RESOURCE GUIDE:

LIFTING ASSET LIMITS IN PUBLIC BENEFIT PROGRAMS[1]

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ASSETS & OPPORTUNITY
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OVERVIEW

Many public benefit programs – such as cash welfare and Medicaid – limit eligibility to those with few or no assets. If individuals or families have assets exceeding the state's limit, they must "spend down" longer-term savings in order to receive what is often short-term public assistance. These asset limits, which were originally created to ensure that public resources did not go to "asset-rich" individuals, are a relic of entitlement policies that in some cases no longer exist. Cash welfare programs, for example, now focus on quickly moving individuals and families to self-sufficiency, rather than allowing them to receive benefits indefinitely. Personal savings and assets are precisely the kinds of resources that allow people to move off public benefit programs. Yet, asset limits can discourage anyone considering or receiving public benefits from saving for the future.

WHAT STATES CAN DO

States determine many key policies related to families receiving benefits. States have discretion in setting or eliminating asset limits for Temporary Assistance to Needy Families (TANF), Medicaid and the Children's Health Insurance Program (CHIP).[2] In addition, states have the authority to address asset limits for the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program.[3]

Program	Asset limits	What states can do
TANF	$2,000-$3,000 in most states	▪ Eliminate limits entirely, as six states have done ▪ Substantially increase limits so they do not affect most recipients ▪ Exclude classes of assets, such as individual development, retirement or college savings accounts
Family Medicaid[4]	$1,000-$30,000 in states that have limits	▪ Eliminate limits entirely, as 24 states have done and all states must do by 2014 ▪ Substantially increase limits so they do not affect most recipients ▪ Exclude classes of assets, such as individual development, retirement or college savings accounts
SNAP	$2,000 ($3,250 if disabled or elderly household member)-$25,000 in states that have limits	▪ Eliminate limits entirely, as 36 states have done ▪ Substantially increase limits so they do not affect most recipients[5]

1 CFED thanks Stacy Dean and Colleen Pawling of the Center on Budget and Policy Priorities and Dory Rand of the Woodstock Institute for their assistance in developing and reviewing this guide.

2 Only Missouri and Texas have asset limits in their CHIP programs; the limit in Texas is $10,000 and the limit in Missouri is $250,000.

3 Stacy Dean, *2002 Federal IDA Briefing Book: How IDAs Affect Eligibility for Federal Programs: The SNAP Program*, (Washington, DC: CFED and the Center on Budget and Policy Priorities, 2002).

4 Family Medicaid serves both children and their parents.

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

ELEMENTS OF A STRONG POLICY

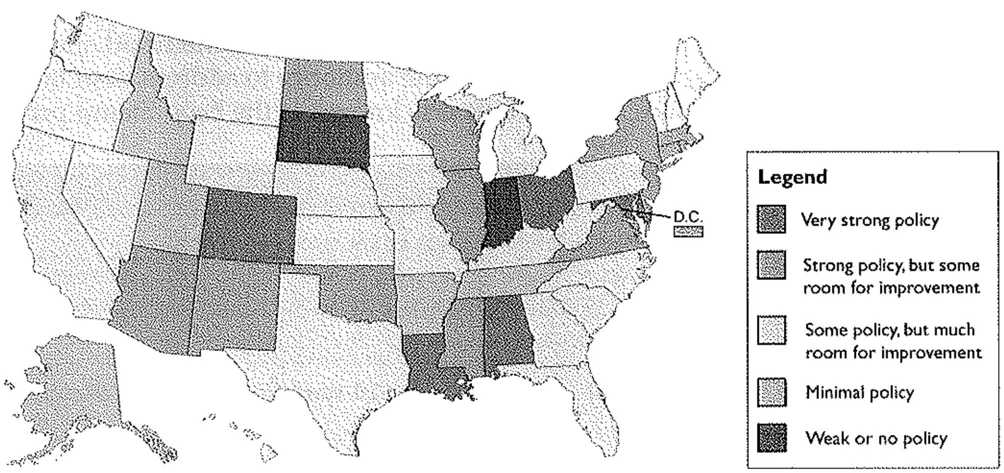
The best option: Based on extensive research by many national and state organizations,[6] CFED considers a state's asset limit policy strong if it has eliminated asset limits in TANF, Medicaid and SNAP.

Incremental improvements: The existence of an asset limit, no matter how high, sends a signal to program applicants and participants that they should not save or build assets. However, if a state has not yet eliminated asset limits entirely, it can take several intermediate steps to mitigate the disincentive to save.

