

Public Assistance Grant Increase

Over the past 18 years, much has changed in terms of public assistance. The federal government adopted the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), establishing a program of block grants to states, and New York State enacted the Welfare Reform Act of 1997. The new laws put a greater focus on increasing work participation among grant recipients. The number of people receiving public assistance has dropped significantly during this time period. In January 1995, there were over 1.6 million public assistance recipients in New York State; by September 2008, this number had fallen to 501,000, the lowest level in over 40 years. The basic allowance for a family of three currently is \$291 a month and must pay for such expenses as transportation, over-the-counter medicines, diapers, clothing, gasoline and food costs not covered by Food Stamps.

In recent years, the Assembly has been a leading advocate for increasing the basic allowance, most recently including it in the Assembly Budget passed in March 2008. The SFY 2009-10 Executive Proposal finally includes a recommendation for increasing the basic allowance by 10 percent for each of the next three years, effective January 1, 2010. The Assembly had proposed a similar increase in its budget passed in March 2008.

Since 1990, the value of this monthly benefit has eroded, due to inflation and the loss of buying power. Had the basic allowance been indexed to inflation, this

grant would now be \$487. At the same time, the buying power of the \$291 grant has shrunk to \$175 in 1990 dollars. Under the Governor's proposal, the basic allowance would be raised by nearly \$100 to \$387 in January 2012.