FEDERAL GRANTS PER CAPITA, FY 2018
SPECIAL ANALYSIS 19-01
September 2019

Federal Grants Per Capita, FY 2018 (bar chart):

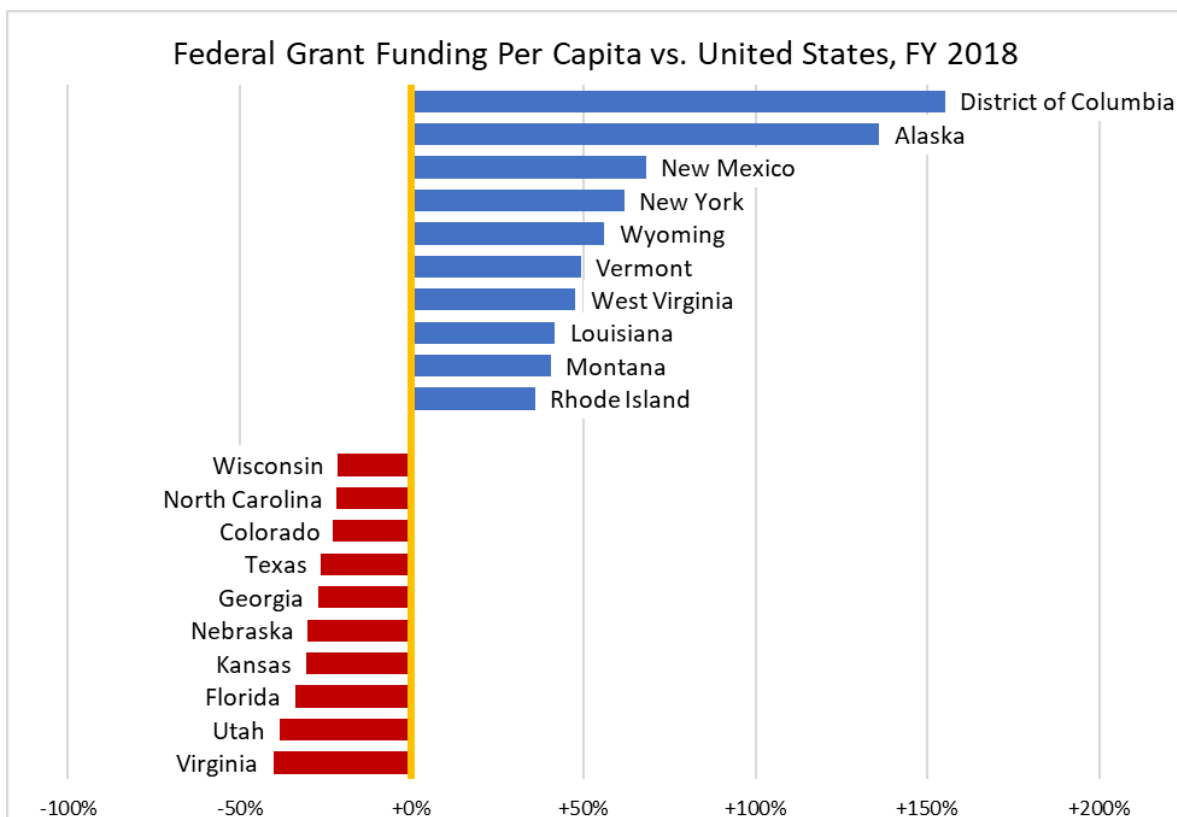| State / Area	Amount
District of Columbia	$5,101
Alaska	
New Mexico	
New York	
Wyoming	
Vermont	
West Virginia	
Virgin Islands	
Louisiana	
Montana	
Rhode Island	
American Samoa	
Arkansas	
Kentucky	
Oregon	
North Dakota	
California	
Mississippi	
Delaware	
Massachusetts	
Pennsylvania	
Connecticut	
Maine	
Ohio	
Indiana	
Northern Mariana Islands	
Minnesota	
Arizona	
Michigan	
United States	$1,999
Missouri	
Hawaii	
Maryland	
New Jersey	
Tennessee	
South Dakota	
Illinois	
Alabama	
Guam	
Washington	
Puerto Rico	
Iowa	
Idaho	
New Hampshire	
Oklahoma	
Nevada	
South Carolina	
Wisconsin	
North Carolina	
Colorado	
Texas	
Georgia	
Nebraska	
Kansas	
Florida	
Utah	
Virginia	$1,194

Introduction

This analysis reports how much each state received per person in federal grants in fiscal year (FY) 2018. These calculations are based on the 200+ formula grants in the FFIS database, which account for about 90% of federal grant funding. State-specific infographics with detailed breakdowns are available online. Additionally, FFIS database subscribers have access to a spreadsheet providing comprehensive information at the program level (see p. 11 for details).

The report excludes three programs that FFIS tracks—Supplemental Nutrition Assistance Program (SNAP), Pell grants, and Nutrition Assistance for Puerto Rico— as these funds flow to individuals rather than states. Many of the graphics in this report exclude territories because territories are frequently subject to different formula provisions; however, territories are included in the supplemental materials referenced above. The District of Columbia is treated as a state in this report.

The chart below lists the states that fare the best and worst in this year's analysis. The **District of Columbia's** receipt of federal grant funds is about 150% more per capita than the national amount, while **Virginia's** is about 40% less.

