Medicaid Asset Limit Study

For the <u>elderly and people with disabilities</u>, most states (30), including Hawaii, have Medicaid asset limits of $2,000 for a single individual and $3,000 for a couple.[34] Arizona has no asset limits for this population and Massachusetts does not have an asset limits for people who are disabled <u>and</u> under the age of 65. A more common occurrence across states is the elimination of asset limits for <u>non-</u>

aged, blind, or disabled individuals. Since 1996, twenty-four states have eliminated Medicaid asset limits entirely for non-aged, blind, or disabled individuals.[35] The Kaiser Commission on Medicaid and the Uninsured conducted a survey[36] of nine states (Delaware, Massachusetts, Mississippi, Missouri, New Mexico, Ohio, Oklahoma, Pennsylvania, and Rhode Island) and the District of Columbia to examine issues surrounding the decision to eliminate asset limits for non-aged, blind, or disabled adults in families. The discussion of the survey that follows applies to this population only.

Why Surveyed States Eliminated Asset Limit Tests

All surveyed states that eliminated asset limits had a common goal of simplifying the Medicaid eligibility process. Medicaid officials in these states also stated that eliminating asset limit tests enabled States to:

- Streamline the eligibility determination process;
- Adopt automated eligibility determination systems;
- Improve the productivity of eligibility workers;
- Establish Medicaid's identity as a health insurance program distinct from welfare;
- Make the enrollment process for families friendlier and more accessible; and
- Achieve Medicaid administrative cost savings.

Officials provided the following comments:

> "…despite being cumbersome for agency staff to administer and onerous for applicants to document, an asset test actually kept few families from meeting Medicaid eligibility requirements and may have prevented some from completing the applications process. State officials in the surveyed states agreed that eliminating the asset test for families was a success on a number of fronts:
>
> *'Our goal was to make…expanded Medicaid eligibility simple for families and for the agency—having no asset test met those goals.'* – District of Columbia
>
> *'It was a wise decision, from the perspective of children and families, and from the agency's perspective.'* – Mississippi
>
> *'Dropping the asset test was a very good thing in terms of access.'* – Ohio
>
> *'It has paid off in worker attitude and in potential applicants who view the process like enrolling in commercial insurance.'* – Oklahoma
>
> *'It has been extremely successful in terms of making access to Medicaid simpler for families.'* – Pennsylvania
>
> …"

Few Denials Dues to Excess Assets

States who were surveyed reported that only a small number of denials for Medicaid coverage were due to excess assets. New Mexico was the only state that had data on the number of applicants who were determined to be ineligible due to excess assets. Prior to eliminating asset limits in New Mexico, an average of 38 applicants per month were denied Medicaid coverage due to excess assets. Other states had the following comments:

"*You don't find a lot of low-income families with assets*." – Pennsylvania

"*There were few administrative denials of eligibility due to excess assets…and…few applicants were denied or closed at redetermination due to assets*." – Massachusetts

"Even at the income eligibility level of 250% of the poverty level, assets mean nothing [and very few cases were denied." – Missouri

"…an asset test means little from an eligibility limiting perspective." – District of Columbia

"The cost the eligibility agency was incurring exceeded the cost of benefits that might have been denied. These families are usually young, and we would rarely see younger families with assets. The process is slow and cumbersome to verify bank account balances and the cash value of life insurance. It delays the eligibility process and resulted in so few denials that it was cheaper to make them eligible for the benefit without checking. " – Oklahoma

EFFECTS OF ASSET LIMIT REFORM IN HAWAII

Hawaii's Medicaid Programs

As of July 1, 2012, all of Hawaii's medical assistance programs have been consolidated into three programs: 1) QUEST Expanded Access (QExA), 2) QUEST – Keiki and 3) QUEST – Adult. New eligibility and benefit guidelines were established, with the changes only affecting adults now enrolled in the QUEST – Adult program. Eligibility for <u>QUEST – Adult</u> is now aligned with ACA provisions and coverage is provided to low-income adults below 133 percent of FPL but an asset limit test is still required. The asset limit for QUEST – Adult is $5,000 for an individual; for many adults, this is an increase from a $2,000 asset limit in place prior to the consolidation. The QUEST – Keiki program has no asset limits. For QExA, asset limits remain unchanged at $2,000 for a single individual and $3,000 for a couple

If Hawaii extends coverage as outlined in the ACA, eligibility determination <u>without</u> an asset limit test will become effective January 1, 2014 for the QUEST-Adult program. It would not be cost effective to expend resources to change asset limits prior to this date, then make additional changes to <u>eliminate</u> asset limits in 2014. Also, if the State of Hawaii intends to reform asset limit rules prior to the 2014 ACA effective date, approval will be required from the federal Center for Medicare and Medicaid Services (CMS) and may cause a delay of unknown duration.

Why Hawaii Should Consider Asset Limit Reform for Financial Assistance Programs

Asset Limit Reform Supports Asset Building in Hawaii

<u>CFED Recommendations</u>

Recognizing the need to help Hawaii's families and individuals to build a solid asset base and achieve financial security, recommendations from both national and local levels have called for elimination of asset limits across all public assistance programs. CFED recommends specifically for the State of Hawaii:

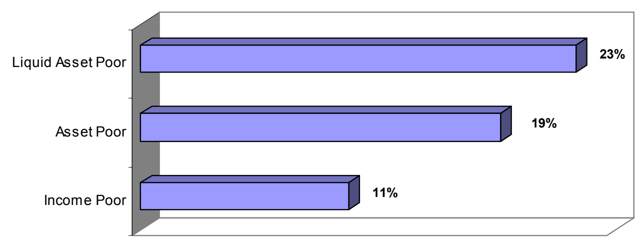
"To help families save and become more financially secure, Hawaii should remove the disincentive to save for very low-income families by lifting asset limits in two public benefit programs: TANF and family Medicaid…" [37]

In an assessment of financial insecurity in Hawaii, CFED determined that 11% of households in Hawaii are income poor. CFED expanded its evaluation of the financial vulnerability of Hawaii residents and concluded the following:

- 19% of Hawaii's residents are asset poor, meaning that they lack the financial resources – money in the bank, assets in a home or car – to subsist at the poverty level for three months if the household loses its source of income due to a job loss or other emergency.[38];

- 23% are liquid asset poor, which excludes assets such as a home, car or business because these resources would not be easily convertible to cash and therefore, available to a family immediately to meet emergency needs. [39]

Figure 1. Financial Security in Hawaii



Source: CFED Assets & Opportunity Scorecard, State Profile: Hawaii, January 2012.

Hawaii State Asset Building and Financial Education Task Force Recommendations

During the 2008 Session of the Hawaii State Legislature, the Hawaii State Asset Building and Financial Education Task Force was established to develop policy recommendations in the area of asset building and financial education. In a final report dated January 2010, the task force's Asset Building Subcommittee concluded that Hawaii's current asset limit tests negatively impact families and stated:

"Asset limit tests should not be a barrier to receiving public benefits. We cannot punish families for having assets. Families need assets if they are to move out of poverty and become self sufficient." [40]

In 2010, the Asset Building Subcommitee recommended that Hawaii establish policies that remove disincentives and help families build, save and grow assets. Two years later, the Asset Building Subcommittee continues to advocate for asset building policies including the elimination of asset limits from all of Hawaii's public assistance programs.

Financial Security in Hawaii – A Challenge for Many

Single Parent Families and the Self-Sufficiency Standard for Hawaii

Hawaii Revised Statutes, 201-3(b) requires the Department of Business, Economic Development and Tourism (DBEDT) to establish and update biennially a self-sufficiency standard [41] for Hawaii. The standard defines **economic self-sufficiency as the amount of money that individuals and families require to meet their basic needs without government and/or other subisidies**.[42]

DBEDT recently updated the self-sufficiency standard for 2009. Results indicate that for single-parents with children in Hawaii, their income falls significantly below the self-sufficiency standard. The challenges facing single-adult families in Hawaii are even more apparent when one considers the significant percentage of these families that have incomes that are below the self-sufficiency standard. The percentage of single-adult families, with one child, that have incomes below the self-sufficiency standard is 77.3%, and for single-adult families with two children, the percentage is 74.3%

Table 5. Families with Incomes Below Self-Sufficiency Standard – Hawaii STATEWIDE

Family Size	Percentage of Families with Incomes Below Self-Sufficiency Standard
One Adult	37.2 %
Two Adults	15.1 %
One Adult + One Preschooler	**77.3 %**
One Adult + One Preschooler + One Schoolage	**74.3 %**
Two Adults + One Preschooler + One Schoolage	25.9 %

See Appendix A-3 for a summary table of self-sufficiency standards for different family sizes and geographic areas in Hawaii.

Elimination of TANF Asset Limits As the Preferred Reform Option

As outlined previously, the options for reforming asset limit policy are: 1) eliminate asset limits, 2) raise asset limits, 3) index asset limits to inflation, or 4) exclude categories of assets. Raising or indexing asset limits to inflation would still require administrative resources to be expended as caseworkers would need to continue to verify assets. Additionally, indexing asset limits to inflation is a resource-intensive change that increases administrative burden and would require system modification and a time lag while system changes are being made. Currently, system development is ongoing on a new eligibility system projected to be in operation in 2014-2015. Given this scenario, it would not be prudent to spend resources to modify the current system to index asset limits to inflation. Consideration of indexing asset limits to inflation can be re-visited in the future once the new eligibility system is operational.

