

TABLE 4.—State aid for capital outlay, by function, 1951 to 1962

[In millions]

| Year | Education          | Highways | Education and highways | Other             | Total   |
|------|--------------------|----------|------------------------|-------------------|---------|
| 1951 | \$124.2            | \$151.7  | \$275.9                | (1)               |         |
| 1952 | 192.0              | 112.7    | 304.7                  | \$27.1            | \$331.8 |
| 1953 | 208.0              | 225.3    | 433.3                  | (1)               |         |
| 1954 | 180.1              | 232.6    | 412.7                  | (1)               |         |
| 1955 | 163.0              | 176.6    | 339.6                  | (1)               |         |
| 1956 | 195.7              | 208.0    | 398.7                  | (1)               |         |
| 1957 | 246.6              | 208.6    | 455.2                  | 27.9              | 483.1   |
| 1958 | <sup>2</sup> 327.4 | 261.8    | 589.2                  | (1)               |         |
| 1959 | (1)                | 173.5    | (1)                    | (1)               |         |
| 1960 | <sup>2</sup> 370.0 | 208.0    | 578.0                  | (1)               |         |
| 1961 | (1)                | 209.8    | (1)                    | (1)               |         |
| 1962 | 374.0              | 259.3    | 633.3                  | 58.2              | 691.5   |
| 1963 | (1)                | 320.0    | (1)                    | (1)               |         |
| 1964 | <sup>2</sup> 523.7 | 357.5    | 881.2                  | <sup>3</sup> 75.0 | 956.2   |
| 1965 | (1)                | 376.8    | (1)                    | (1)               |         |

<sup>1</sup> Not available.<sup>2</sup> Minor differences in coverages for 1958, 1960, and 1964.<sup>3</sup> Estimated.

Source: U.S. Office of Education, "Financing Public School Facilities," Misc. No. 32, 1959; U.S. Office of Education, "Statistics of State School Systems," biannual reports; Bureau of Public Roads, "Highway Statistics, 1951 to 1962"; U.S. Bureau of the Census, "State Payments to Local Governments," Census of Governments, 1952, 1957, and 1962, vol. VI (Topical Studies) No. 2.

### THE GROWTH IN STATE AID

Table 4 shows the amounts of State aid for capital outlay from 1951 to 1962. Total State aid for capital outlay purposes has doubled from 1952 to 1962, financing a slightly increased proportion of local capital outlay (8.5 percent in 1962 as compared to 6.9 percent in 1952), while local capital outlay increased by 70 percent in the 10-year period.

The rate of increase of State aid for capital outlay has been slightly less than the rate of increase of all State aids to localities, and in 1962 aid for capital outlay comprised 6.3 percent of total aid while it amounted to 6.6 percent of total aid in 1952.

Looking at the role of State aid for capital outlay within the broader picture of the total State budget, we find that while State capital outlays aids increased at about the same rate as total State direct expenditure, total State direct capital outlay increased at an even greater rate. Table 5 indicates these relationships.

A closer look at State aid shows that in the 10-year period from 1952 to 1962 the proportion of aid for education going for school construction has decreased, although the absolute amount of aid for school construction has increased. The rate of school age population growth has slowed in recent years and the pressure for school construction programs to accommodate the "baby boom" has relaxed. Increments in State aid are now devoted mainly to improvement of school program and to debt service for school districts rather than to school construction.

A recent projection <sup>3</sup> indicates that total capital outlay for local schools will not increase in 1970 beyond the present rate of 65,000 classrooms per year. If construction costs remain constant until 1970, capital outlay expenditures might actually decline. The projections of State aid in 1970, shown in table 6, are based on that study. Illustrations

<sup>3</sup> "Local School Expenditures: 1970 Projections," Selma J. Mushkin and Eugene P. McLoone, RM 382, Council of State Governments, 1966.