

We want to highlight the policy choices. Therefore we indicate the cost of changes in scope and quality of different magnitude. That is, we believe that most students would accept most of the population change figures. Most students might accept the price changes. But even if they didn't, we could always incorporate whatever price assumptions were made, and they won't change the picture very much. The ones where judgments of a personal sort about what social goals are, clearly affect the changes in scope and quality. And if we permit that choice or several choices to be open for inspection so that the policy choices can be made, we then calculate a series of changes, relating them to the changes in the past. And that is what we tried to do.

For example, we estimated that scope and quality increased 24 percent in the past decade. Now, if the voters, through their representatives, choose to continue to improve aggregate scope and quality at this unchanged 24-percent rate, State and local government expenditures in 1975 would be 200 percent of 1965 expenditures. Now, here we are just forecasting or projecting given choices as to scope and quality, the percentage changes, not the dollar changes. We will do that on the revenue side as well as on the expenditure side, so that we can see what the position between them is.

Now, this increase in general expenditures of 100 percent compared with an actual change of 120 percent in the past decade. If future general expenditures were to increase at the past decade rate of 120 percent, the expansion in scope and quality would be 37 percent as compared with the 24 percent of the past decade. We have experimented with other historic changes. And one of them that is most important is that we took each major public service program, elementary education, secondary schools, higher education, health and hospitals, welfare, urban services, and all other activities, and in each case applied price changes that were developed by the OBE and the National Income Division for the purchases of the Government services involved in each program, and we applied the specific population structure, the population groups involved in each of these, and then calculated for each program separately in each 5-year period, 1955-60, 1960-65, the scope and quality changes. And then we took the highest for each program, the highest half. And if we did that, a projection of overall improvement in scope and quality of 34 percent was indicated.

The reason we took that is that this suggests possible plausible changes that might be possible, taking account of the real resources that are available. These are 5 continuous years. They are recent; they indicate what has historically been possible. And therefore we think that these are plausible and not unrealistic measures as to what might be very high projections of scope and quality. We are not saying maximum. But if there were a 34-percent change, that would mean a 114-percent increase in general expenditures.

Now, of course, we complete our expenditure model by adding in the other elements in total finances available to the State and local government—supplementary contributions, other net expenditures, and addition to working-capital funds. And if we did this, compared with the past change of 120 percent in the statement our expenditure projections would grow by 94 percent in 1965-75, if it were at the same rate of growth for scope and quality as in the past decade, and 111 percent if we took the highest 5-year period.