

THE CHANGING PUBLIC SECTOR

Shifts in Governmental Spending and Employment



**U.S. Advisory Commission on
Intergovernmental Relations**
December 1991 • M-178

**Members of the
U.S. Advisory Commission on Intergovernmental Relations**

(December 1991)

Private Citizens

Daniel J. Elazar, Philadelphia, Pennsylvania
Robert B. Hawkins, Jr., *Chairman*, San Francisco, California
Mary Ellen Joyce, Arlington, Virginia

Members of the U.S. Senate

Daniel K. Akaka, Hawaii
Dave Durenberger, Minnesota
Charles S. Robb, Virginia

Members of the U.S. House of Representatives

Donald M. Payne, New Jersey
Craig Thomas, Wyoming
Ted Weiss, New York

Officers of the Executive Branch, U.S. Government

Debra Rae Anderson, Deputy Assistant to the President,
Director of Intergovernmental Affairs
Samuel K. Skinner, Secretary of Transportation
Vacancy

Governors

John Ashcroft, Missouri
Booth Gardner, Washington
George A. Sinner, North Dakota
Stan Stephens, Montana

Mayors

Victor H. Ashe, Knoxville, Tennessee
Robert M. Isaac, Colorado Springs, Colorado
Joseph A. Leafe, Norfolk, Virginia
Vacancy

Members of State Legislatures

David E. Nething, North Dakota Senate
Samuel B. Nunez, Jr., President, Louisiana Senate
Ted L. Strickland, Colorado Senate

Elected County Officials

Ann Klinger, Merced County, California, Board of Supervisors
D. Michael Stewart, Salt Lake County, Utah, County Commission
Vacancy

THE CHANGING PUBLIC SECTOR

Shifts in Governmental Spending and Employment



U.S. Advisory Commission on
Intergovernmental Relations
December 1991 • M-178

**U.S. Advisory Commission on
Intergovernmental Relations**
800 K Street, NW
South Building
Suite 450
Washington, DC 20575
(202) 653-5640
FAX (202) 653-5429

PREFACE AND ACKNOWLEDGMENTS

In 1976, the Congress directed the Advisory Commission on Intergovernmental Relations (ACIR) to evaluate "state and local governmental organization . . . to determine how general local governments do and ought to relate to each other, to special districts, and to state governments in terms of service and financing responsibilities. . . ." ACIR responded in the 1982 report *State and Local Roles in the Federal System*. One chapter, "The Current Pattern of Functional Assignment," analyzed expenditure and public employment data from the Census of Governments for the period 1967 to 1977, emphasizing primarily the allocation between the states and local governments.

This report updates the earlier one with data from the 1982 and 1987 Census of Governments. It also broadens the scope of the 1982 volume by directing attention to the place of total government expenditures and public employment in the economy and by focusing more on the general purposes of public expenditures and employment. The analysis includes more information on federal government expenditures than was presented in 1982.

The report was prepared by Albert J. Richter, retired senior analyst. Editorial assistance was pro-

vided by Joan A. Casey, and secretarial assistance by Suzanne T. Spence. The appendix tables were prepared by Thomas Hahn.

The Commission wishes to acknowledge the assistance of the following individuals in critiquing the study outline and the final report: Terry Allbritton, Wayne F. Anderson, Earl Armbrust, Enid Beaumont, Richard Briffault, William N. Cassella, Jr., William G. Colman, Debra L. Dean, Gordon W. Green, Janice Griffith, Otto Hetzel, Melvin B. Hill, Jr., Andrea Hillyer, Dick Israel, Michael Libonati, David C. Mattek, Frank J. Mauro, Stephen McMillan, Terry Merritt, Robert W. Rafuse, Jr., Mavis Mann Reeves, James Roddy, David W. Russell, John Shannon, Carl W. Stenberg, Ross Stephens, Hirst Sutton, James Svara, Robert D. Thomas, and David B. Walker.

Full responsibility for the content and accuracy of the report rests with the Commission and its staff.