Federal Grant Funding Per Capita vs. United States, FY 2018

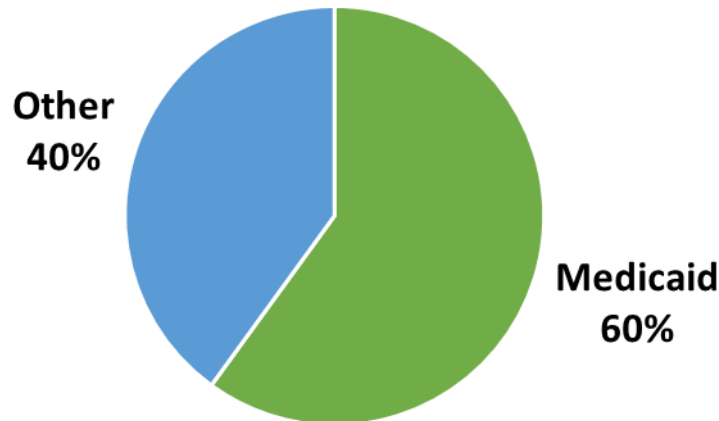| State	
District of Columbia	+150%
Alaska	
New Mexico	
New York	
Wyoming	
Vermont	
West Virginia	
Louisiana	
Montana	
Rhode Island	
Wisconsin	
North Carolina	
Colorado	
Texas	
Georgia	
Nebraska	
Kansas	
Florida	
Utah	
Virginia	