Hawaii already excludes many types of assets. These categories of assets include a home, vehicles, retirement accounts, educational assistance accounts, and federal tax refunds (including EITC). While the State could exclude additional categories of assets, only individuals who own these types of assets would benefit. And, more excluded asset categories is a disadvantage because it increases the complexity of the eligibility review process and is error-prone. Memos are issued to rescind previous and reissue updated clarifications regarding the treatment of excluded assets. Caseworkers may not receive, may not read, need to understand, and must correctly apply each new memo issued. Further, situations arise where an exclusion has an expiration date; for example, the exclusion of federal tax refunds will expire on December 31, 2012. A clarification memo will need to be issued prior to this date and then, caseworkers will need to apply the correct eligibility action on this issue going forward.

Therefore, elimination of asset limits is the preferred reform option, however, only for the TANF program. At this time, no change is recommended for ABD and GA programs; asset limits for these programs are aligned and consistent with federal SSI asset limit requirements. For the

SNAP program, no change is recommended as asset limits are set at the national level. Currently, many SNAP households do not have to meet an asset test if they are categorically eligible.

Elimination of asset limits for the TANF program would support a goal of TANF which is to enable recipient families in becoming economically independent of federal and state assistance. Research has shown that to become genuinely independent requires, in addition to self-sustaining employment, an asset base upon which to build financial independence. It is therefore counter-productive to impose an asset limit, given the necessity of an asset base to the achievement of economic self-sufficiency.

Eliminating asset limits for TANF is recommended for the following reasons:

- Elimination of assets limits is an opportunity for the State to implement long-overdue, asset building initiatives for Hawaii's low-income families and individuals;
- The State will support one of the goals of TANF which is to promote self-sufficiency;
- Low-income families need help to work toward achieving economic self-sufficiency. In Hawaii, the financial security challenges are especially formidable for single-adult families. A significant number of these families have incomes below what is considered to be a self-sufficiency level.
- Hawaii already exempts many categories of assets; adding additional exclusions would be error-prone and increase the complexity of the eligibility process;
- A federal study on SNAP programs concluded that BBCE and the elimination of asset limits did not increase caseloads significantly and effects on costs was modest;
- SNAP already uses TANF-funded services as the reason to confer BBCE, which eliminates asset limits for SNAP eligibility. Eliminating asset limits would therefore, align Hawaii's financial assistance programs with SNAP asset limits under BBCE.
- No significant increases in caseload after other states eliminated asset limits for financial assistance programs;
- Data on closures and denials in Hawaii shows that elimination of TANF asset limits would contribute minimally to an increase in caseloads because few applicants and current recipients have substantial resources (see below);
- The State will be able to reduce administrative burden and streamline and simplify the eligibility process (see below);
- Administrative cost savings realized for other states that eliminated asset limits for financial assistance programs (see below);

Concerns of Caseload Increase Caused by Elimination of Asset Limits Not Supported By Denials and Closures Data

Those who support asset limits believe that asset tests are necessary to ensure that public assistance benefits are going to those who are in need of assistance and not to "asset-rich" individuals. There is also the concern that eliminating or raising asset limits would allow more individuals to qualify for public assistance benefits and result in unsustainable increases in caseloads and costs to the State. However, denials and closures data indicates that currently in Hawaii, few recipients or new applicants have substantial financial assets.

Overall, caseload for most public assistance programs in recent years has shown an upward trend (see Appendix A-1). The only exception is the AABD program where a significant decrease occurred after the maximum standard of need was decreased in June 2010. While economic difficulties nationally and within the state have been the main reason for increased caseloads, it is possible that elimination of TANF asset limits would result in an acceleration in this upward caseload trend and lead to higher costs to the State for benefit payments. However, data on denials and closures due to excess assets indicates that elimination of TANF asset limits would likely have a minimal effect on caseloads and benefit costs. As shown in the tables below, the percentage of cases per month that have been denied due to excess assets is negligible for each of Hawaii's public assistance programs, less than one percent (< .2%). The percentage of cases closed because of excess assets is even lower (< .15%).

Table 6. Hawaii – **DENIALS** Due to Excess Assets.

Top figure: Average number of cases denied per month
Bottom figure: Percent of average number of cases per month

FY	AABD	GA	SNAP	TANF / TAONF
2011	1 *.15%*	4 *.08%*	27 *.04%*	6 *.06%*
2012	1 *.08%*	3 *.06%*	3 *< .01%*	4 *.04%*

Table 7. Hawaii – **CLOSURES** Due to Excess Assets.

Top figure: Average number of cases closed per month
Bottom figure: Percent of average number of cases per month

FY	AABD	GA	SNAP	TANF / TAONF
2011	< 1 *.01%*	3 *.05%*	7 *.01%*	1 *.01%*
2012	0 *0%*	1 *.02%*	5 *< .01%*	1 *.01%*

When Delaware raised TANF asset limits, there was not a significant increase in caseload. Colorado eliminated TANF asset tests entirely in 2011 -- after initially raising asset limits in 2006 -- and caseload impact has been minimal. And, as shown previously in Table 2, Ohio, Virginia, and Louisiana did not experience a significant TANF caseload increase after asset limits were eliminated.

A recent October 2012 report[43] examined elimination of asset limits by states and a reviewer stated:

"The report, which analyzed the results of interviews and surveys of public benefit administrators in eight states, confirmed previous research that found that most applicants to SNAP and TANF have very few assets anyway and that eliminating asset tests would not significantly increase eligibility…."[44]

Data on denials and closures suggests that Hawaii would see similar results if TANF asset limits are eliminated.

Reduced Administrative Burden

Elimination of asset limit rules for Hawaii's TANF program would simplify eligibility requirements and would reduce administrative burden on caseworkers and complement the intent of DHS' business process re-engineering program (BPRP) which streamlines and creates efficiencies within the eligibility review process. Although difficult to quantify, savings would result from caseworkers not being required to expend resources to verify assets during initial application. Also, caseworkers are now required to review a case during recertifications and each time a recipient reports a change in assets or income. Repeated review of TANF cases to test if asset limits are being exceeded would no longer be required with the elimination of TANF asset limits. Other reform options such as raising or indexing asset limits to inflation would not reduce administration burden; caseworkers would still need to verify assets of applicants and current recipients.

States that have tracked actual savings from elimination of asset limits have found that cost and time savings have far outweighed the cost of any additional caseload. Although eliminating TANF asset tests resulted in an increase of $127,200 in benefit payments to an additional forty families, the state of Virginia accrued savings of $323,050 in administrative staff time.[45] After eliminating Medicaid asset limits, New Mexico estimates that only $23,000 of additional state funds per year were expended due to a slight increase in Medicaid enrollment and the cost was easily offset by administrative cost savings. Additionally, Oklahoma estimates that it is spending $1 million less to administer its Medicaid program after asset tests were eliminated.[46]

States surveyed by the Kaiser Commission concluded that eliminating Medicaid asset limits reduced administrative burden and resulted in cost saving:

'[It has helped achieve] administrative simplicity.' – Delaware

'[It] made the workload more manageable for eligibility workers. It was simplifying while still considering all the factors important to eligibility.' - Massachusetts

'[It] was an important part of a package of changes that resulted in savings, because the process took less paper and less time.' – Missouri

'Efforts required by agency staff have been reduced.' – New Mexico

'It has been extremely successful in terms of making access to Medicaid simpler for families.' – Pennsylvania

'It would cost more in administrative costs than the savings in denying care to low-income people.' – Rhode Island
… "

Asset tests can also impose a burden on families and individuals when they are required to locate and submit copies of bank statements or other financial documentation for what typically amounts to small amounts of savings and assets. The process can discourage some people from completing the application process, even though they are eligible. Also, 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. There have been situations in the past where multiple DHS personnel - from caseworkers to program administrators – have needed to expend time and resources to assist an applicant with documentation issues. Eligibility was never in question; the delay was caused by misunderstanding between applicants and financial institutions about what document was being requested. Elimination of asset limits would relieve some of the paperwork burden on TANF families.

Other Considerations

Informing Stakeholders

Many stakeholders have been involved in long-term and ongoing efforts in support of asset building and self-sufficiency and will be familiar with the rationale behind policy change to eliminate asset limits. Even though data shows otherwise, other stakeholders will need to have their concerns addressed if they believe that TANF caseloads would increase and result in financial costs to the State. From a program administration perspective, caseworkers will need to be notified of the new rules if TANF asset limits are changed. Current recipients and applicants will need to be informed about the effect of asset limit policy reform on households. As a positive, eliminating TANF asset limit requirements would make program requirements easier to implement and understand and would help outreach efforts directed at potentially eligible, but not yet enrolled individuals.

RECOMMENDATIONS

While not opposed to policy change that would benefit Hawaii's citizens, the Department must also consider how asset limit reform impacts the Department operationally and financially. The Department also recognizes the concerns of those who might consider elimination of TANF asset limits as a loss of safeguards that would result in "asset-rich" individuals obtaining public assistance benefits meant for those in need. However, people with low incomes generally have few assets and TANF families and individuals will still need to meet income and work program requirements. Current income limits for Hawaii's TANF program will remain in place as will other safeguards such as TANF time limits.

Asset limit reform implemented by other states has not resulted in significant increases in caseloads. In Hawaii, data shows that eliminating asset limits would likely have a similar, negligible effect on TANF caseloads and benefit payments. Elimination of the TANF asset test also offers the opportunity to simplify the eligibility process and reduce administrative burden.

The Department believes that the elimination of asset limits for Hawaii's TANF program would establish policy that is supportive of asset building. The Department acknowledges that financial savings and asset accumulation are essential for families and individuals working toward achieving self-sufficiency and will help them to become economically independent of, instead of dependent on, federal and state public assistance.

Therefore, the Department makes the following recommendations:

- For **TANF, TAONF** programs,
  - **Eliminate asset limits**.