John Kincaid
Executive Director

Bruce D. McDowell
Director, Government Policy Research

CONTENTS

Abstract	1
Direct Expenditures	1
Public Employment	2
The 1989 Picture	2
Introduction	3
Origin and Scope	3
Background of Analysis	3
Broad Governmental Purposes, Functions	3
The Provision of Services: Interpretive Caveats	4
Revenue and Intergovernmental Aid Considerations	4
Intergovernmental Aids and Local Governments	6
Direct Expenditures	15
The Public Sector Expenditure Picture: All Governments	15
The Nine Functions	15
The 36 Expenditure Categories within the Nine Functions	16
Federal, State, Local Concurrent Responsibilities	18
Federal Government	18
State Government	20
Local Government	23
Summary: Shifts in Functional Priorities—1967 to 1987	25
Local Governments: The Five Types	28
Thirty Expenditure Categories, 1987	28
Twenty-Year Trend, 1967-1987	28
The State and Its Local Governments: “Dominant Providers”	32
Twenty-Year Trend, 1967-1987	32
Regional Patterns	32
The State and Its Local Governments: “Significant Providers”	34
Classification of State-Local Fiscal Systems	34
Public Employment: Another Measure of Functional Responsibility	37
Public Employment: All Governments	37
The 25 Categories within the Eight Functions	37
Federal, State, and Local Shares	40
The Five Types of Local Government	43
Expenditures, Employment Compared	46
Figures and Tables	
<i>Figure 1</i> —Effects of Intergovernmental Aid on Expenditures for Five Major Functions, 1967 and 1987 ..	7
<i>Figure 2</i> —Direct Governmental Expenditures, by Function, All Governments, 1962, 1967, 1972, 1977, 1982, 1987 (billions of current dollars)	10
<i>Figure 3</i> —Direct Governmental Expenditures, by Function, All Governments, 1962, 1967, 1972, 1977, 1982, 1987 (percentage of total expenditures)	11

<i>Figure 4</i> —Direct Governmental Expenditures as a Percentage of GNP, by Function, All Governments, 1962, 1967, 1972, 1977, 1982, 1987	12
<i>Figure 5</i> —Direct Expenditures by Function, Percentage Change in 1982 Constant Dollars, All Governments, Five-Year Periods, 1962-1987	17
<i>Figure 6</i> —Direct Expenditures, by Type of Government, All Governments, 1967, 1972, 1977, 1982, and 1987 (percentage)	19
<i>Figure 7</i> —Federal Government Direct Expenditures, by Function, 1967, 1972, 1977, 1982, 1987 (percentage of total expenditures)	21
<i>Figure 8</i> —State Government Direct Expenditures, by Function, 1967, 1972, 1977, 1982, 1987 (percentage of total expenditures)	22
<i>Figure 9</i> —Local Government Direct Expenditures, by Function, 1967, 1972, 1977, 1982, 1987 (percentage of total expenditures)	24
<i>Figure 10</i> —Total Expenditures, Percentage Change, by Function and Type of Government, 1967 to 1987, Ranked by 1987 Direct Expenditures	27
<i>Figure 11</i> —Local Government Direct Expenditures, by Type of Government, 1967, 1972, 1977, 1982, and 1987 (percentage)	29
<i>Figure 12</i> —Percentage Distribution of Local Direct Expenditures, by Major Function and Type of Local Government, 1967, 1972, 1977, 1982, and 1987	30
<i>Figure 13</i> —Dominant Providers, by Function and Number of States, 1987	33
<i>Figure 14</i> —Public Employment, by Function, All Governments, 1967, 1972, 1977, 1982, and 1987	38
<i>Figure 15</i> —Total Public Employment, by Government, 1967, 1972, 1977, 1982, and 1987	41
<i>Figure 16</i> —Local Government Employment, by Type of Government, 1967 and 1987 (percentage)	44
<i>Figure 17</i> —Local Government Employment, by Major Function and Type of Local Government, 1967 and 1987 (percentage of full-time equivalent employees)	45
<i>Table 1</i> —Comparison of Direct Expenditures and Own-Source Revenues, by Type of Government, 1967 and 1987	5
<i>Table 2</i> —Revenue as a Percentage of Gross National Product, Selected Years, 1934-1990	5
<i>Table 3</i> —Percentage Distribution of Direct and Intergovernmental Expenditures for Selected Functions	6
<i>Table 4A</i> —Direct Federal Aid and State Aid, as a Percentage of Local Direct Expenditures, by Type of Local Government and Selected Functions, 1977 (millions)	8
<i>Table 4B</i> —Direct Federal Aid and State Aid, as a Percentage of Local Direct Expenditures, by Type of Local Government and Selected Functions, 1987 (millions)	9
<i>Table 5</i> —Direct Expenditures as a Percentage of Total Expenditures, by Character and Object, 1967-1987 ..	16
<i>Table 6</i> —Functions with Fastest and Slowest Expenditure Growth, All Governments, Five-Year Intervals, 1967-1987	16
<i>Table 7</i> —Seven Largest and Smallest Functional Categories, All Governments, 1967 and 1987	18
<i>Table 8</i> —Federal Government Direct Expenditures Ranking by Function, 1967, 1972, 1977, 1982, 1987 (percentage)	20
<i>Table 9</i> —State Government Direct Expenditures Ranking by Function, 1967, 1972, 1977, 1982, 1987 (percentage)	23
<i>Table 10</i> —Local Government Direct Expenditures Ranking by Function, 1967, 1972, 1977, 1982, 1987 (percentage)	25
<i>Table 11</i> —Percentage Distribution of Total Expenditures, by Government, Change from 1967 to 1987 ..	26
<i>Table 12</i> —Aggregate of “Significant Providers,” 18 Functions, 1967 and 1987	34
<i>Table 13</i> —State Centralization, 1913 to 1986	35
<i>Table 14</i> —Public Employment, All Governments, Percentage Change, Selected Five-Year Periods, 1967-1987 (full-time equivalent employees)	39
<i>Table 15</i> —Full-Time Equivalent Public Employment, by Function, Selected Years, 1967-1987 (percentage) ..	39
<i>Table 16</i> —Functions with Fastest and Slowest Growth in Number of Employees, All Governments, Five-Year Intervals 1967-1987	40
<i>Table 17</i> —Largest and Smallest Public Employment Categories, All Governments, 1967-1987	40
<i>Table 18</i> —Federal Civilian Employment in Eight Major Functions, 1967-1987	42
<i>Table 19</i> —State Government Civilian Employment in Seven Major Functions, 1967-1987	42
<i>Table 20</i> —Local Government Civilian Employment in Seven Major Functions, 1967-1987	43
<i>Appendix A</i> Appendix Tables	47
<i>Appendix B</i> Note on Methodology	99
<i>Appendix C</i> Expenditure Classifications Within the Nine Broad Functions	101