Q.   What determines a state's per capita funding?

A.   Most grant funding is distributed by formula, and most grant formulas incorporate some aspect of population. Accordingly, one might think that a state's share of total grant funding would approximate its share of the nation's population, and states would have similar per capita results. That's not the case, as the chart on the previous page shows. There are five major factors that help to explain the variation among states.
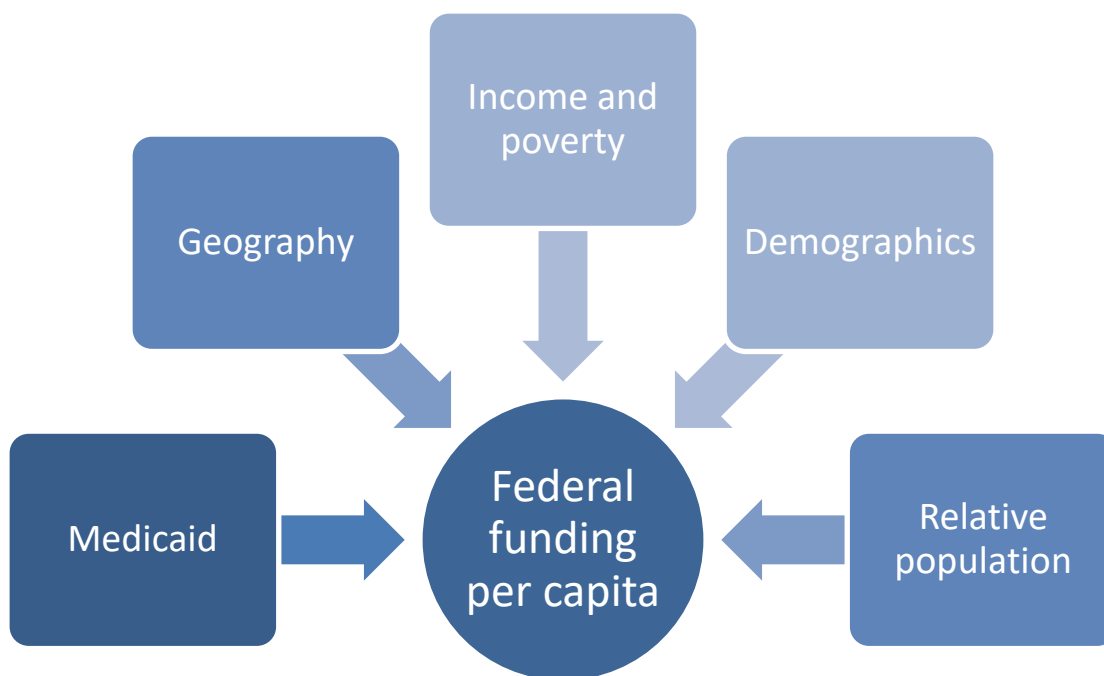
The following sections provide detail on why each factor matters and how it affects per capita funding in specific states.
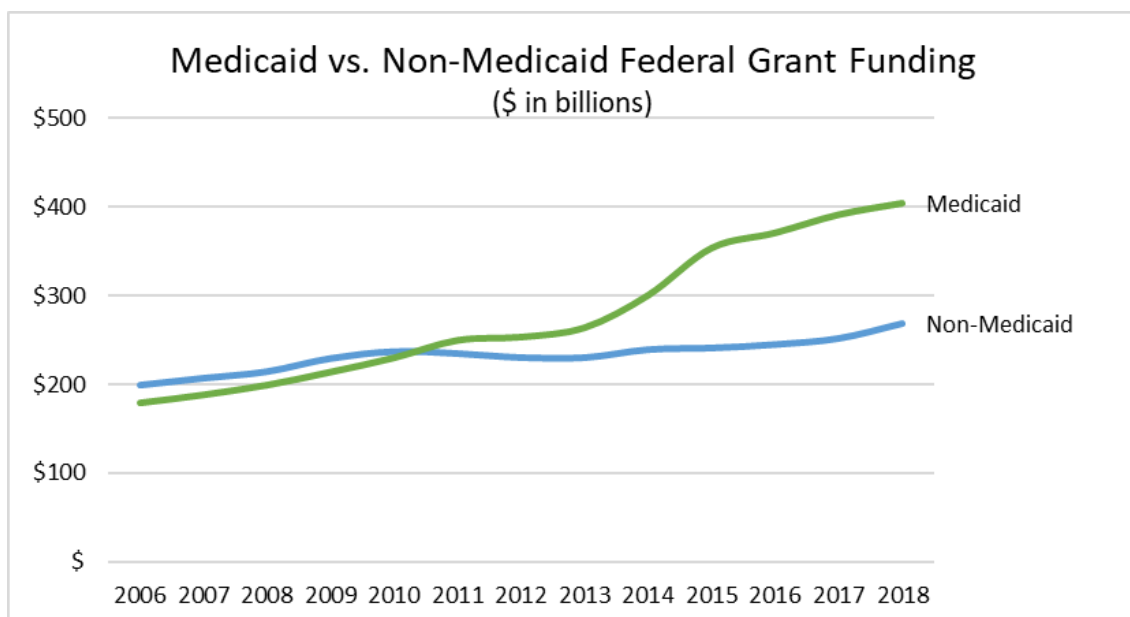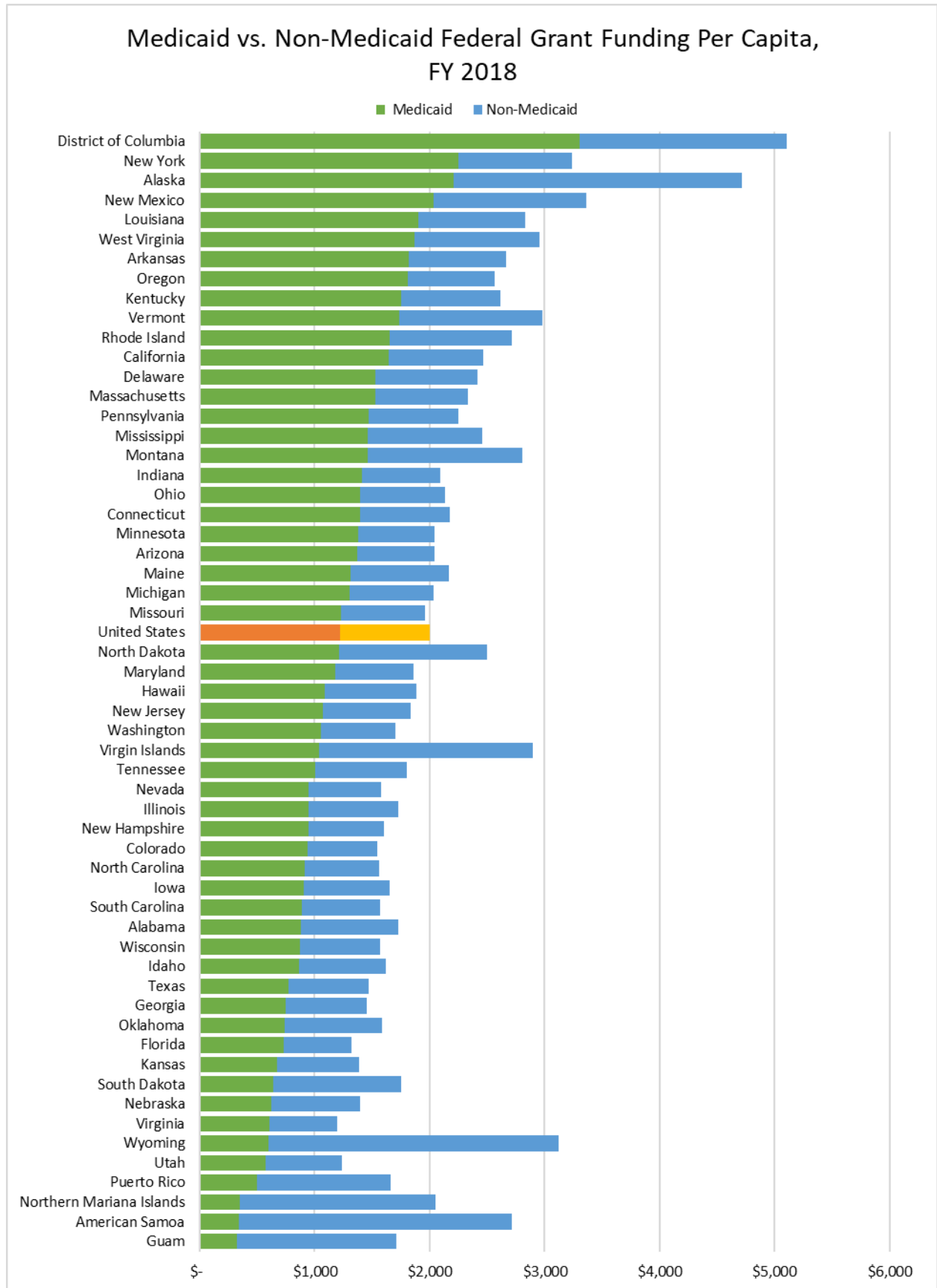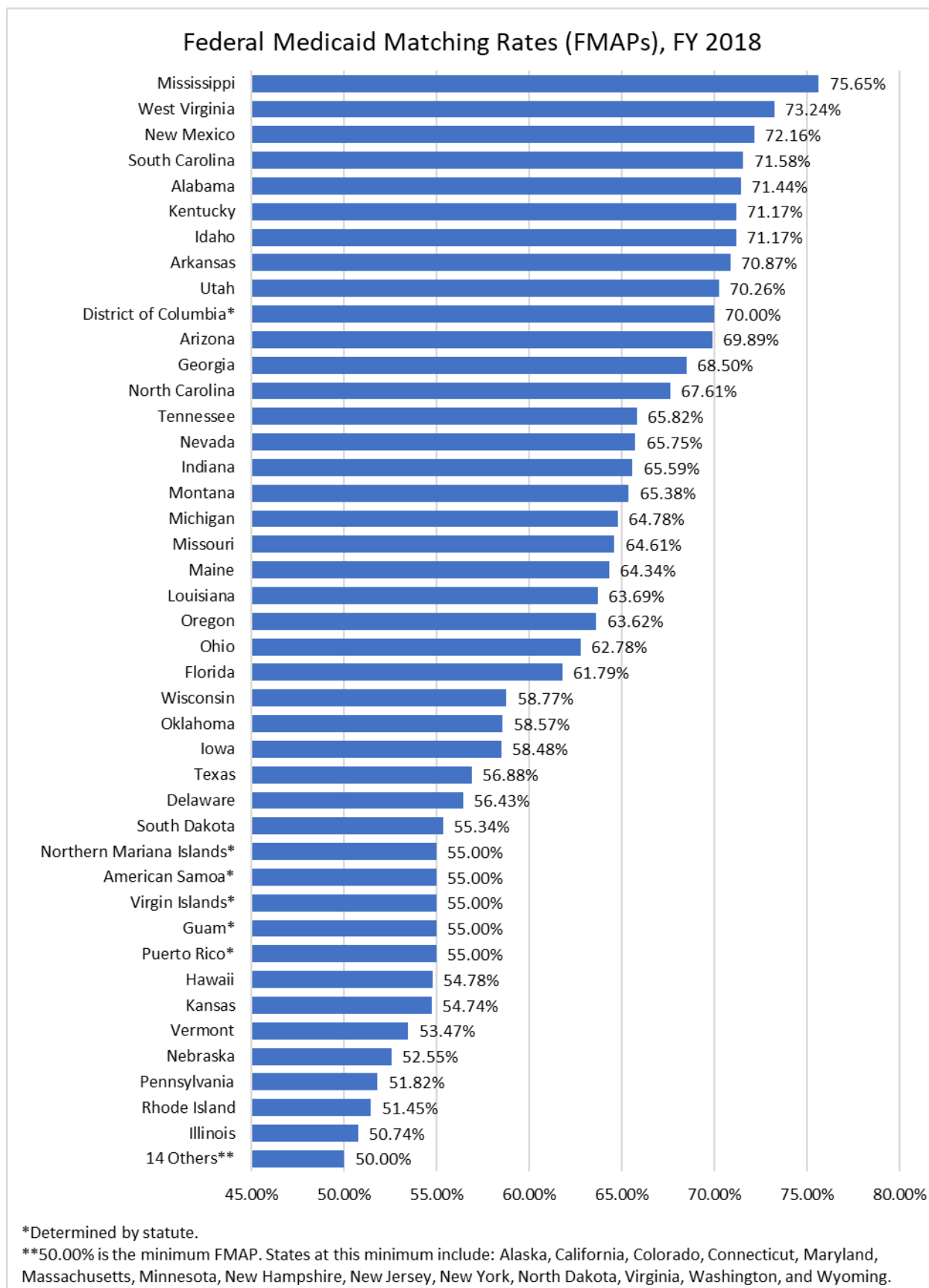
Medicaid