- For **GA and AABD** programs,
  - **No Change to asset limits**.
  - Current asset limits are aligned and consistent with federal SSI asset limit requirements

- For the **SNAP** program,
  - **No Change to asset limits;**
  - SNAP has a national asset limit, but states are allowed to modify it. Currently, there is no asset limit for households who are categorically eligible for SNAP (e.g receive or are authorized to receive TANF or SSI cash assistance, or, are provided a TANF funded service such as a TANF informational brochure).

- For **Medicaid QUEST** programs,
  - **No change to current asset limits;**
  - Currently no asset limits for children and pregnant women. For states that elect to extend Medicaid coverage as outlined in ACA, eligibility for Medicaid recipients, except aged, blind, or disabled individuals, will be determined without an asset limit test, effective January 1, 2014.

To summarize, the Department recommends the elimination of asset limits for TANF/TAONF programs. The Department recommends no change to asset limits for ABD and GA programs to keep these limits aligned and consistent with federal SSI asset limit requirements. For the SNAP program, no change is recommended as asset limits are set at the national level; currently, many SNAP households do not have to meet an asset test if they are categorically eligible. For Medicaid QUEST program, eligibility for non-aged, blind, or disabled individuals will be determined without an asset limit test starting in 2014 and the Department believes it is not prudent to expend resources on reform of Medicaid asset limits prior to this date.

Tables 8 and 9 show recommended reform and proposed new asset limits as compared to the current asset limits by program.

Other Recommendations

Proposed Legislation

The Administration's legislative package will include a bill that would eliminate the asset limit eligibility requirement for the Temporary Assistance for Needy Families program:

HMS-02(13) RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.

Table 8. Hawaii – Proposed and Current Asset Limits – Financial Assistance Programs.

Program		Asset Limit Proposed	Asset Limit Current
Aid to Aged, Blind, Disabled (AABD)	**No Change**	**Asset Limit Same as Current ⟶**	$ 2,000 Household of 1 $3,000 Household of 2
General Assistance (GA)	**No Change**	**Asset Limit Same as Current ⟶**	$ 2,000 Household of 1 $3,000 Household of 2
SNAP/Food Stamps	**No Change**	**Asset Limit Same as Current ⟶**	$ 2,000 $ 3,250 If household includes Senior or Disabled **Currently No Asset Limit for Categorically Eligible Households**
TANF / TAONF	**Eliminate**	**No Asset Limit**	$ 5,000 A home and vehicles are exempt from consideration as an asset

Table 9. Hawaii – Proposed and Current Asset Limits – Medical Assistance Programs.

Program		Asset Limit Proposed	Asset Limit Current
Quest Expanded Access 300% FPL	**No change**	**No Asset Limit as of January 1, 2014 due to ACA** ***Until then,*** **Asset Limits Same as Current ⟶**	$ 2,000 Household of 1 $3,000 Household of 2 $ 250 each additional person
QUEST - Keiki Quest – Child only 200% FPL	**No change**	**No Asset Test for Minors**	No Asset Test for Minors
Quest – Adult 133% FPL	**No change**	**No Asset Limit as of January 1, 2014 due to ACA** ***Until then,*** **Asset Limits Same as Current ⟶**	$ 5,000 Household of 1 $ 7,000 Household of 2 $ 500 each additional person

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[1] Hawaii Administrative Rules (HAR) §17-675-2 defines "Asset" as:

"…cash and any other personal property, as well as real property, that an individual or family:

(1) Owns;
(2) Has the right, authority, or power to convert to cash (if not already cash); and
(3) Is not legally restricted from using for the individual's or family's support and maintenance."

[2] CFED; Letter of Record: promote asset limit reform in the Supplemental Security Income program to enable work for people with disabilities; June 6, 2012; http://waysandmeans.house.gov/UploadedFiles/SFR_CarolWayman_SS_HR_9_23_11.pdf; since this letter, Colorado has also eliminated TANF asset limits.

[3] CFED; "Resource Guide: Lifting Asset Limits in Public Benefit Programs"; page 3; https://cfed.org/assets/scorecard/2011_2012/rg_AssetLimits.pdf

[4] Department of Human Services - State of Hawaii website; http://hawaii.gov/dhs/self-sufficiency/benefit/

[5] Med-Quest Website; Department of Human Services, State of Hawaii; http://www.med-quest.us/eligibility/EligPrograms_MFFS.html.

[6] Hiatt, Sarah Fass and Newcomer, Abigail; President Obama's Asset Limit Proposal: Supporting Families and Promoting Improved Coordination; July 2010; page 1; http://www.clasp.org/admin/site/publications/files/Obama-Asset-Proposal.pdf.

[7] Corporation for Enterprise Development, the Center on Budget and Policy Priorities, the Center for Law and Social Policy, the New America Foundation, the Urban Institute and the Sargent Shriver National Center on Poverty Law have researched the issue of asset limits; CFED; "Resource Guide: Lifting Asset Limits in Public Benefit Programs"; pg. 2 footnote; https://cfed.org/assets/scorecard/2011_2012/rg_AssetLimits.pdf

[8] The Corporation for Enterprise Development (CFED) Website; http://cfed.org/about/.

[9] Email communication with the Director of Colorado's TANF program called Colorado Works, which is a division within the Colorado State Department of Human Service's Office of Economic Security; September 7, 2012.

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[13] CFED; "Lifting Asset Limits in Public Benefit Programs: Ohio and Virginia Pioneer the Elimination of TANF Asset Limits"; page 1; http://assetsandopportunity.org/scorecard/assets/CS_AssetLimits_OhioVirginia2011.pdf.

[14] CFED; "Lifting Asset Limits in Public Benefit Programs: Ohio and Virginia Pioneer the Elimination of TANF Asset Limits"; page 2; http://assetsandopportunity.org/scorecard/assets/CS_AssetLimits_OhioVirginia2011.pdf.

[15] Golden, Mark; Presentation: "Asset Policy in Virginia"; page 6; http://csd.wustl.edu/AssetBuilding/SAP/Documents/SAPConf2005/Golden.pdf.

[16] CFED; "Lifting Asset Limits in Public Benefit Programs: Eliminating the TANF Asset Test in Louisiana"; http://assetsandopportunity.org/scorecard/assets/CS_AssetLimits_Louisiana2011.pdf.

[17] Email communication with administration personnel at Alabama's Family Assistance Division, August 8, 2012.

[18] CFED; "Assets and Opportunity Scorecard; October 2011; pg 11 https://cfed.org/assets/scorecard/2011_2012/rg_AssetLimits.pdf

[19] CFED; "Lifting Asset Limits in Public Benefit Programs: Ohio and Virginia Pioneer the Elimination of TANF Asset Limits"; http://assetsandopportunity.org/scorecard/assets/CS_AssetLimits_OhioVirginia2011.pdf.

[20] CFED; “Lifting Asset Limits in Public Benefit Programs: Ohio and Virginia Pioneer the Elimination of TANF Asset Limits”; http://assetsandopportunity.org/scorecard/assets/CS_AssetLimits_OhioVirginia2011.pdf.

[21] CFED; “Lifting Asset Limits in Public Benefit Programs: Ohio and Virginia Pioneer the Elimination of TANF Asset Limits”; http://assetsandopportunity.org/scorecard/assets/CS_AssetLimits_OhioVirginia2011.pdf.

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APPENDIX

Appendix 1.

NUMBER OF RECIPIENTS BY PROGRAM

SFY	AABD	GA	SNAP	TANF / TAONF
2001	2,982	5,108	110,371	62,703
2002	2,803	4,867	106,748	53,418
2003	2,614	4,488	104,433	43,164
2004	2,543	4,162	99,128	37,766
2005	2,156	4,046	95,033	33,382
2006	1,728	3,961	88,967	27,508
2007	1,466	3,997	88,848	24,808
2008	1,492	4,458	93,956	20,618
2009	1,629	5,075	109,268	24,167
2010	1,549	5,068	133,043	25,213
2011	1,049	5,381	154,496	27,377
2012	1,000	5,633	172,037*	28,611

Source: DHS/MSO Obligation Reports; SNAP Monthly Participation Report - DHS/BESSD/Financial Assistance Program Office.
**Over eleven months from July to May 2012.*

NUMBER OF CASES BY PROGRAM

SFY	AABD	GA	SNAP	TANF / TAONF
2001	2,495	5,029	51,592	19,464
2002	2,367	4,797	50,967	16,940
2003	2,225	4,432	50,548	14,362
2004	2,175	4,112	48,568	12,915
2005	1,887	3,994	47,794	11,629
2006	1,568	3,917	46,285	9,837
2007	1,334	3,955	45,027	8,976
2008	1,341	4,408	47,545	8,344
2009	1,461	5,014	54,925	8,661
2010	1,375	4,997	66,885	8,942
2011	899	5,298	77,133	9477
2012	859	5,537	86,044*	9,811

Source: DHS/MSO Obligation Reports; SNAP Monthly Participation Report - DHS/BESSD/Financial Assistance Program Office.
**Over eleven months from July to May 2012.*

TOTAL ANNUAL BENEFITS BY PROGRAM

SFY	AABD	GA	SNAP	TANF / TAONF
2001	$7,147,795	$24,097,053	$153,082,202	$118,746,892
2002	$6,971,324	$23,158,456	$150,829,817	$104,115,354
2003	$6,635,857	$21,387,421	$154,216,782	$88,028,773
2004	$6,659,127	$19,676,944	$153,362,400	$78,601,057
2005	$5,983,741	$19,264,854	$155,816,670	$71,501,188
2006	$4,816,099	$18,809,209	$149,936,173	$61,077,952
2007	$4,003,115	$18,988,004	$154,721,201	$55,068,101
2008	$4,728,186	$23,683,802	$185,708,471	$57,087,227
2009	$4,903,351	$23,674,637	$242,643,675	$58,873,544
2010	$4,834,470	$20,472,894	$354,944,695	$58,995,444
2011	$3,312,905	$21,801,133	$401,125,170	$63,035,544
2012	$3,138,529	$21,253,412	$407,687,965*	$64,613,662

Source: DHS/MSO Obligation Reports; SNAP Monthly Participation Report - DHS/BESSD/Financial Assistance Program Office.
**Over eleven months from July to May 2012.*

Appendix 2.

