

tion I assumes no change in construction costs, the experience of the recent past. State aid for school construction is estimated to approach \$600 million if the conditions of illustration II prevail and to decline slightly if the conditions of illustration I prevail. If State aid programs concern themselves only with expansion of school facilities rather than with renovation and replacement, State aid will fall even farther (construction costs remaining constant). Aid would also be lowered if Federal aid for school construction replaces State payments rather than local shares.

From 1951 to 1953 State aid for highways (including shared taxes) has formed a fairly constant proportion of local receipts for highway purposes other than Federal aid and bond finance. Just under two-fifths of such receipts has come from State aid.

TABLE 5.—State aid for capital outlay by function, in amounts and as a percent of total State aid, total State and local capital outlay, and total State and local direct expenditures, 1952, 1957, and 1962

[Dollar amounts in millions]

	1952	1957	1962	Percent increase	
				1952-57	1952-62
State aid for capital outlay	\$332	\$483	\$692	45.5	108.4
(a) Education	192	247	374	28.6	94.7
(b) Highways	113	209	259	84.9	129.2
(c) Other	27	28	58	3.7	114.8
Total State aid	5,044	7,196	10,906	42.7	116.2
(a) Education	2,523	4,087	6,474	61.9	156.6
(b) Highways	728	1,082	1,316	48.6	80.7
Total State capital outlay	2,658	5,163	7,213	94.2	171.4
Total State direct expenditure	10,790	16,921	20,375	56.8	88.8
Total local capital outlay	4,778	7,453	8,096	55.9	69.4
Total local direct expenditure	20,073	30,621	39,831	52.5	98.4
EXHIBIT					
State aid for capital outlay as a percent of—					
Total State aid	6.6	6.7	6.3		
Total State capital outlay	12.4	9.4	9.6		
Total local capital outlay	6.9	6.5	8.5		
Total State direct expenditure	3.1	2.9	3.4		
Total local direct expenditure	1.6	1.6	1.7		
State aid for capital outlay for education as a percent of total State aid for education	7.6	6.0	5.8		
State aid for capital outlay for highways as a percent of total State aid for highways	15.5	19.3	19.7		

Source: U.S. Bureau of the Census, "State Payments to Local Governments," Census of Governments, 1952, 1957, and 1962, vol. VI (Topical Studies) No. 2; "Compendium of Government Finances," Census of Governments, 1952, 1957, and 1962, vol. IV (Government Finances) No. 4.

TABLE 6.—State aid for capital outlay, by function, 1957, 1962, and 1970 (projected)

[In millions of dollars]

	1957	1962	1970 (projected)	
			Illustration I	Illustration II
Local schools	\$246.6	\$374.0	\$515	\$598
Highways	208.6	250.3	330	400
Other	27.9	58.2	110	160
Total	483.1	691.5	955	1,158

Source: U.S. Bureau of the Census, "State Payments to Local Governments," Census of Governments, 1957 and 1962, vol. VI (Topical Studies) No. 2; Selma J. Mushkin and Eugene P. McLoone, "Local School Expenditures: 1970 Projections," Council of State Governments, November 1965; Selma J. Mushkin and Robert Harris, "Transportation Outlays of States and Cities: 1970 Projections," Council of State Governments, May 1965.