

## Health, Housing and Family Security: Senate File 2902

March 10, 2010



Good afternoon Mr. Chair and members of the Committee. My name is Alexandra Fitzsimmons and I am the Policy Director for the Minnesota Catholic Conference. The MCC is the public policy voice of the Catholic Church in Minnesota and represents the dioceses of Crookston, Duluth, St. Cloud, New Ulm, Winona, and the Archdiocese of St. Paul and Minneapolis.

I am here today to speak in support of Senator Sheran's bill - Senate File 2902.

Asset limits are inconsistent with Minnesota's emphasis on work and self-reliance, and punish the very families that are trying to maintain or achieve economic independence by building their savings. Forcing individuals to spend down *long-term* savings to qualify for *short-term* assistance leaves individuals and families more vulnerable in the future. By reforming the asset limit for MFIP and GA under the specific circumstances outlined in this bill, Minnesota can take a significant step towards encouraging, and allowing, our neighbors to save and build for the future. As you know, assets are limited to \$2,000 for MFIP applicants and \$5,000 for ongoing MFIP recipients. The current asset limit for GA is \$1,500. This amount oftentimes represents needed funds to pay rent, a mortgage payment, health care needs or other pressing needs.

In its final Report, the Legislative Commission to End Poverty in Minnesota by 2020 identified six broad challenges to ending poverty in our State. One of the challenges addressed this very issue. According to the Commission's Report, "Public assistance programs must work to move people toward financial self-sufficiency. Too often well-intentioned programs end up having the opposite effect, especially when they lead to asset depletion as a condition for participation." The Commission also identified the need for helping Minnesotans build and maintain financial assets. To these ends, the Commission recommended enacting public policies that encourage maintenance of assets.

In order to end poverty, individuals and communities must have the opportunity to build wealth. As the Commission eloquently, but simply, stated, "income is how we get by, assets are how we get ahead." As such, I encourage this Committee to support this bill.