MEDICAID RECIPIENTS

SFY	Statewide	Oahu	Hawaii	Maui	Kauai	Molokai	Lanai
2003	180,653	121,933	34,001	13,502	8,797	2,198	222
2004	190,381	127,827	36,004	14,712	9,334	2,235	269
2005	200,534	134,483	37,939	15,759	9,799	2,233	321
2006	202,980	136,024	38,402	16,168	9,869	2,204	313
2007	205,397	137,210	39,730	16,225	9,702	2,200	330
2008	212,489	138,730	42,409	17,810	10,749	2,406	385
2009	235,203	150,425	47,913	21,142	12,604	2,645	474
2010	259,307	162,602	53,472	25,407	14,453	2,800	573
2011	272,218	167,319	57,182	28,318	15,753	2,957	689

Source: State of Hawaii, Department of Human Services Annual Report for years 2002-2011.

Appendix 3.

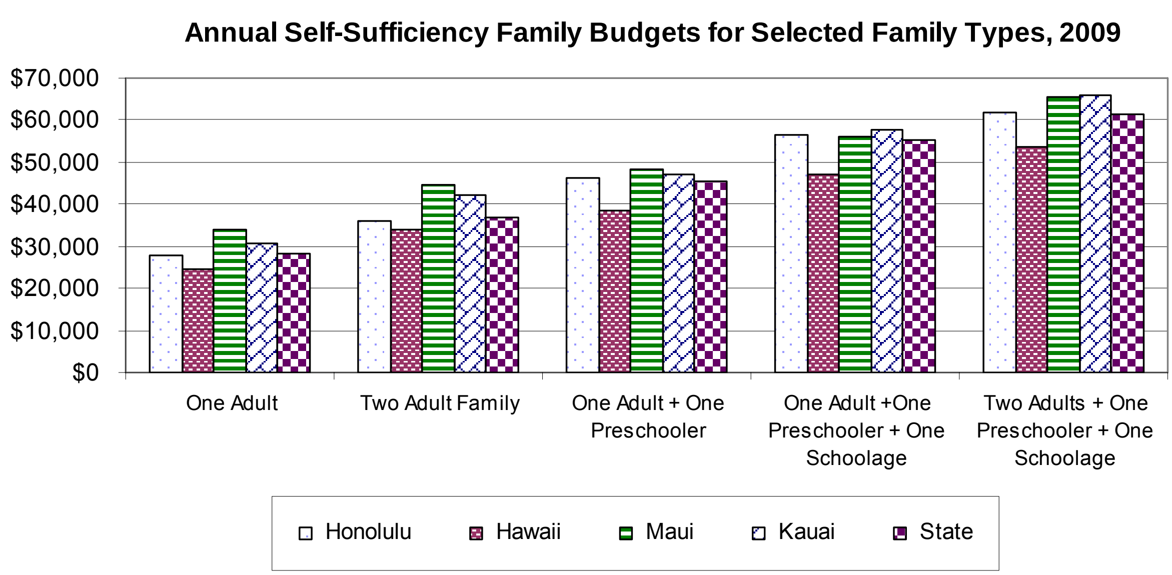
SELF-SUFFICIENCY – ANNUAL FAMILY BUDGET, 2009

Annual Self-Sufficiency[a] Family Budgets for Selected Family Types, 2009

Area	One Adult	Two Adult Family	One Adult + One Preschooler	One Adult + One Preschooler + One Schoolage	Two Adult + One Preschooler + One Schoolage
Honolulu	$ 27,887	$ 35,926	$ 46,102	$ 56,357	$ 61,860
Hawaii	$ 24,597	$ 33,970	$ 38,473	$ 46,922	$ 53,822
Maui	$ 34,044	$ 44,737	$ 48,457	$ 56,280	$ 65,653
Kauai	$ 30,627	$ 42,058	$ 46,912	$ 57,571	$ 65,933
State	$ 28,258	$ 36,936	$ 45,373	$ 55,136	$ 61,395
Selected Income Benchmarks					
Poverty Threshold	$ 12,460	$ 16,760	$ 16,760	$ 21,060	$ 25,360
Minimum Wage	$ 15,312	$ 30,624	$ 15,312	$ 15,312	$ 30,624
Median Family Income	$ 35,400	$ 79,700	$ 34,105	$ 33,000	$ 91,000

Source: State of Hawaii Department of Business, Economic Development & Tourism, Self-Sufficiency income Standard – Estimates for Hawaii 2009, Published December 2011.

[a]*This study defines economic self-sufficiency as the amount of money that individuals and families require to meet their basic needs without government and/or other subsidies. It is assumed that adults are working full-time (40-hours a week), at one or more jobs.*



Source: CFED; "Resource Guide: Lifting Asset Limits in Public Benefit Programs"; https://cfed.org/assets/scorecard/2011_2012/rg_AssetLimits.pdf.

Overall, since 1996, 24 states have eliminated Medicaid asset limits entirely; five states have eliminated TANF asset limits; and 37 states have eliminated SNAP asset limits. Three states have substantially increased the asset limits in their Medicaid or TANF programs, and 37 states have excluded important categories of assets from these limits in one or both programs. The table below shows which criteria each state met. CFED uses the following icons to denote the strength of state policies:

Strength of State Policies

Legend State policy meets 4 criteria; State policy meets 3 criteria; State policy meets 2 criteria; State policy meets 1 criteria; State policy meets no criteria

	TANF[10]			Family Medicaid[11]			SNAP[12]			
State	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised above $2,000?	Has state indexed for inflation?	Policy rating
Alabama	Yes	n/a	n/a	Yes	n/a	n/a	Yes	n/a	n/a	
Alaska	No	No ($2,000; $3,000 if household includes person over 60)	No	No	No ($2,000; $3,000 if household includes person over 60)	Yes	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Arizona	No	No ($2,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Arkansas	No	No ($3,000)	Yes	No	No ($1,000)	No	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	

9 Federal law exempts many important classes of assets in the SNAP program, including retirement accounts and education savings accounts.

10 David Kassabian, Tracy Vericker, David Searle and Mary Murphy, *Welfare Rules Databook: State TANF Policies as of July 2010*, (Washington, DC: Urban Institute, 2011).

11 Martha Heberlein, et al., *Holding Steady, Looking Ahead: Annual Findings Of A 50-State Survey Of Eligibility Rules, Enrollment And Renewal Procedures, And Cost Sharing Practices In Medicaid And CHIP, 2010-2011*, (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 2011), p.58-59.

12 Data provided by the Center on Budget and Policy Priorities. Even in states that have eliminated SNAP asset tests, a small number of people may remain subject to the traditional federal resource test of $2,000 ($3,000 for households that include an elderly or disabled person), such as households where some members have a different status than others (e.g. citizenship).

State	TANF[10]			Family Medicaid[11]			SNAP[12]			Policy rating
	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised above $2,000?	Has state indexed for inflation?	
California	No	No ($2,000; $3,000 if household includes person over 60)	Yes	No	No ($3,000 for up to 2-person household; increases $150 per person)	No	Yes	n/a	n/a	
Colorado	No	Yes ($15,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Connecticut	No	No ($3,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Delaware	No	No ($10,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
District of Columbia	No	No ($2,000; $3,000 if household includes person over 60)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Florida	No	No ($2,000)	No	No	No ($2,000)	No	Yes	n/a	n/a	
Georgia	No	No ($1,000)	Yes	No	No ($1,000)	Yes	Yes	n/a	n/a	
Hawaii	No	No ($5,000)	Yes	No	No ($3,250)	No	Yes	n/a	n/a	
Idaho	No	No ($2,000)	Yes	No	No ($1,000)	No	No	Yes ($5,000)	No	
Illinois	No	No ($2,000 for one person; $3000 for two people; $50 for each additional person)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Indiana	No	No ($1,000 for applicants; $1,500 for recipients)	No	No	No ($1,000)	No	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Iowa	No	No ($2,000 for applicants; $5,000 for recipients)	Yes	No	No ($2,000 for applicants; $5,000 for recipients)	Yes	Yes	n/a	n/a	

State	TANF[10]			Family Medicaid[11]			SNAP[12]			
	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised above $2,000?	Has state indexed for inflation?	Policy rating
Kansas	No	No ($2,000)	Yes	Yes	n/a	n/a	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Kentucky	No	No ($2,000)	No	No	No ($2,000)	Yes	Yes	n/a	n/a	
Louisiana	Yes	n/a	n/a	Yes	n/a	n/a	Yes	n/a	n/a	
Maine	No	No ($2,000)	Yes	No	No ($2,000)	Yes	Yes	n/a	n/a	
Maryland	Yes	n/a	n/a	Yes	n/a	n/a	Yes	n/a	n/a	
Massachusetts	No	No ($2,500)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Michigan	No	No ($3,000)	Yes	No	No ($2,000 for one person; $3,000 for two or more people)	Yes	No	Yes ($5,000; excludes one vehicle up to $15,000)	No	
Minnesota	No	No ($2,000 for applicants; $5,000 for recipients)	No	No	Yes ($10,000 for one parent; $20,000 for two parents)	Yes	Yes	n/a	n/a	
Mississippi	No	No ($2,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Missouri	No	No ($1,000 for applicants; $5,000 for recipients)	No	Yes	n/a	n/a	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Montana	No	No ($3,000)	No	No	No ($2,000 for one person; $3,000 for two or more people)	Yes	Yes	n/a	n/a	