- States can increase asset limits and/or index them to inflation, thereby reducing the likelihood that participants or applicants will reach the limit.
- States can exempt certain classes of assets from their asset tests in the TANF and Medicaid programs. While most programs exclude some "illiquid" assets, such as a home or defined benefit pension, many other liquid holdings, such as defined contribution retirement accounts (e.g., 401(k)s), health savings accounts, education savings accounts (529s and Coverdells) or individual development accounts, often count against the asset limits. States should exempt these types of assets.[7] In addition, vehicles, which are vital for many to find and maintain employment, should be exempted.[8] (See the Appendix for a state-by-state list of key assets excluded from TANF and Medicaid programs.)

STRENGTH OF STATE POLICIES

CFED evaluated the strength of each state's asset limit policies against the following criteria:



For TANF, has the state:

- Eliminated the asset test?
- Raised the limit to at least $15,000 or indexed it for inflation?
- Excluded four or more important classes of assets?

For Family Medicaid, has the state:

- Eliminated the asset test?

6 CFED, 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 and others have all examined this issue.

7 Leslie Parrish, *To Save, or Not to Save? Reforming Asset Limits in Public Assistance Programs to Encourage Low-income Americans to Save and Build Assets*, (Washington, DC: New America Foundation, 2005).

8 If eliminating all vehicles as assets is not feasible, then states could consider eliminating at least one vehicle for each working member of a household.

- Raised the limit to at least $15,000 or indexed it for inflation?
- Excluded four or more important classes of assets?

For SNAP, has the state:

- Eliminated the asset test?
- Raised the limit above $2,000?
- Indexed the limit for inflation?[9]

Overall, since 1996, 24 states have eliminated Medicaid asset limits entirely; six states have eliminated TANF asset limits; and 36 states have eliminated SNAP asset limits. Two states have substantially increased the asset limits in their Medicaid or TANF programs, and 36 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

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
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; $3,250 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; $3,250 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, Anne Whitesell, and Erika Huber, Welfare Rules Databook: State TANF Policies as of July 2011, (Washington, DC: Urban Institute, 2012)

11 Martha Heberlein, et al., *Performance Under Pressure, Looking Ahead: Annual Findings Of A 50-State Survey Of Eligibility, Enrollment, Renewal, And Cost-Sharing Policies In Medicaid And CHIP, 2011-2012*, (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 2012), p.59-60.

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 ($3,250 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	Yes	n/a	n/a	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[13]	No ($5,000)	Yes	No	No ($3,250)	No	Yes	n/a	n/a	
Idaho	No	No ($5,000)	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; $3,250 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	

13 In 2012, Hawaii introduced multiple bills to raise or eliminate the TANF asset test. Although none of these bills passed, the legislature did pass a bill requiring the Department of Human Services to conduct a study analyzing the effects of changing asset limits and report on findings and policy recommendations before the 2013 legislative session.

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?	
Kansas	No	No ($2,000)	Yes	Yes	n/a	n/a	No	No ($2,000; $3,250 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 ($3,000)	Yes	No	Yes ($5,000; excludes one vehicle up to $15,000)	No	
Minnesota	No[14]	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; $3,250 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	

14 In 2012, Minnesota enacted legislation requiring the Department of Human Services to analyze existing asset limits for public benefit programs and provide recommendations for the 2013 legislative session.

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
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[15]	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	

15 New Hampshire excludes all assets for households with children.

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
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	No	Yes ($5,500; $9,000 if household includes elderly or disabled members)	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; $3,250 if household includes elderly or disabled members)	No	
Tennessee	No	No ($2,000)	Yes	No	No ($2,000)	No	No[16]	No ($2,000; $3,250 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; $25 for each additional person)	No	No	No ($2,000; $3,250 if household includes elderly or disabled members)	No	

16 As of September 2012, Tennessee is considering eliminating the SNAP asset test.

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?	
Vermont	No	No ($2,000)	Yes	No	No ($2,000 for one person; $3,000 for two people)	No	Yes	n/a	n/a	
Virginia	Yes	n/a	n/a	Yes	n/a	n/a	No	No ($2,000; $3,250 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; $3,250 if household includes elderly or disabled members)	No	

FEDERAL FLEXIBILITY AND STATE MECHANISMS FOR POLICY CHANGE

SNAP: States that have eliminated their SNAP asset tests have done so by implementing broad-based categorical eligibility. Broad based 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.[17]

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

17 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.

address this disincentive to save.