Medicaid accounts for a large (see above) and growing (see below) share of grant funding. Prior to FY 2011, non-Medicaid grants exceeded Medicaid grants; by FY 2018 Medicaid dwarfed non-Medicaid.

The next page displays Medicaid's share in each state, which reflects:
1. The robustness of a state's program, including whether it expanded Medicaid under the Affordable Care Act. The states where Medicaid represents the largest share of total grants have opted for the expansion.
2. The federal Medicaid matching rate (known as FMAP—the federal medical assistance percentage). The chart on page 5 lists state FMAPs for FY 2018, which range from a federal share of 75.65% in **Mississippi** to the statutory minimum of 50% in the 14 states listed in the footnote.

Medicaid vs. Non-Medicaid Federal Grant Funding Per Capita, FY 2018

■ Medicaid ■ Non-Medicaid

State	
District of Columbia	
New York	
Alaska	
New Mexico	
Louisiana	
West Virginia	
Arkansas	
Oregon	
Kentucky	
Vermont	
Rhode Island	
California	
Delaware	
Massachusetts	
Pennsylvania	
Mississippi	
Montana	
Indiana	
Ohio	
Connecticut	
Minnesota	
Arizona	
Maine	
Michigan	
Missouri	
United States	
North Dakota	
Maryland	
Hawaii	
New Jersey	
Washington	
Virgin Islands	
Tennessee	
Nevada	
Illinois	
New Hampshire	
Colorado	
North Carolina	
Iowa	
South Carolina	
Alabama	
Wisconsin	
Idaho	
Texas	
Georgia	
Oklahoma	
Florida	
Kansas	
South Dakota	
Nebraska	
Virginia	
Wyoming	
Utah	
Puerto Rico	
Northern Mariana Islands	
American Samoa	
Guam	

$- $1,000 $2,000 $3,000 $4,000 $5,000 $6,000

Federal Medicaid Matching Rates (FMAPs), FY 2018

State	FMAP
Mississippi	75.65%
West Virginia	73.24%
New Mexico	72.16%
South Carolina	71.58%
Alabama	71.44%
Kentucky	71.17%
Idaho	71.17%
Arkansas	70.87%
Utah	70.26%
District of Columbia*	70.00%
Arizona	69.89%
Georgia	68.50%
North Carolina	67.61%
Tennessee	65.82%
Nevada	65.75%
Indiana	65.59%
Montana	65.38%
Michigan	64.78%
Missouri	64.61%
Maine	64.34%
Louisiana	63.69%
Oregon	63.62%
Ohio	62.78%
Florida	61.79%
Wisconsin	58.77%
Oklahoma	58.57%
Iowa	58.48%
Texas	56.88%
Delaware	56.43%
South Dakota	55.34%
Northern Mariana Islands*	55.00%
American Samoa*	55.00%
Virgin Islands*	55.00%
Guam*	55.00%
Puerto Rico*	55.00%
Hawaii	54.78%
Kansas	54.74%
Vermont	53.47%
Nebraska	52.55%
Pennsylvania	51.82%
Rhode Island	51.45%
Illinois	50.74%
14 Others**	50.00%

*Determined by statute.

**50.00% is the minimum FMAP. States at this minimum include: Alaska, California, Colorado, Connecticut, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, North Dakota, Virginia, Washington, and Wyoming.

Geography

A state's geography affects its receipt of federal funds because some grants are based on geographic features. These payments can include:
- Payments in lieu of taxes for federal property
- Shared revenues from resources extracted from federal lands
- Highway lane-miles as a component of federal highway funding

The chart below lists states where geography-related grants account for a large share of total federal grants received. Because most western states have large federal land holdings, they often receive the most from such programs. Several western states also have small populations, further boosting their per person amounts. For example, **Wyoming** received almost $1,000 per capita from mineral leasing payments and is the only state where Medicaid wasn't the largest source of federal funds.

States with Largest Shares of Geography-Related Federal Grant Funding Per Capita, FY 2018
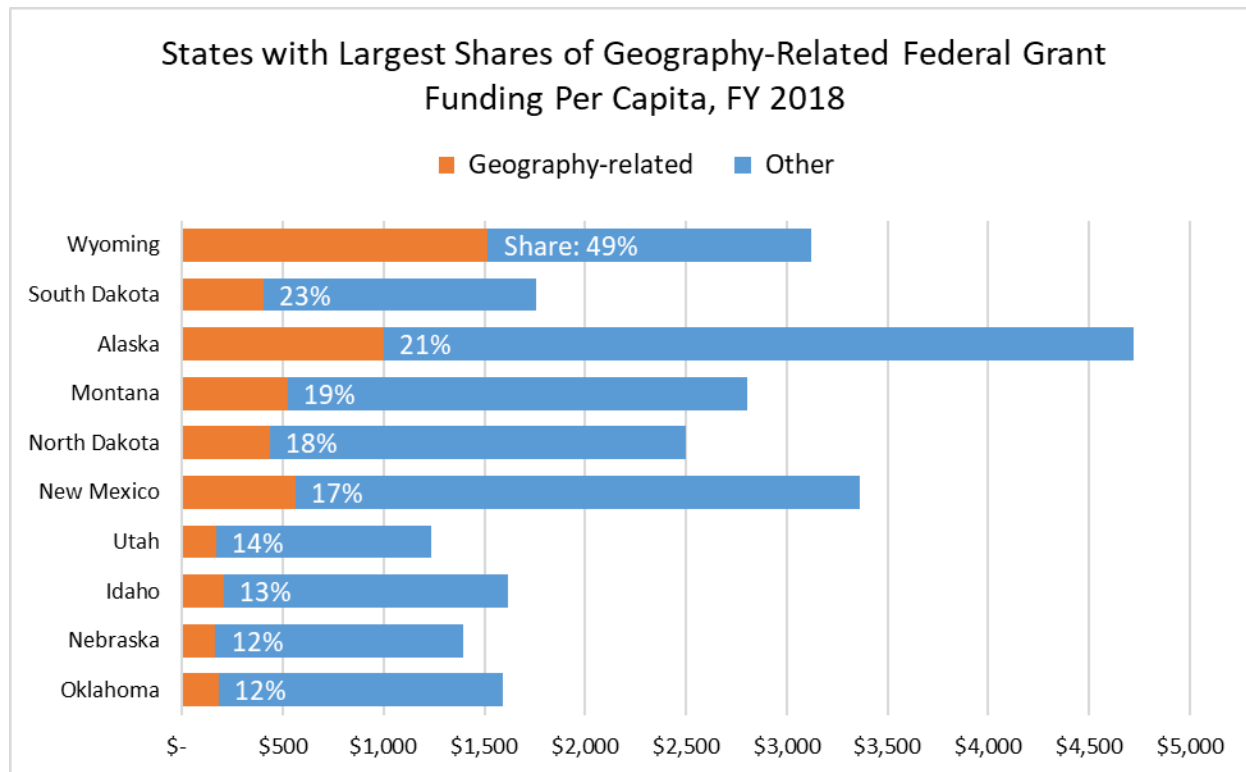
Examples of geography-related grants include:
- Education-Impact Aid
- Indian Education
- Coastal Zone Management
- Surface Mining Reclamation
- Payments in Lieu of Taxes
- Mineral Leasing

