



Fiscal Policy

BRIEF

January 10, 1994

Rising Indiana Welfare Expenditures

Between FY87 and FY93, public welfare expenditures in Indiana increased 144.3 percent, from \$1,541.1 million to \$3,764.5 million (See Table 1). A significant portion of the total increase in public welfare expenditures can be attributed to the Medicaid program which increased by \$1,703.3 million between FY87 and FY93, accounting for 76.6 percent of the total increase in public welfare expenditures. Furthermore, Medicaid expenditures in FY93 exceeded total public welfare expenditures in FY91.

However, the Medicaid program is not totally responsible for increasing public welfare expenditures in Indiana. Welfare programs providing emergency hospital care for the poor, child care subsidies for the poor, medical assistance to prison inmates and mental health patients and job training for welfare recipients have contributed significantly to increasing public welfare expenditures. However, these programs together do not compare to increasing institutional and foster care expenditures for

abused, neglected and delinquent children (Child Welfare Wards).

Although expenditures for Child Welfare Wards consumed only 4.3 percent of public welfare expenditures in FY93, no other public welfare expenditure, including the Medicaid, Food Stamp and AFDC programs, has increased at a higher annual rate over the last six fiscal years than Child Welfare Ward expenditures.

Table 1
Public Welfare Expenditures, All Sources
State Administered Programs
State of Indiana, Fiscal Years 1986-87 to 1992-93 (dollars in millions)

Program	FY87	FY88	FY89	FY90	FY91	FY92	FY93	Avg. Annual Increase
Medicaid	\$ 925.8	\$ 997.6	\$1,175.6	\$1,382.8	\$1,698.5	\$2,040.8	\$2,629.1	19.1%
Food Stamps	207.2	190.2	182.7	213.9	273.4	354.6	398.8	12.5
Aid to Families with Dependent Children (AFDC)	139.8	166.9	163.0	166.7	185.9	213.2	228.7	9.8
Welfare Administration ¹	117.2	130.6	121.8	128.5	141.6	159.2	184.0	8.1
Child Welfare Wards ²	44.0	54.6	73.1	85.3	100.8	127.9	162.8	24.5
Housing & Energy Assistance	70.4	62.3	55.6	90.5	68.9	67.6	66.1	2.1
Hospital Care for the Indigent	17.9	22.4	38.9	26.7	33.7	32.2	34.1	15.8
Medical Assistance for Inmates	10.4	10.9	14.8	16.1	19.0	21.1	21.3	13.2
Indiana Manpower Placement and Comprehensive Training (IMPACT)	—	.1	.2	3.5	9.8	9.9	15.3	397.1
Child Care ³	—	—	—	—	1.3	4.6	14.0	229.1
Everything Else ⁴	8.4	8.5	10.0	10.4	11.0	10.5	10.3	3.7
Total	\$1,541.1	\$1,644.1	\$1,835.7	\$2,124.4	\$2,543.9	\$3,041.6	\$3,764.5	—
% Increase	—	6.7%	11.7%	15.7%	19.7%	19.6%	23.8%	16.2%

¹Includes administrative costs of all programs in table.

²Includes Children in Need of Services and Adjudicated Delinquents.

³Includes Transitional, Guaranteed and At Risk Child Care.

⁴Includes Refugee Resettlement, Room & Board Assistance, Assistance to Residents in County Homes, Repatriated Citizens, Burial Assistance

for the Aged, Blind & Disabled, Disabled Exams, Family Independence, Blind Relief Treatment & Exams, Job Opportunity Basic Skills and Work Incentive Programs.

Source: Family and Social Services Administration, Division of Family and Children; State Budget Agency; IFPI Calculations.

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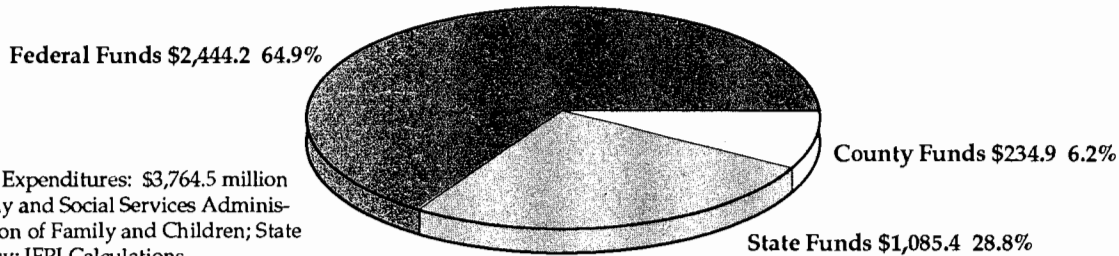
Table 2
Primary Public Welfare Programs
Program Description and Funding Source(s), State of Indiana, 1993

Program	Description	FY93 Funding ¹
Medicaid	joint federal-state medical assistance to the poor.	Federal: 64.5 % State: 35.5%
Food Stamps	federal food vouchers for the poor.	Federal: 100.0 %
Aid to Families with Dependent Children (AFDC)	joint federal-state program of financial assistance to families with dependent children under the age eighteen.	Federal: 63.0 % State: 21.9 % County: 15.1 %
Child Welfare Wards	state program of foster and institutional care, along with other social services, to abused and neglected children and adjudicated delinquents.	Federal: 12.9% State: 1.6% County: 85.5%
Housing & Energy Assistance	federal program of public housing for low-income families and financial assistance to low-income families to supplement utility costs.	Federal: 100.0 %
Hospital Care for the Indigent	state emergency hospital care for the poor.	County: 100.0 %
Medical Assistance for Inmates	state program which provides off-site medical assistance to prison inmates and mental health patients.	State: 100.0 %
Indiana Manpower Placement and Comprehensive Training (IMPACT)	joint federal-state program of employment and training programs for welfare recipients.	Federal: 50.0 % State: 50.0 %
Child Care	joint federal-state program of child care subsidies for children of families who are participating in the IMPACT program, are no longer on AFDC or who are at risk of going on AFDC.	Federal: 61.4 % State: 27.9 % County: 10.7 %

¹Does not include administrative costs.

Source: Family and Social Services Administration, Division of Family and Children; State Budget Agency; IFPI Calculations.

Figure 1
Public Welfare Expenditures, Source of Funds
State of Indiana, Fiscal Year 1992-93 (dollars in millions)



Total Welfare Expenditures: \$3,764.5 million
Source: Family and Social Services Administration, Division of Family and Children; State Budget Agency; IFPI Calculations.

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