Unfortunately, there has been recent federal movement to eliminate state flexibility. In 2012, the House Agricultural Committee proposed a Farm Bill that would cut funding for SNAP by more than $16 billion over a decade. Approximately 70% of the savings would come from eliminating Broad Based Categorical Eligibility, that states use to eliminate SNAP asset tests. If this provision is adopted, all states would be required to reinstate their asset tests in SNAP. Advocates across the country voiced outrage over the proposed change, which would undo a decade of progress on SNAP asset reform. As of September 2012, the outcome of the bill is still pending.

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, Louisiana and Colorado enacted legislation to make the change. In the other three states that have eliminated their asset tests – Virginia, Alabama and Maryland – the state TANF agencies used their authority to change administrative rules, without going through a legislative process.

MEDICAID: In 2010, the federal Patient Protection and Affordable Care Act (PPACA) was enacted. PPACA includes a variety of provisions to maximize access to health coverage; redesign insurance to function as a traditional marketplace; hold insurers accountable to consumers; improve delivery systems and quality while containing costs; and reduce state budget deficits.[18] In addition to expanding coverage options, PPACA also lays out a strong vision for eligibility systems that will greatly simplify the enrollment process, including eliminating the asset test. PPACA requires states to drop the asset test by 2014; however, states have the flexibility to drop the test before this date, as New York did in April 2010. Advocates can use the 2014 deadline to help make the case for eliminating the asset test.

STATE PRECEDENTS: ELIMINATING THE TANF ASSET TEST IN LOUISIANA[19]

Agency leadership was instrumental in eliminating the TANF asset test in Louisiana. The Assistant Secretary of the Louisiana Department of Social Services, Adren Wilson, championed the effort and shepherded the change through. Recognizing 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, he argued that rejecting a family's TANF application because of assets was counter-productive to the agency's goal of promoting self-sufficiency. Furthermore, Wilson did not believe eliminating the asset test would impact caseloads, since few TANF applicants had substantial assets.

In July 2008, the Department of Social Services began holding Joint Application Design Sessions to discuss the impact the change would have on IT systems, along with larger programmatic implications. TANF administrators were particularly influenced by a cost-benefit analysis conducted by an outside contractor earlier that year. The analysis pointed out that the state's successful TANF-funded Individual Development Account (IDA) program was in direct conflict with the asset test. On the one hand, the state was encouraging families to save and accumulate assets through the IDA program; while on the other hand, families were being penalized for owning assets through the TANF asset test. After a number of design sessions, TANF administrators were convinced that eliminating the asset test would benefit families and streamline program rules.

18 Stan Dorn, *"State Implementation of National Health Reform: Harnessing Federal Resources to Meet State Policy Goals,"* (Washington, DC: Urban Institute, 2010).

19 CFED thanks Nancy Wright and Myron Berzas at the Louisiana Department of Social Services for their contributions to this section.

In December 2008, at the request of Wilson and the Department of Social Services, the Louisiana Legislature repealed the revised statute, effectively eliminating the asset test. The change took effect on January 1, 2009. The state TANF Plan was subsequently amended to reflect the change. Almost four years after the change, TANF administrators report that there has been little to no change in caseload.

STATE PRECEDENTS: OHIO AND VIRGINIA PIONEER THE ELIMINATION OF TANF ASSET LIMITS[20]

Ohio was the first state to abolish asset limits in TANF; it did so in 1997.[21] Long-serving legislator Rep. Bob Netzley (R) proposed the abolition. Proponents argued that:

- 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 programs.

Although Ohio budget analysts predicted a small increase in the TANF caseload as a result of eliminating the asset test, no caseload increase or political fallout occurred. In fact, Ohio caseloads remained at record-low levels (Less than 25% of 1992 peak levels) as of late 2011, despite the national recession and increases in the TANF benefit level.[22]

In 2003, the Virginia State Board of Social Services adopted administrative rules that eliminated asset limits in its TANF and family and child medical programs, evaluated only liquid assets in its SNAP Program and eliminated the TANF lump-sum rule, which made recipients ineligible for cash assistance after receiving lump-sum payments such as retroactive Supplemental Security Income (SSI) benefits or personal injury settlements.[23] The Virginia Department of Social Services proposed these TANF changes during Gov. Mark Warner's Democratic administration. The state board of the Department of Medical Assistance Services promulgated the regulatory changes relating to Medicaid for families and children.