- Forest Service-Secure Rural Schools
- Boating Safety
- Highway Performance Program
- Surface Transportation Block Grant
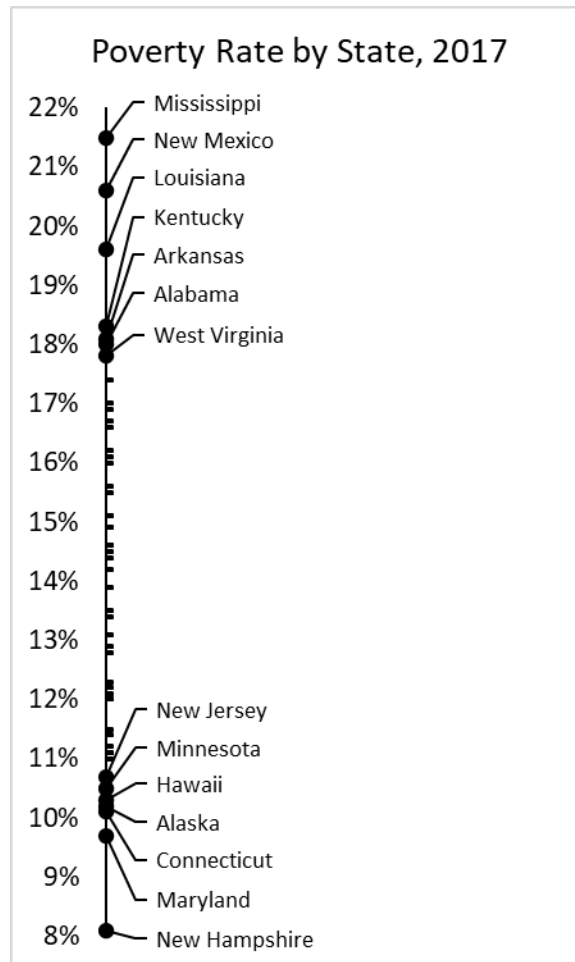- Urbanized & Non-Urbanized Transit

Income and Poverty

Though some grants are geography-based, most are allocated by a formula that takes account of a state's income and/or poverty. The chart below lists the 10 largest grant programs. Together they account for almost 80% of the funding FFIS tracks. Seven of the 10 are targeted by income or poverty; the exceptions are two transportation programs and special education.

Largest Federal Grants, FY 2018
($ in billions)

Program	Amount
Medicaid	$404.9
FHWA - NHPP	$23.2
CHIP	$17.9
TANF	$17.1
Comp Ed. (Title I)	$15.8
FHWA - STBG	$13.6
School Lunch	$12.6
Special Ed.	$12.3
Head Start	$9.9
WIC	$6.2

Cumulative Total: **79%**
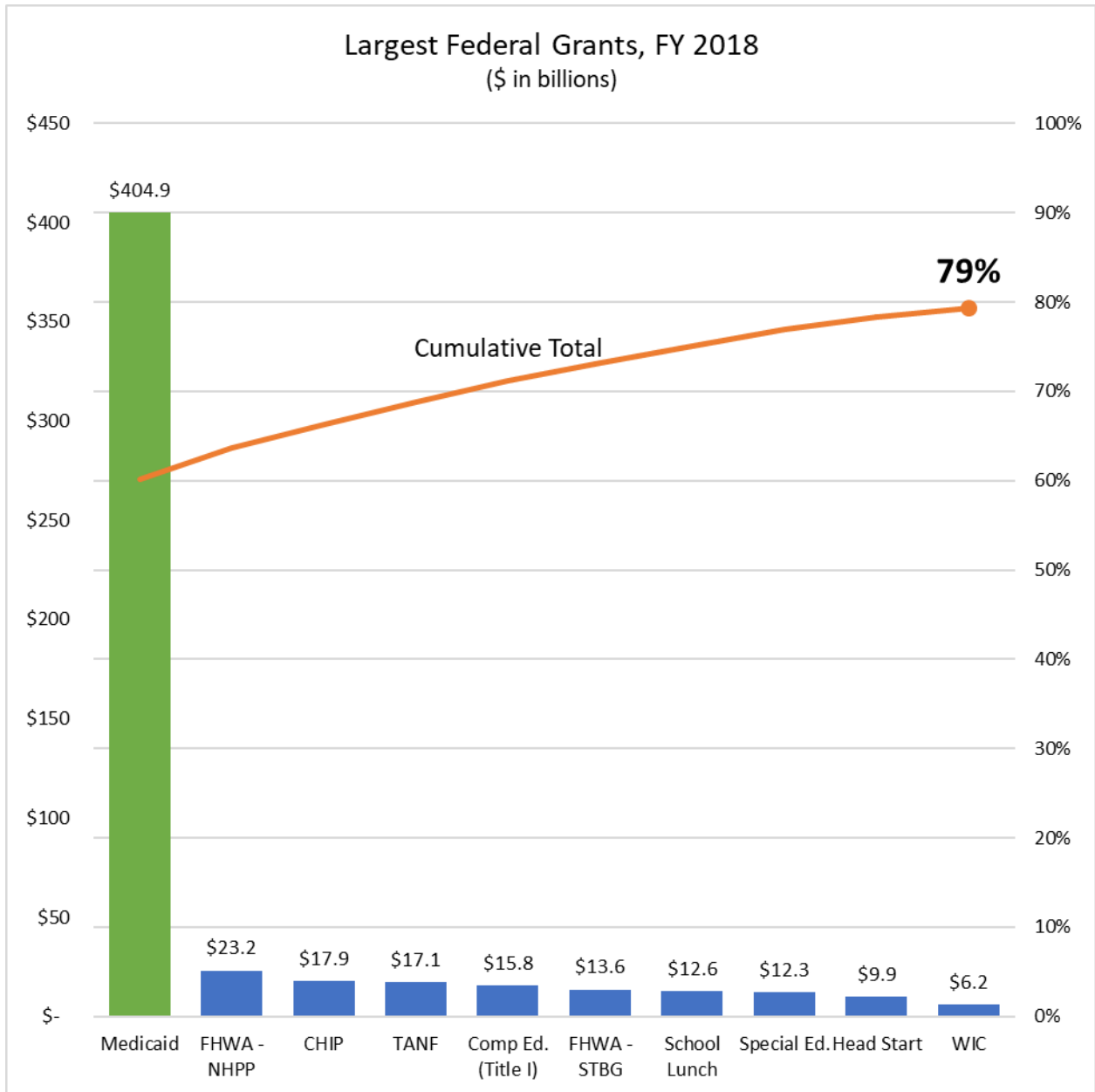
A state's federal Medicaid matching rate is based on its per capita personal income, which makes the matching rate a good proxy for relative state income. The chart on page 5 lists the FY 2018 matching rates. The chart below identifies states with the highest and lowest poverty rates using data from 2017 (the most recent available). The cluster of marks in the middle shows the concentration of states between the two extremes.