State	TANF[10]			Family Medicaid[11]			SNAP[12]			Policy rating
	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised above $2,000?	Has state indexed for inflation?	
Nebraska	No	No ($4,000 for one person; $6,000 for two or more people)	Yes	No	No ($4,000 for one person; $6,000 for two or more people)	Yes	No	Yes ($25,000 in liquid assets; all non-liquid assets excluded)	No	
Nevada	No	No ($2,000)	Yes	No	No ($2,000)	Yes	Yes	n/a	n/a	
New Hampshire	No	No ($1,000 for applicants; $2,000 for recipients)	Yes	No	No ($1,000 for applicants; $2,000 for recipients)	Yes	Yes[13]	n/a	n/a	
New Jersey	No	No ($2,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
New Mexico	No	No ($1,500 in liquid resources; $2,000 in illiquid resources)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
New York	No	No ($2,000; $3,000 if household includes someone over age 60)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
North Carolina	No	No ($3,000)	Yes	No	No ($3,000)	Yes	Yes	n/a	n/a	
North Dakota	No	No ($3,000 for one person; $6,000 for two people; $25 per person thereafter)	No	Yes	n/a	n/a	Yes	n/a	n/a	
Ohio	Yes	n/a	n/a	Yes	n/a	n/a	Yes	n/a	n/a	
Oklahoma	No	No ($1,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	

13 New Hampshire excludes all assets for households with children.

	TANF[10]			Family Medicaid[11]			SNAP[12]			
State	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised above $2,000?	Has state indexed for inflation?	Policy rating
Oregon	No	No ($2,500 for applicants; $10,000 for recipients)	No	No	No ($2,500)	Yes	Yes	n/a	n/a	
Pennsylvania	No	No ($1,000)	Yes	Yes	n/a	n/a	Yes	n/a	n/a	
Rhode Island	No	No ($1,000)	No	Yes	n/a	n/a	Yes	n/a	n/a	
South Carolina	No	No ($2,500)	Yes	No	Yes ($30,000)	Yes	Yes	n/a	n/a	
South Dakota	No	No ($2,000)	No	No	No ($2,000)	No	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Tennessee	No	No ($2,000)	Yes	No	No ($2,000)	No	No[14]	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Texas	No	No ($1,000)	Yes	No	No ($2,000)	Yes	No	Yes ($5,000; excludes one vehicle up to $15,000)	No	
Utah	No	No ($2,000)	Yes	No	No ($2,000 for one person; $3,000 for two people)	No	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Vermont	No	No ($2,000)	Yes	No	No ($2,000 for one person; $3,000 for two people)	No	Yes	n/a	n/a	

14 As of June 2011, Tennessee plans to implement categorical eligibility to eliminate the asset test in SNAP.

State	TANF[10]			Family Medicaid[11]			SNAP[12]			
	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised to $15,000/ indexed for inflation?	Does state exclude 4+ asset classes?	Has state eliminated asset test?	Has state raised above $2,000?	Has state indexed for inflation?	Policy rating
Virginia	Yes	n/a	n/a	Yes	n/a	n/a	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	
Washington	No	No ($1,000 for applicants; $4,000 for recipients)	Yes	No	No ($1,000 for applicants; eliminated for recipients)	Yes	Yes	n/a	n/a	
West Virginia	No	No ($2,000)	No	No	No ($1,000)	No	Yes	n/a	n/a	
Wisconsin	No	No ($2,500)	No	Yes	n/a	n/a	Yes	n/a	n/a	
Wyoming	No	No ($2,500)	No	Yes	n/a	n/a	No	No ($2,000; $3,000 if household includes elderly or disabled members)	No	

FEDERAL FLEXIBILITY AND STATE MECHANISMS FOR POLICY CHANGE

SNAP: Almost all states that have eliminated their SNAP asset tests have done so by implementing broad-based categorical eligibility. Categorical eligibility is a policy that makes a household eligible for SNAP without regard to asset limits if it receives a TANF- or MOE-funded benefit, such as a pamphlet or an 800-number.[15]

Although states have had this option since 2002, uptake of that option was slow. However, the 2008 Farm Bill changed the trajectory of state policy adoption. The federal bill directly eased SNAP asset tests in three important ways: it adjusted asset limits for inflation, harmonized program rules pertaining to retirement accounts, and excluded education savings and retirement accounts from counting as resources. In addition, however, during the Farm Bill debate in 2008, federal policymakers went on record in support of eliminating the asset tests. These actions together generated new interest and willingness among state administrators to address this disincentive to save.

TANF: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave states the flexibility to eliminate or raise asset limits for TANF and Medicaid and to exclude certain types of assets from eligibility determination. States have eliminated the TANF asset test both legislatively and administratively. Ohio and Louisiana passed legislation making the change. In the other three states that

15 Lizbeth Silbermann, internal memo of the United States Department of Agriculture, Food and Nutrition Service, January 31, 2011 "Questions and Answers on Broad-Based Categorical Eligibility," http://www.fns.usda.gov/snap/rules/Memo/2011/013111.pdf.

Source: CFED; "Resource Guide: Lifting Asset Limits in Public Benefit Programs"; https://cfed.org/assets/scorecard/2011_2012/rg_AssetLimits.pdf.

	TANF	Medicaid
State	Summary of excluded assets	
Alabama	Asset test eliminated	Asset test eliminated
Alaska	■ A vehicle is exempt if used for transportation to meet basic needs; subsistence hunting and fishing; to carry the household's primary source of heating fuel or primary source of water; to go to and from work, school, training or a work activity; for self-employment; or to transport a disabled household member ■ Funeral agreements up to $1,500 ■ Tools, stock and inventory used for self-employment	■ Total value of vehicles used for transportation necessary to meet basic needs, including obtaining food, medical care or other essentials; for transportation to or from school, work or training; when used as the home; to transport a disabled family member; to produce self-employment income; or for a family member to participate in a work activity approved by the Alaska Division of Public Assistance ■ Pension plans established by an employer (including 457 plans, 401(k) plans, etc.) ■ Educational assistance used to pay tuition, fees, and other necessary education expenditures, such as grants and scholarships ■ Up to $1,500 in funeral agreements per AU member ■ Tools, stock and inventory needed for self-employment
Arizona	■ All vehicles ■ IDAs up to $9,000 (for current recipients only) ■ 529 and 530 educational savings accounts ■ Retirement accounts including 401(k)s and 457 plans ■ The first $1,500 in equity value of one prepaid burial plan or funeral agreement for each participant ■ Tools, equipment, machinery, animals and other items that may be used to produce income ■ A business checking account used only for self-employment ■ Earned Income Tax Credit	Asset test eliminated
Arkansas	■ One vehicle per household ■ IDAs ■ Saving for Education, Entrepreneurship and Down Payment (SEED) children's savings accounts ■ Educational grants and settlement payments that are intended and used for purposes which preclude their use for current living costs ■ Life insurance ■ Income-producing real or personal property ■ Funds in escrow up to $10,000 if recipient is engaged in microenterprise EITCs and other tax refunds	■ Up to $1,500 of current equity value in funeral agreements per household member ■ The stock and inventory of a self-employment enterprise

	TANF	Medicaid
State	Summary of excluded assets	
California	■ A vehicle that is essential for employment or is necessary to transport a disabled household member ■ One vehicle per licensed driver for work or school ■ IDAs ■ Education savings accounts, including 529 accounts and Coverdells ■ Retirement plans, including 401(k)s, 403(b)s and 457 plans ■ Cash value of life insurance policies ■ For current recipients, any amount for education or job training of a parent or child, a business start-up or purchase of a home ■ EITC up to 12 months of receipt	■ Motor vehicles are exempt if they are used for self-employment, income producing purposes, transporting a disabled individual living in the home, as a home (only one vehicle may be exempt on this basis); or transporting the primary supply of fuel/water for the home ■ Life insurance policies ■ Irrevocable prepaid burial contracts ■ One revocable burial fund or revocable prepaid burial contract with a value of up to $1,500 per person ■ Income producing property ■ Personal property used in a trade or business
Colorado	■ One vehicle per employed household member ■ IDAs ■ Education savings accounts, scholarships and educational stipends ■ Retirement savings accounts ■ Health care savings accounts ■ Life or disability insurance policies that may have a cash value ■ Personal property necessary for self-employment, such as inventory or tools ■ EITC refunds	Asset test eliminated
Connecticut	■ One vehicle, up to $9,500 or any vehicle needed to transport a disabled household member ■ Assets set aside for future post-secondary education (if assets are not commingled with other assets and if the assets are under the child's name in an UGMA or similar account) ■ IRAs, 401(k)s and Keoghs ■ Up to $1,800 in a revocable burial fund for each household member ■ Cash surrender value of life insurance ■ Assets of a trade or business that are essential to self-support ■ Student financial rewards[39]	Asset test eliminated

