



**THE BOARD OF COMMISSIONERS
OF THE COUNTY OF LAKE**



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GERRY J. SCHEUB, Second District

March 17, 2005

Honorable Brian C. Bosma
Speaker of the House of Representatives
State House
200 W. Washington Street
Indianapolis, IN 46204

Honorable Jeff Espich
Chairman of Ways & Means
State House
200 W. Washington Street
Indianapolis, IN 46204

Re: Impact of Welfare Funding

Dear Speaker Bosma and Chairman Espich:

The disastrous impact of the funding mechanism for the non federal costs of the Indiana Welfare Program is many times overlooked when analyzing the cost of "Local Government". Typically, the recipient of a tax bill focuses on County Government because that is where the tax bill originates. A "picture" of where the taxes of the average taxpayer go to support public services is helpful.

The current funding mechanism was adopted by the Indiana General Assembly when it instituted its cooperation with the Federal Government in social welfare programs. The costs are allocated by county and funded through local property taxes. Involvement in this federal and state program is not affected or influenced by anything at the local level. State Government provided the leadership and has continuously provided the formula for funding.

The recent uproar involving the reassessment and its impact in shifting the burden from traditional industrial and commercial funding sources to residential homeowners and owners of rental property has highlighted the basic unfairness of the current funding mechanism. Local county government has nothing to do with the Indiana Welfare Program. This is a state program and elected officials at that level are responsible for designing a more equitable system.