Low-income states are often high-poverty states and vice versa, but this isn't always the case. An example of a state where income and poverty do not align is **Utah**, with one of the highest Medicaid matching rates in FY 2018 (70.26%) but a low poverty rate (11%). Similarly, **Hawaii** has one of the lowest poverty rates (10.3%), but its per capita income is not among the highest.

Poverty Rate by State, 2017

| Poverty Rate	State
22%	Mississippi
	New Mexico
21%	Louisiana
20%	Kentucky
	Arkansas
19%	Alabama
18%	West Virginia
17%	
16%	
15%	
14%	
13%	
12%	New Jersey
11%	Minnesota
	Hawaii
10%	Alaska
	Connecticut
9%	Maryland
8%	New Hampshire

Demographics

Just as grant receipts are affected by Medicaid, geography, income, and poverty, they also are affected by the age of a state's population. For example:

- Education grants target school-aged children.
- Many human services programs target children or families with children.
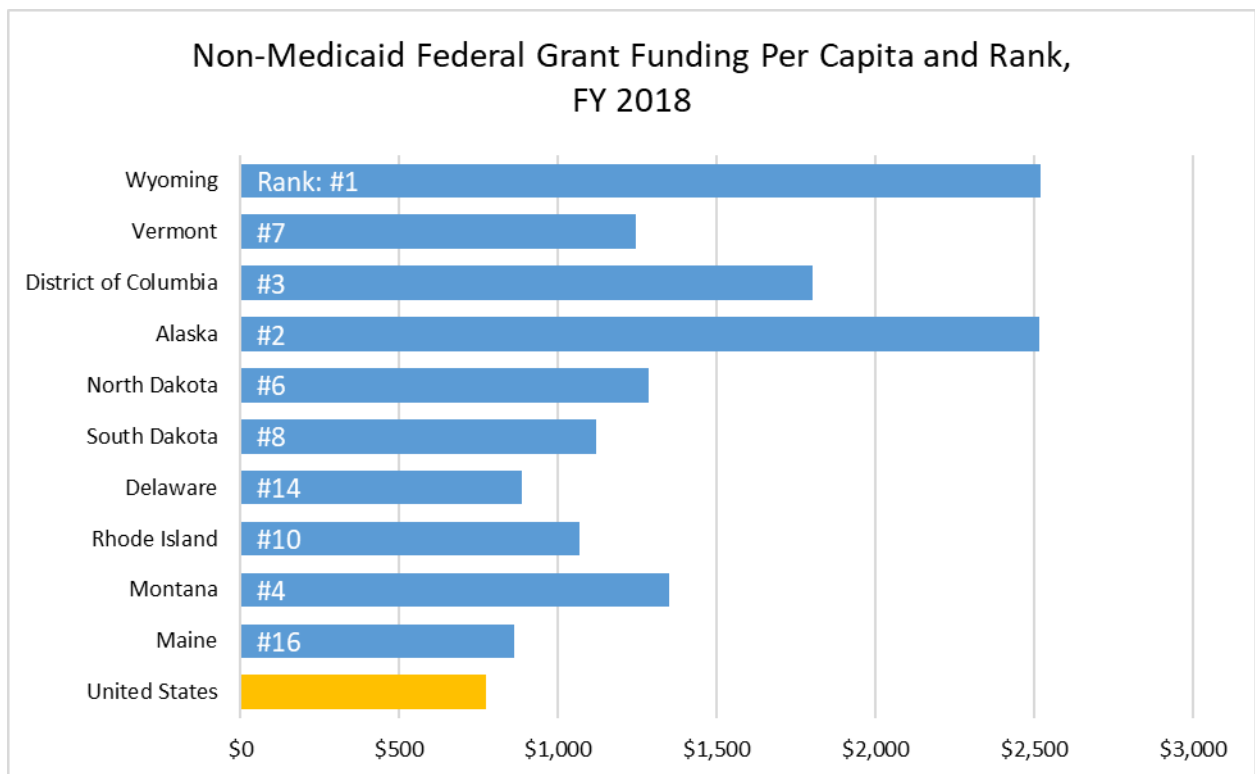- Administration on Aging programs target the elderly.