39 Individual Development Accounts and EITC payments are not formally excluded, but are generally not counted.

	TANF	Medicaid
State	Summary of excluded assets	
Delaware	■ All vehicles ■ Saving for Education, Entrepreneurship and Downpayment (SEED) accounts (treated as EBIAs) ■ Up to $5,000 in Education and Business Investment Accounts (EBIAs) ■ Financial assistance received from school grants, scholarships, vocational rehabilitation payments, and JTPA payments ■ Cash value of a life insurance policy ■ Funeral agreements up to $1,500 for each member ■ Tools and equipment used for self-employment ■ EITC for 12 months	Asset test eliminated
District of Columbia	■ All vehicles ■ IDAs up to $10,000 ■ 529 college savings accounts ■ IRAs, Keogh accounts, 401(k), 403(b) and 457 accounts, and all other retirement funds as long as the funds remain in the retirement plan ■ All funds in a prepaid burial account, burial plan or burial trust ■ Property that produces income consistent with its fair market value ■ Income-producing assets essential to self-support ■ EITC	Asset test eliminated
Florida	■ Vehicles with equity value up to $8,500 ■ Vehicles used to transport the physically disabled ■ Retirement accounts ■ $1,500 of equity value in a single funeral agreement ■ Any grants, gifts or scholarships received by the individual for educational expenses	■ Vehicles used for training, employment or education up to a combined total of $8,500 ■ Vehicles used to transport the physically disabled ■ Retirement accounts ■ Up to $1,500 of equity value in a single funeral agreement per household member

	TANF	Medicaid
State	Summary of excluded assets	
Georgia	■ Two vehicles are exempt up to $4,650 if used for travel to work or school ■ IDAs up to $5,000 ■ Health savings accounts ■ Child care savings accounts ■ Retirement plans, including 401(k)s and 457 plans, but not IRAs ■ Life insurance ■ Up to $1,500 of the combined equity value of all burial contracts and burial insurance for each household member ■ Income-producing property ■ Real property rented to others that annually produces income consistent with fair market value	■ One vehicle if used either primarily as a dwelling or more than 50% of the time for income-producing purposes ■ 401(k)s, Keogh plans, IRAs ■ 529 college savings plans if applicant/recipient is beneficiary ■ Unspent portion of payments for education assistance which is excluded as a resource ■ Funds which are held in a spending account to pay certain expenses such as child care or medical expenses ■ Accounts through an employer which may only be used to reimburse certain medical services ■ Up to $1,500 of the combined value of all burial contracts and burial insurance for each household member ■ Unspent death benefits ■ Life insurance ■ Escrow accounts ■ Tools, machinery, equipment, stock and inventory essential to the production of goods or services ■ Property essential to self-support ■ EITC payments up to 10 months after receipt
Hawaii	■ All vehicles ■ IDAs ■ Educational assistance benefits ■ Funeral plans up to $1,500	■ All vehicles ■ Value of bona fide funeral or burial plans or agreements
Idaho	■ One vehicle per adult ■ Accounts with funds legally identified as monies to pay for educational expenses ■ Retirement accounts ■ Cash surrender value of a life insurance policy ■ Cash value of an irrevocable funeral agreement ■ Real property that produces income consistent with its fair market value ■ Equipment used in a trade or business, including tools, equipment and farm animals ■ EITC and other state and federal tax refunds	■ One vehicle, regardless of value ■ One funeral agreement for each family member, up to $1,500 ■ Life insurance policies for each family member up to $1,500 equity value
Illinois	■ One vehicle ■ IDAs ■ Individual Retirements Accounts, 401(k)s and Keogh plans ■ Prepaid funeral agreements worth $1,500 or less per person ■ Any savings and interest in which the money is accumulated from the earning of a child ■ Equipment and inventory needed for a self-employment enterprise	Asset test eliminated

	TANF	Medicaid
State	**Summary of excluded assets**	
Indiana	■ One vehicle up to $5,000 ■ Funeral agreements up to $1,500 ■ EITC payments	■ One vehicle up to $5,000 ■ Retirement accounts that cannot be obtained without terminating employment ■ Prepaid funeral agreement up to $1,500 ■ EITC payments
Iowa	■ One vehicle regardless of value and $4,115 of equity for each motor vehicle beyond that per adult or working teenager ■ IDAs ■ Life insurance with no cash surrender value ■ Funeral agreements up to $1,500 ■ Nonhomestead property that produces income consistent with the property's fair market value ■ Equity up to $10,000 for tools of the trade or capital assets of self-employed households	■ One vehicle, regardless of value ■ IDAs ■ Retirement funds if only available through termination or hardship ■ All financial assistance for education or training ■ One burial trust or funeral contract for each member of the eligible group, up to $1,500 ■ Life insurance policies up to $1,500 for each spouse ■ Property producing income consistent with fair market value Inventory/supplies necessary for self-employment and up to $10,000 of tools of the trade & capital assets ■ EITC for up to 12 months
Kansas	■ All vehicles ■ 529 college savings accounts ■ Funeral agreements up to $7,000 ■ Burial funds of up to $1,500 per household member ■ Insurance with no cash surrender value ■ Property essential to employment or self-employment ■ Real property that produces income consistent with its fair-market value ■ EITC payments up to 12 months	Asset test eliminated
Kentucky	■ All vehicles ■ IDAs up to $5,000 ■ Funds in an IRA, state retirement, deferred compensation, etc., during period of unavailability ■ All illiquid assets	■ One vehicle if used for employment, to obtain medical treatment, or if specifically equipped for a person with a disability ■ IDAs up to $5,000 ■ IRAs and Keogh plans ■ Burial reserve up to $1,500 per individual ■ Equity of $6,000 in income-producing real property ■ Tools of a tradesperson or farmer if essential for self-support in a trade or business
Louisiana	Asset test eliminated	Asset test eliminated

	TANF	Medicaid
State	Summary of excluded assets	
Maine	■ One vehicle per household ■ IDAs, Family Development Accounts or Separate Identifiable Accounts up to $10,000 ■ Cash surrender value of insurance policies ■ Prepaid burial contracts ■ Income-producing property ■ Livestock used to produce income ■ All educational grants, loans and scholarships	■ One primary vehicle ■ A second vehicle if needed for employment or medical treatment ■ Educational grants ■ Money in an account (e.g. savings/checking account, IRAs, Keogh, stocks, bonds, mutual funds, etc.) – up to $8,000 for an individual and $12,000 for a family of two or more ■ Burial contracts ■ Cash value of life insurance ■ Escrow accounts and interest paid on these accts (while unavailable) ■ Property, including real property, used in the production of income
Maryland	Asset test eliminated	Asset test eliminated
Massachusetts	■ The first $10,000 of the fair market value of one vehicle and the first $5,000 of the equity value of one vehicle ■ IDAs ■ Prepaid funeral arrangements up to $1,500 ■ Grants or scholarships to a student ■ Property essential to employment or self-employment ■ EITC up to 12 months	Asset test eliminated
Michigan	■ One vehicle, and all others if used for employment or training ■ IDAs ■ Funds in a separate account under a student's name and accrued solely from a student's earnings ■ 529 plans ■ Tax refunds and credits	■ IDAs ■ Retirement plans (IRAs, Keogh, 401k) that are not available unless a person quits their job ■ Funds in a separate account under a student's name and accrued solely from a student's earnings ■ 529 plans ■ Savings, share, checking or draft accounts used solely for the expenses of a business ■ Tax refunds and credits
Minnesota	■ The first $15,000 in loan value of one vehicle ■ Vehicles used for self-employment, to transport disabled AU members, for long-distance employment-related travel, or if more than 50% of use is to produce income ■ IDAs through the Family Assets for Independence in Minnesota (FAIM) program ■ School grants, or scholarships ■ Assets used for self-employment ■ Money held in escrow for a self-employment business	■ One vehicle, used for employment or seeking employment, for each household member of legal driving age ■ IDAs ■ Retirement funds that are individually owned or employer-based, including but not limited to IRAs, 401(k) plans, 403(b) plans and Keogh plans ■ Student financial aid sources ■ Money held to pay real estate taxes or insurance by a homeowner ■ Burial funds up to $1,500 ■ Capital or operating assets of a trade or business up to $200,000

	TANF	Medicaid
State	Summary of excluded assets	
Mississippi	■ All vehicles, except recreational vehicles ■ 529 and Coverdell accounts ■ Retirement plans including IRAs and Keogh plans ■ Up to $1,500 in a funeral agreement per household member ■ Cash surrender value of life insurance ■ Equipment essential to operation of a small business ■ Real property that brings in annual rent ■ EITC payments up to 12 months	Asset test eliminated
Missouri	■ One vehicle and up to $1,500 equity value of an additional vehicle ■ IDAs ■ $1,500 of equity value of prepaid burials for each family member ■ Income received on an annual basis (such as sale of livestock in the fall) and put aside in a separate account for yearly maintenance as cash and securities ■ Saleable personal property used to produce income (livestock, merchandise, etc.)	Asset test eliminated
Montana	■ One vehicle per household ■ Business Asset Development Accounts ■ Burial accounts up to $1,500 ■ Term life insurance policies ■ Cash and face value of ordinary (whole) life insurance policies ■ Employment-related retirement accounts that can only be accessed upon termination ■ Income producing property for self-employment	■ One vehicle used as a home or for income-producing purposes ■ All educational income ■ Burial accounts up to $1,500 ■ Term life insurance policies ■ Cash and face value of ordinary (whole) life insurance policies ■ Irrevocable burial accounts ■ Life estates used to produce income consistent with the property's value ■ Business checking accounts ■ Property/equipment necessary for employment ■ Livestock necessary for self-employment or home consumption
Nebraska	■ One vehicle if it is used for employment or medical transportation ■ IDAs ■ The cash value of life insurance policies ■ Irrevocable burial trusts up to $3,000 per individual ■ Proceeds of an irrevocable burial insurance policy ■ Unavailable job-related retirement account held by the employer ■ Stocks, inventory and supplies used for self-employment	■ One vehicle if used for employment, medical transportation, or as a home ■ IDAs ■ Unavailable job-related retirement account that is held by the employer ■ Cash value of life insurance policies ■ Irrevocable burial trusts up to $3,000 per individual ■ Proceeds of an insurance policy that is irrevocably assigned for the purpose of burial of the client ■ Stocks, inventories and supplies used in self-employment