ABSTRACT

The Changing Public Sector updates and broadens ACIR's earlier analysis of expenditure and public employment data ("The Current Pattern of Functional Assignment," in *State and Local Roles in the Federal System*, 1982).

From 1967-1987, the public sector continued to expand, and government spending priorities shifted, particularly those of the federal government. In 1987, states were spending more in relation to both federal expenditures and local expenditures than in 1967. Among local governments, county and special district expenditures increased the most.

This analysis of direct government expenditures and full-time equivalent civilian employment is based on the Census Bureau's five-year Census of Governments. (Direct expenditures are defined as all expenditures except intergovernmental. Because they do not include grants or other government payments, these expenditures do not show how much of a government's spending on any function is supported by funds from other governments.) Expenditures include transfer payments to individuals that economists frequently "net out" (subtract) from the public sector. They are included here because they are one of the largest and most rapidly growing government functions. In addition, from the taxpayer's perspective, transfer payments to individuals are government expenditures of tax money. The report also recognizes that direct expenditures and employment are only two of several available measures of government functions.

Direct Expenditures

Total spending by all governments rose from \$257.8 billion in 1967 to \$1,811.7 billion in 1987, or by 603 percent (115 percent in constant 1982 dollars).

Per capita, total public spending grew from \$1,297 in 1967 to \$7,427 in 1987, a 473 percent increase (75 percent in constant dollars).

- *The public sector grew at a faster rate than the national economy.*

- During this same period, the general purposes of public spending shifted:

For all governments combined in 1967, the largest shares went for *National Defense and Foreign Aid* (28.1 percent), *Income Security* (16.6 percent), and *Education and Libraries* (15.6 percent). In 1987, spending for *Income Security* was at the top (27.4 percent); *National Defense and Foreign Aid* fell to second with a substantially smaller portion (17.2 percent); and *Education and Libraries* remained third (13.5 percent).

Payments for Interest on General Debt doubled as a proportion of total governmental expenditures (5.2 percent to 10.4 percent). During this period, the federal debt rose from \$267.5 billion to \$1,895.9 billion, or 608.8 percent.

The overall emphasis shifted from spending on goods and services (operations and capital outlays) to payments to individuals and institutions (Social Security, health care and retirements, interest on debt).

- *In terms of direct expenditures*, the federal government remains the biggest spender, with local governments next, and the states in third place.
- Among the three largest federal functions—constituting over 80 percent of total expenditures in 1987—there was a clear shift toward *Income Security* and *Interest on General Debt* and away from *National Defense and Foreign Aid*.
- In *state government*, among the four functions representing over 75 percent of total expenditures, *Income Security* rose from third to first during the 20-year period, and *Environment and Community Development* dropped from first to third. *Education and Libraries* dropped markedly, from 23.8 percent to 19.7 percent, while *Social Services* rose from 11.3 percent to 12.5 percent.
- In *local government*, the two largest functions—*Education and Libraries*, and *Environment and Community Development*—were first and second in 1987, as in 1967.