Everything else being equal, states with relatively young populations are likely to fare better than other states because there are several large education, health, and human services grants that target children and families. As a point of reference, the chart below identifies the states with the highest (**Maine**) and lowest (**Utah**) median ages.

Median Age by State, 2018
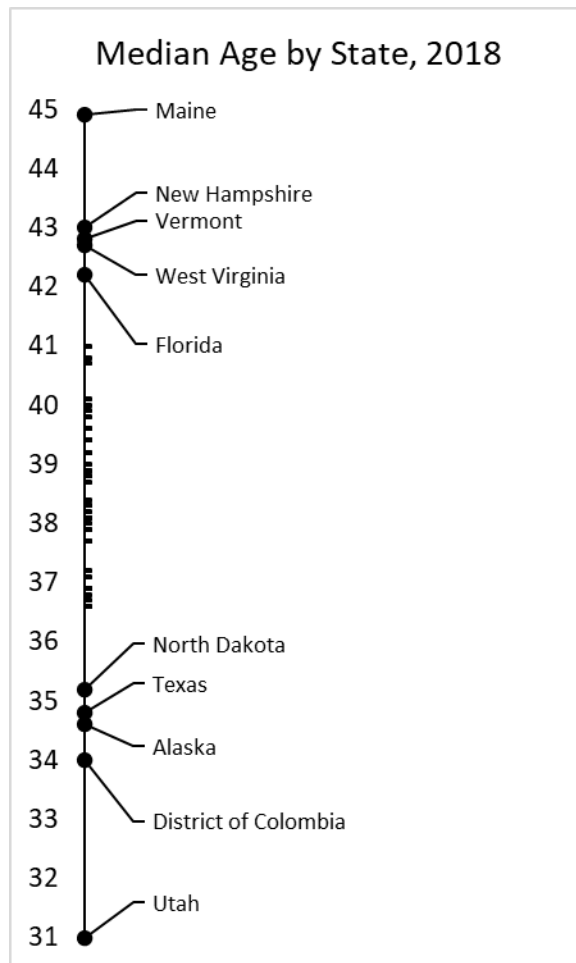
Relative Population

Finally, many grant formulas include "small state minimums," which stipulate that each state receive a certain amount or share of the funds appropriated. As a result, the least populous states receive more funding than their population share would suggest, and more populous states receive a smaller share.

The chart below lists the 10 least populous states. All receive above-average amounts of non-Medicaid grants per capita, partly attributable to small-state minimum provisions in grant formulas.

Non-Medicaid Federal Grant Funding Per Capita and Rank, FY 2018

State	Rank
Wyoming	Rank: #1
Vermont	#7
District of Columbia	#3
Alaska	#2
North Dakota	#6
South Dakota	#8
Delaware	#14
Rhode Island	#10
Montana	#4
Maine	#16
United States	

For more analysis, visit https://www.ffis.org/PerCapitaFY2018.
There, you can download:

✓ State-specific infographics with detailed breakdowns

✓ A detailed Excel file for FFIS subscribers summarized below:

Sheet	Description
Summary - Overall	FY 2018 Federal Grant Funding and Funding Per Capita by State and Medicaid/Non-Medicaid
Summary - by Function	FY 2018 Federal Grant Funding Per Capita by State and Budget Function
Summary - by Program	FY 2018 Federal Grant Funding Per Capita by State and Program
One-Year Analysis	Change in Federal Grant Funding and Funding Per Capita from FYs 2017-2018 by State and Medicaid/Non-Medicaid
Five-Year Analysis	Change in Federal Grant Funding and Funding Per Capita from FYs 2014-2018 by State and Medicaid/Non-Medicaid
Medicaid and FMAPs	FY 2018 Federal Medicaid Matching Rates (FMAPs) and Medicaid Expansion Status
Demographics	Selected demographics by state
Rankings	State/Territory rankings (out of 56) for items in the previous tables
Data - Long Format	Long-format dataset for analysis (adapted from the FFIS database)
Budget Function Reference	Reference sheet for budget function categorization

Notes

Population figures come from the U.S. Census Bureau except for Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands. Data for these territories come from U.N. World Population Prospects. Where available, reliable population estimates were used for these territories; otherwise, projections were used. Median age figures come from the U.S. Census Bureau. Twelve-month poverty rate figures come from the U.S. Census Bureau American Community Survey 5-year estimates for 2017. Per capita income figures come from the Bureau of Economic Analysis. Medicaid expansion information comes from the Kaiser Family Foundation. All other data come from the FFIS database.

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