	TANF	Medicaid
State	Summary of excluded assets	
Nevada	■ One vehicle per household ■ IDAs ■ Retirement accounts, including 401(k)s, 457 plans, Federal Employee Thrift Savings plans, Section 501(e)(18) plans and Section 403(b) plans, but not including IRAs or Keogh plans ■ Prepaid burial insurance policies, funeral plans, funeral agreements and insurance policies ■ Property used for self-employment ■ Property that produces income consistent with fair market value	■ IRS-recognized retirement accounts ■ Medical savings accounts ■ Approved accounts of $15,000 or less ■ Life insurance policies with cash surrender values of less than $50,000 ■ Funeral/burial policies ■ Tax refunds
New Hampshire	■ One vehicle per licensed household member ■ IDAs ■ Contractual Keogh Plans ■ One burial contract for each household member, up to $1,500 ■ Life insurance policies for which the total combined equity value of the policy or policies is less than or equal to $1,500 or the state has been made the beneficiary to the policy or policies ■ Farm machinery and farm vehicles, livestock, farm tools, farm equipment and other tools and equipment	■ One vehicle per adult household member ■ IDAs ■ Keogh plans ■ Irrevocable burial contracts or trusts ■ One burial contract for each household member, up to $1,500 ■ Life insurance policies up to $1,500
New Jersey	■ All vehicles ■ IDAs ■ Prepaid burial plots and funeral arrangements ■ Life insurance policies ■ Livestock, machinery, tools and equipment used to produce income	Asset test eliminated
New Mexico	■ All vehicles ■ IDAs ■ Equity value of funeral agreements ■ Buildings used for rental purposes, if located on land contiguous to the land upon which the residence building is constructed ■ Work-related equipment up to $1,000 per individual	Asset test eliminated

	TANF	Medicaid
State	Summary of excluded assets	
Oregon	■ Up to $10,000 equity value of all motor vehicles ■ Recreational vehicles with equity value of less than $1,500 ■ Individual education accounts for participants in JOBS PLUS program ■ Educational income ■ Cash surrender value of a life insurance policy ■ One prepaid burial arrangement per household member ■ Capital assets for self-employed clients participating in the microenterprise component of the JOBS program ■ All EITC payments	■ All motor vehicles regardless of value ■ Equity value of retirement/pension plans ■ One prepaid burial arrangement per household member ■ Cash surrender value of life insurance policy ■ Income-producing property ■ EITC payments
Pennsylvania	■ One vehicle ■ IDAs ■ Saving for Education, Entrepreneurship and Downpayment (SEED) accounts ■ Educational Savings Accounts ■ Educational assistance in the form of grants and scholarships ■ The face or cash surrender value of life insurance policies ■ Up to $1,500 in a bona fide revocable burial reserve for each household member ■ Farm equipment or farm animals ■ Equipment needed for employment, rehabilitation or self-care ■ EITCs and any income tax refund	Asset test eliminated
Rhode Island	■ One vehicle for each adult household member, up to two vehicles per household ■ Vehicles used primarily for income-producing purposes ■ Funeral agreement up to $1,000 for each household member ■ Income-producing property other than real estate	Asset test eliminated

	TANF	Medicaid
State	Summary of excluded assets	
New York	■ One vehicle up to $9,300, if needed for employment ■ IDAs ■ Up to $4,650 in a separate bank account established by an individual while currently in receipt of assistance, for the sole purpose of enabling the individual to purchase a first or replacement vehicle to seek, obtain or maintain employment, so long as the funds are not used for any other purpose ■ One bona fide funeral agreement up to an equity value of $1,500 per household member ■ Business/farm equipment and tools used for employment ■ EITC payments	Asset test eliminated
North Carolina	■ All vehicles ■ All retirement accounts ■ Burial and life insurance ■ Income-producing property ■ EITC payments	■ Motor vehicles used as primary sources of transportation ■ Retirement accounts, including 401(k)s and IRAs, unless withdrawn ■ Accident insurance with death benefit ■ Burial contracts and insurance ■ Life insurance ■ Income-producing personal property, business or farm equipment ■ EITC for 9 months following receipt
North Dakota	■ One vehicle ■ Prepaid burial plans up to $3,000	Asset test eliminated
Ohio	Asset test eliminated	Asset test eliminated
Oklahoma	■ One vehicle up to $5,000 ■ IDAs up to $2,000 ■ SEED accounts up to $2,000 ■ Face value of a life insurance policy to fund a prepaid burial contract ■ Burial funds up to $1,500 for AU member ■ Education grants, including work study, scholarships and similar grants ■ Accounts, stocks, bonds or other resources held under the control of a third party if the funds are designated for educational purposes for a TANF child ■ Livestock and equipment used in a business enterprise	Asset test eliminated

	TANF	Medicaid
State	Summary of excluded assets	
South Carolina	■ One vehicle per licensed driver ■ Leased vehicle if owner retains title ■ IDAs up to $10,000 ■ Income-producing property with market rate of return ■ Property essential to employment/self-employment ■ Vehicles if used to transport a person with a disability for self-employment or income-producing purposes as long as number of vehicles does not exceed number of licensed drivers ■ Up to $1,500 in a prepaid burial contract ■ Burial insurance ■ Cash value of life insurance	■ One vehicle for each licensed driver, up to $20,000 ■ The equity value of any other vehicles may be excluded if used for self-employment ■ Retirement plans as long as the individual is employed ■ Up to $1,500 in burial funds ■ Cash value of life insurance policies up to $10,000 ■ Term life insurance ■ Real property or equipment being used in a business enterprise ■ EITC payments up to 12 months
South Dakota	■ One primary vehicle, regardless of value ■ One additional vehicle valued up to $4,650 if used to obtain or continue employment, attend training preparatory to employment or attend school ■ A vehicle necessary to transport a member of the household who has a physical disability, or is on SSI and would be a member of the assistance unit if not on SSI ■ An income-producing vehicle ■ The equity value of a prepaid burial contract up to a maximum of $1,500 ■ Educational grants ■ The first $1,000 of the cumulative balance of a dependent child's savings account, checking account, bonds or certificates of deposits, if the excluded funds are owned solely by the dependent child or jointly with the caretaker or another adult relative; the child is at least a half-time student; the child is employed at least part-time or has been employed at least part-time in the preceding 12 months; and a portion of the account was derived from the child's earnings	■ One primary vehicle, regardless of value ■ Any other vehicles necessary to transport a member of the household who has a physical disability, to carry water or fuel, or for self-employment
Tennessee	■ IDAs up to $5,000 in the 12 demonstration counties (however, the entire value of an IDA is counted as a resource in non-demonstration counties) ■ The value of an IDA-WtW up to $5,000 in all counties ■ IRAs, 401(k)s and Keoghs of $20,000 or less ■ Burial policies ■ Cash value of life insurance policy ■ Student grants ■ Equipment used in a self-employment enterprise	■ One burial agreement up to $1,500 per family member ■ Equipment used in a self-employed enterprise to produce income

	TANF	Medicaid
State	Summary of excluded assets	
Texas	■ $4,650 is exempt for each vehicle owned by a TANF-certified or disqualified household member ■ All licensed vehicles used for income-producing purposes or for transporting a disabled household member ■ Texas 529 college savings accounts and Coverdell accounts ■ IRAs, 401(k)s, 403(b)s, Simplified Employee Pension and Keoghs ■ Cash value of life insurance policies ■ Up to $7,500 cash value of a prepaid burial insurance policy, funeral plan or funeral agreement for each household member ■ Personal property that is essential to employment or self-employment, annually produces income consistent with a fair market value comparable in the community or is necessary for the maintenance or use of a vehicle exempted as income-producing or as necessary for transporting a physically disabled household member ■ EITC payments up to 11 months	■ All licensed vehicles used for income-producing purposes, to transport a physically disabled family member, as a home, or to carry fuel/water ■ Matched funds in any type of IDA ■ Retirement accounts, including IRA and 401(k) ■ Section 529 and 530 college savings accounts and Coverdell Education Tuition Savings Plans ■ Educational assistance including education loans ■ Cash value of life insurance policies ■ Up to $7,500 cash value of a prepaid burial insurance policy, funeral plan or funeral agreement for each household member ■ Property that annually produces income consistent with its fair market value ■ Property essential to self-employment (ex: tools of the trade, farm machinery, stock and inventory) ■ EITC payments up to 11 months
Utah	■ All vehicles ■ Burial/funeral funds up to a maximum of $1,500 per household member ■ Reasonable assistance received for post-secondary education ■ Income-producing property (except real property) necessary for employment	■ Total equity value of one vehicle if fair market value does not exceed $15,200 ■ Educational assistance and college work study ■ Term life insurance with no cash value ■ Up to $1,500 of burial funds ■ Assets used for self-employment ■ EITCs and Child Tax Credits up to 12 months after receipt
Vermont	■ One vehicle per AG with one adult and 2 vehicles per AG with 2+ adults ■ IDAs ■ Loan and cash value of whole life insurance ■ One burial plot and funeral agreement per individual ■ Assets accumulated from subsidized or unsubsidized earnings of adults and children (for current recipients) ■ Interest on excluded assets ■ Illiquid assets purchased with savings from earnings or with a combination of savings from earnings and other excluded income or resources, such as SSI/AABD retroactive benefits or federal EITC lump-sum income ■ Personal property used to produce income ■ Vermont and federal EITC payments ■ If a family reapplies for assistance after Reach Up terminates, assets accumulating during the time the family was not participating in Reach Up are excluded, provided that all other criteria for exclusion are met	■ One vehicle per AG with one adult and 2 vehicles per AG with 2+ adults ■ Health Savings Accounts for which funds are not available ■ Cash value of whole life insurance ■ Funeral agreements up to $1,500 for each member ■ Income-producing property (including tools, livestock, equipment, machinery, etc.)