- Among local governments, the *sharpest change* occurred among *school districts*, whose share of local government spending dropped from 36.7 percent to 29.9 percent. *Special districts* experienced the *greatest rise*, from 7.0 percent to 11.1 percent. The *county* share rose from 18.3 percent to 21.3 percent; *municipalities remained* at 34.6 percent; and the *township* portion *dropped* from 3.4 percent to 3.1 percent.

Public Employment

- For *all governments* combined, the *number of full-time equivalent civilian employees* rose from 10.4 million in 1967 to 15.1 million in 1987, an increase of 45.9 percent.
- In 1967, the *largest contingent* of employees was found in *Education and Libraries* (36.0 percent), followed by Environment and Community Development (15.3 percent), National Defense and Foreign Aid (13.0 percent), and Social Services (12.0 percent). By 1987, *Education and Libraries* was still the largest employer, with an even larger share of the total (40.2 percent). Environment and Community Development was again second, but with a smaller share (13.1 percent). Social Services (13.1 percent) had risen to third in rank, and National Defense and Foreign Aid civilian employment had dropped from third to sixth.
- The 20-year data *highlight the rapid decline in National Defense* (civilian) employment in the first decade, the move to *expand police, corrections, and courts* personnel in the second decade, and the sudden *increase in General Government* staffing in 1972-1977.
- From 1967 to 1987, *federal* civilian employment rose by 4.0 percent, whereas *state and local* employment went up by 78.2 percent and 56.6 percent, respectively.

The most noteworthy employment changes were: in the *federal government*, the drop in National

Defense and Foreign Aid personnel from 46.3 percent to 36.0 percent; in *state government*, the rise in corrections staffing from 3.9 percent to 7.5 percent and the drop in highway personnel from 14.8 percent to 7.2 percent; and in *local government*, the decline in highway personnel from 4.8 percent to 3.1 percent.

Among local governments, school districts, counties, and, especially, special districts increased their shares of total employment, while municipalities and townships experienced declines.

The 1989 Picture

The Census Bureau's *Government Finances in 1988-89* indicates general continuation but also some changes in these trends since 1987. From 1987 to 1989:

- Total public spending rose from \$1.8 trillion to \$2.0 trillion (12 percent), but slipped slightly from 40.0 percent to 38.8 percent relative to GNP.
- The leading functional shares of public spending retained their relative positions, although there were shifts in percentages: Income Security, from 27.4 percent to 26.0 percent; National Defense and Foreign Aid, from 17.2 percent to 16.6 percent; and Education and Libraries, from 13.5 percent to 14.0 percent.
- Interest on General Debt continued to increase, from 10.4 percent to 10.9 percent.
- State government's share of total spending grew slightly, from 17.4 percent to 17.7 percent; local government's share rose from 25.4 percent to 26.0 percent; and the federal government's portion continued to decline, slipping from 57.2 percent to 56.3 percent.
- Among local governments, increases were registered for counties (21.3 percent to 21.6 percent), school districts (29.19 percent to 30.8 percent), and townships (3.1 percent to 3.3 percent). There were declines for municipalities (34.6 percent to 33.8 percent) and special districts (11.1 percent to 10.6 percent).

INTRODUCTION

ORIGIN AND SCOPE

This report stems from two sources. In the 1976 legislation renewing the General Revenue Sharing program (P.L. 94-488), the Congress directed ACIR to undertake a number of studies of the federal system. One was to be an evaluation of "state and local governmental organization from both legal and operational viewpoints to determine how general local governments do and ought to relate to each other, to special districts, and to state governments in terms of service and financing responsibilities, as well as annexation and incorporation responsibilities." In a 1982 report responding to this charge, ACIR identified and described the assignment of functions in the American federal system.⁴ Equating governmental functional responsibility generally with expenditures and public employment, one chapter analyzed expenditure and public employment data from the 1967, 1972, and 1977 Census of Governments publications, placing primary emphasis on the allocation between the states and their local governments. Detailed data on expenditures by the various types of local government for the early years were available only in the quinquennial Census Bureau reports. This report updates the 1982 ACIR report with data from the 1982 and the 1987 Census of Governments. Because of the primary reliance on these Census of Governments reports, the major focus is on the 20-year span 1967-1987.

The second motivation for this report is ACIR's interest in identifying changes in the public sector vis-a-vis the total U.S. economy over recent decades, comparing the general purposes of government as a whole, and examining the balance between the federal, state, and local governments. This report, therefore, broadens the scope of the 1982 report by directing attention to the place of total governmental expenditures and public employment in the economy and by focusing more on the general purposes of public expenditures and employment. This volume

also includes more information on federal government expenditures than the earlier report.

