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To: Members of the Health and Human Services Committee
From: Aubrey Mancuso, Policy Coordinator – Economic Stability and Health
Re: Support for LB 147

Voices for Children would like to express our support for LB 147 and thank Senator Crawford for bringing forward this bill. As some on this committee recall in 2011, the legislature raised the asset limit in the SNAP program to $25,000 and limited it to liquid resources. Since that time, the asset limit in the Low Income Energy Home Assistance Program (LIHEAP) has been aligned it with SNAP. It is our understanding the child care asset limit will be eliminated in the next round of regulatory changes. This bill would take the next step by eliminating the remaining statutory asset limits in SNAP and ADC and giving the department the ability to streamline and modernize documentation requirements across programs. As the state has switched to a primarily online application program, it also makes sense to modernize program policies in ways that reduce the reliance on paperwork.

Under this bill, the income limits for the program remain in place, ensuring that help is still only given to those who need it most. Eight states have eliminated assets tests in their TANF programs entirely and 36 have done so in SNAP.[1]

Research from the New America Foundation has found improved administrative efficiency in public programs in states where asset tests have been eliminated. The same research also found that the benefits of this efficiency can be limited if policies are not aligned across programs since many states, including Nebraska, use a common application form.[2]

Assets tests can also encourage lower income families to remain outside the financial mainstream by doing things like not holding a bank account. Asset tests also encourage the spending down of resources necessary for longer term financial security, like educational saving and retirement accounts, in order to receive temporary assistance.

There is a significant body of evidence suggesting that in order to truly improve a family's financial well-being, we need to consider assets in addition to income. A comprehensive review of the research on assets by the Department of Health and Human Services found that assets have a positive impact on both child well-being and a family's physical and mental health.[3] While we have many policies in place to help wealthier families build assets – like deductions for mortgage interest and retirement savings – we have very few policies that do the same for lower income families and in fact create additional policy barriers to savings through things like asset limits.

LB 147 has the potential to increase the efficiency of our public benefit programs and remove a barrier to financial stability for lower income families. We urge the

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[1] CFED (2014) Resource Guide: Lifting Asset Limits in Public Benefit Programs
[2] New America Foundation (2012), *State Asset Limit Reforms and Implications for Federal Policy*
[3] Lerman and McKernan (2008) The Effects of Holding Assets on Social and Economic Outcomes of Families: A Review of Theories and Evidence

committee to advance this bill. Thank you.