	TANF	Medicaid
State	Summary of excluded assets	
Virginia	Asset test eliminated	Asset test eliminated
Washington	■ A licensed vehicle needed to transport a physically disabled household member ■ One additional vehicle up to $5,000 Savings accounts with combined balances of up to $3,000, over and above the current $1,000 resource limit (for current recipients) ■ Educational assistance in the form of grants, or work study ■ Burial agreements up to $1,500 ■ Property that produces income consistent with fair market value ■ Property needed for self-employment	■ A licensed vehicle needed to transport a physically disabled household member ■ One additional vehicle up to $5,000 ■ Unavailable retirement funds ■ Educational benefits that are excluded as income ■ Irrevocable educational trust fund up to $4,000 per child ■ Burial insurance policies or funeral agreements up to $1,500 ■ Property that produces income consistent with its fair market value ■ Property needed for self-employment ■ Self-employment accounts receivable but have not yet been collected
West Virginia	■ One vehicle per household, regardless of value ■ Leased vehicles ■ 529s, Coverdells and prepaid tuition plans ■ Funds held in CDs that cannot be withdrawn prior to maturity under any circumstances (the certificate is not an asset until the first month after it matures)	■ Educational grants, scholarships, fellowships, and gifts ■ Up to $3,000 for each AG member of burial funds
Wisconsin	■ Combined equity value of vehicles up to $10,000	Asset test eliminated
Wyoming	■ One vehicle regardless of value; two vehicles for a married couple ■ Savings account designated for higher education, established from earnings of a dependent child under age 18 who is a full-time high school student ■ $1,500 of Burial Funds for each AU ■ Educationgrants, and scholarships ■ Livestock, farm machinery, tools for self-employment ■ EITC up to 12 months	Asset test eliminated

Attachment 3

Table 1. Medicaid Eligibility for Aged, Blind, Disabled Category, 2009							
STATE	**Monthly Income**		**Disregard†**	**Income Limit % of FPL or SSI**		**Assets**	
	Single	***Couple***		***Single***	***Couple***	***Single***	***Couple***
Alabama	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Alaska	$1,252 (APA-based income)	$1,854 (APA-based income and if both are eligible)	$20	109% AK poverty line	120% AK poverty line	$2,000	$3,000
Arizona	$903	$1,215	$20	100% FPL	100% FPL	No Limit	No Limit
Arkansas	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
California	$903	$1,215	$230individual/ $310 couple	100% FPL	100% FPL	$2,000	$3,000
Colorado*	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Connecticut^*1	$506.22 (Regions B&C); $610.61 (Region A)	$672.10 (Regions B &C); $777.92 (Region A)	$278 individual/ $556 couple	56% of FPL (Region B&C); 68% (Region A)	56% of FPL (Region B&C); 68% (Region A)	$1,600	$2,400
Delaware	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
District of Columbia	$902.50	$1,214.17	$20	100% FPL	100% FPL	$4,000	$6,000
Florida	$674	$1,011	$20	75% FPL	83% FPL	$5,000	$6,000
Georgia	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Hawaii^	$1,038	$1,396	$20	100% HI poverty line	100% HI poverty line	$2,000	$3,000
Idaho	Max SSI/SSP $707	Max SSI/SSP $1,011	$20	78% FPL	83% FPL	$2,000	$3,000
Iowa*	$674	$1,011	$20	75% FPL	SSI-based - 83% FPL	$2,000	$3,000
Illinois^	$903	$1,215	$25	100% FPL	SSI-based 100% FPL	$2,000	$3,000
Indiana^	$674	$1,011	$20	75% FPL	83% FPL	$1,500	$2,250
Kansas	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Kentucky	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$4,000
Louisiana	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Maine	$903	$1,215	$75	100% FPL	100% FPL	$2,000	$3,000
Maryland	$674	$1,011	$20	75% FPL	83% FPL	$2,500	$3,000
Massachusetts	$903 ($1,201 if under 65 and disabled)	$1,215 ($1,616 if under 65 and disabled)	$20	100% FPL (133% FPL)	100% FPL (133% FPL)	$2,000 (over the age of 65) or No Limit (under 65 and disabled)	$3,000 (over the age of 65) or No Limit (under 65 and disabled)
Michigan	$903	$1,215	$20	100% FPL	100% FPL	$2,000	$3,000
Minnesota^	$903	$1,215	$20	100% FPL	100% FPL	$3,000	$6,000
Mississippi	$724	$1,061	$50	80% FPL	87% FPL	$4,000	$6,000
Missouri^	$768	$1,033	$20	85% FPL	85% FPL	$1,000	$2,000
Montana	$674	$1,011	$20	75% FPL	SSI-based - 83% FPL	$2,000	$3,000
Nebraska	$903	$1,215	$20	100% FPL	100% FPL (if not on SSI)	$4,000	$6,000
Nevada	Max SSI/SSP $710.40 (aged, living independently) $783.30 (blind living independently), $674.00 (disabled)	Max SSI/SSP $1,085.46 (aged, living independently) $1,385.60 (blind, living independently) $1,011 (disabled)	$20	86% FPL (aged, living independently) 87% FPL (blind living independently) 75% FPL (disabled)	89% FPL (aged, living independently) 114% FPL (blind, living independently); 83% FPL (disabled)	$2,000	N/A
New Hampshire^	Max SSI/SSP $714	Max SSI/SSP $1,052	$13	79% FPL	87% FPL	$1,500	$2,250
New Jersey	$903	$1,215	$20	100% FPL	100% FPL	$4,000	$6,000
New Mexico	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
New York	$767	$1,117	$20	85% FPL	92% FPL	$4,350	$6,400
North Carolina	$903	$1,215	$20	100% FPL	100% FPL	$2,000	$3,000
North Dakota^	$674	$1,011	$20	75% FPL	83% FPL	$3,000	$6,000
Ohio^	$589	$1,011	$20	65% FPL	83% FPL	$1,500	$2,250
Oklahoma^	$718	$1,056 (if an eligible individual with ineligible spouse) or $1,099 (both spouses are eligible)	$20	Max SSI/SSP 80% FPL	Max SSI/SSP 87% FPL; 90% FPL	$2,000	$3,000
Oregon	Max. SSI/SSP $675.70 (Aged & Disabled) $700.70 (blind)	Max. SSI/SSP $1,011 (Aged and disabled) $1,036 (blind)	$20	75% FPL (Aged & Disabled); 78% blind	83% FPL (Aged and Disabled); 85% FPL (blind)	$4,000	$6,000
Pennsylvania	$903	$1,215	$20	100% FPL	100% FPL	$2,000	$3,000
Rhode Island	$903	$1,215	$20	100% FPL	100% FPL	$4,000	$6,000
South Carolina	$903	$1,215	$20	100% FPL	100% FPL	$4,000	$6,000
South Dakota*	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Tennessee	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Texas	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Utah	$903	$1,214	$20	100% FPL	100% FPL	$2,000	$3,000
Vermont[2]	$916 ($991 in Chittenden)	$916 ($991 in Chittenden)	$20	101% FPL (110% FPL in Chittenden)	75% FPL (82% FPL in Chittenden)	$2,000	$3,000
Virginia^	$722	$972	$20	80% FPL	80% FPL	$2,000	$3,000
Washington*	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
West Virginia	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000
Wisconsin	Max SSI/SSP $757.78	Max SSI/SSP $1,143.05	$20	84% FPL	94% FPL	$2,000	$3,000
Wyoming*	$674	$1,011	$20	75% FPL	83% FPL	$2,000	$3,000

SOURCE: KCMU based on data collected by Medicare Rights Center, 2009

† 45 states, including DC, use the standard general income disregard of $20 when determining eligibility, which is added to the monthly income limit for the individual or couple.

* Does not reflect SSI State Supplement. State Supplements are found at http://ssaonline.us/policy/docs/progdesc/ssi_st_asst/2009/index.html#toc.

^ 209(b) eligibility states: Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Dakota, Ohio, Oklahoma, and Virginia

[1] Connecticut has two income standards, based on the region individual is living

[2] Vermont uses a higher income standard for Chittenden County only

HOUSE OF REPRESENTATIVES
TWENTY-SIXTH LEGISLATURE, 2012
STATE OF HAWAII

H.R. NO. 124

HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A STUDY ON ASSET LIMITS TO QUALIFY FOR PUBLIC ASSISTANCE.

WHEREAS, public assistance programs currently limit eligibility to individuals and families with few or no assets to ensure public resources are provided to those most in need; and

WHEREAS, however, asset limits can discourage savings and prevent families from making investments that can help them escape poverty and reliance on public assistance programs; and

WHEREAS, while the Legislature could amend the law to raise the asset limit, such a change may affect all assistance programs administered by the Department of Human Services; and

WHEREAS, a more prudent approach would be to study the potential effects of raising the asset limit; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-sixth Legislature of the State of Hawaii, Regular Session of 2012, that the Department of Human Services is requested to conduct a study on asset limits to qualify for public assistance; and

BE IT FURTHER RESOLVED that the study is requested to include a review and evaluation of information on practices, policies, and trends regarding asset limits, and the applicability of asset limits to the Supplemental Nutritional Assistance Program, Temporary Assistance for Needy Families Program, Temporary Assistance to Other Needy Families Program, and the MedQuest Program; and

BE IT FURTHER RESOLVED that the Department of Human Services consider the cost implications related to changing these asset limits; and

H.R. NO. 124

BE IT FURTHER RESOLVED that the Department of Human Services is requested to submit a report of its findings and any proposed legislation, including recommendations for appropriate changes to asset limits, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Human Services.

OFFERED BY: ____________________

MAR 14 2012