BACKGROUND OF ANALYSIS

Broad Governmental Purposes, Functions

The Census Bureau's reports on government finance list some 50 functional classifications or subclassifications of direct expenditures. These are combined into about a dozen major groupings. In this report, the 50 classifications are grouped into nine broad functional classes, rearranging some of the Census Bureau classifications. Following are the nine broad functions, listed in the order in which they appear in most of the tables.

1. General Government: financial administration, other administration, and general expenditure not elsewhere classified (NEC).
2. Interest on General Debt.
3. National Defense and Foreign Aid.
4. Commerce and Energy: atomic energy, space research and technology, postal service, and liquor stores.
5. Education and Libraries.
6. Social Services: public welfare (other than cash assistance and Medicaid vendor payments), health, hospitals (other than medical vendor payments under Medicare and Medicaid), and veterans' services.
7. Income Security: public welfare cash assistance and Medicaid vendor payments, social insurance administration, Social Security and Medicare (OASDHI), federal farm price and income supports, employee retirement, and other insurance trust expenditures.
8. Environment and Community Development: highways, air transportation, parking facilities, water transport and terminals, transit (including subsidies and utilities ele-

ments), natural resources (except federal farm price and income supports, included under Income Security), parks and recreation, housing and community development, sewerage, solid waste management, protective inspection and regulation, general public buildings, and water and power utilities.

9. Public Safety and Courts: police protection, fire protection, corrections, and judicial and legal.

These nine broad functions are subdivided into 36 expenditure categories that follow the Census Bureau's classification, with a few exceptions that are defined in Appendix C.

It should be noted that in the early years (1967, 1972, and 1977), the Census Bureau did not separately identify certain small subclassifications that grew large enough later to be noted individually. These are transit subsidies, protective inspection and regulation, and judicial and legal. The effect on the trends described in this report are relatively small in the total picture, but are noted at appropriate places in the text.

The Provision of Services: Interpretive Caveats

Although this report uses direct expenditures and public employment as indicators of a government's responsibility for "providing" a function, it is recognized that these are not fully satisfactory measures. "Provision" of a function is widely considered to include taxing as well as spending decisions about public goods and services.⁵ "Direct expenditure" is defined by the Census Bureau as all expenditures except intergovernmental expenditures (i.e., they are payments to employees, suppliers, contractors, beneficiaries and all other final recipients of government payments). Since they do not include intergovernmental expenditures (i.e., government grants and other payments to other governments) they do not show the extent to which a government's spending on a function is supported by funds from other governments or, contrariwise, the extent to which it helps support other governments' spending. In the following section, however, this report attempts to balance off this picture of federal/state/local sharing of functional responsibility by showing (a) the net effect of intergovernmental expenditures and (b) the intergovernmental distribution of own-source revenues.

Some state and local spending decisions are affected by expenditure mandates from the federal government, or, in the case of local governments, from both the federal and state governments. Indications are that these mandates have accelerated in the past two decades.⁶ In considering state and local expenditure levels, therefore, it should be borne in mind that, to an

increasing degree, they reflect expenditures mandated by the federal and state governments.

Public employment figures are presented as another measure of government functional responsibility, providing insight on the types of activity involved in the various functions. They show a different picture than expenditures because certain services—such as police, fire protection, education, and street and road maintenance—are labor intensive, whereas others—such as public welfare cash assistance, Medicaid vendor payments, and highway construction—are more cash or capital intensive. In addition, some functions are more commonly contracted out than others, thereby reducing the number of public employees involved.

Revenue and Intergovernmental Aid Considerations

While this report focuses on direct expenditures, intergovernmental expenditures and relative dependence on own-source revenues also need to be taken into account when considering governments' functional responsibility. Before presenting the detailed analysis of direct expenditure data, therefore, this section shows how the picture of federal-state-local functional responsibility, summarized in the Highlights, changes when intergovernmental expenditures and own-source revenues are reflected. The presentation is limited in functional detail because Census data do not trace intergovernmental expenditures on a complete function-by-function basis nor by the five general types of local government, and own-source revenue data apply to total government activity rather than to individual functions.

Table 1 presents the picture for all governments, showing how much of its spending each type of government financed from its own revenues, that is, without funds from other governments. Thus, in 1987, the federal government made 57.3 percent of all direct expenditures and produced 56.6 percent of total own-source revenues. State government, on the other hand, accounted for 17.4 percent of direct expenditures but raised 24.7 percent of total own-source revenues, indicating that it was transferring a large share of its revenues to other governments. The major recipients, of course, were local governments, which made 25.4 percent of direct expenditures but raised only 18.7 percent of total own-source revenues. This pattern held for each of the five types of local government, but school districts were most dependent on outside aid, accounting for 7.6 percent of total direct expenditures and raising only 3.7 percent of all own-source revenues.