Like Ohio's policy revisions, Virginia's elimination of asset tests was part of a broader state welfare reform package that simplified earned income disregards, disregarded student earnings, simplified the determination of self-employment and aligned processing time with other assistance programs. When these rules were proposed, Virginia provided cash assistance to families with countable resources of up to $1,000, one vehicle and up to $5,000 in an account for the purposes of self-sufficiency. The Department of Social Services estimated that eliminating the asset test would "increase the assistance provided by $127,200 for 40 families and provide $323,050 savings in administrative staff time annually."[24]

The department argued that asset-test elimination would streamline and simplify program rules, align TANF with other assistance programs, improve service delivery and reduce the administrative burden on

20 This section is from: Dory Rand, "Reforming State Rules on Asset Limits: How to Remove Barriers to Saving and Asset Accumulation in Public Benefit Programs," *Clearinghouse Review Journal of Poverty Law and Policy*, (March-April 2007), p.625-36.

21 *Time-limited cash assistance*, Ohio Rev. Code Ann. § 5107.10(C) (2007).

22 Administration for Children and Families, "Caseload Data 2011," U.S. Department of Health and Human Services, http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/caseload_current.html, (Accessed August 16, 2012).

23 *Income Eligibility*, 22 Va. Admin. Code § 40-295-50 (2003).

24 Virginia Department of Planning and Budget, Economic Impact Analysis, Code of Virginia, Volume 22, Section 40-295-50 (2003).

the agency, applicants and recipients. Mark Golden, the department's manager of economic assistance and employment, explained that asset tests were no longer necessary because:

- Welfare reform's 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 tests has little impact on the caseload (only 1,200 of 60,000 applications, or 0.5%, were denied due to excess assets).[25]

The Virginia Department of Planning and Budget believed the proposed change posed a fiscal risk and suggested that the state retain the asset test but achieve administrative savings by enforcing the test only through random verification. Nonetheless, the rules were adopted as proposed, and all eligibility workers attended training sessions on the new rules.

Since enactment of the new rules, Virginia has not seen a significant long-term caseload increase, even in the current economic environment. Virginia's TANF caseload in December 2011 was 35% lower than in 1997.[26]

MAKING THE CASE: HOW MUCH DOES ELIMINATING ASSET TESTS COST?

Evidence from states that have eliminated asset limits suggests that the administrative cost savings outweigh any real or potential increases in caseload. For instance, eliminating Medicaid asset limits in Oklahoma resulted in administrative cost savings of close to $1 million.[27] In New Mexico, state officials anticipated 38 more people would enroll in Medicaid per month (with an associated increase of $23,000 in direct costs to the state, negligible in comparison with a $5.7 billion annual state budget).[28] In Ohio and Virginia, the "early adopters" of TANF asset limit elimination, caseloads decreased in the years following the change.[29] Similarly, in Louisiana, where the asset test in TANF was eliminated in January 2009, there has not been a significant increase in caseload. In Alabama, Maryland and Colorado where the TANF asset tests were eliminated in 2009, 2010 and 2011, respectively, more time will be needed to determine the long-term effects on caseloads. A number of states, such as Oregon, that raised or eliminated their vehicle asset tests found that doing so had a negligible effect on caseload.[30]

From a cost perspective, raising asset limits may be less desirable than eliminating the limits altogether, as there would still be administrative costs involved in individualized eligibility determinations and verifications. In September 2011, Michigan reversed its asset limit policy in SNAP, reinstating the asset test after years without one. Advocates estimate that only 15,000 of the 1.9 million people in the program are expected to be removed as a result of the test, yet costs to the state for eligibility determinations will increase. More time is needed to assess whether those predictions bear out.

25 Mark Golden, "Asset Policy in Virginia," (presentation, Center for Social Development State Policy Conference, April 21, 2005).

26 Administration for Children and Families, "Caseload Data 2010," U.S. Department of Health and Human Services, http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/caseload_current.html, (Accessed August 16, 2012).

27 Leslie Parrish, *To Save, or Not to Save? Reforming Asset Limits in Public Assistance Programs to Encourage Low-income Americans to Save and Build Assets*, (Washington, DC: New America Foundation, 2005), p.9.

28 Vernon Smith, Eileen Ellis and Christina Chang, *Eliminating the Medicaid Asset Test: A Review of State Experiences* (Menlo Park: The Henry J. Kaiser Family Foundation, 2001), p.14.

29 Leslie Parrish, *To Save, or Not to Save? Reforming Asset Limits in Public Assistance Programs to Encourage Low-income Americans to Save and Build Assets*, (Washington, DC: New America Foundation, 2005), p.9.

30 See Oregon TANF Caseload Reduction Report, December 2010, (http://www.dhs.state.or.us/policy/selfsufficiency/publications/2010ACF-202Overall.pdf).