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.
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.
Federal Medicaid Matching Rates (FMAPs), FY 2018

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.

Examples of geography-related grants include:

- Education-Impact Aid
- Indian Education
- Coastal Zone Management
- Surface Mining Reclamation
- Payments in Lieu of Taxes
- Urbanized & Non-Urbanized Transit
- Forest Service-Secure Rural Schools
- Boating Safety
- Highway Performance Program
- Surface Transportation Block Grant
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.
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.
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.
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

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

$0 $500 $1,000 $1,500 $2,000 $2,500 $3,000
For more analysis, visit [https://www.ffis.org/PerCapitaFY2018](https://www.ffis.org/PerCapitaFY2018). There, you can download:

- ✓ State-specific infographics with detailed breakdowns
- ✓ A detailed Excel file for FFIS subscribers summarized below:

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**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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