The 1967-1987 comparison indicates that in 1987 the federal government was markedly less significant in funding than it had been in 1967, with much more of the burden shifted to the states. Its proportion of total

Table 1
Comparison of Direct Expenditures and Own-Source Revenues,
by Type of Government, 1967 and 1987
(millions)

	Total	Federal	State	Local	Counties	Municipalities	Townships	School Districts	Special Districts
1987									
Direct Expenditures	1,811,733	1,037,143	314,421	460,160	98,148	159,241	14,085	137,738	50,957
Percent	100.00	57.25	17.35	25.40	5.42	8.79	.78	7.60	2.81
Own-Source Revenues	1,679,589	950,144	414,836	314,609	68,596	132,318	11,079	62,746	39,869
Percent	100.00	56.57	24.70	18.73	4.08	7.88	.66	3.74	2.37
1967									
Direct Expenditures	257,800	151,821	39,704	66,274	12,123	24,088	2,256	23,361	4,446
Percent	100.00	58.89	15.40	25.71	4.70	9.34	.88	9.06	1.72
Own-Source Revenues	252,563	161,351	46,793	44,419	7,764	19,014	1,764	12,722	3,154
Percent	100.00	63.89	18.53	17.59	3.07	7.53	.70	5.04	1.25

Sources:

Direct Expenditures: Appendix Table 1.

Own-Source Revenues: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Vol. 4, No. 5 (Washington DC, every five years), Table 3 (1967 data), Table 2 (1987 data).

Table 2
Revenue as a Percentage of Gross National Product,¹
Selected Years, 1934-1990

	General Revenue		
	State-Local Own-Source ²	Federal ³	Total
1934	11.0%	6.3%	17.3%
1944	4.9	24.1	29.0
1954	7.0	18.9	26.0
1964	9.3	16.3	25.6
1974	11.7	15.3	27.0
1984	12.1	14.4	26.5
1989	12.8	14.4	27.2
1990 ⁴	13.2 ^e	14.5	27.7

^e estimate

¹ See Note 1, page XX, for explanation

² Excludes federal aid, employee pension payments, and utility and liquor store receipts.

³ Excludes Social Security/Medicare and certain other federal social insurance trust fund receipts.

⁴ Updated by author, September 1991.

Source: John Shannon, "The Recession: Its Collision with the American Federal System." Testimony before the House Committee on the Budget, June 13, 1991, Exhibit 1.

direct expenditures remained about the same, but its proportion of total own-source revenues dropped from 63.9 percent to 56.6 percent. The states, on the other hand, increased their share of own-source funding from 18.5 percent to 24.7 percent.

The steady swing in the intergovernmental distribution of own-source general revenue away from the federal government and toward state-local government since World War II was highlighted in a recent presentation before the Committee on the Budget of the U.S. House of Representatives. John Shannon of The Urban Institute presented the figures in Table 2 with the following explanatory statement: "During the 1934-1944 period, severe national crises pushed the revenue pendulum rapidly toward Washington. After World War II, a conservative political culture and thousands of mini-fiscal crises at the state-local level combined and slowly pushed the general revenue pendulum toward the center." Today, if the federal trust fund receipts for Social Security and Medicare are excluded, the combined revenues of state and local governments are nearly as great as federal revenues.

Figure 1 and Table 3 provide a look at the impact of intergovernmental funding on several broad functions by adjusting for intergovernmental expenditures. The net amount of intergovernmental funding for each of five functions by type of government has been estimated by crediting the governments for intergovernmental expenditures and debiting them

Table 3
Percentage Distribution of Direct and Intergovernmental Expenditures for Selected Functions
 (D=direct expenditures, D,I=direct expenditures plus estimated, net intergovernmental expenditures¹)

Function		1967				1987			
		Total	Federal	State	Local	Total	Federal	State	Local
Education	D	100.0	5.7	23.2	71.2	100.0	5.8	25.6	68.6
	D,I	100.0	15.1	43.8	41.1	100.0	13.3	55.2	31.5
Highways	D	100.0	.7	67.0	32.2	100.0	1.2	59.4	39.4
	D,I	100.0	29.6	51.4	19.1	100.0	25.8	47.3	26.9
Public Welfare	D	100.0	14.3	44.6	41.1	100.0	24.6	57.6	17.8
	D,I	100.0	58.6	30.1	11.3	100.0	66.4	29.2	4.4
Health and Hospitals	D	100.0	29.8	35.5	34.8	100.0	56.0	20.9	23.1
	D,I	100.0	34.2	33.8	32.0	100.0	59.1	20.9	20.0
Housing and Community Development	D	100.0	38.1	1.1	60.8	100.0	44.8	6.1	49.1
	D,I	100.0	63.4	3.6	33.0	100.0	83.6	2.1	14.3
Total	D	100.0	9.9	34.8	55.3	100.0	22.3	33.2	44.5
	D,I	100.0	27.1	40.9	32.0	100.0	38.6	39.0	22.4

