

of the Bureau of Public Roads, U.S. Public Health Service, U.S. Office of Education and the Council of State Governments also have been used.

This investigation has been concerned only with the State governments. In the past, most of Federal aid to local governments has been channeled through State governments. Thus, under the census definition of State payments to local governments, these Federal funds would have appeared as State aids. Because the census does not for some States report separately Federal and State contributions to local programs, it was necessary to exclude some entire programs in some States from our totals. The major Federal programs which were affected to some extent by this treatment are return of Federal grazing, mineral, and forest revenue to county of origin for roads and schools, and Federal aid programs for hospital construction and airport construction.

The dollar amounts cited in the tables apply only to aid by States to local government for public facilities. In addition, in some functional areas, some States have aided private facilities. When possible such programs are mentioned; however, data on the amounts of such aid are not available nor is information on criteria for distributing it.

THE SCOPE OF STATE AID

In contrast to the Federal Government, whose initial aid program in a functional area is often for construction purposes, State governments have concentrated aid for current operations. Only a little over 6 percent of all State aid in 1962 was specifically for capital outlay.

State aids for construction of local facilities are widespread however, in two functional areas—highways and education. In the fiscal year 1962 State aid financed 16 percent of municipal and county road and street construction, and some 12 percent of local school construction. All other functional areas receive relatively small State contributions for local public facilities and accounted for only about 10 percent of State aid for capital outlays in the fiscal year 1962. Table 1 shows the aid for capital outlay for each function given by each State in 1962. Table 2 shows total capital outlay and State aid for capital outlay for each functional area.