¹ Net intergovernmental expenditures estimated by ACIR from source data. Intergovernmental expenditures reflect only such expenditures allocated to these specific functions in Census Bureau reports; they do not include expenditures that might be traceable to these functions from the following accounts: other and combined; government support; and federal, state and local other and unallocable in 1987.

Source: U.S. Department of Commerce, Bureau of the Census, *Governmental Finances in 1966-67 and 1986-87* (Washington DC, annual), Table 6 (1966-67 and 1986-87), Table 9 (1986-87).

for intergovernmental revenues. The credits and debits do not balance precisely in some cases (due in part to differences in timing of the two kinds of transactions), but it is believed that they come close enough to fairly represent the actual net effect. Adding net intergovernmental expenditures (I) to direct expenditures (D) then gives a better representation (D,I) of funding responsibility than direct expenditures alone. This process does not, of course, reflect intergovernmental expenditures between the several types of local government.

Of the three types of government, the federal government's funding role clearly is shown to be enhanced when net intergovernmental expenditures are included, with the contrast particularly strong in 1987 in highways (25.8 percent compared to 1.2 percent), public welfare (66.4 percent versus 24.6 percent), and housing and community development (83.6 percent versus 44.8 percent). State government's funding role is enhanced in education (55.2 percent [D,I] vs. 25.6 percent [D]), and for all five functions local government's share based on (D,I) is below its share based on direct expenditures alone (D).

For all functions combined, the federal government accounted for 38.6 percent of expenditures when net intergovernmental flows were included (D,I) as against a 22.3 percent share of direct expenditures alone (D); state government, 39.0

percent versus 33.2 percent; and local government—the major beneficiary of intergovernmental aid—22.4 percent versus 44.5 percent.

Comparing 1987 to 1967, in four of the functions the government that was dominant as funder (D,I) in 1967 was more so in 1987. This was particularly true of the federal government in regard to health and hospitals, and housing and community development. The one exception was highways, for which both the federal and state governments contributed less of the total funding in 1987 than in 1967, leaving local government to carry a greater share of the load.

Intergovernmental Aids and Local Governments

It is not possible to apply the analysis used in Table 3 to the five types of local government because data are not available on intergovernmental expenditures by function by type of local government. Data are available, however, on aids received from the federal and state governments by the five types of local units. These are presented in Tables 4A and 4B, which show the extent to which these aids financed direct expenditures in five functional areas in 1977 and 1987.⁷ State aid includes funds from the federal government that are passed through to the localities. The percentages are related to the direct expenditures for each function.

Figure 1
Effects of Intergovernmental Aid on Expenditures for Five Major Functions, 1967 and 1987

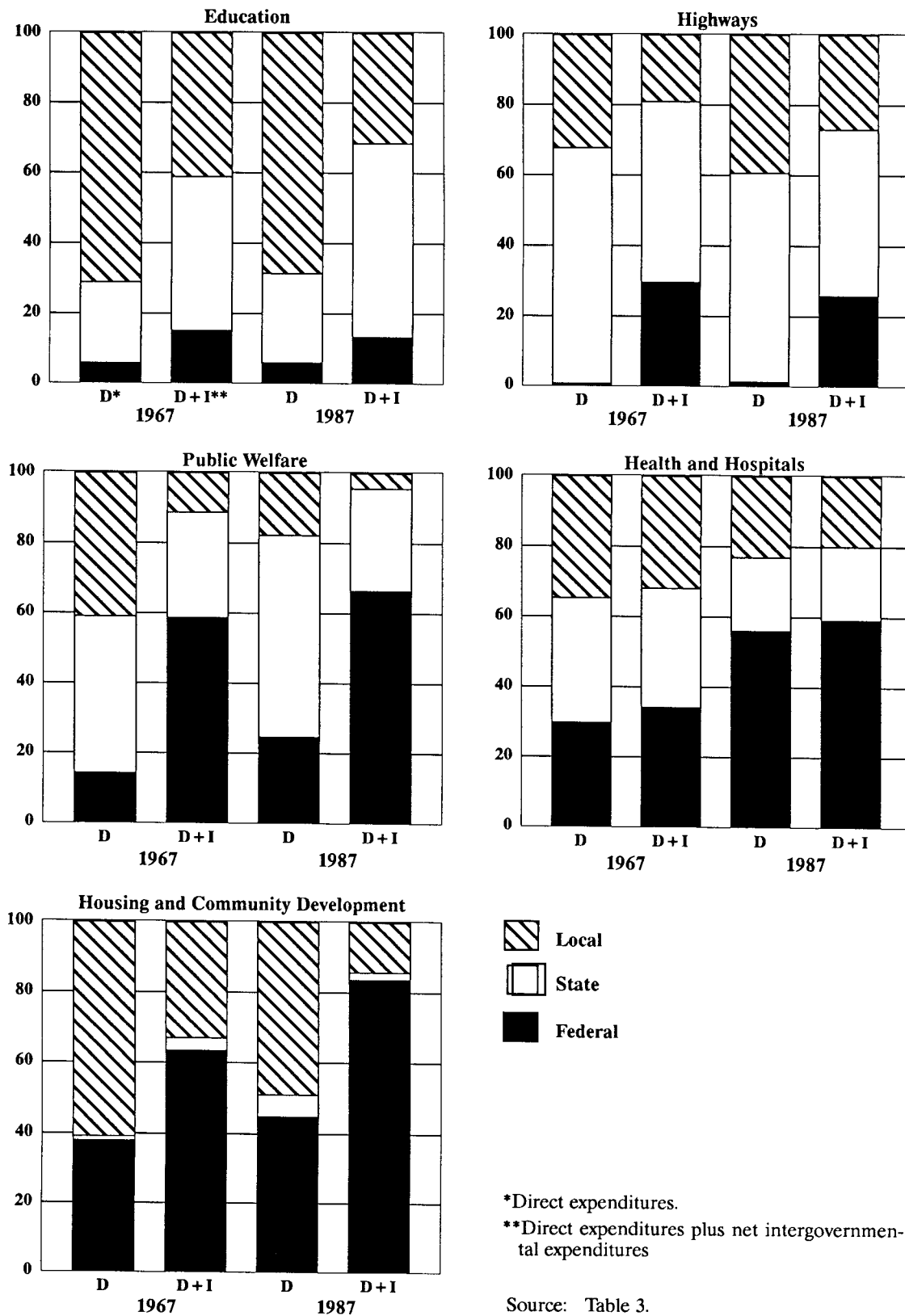


Table 4A
Direct Federal Aid and State Aid¹, as a Percentage of Local Direct Expenditures, by Type of Local Government and Selected Functions, 1977
(millions)

Function	Counties		Municipalities		Townships		School Districts		Special Districts	
	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures
Education Expenditure	\$5,886		\$7,614		\$1,865		\$60,256		\$87	
Direct Federal Aid	156	2.7	183	2.4	21	1.1	952	1.6	0	.0
State Aid ¹	2,936	49.9	3,258	42.8	687	36.8	28,573	47.4	0	.0
Total Aid	3,092	52.5	3,441	45.2	708	38.0	29,525	49.0	0	.0
Public Welfare Expenditure	7,274		4,549		60		0		0	
Direct Federal Aid	35	.5	124	2.7	0	.0	0	.0	0	.0
State Aid ¹	5,529	76.0	3,689	81.1	4	6.7	0	.0	0	.0
Total Aid	5,564	76.5	3,813	83.8	4	6.7	0	.0	0	.0
Health and Hospitals Expenditure	6,043		3,366		70				2,352	
Direct Federal Aid	89	1.5	83	2.5	1	1.4	0	.0	13	.6
State Aid ¹	1,007	16.7	359	10.7	1	1.4	0	.0	38	1.6
Total Aid	1,096	18.1	442	13.1	2	2.9	0	.0	51	2.2
Highways Expenditure	3,755		4,231		1,019		.		201	
Direct Federal Aid	26	.7	62	1.5	2	.2	0	.0	0	.0
State Aid ¹	1,947	51.9	1,306	30.9	179	17.6	0	.0	0	.0
Total Aid	1,973	52.5	1,368	32.3	181	17.8	0	.0	0	.0
Housing and Community Development Expenditure	37		1,778		10				1,385	
Direct Federal Aid	21	56.8	1,071	60.2	10	100.0	0	.0	710	51.3
State Aid ¹	0	.0	193	10.9	0	.0	0	.0	70	5.1
Total Aid	21	56.8	1,264	71.1	10	100.0	0	.0	780	56.3
Total Aid as Percentage of Direct Expenses, 5 Functions, Weighted Average		51.1		48.8		29.9		49.0		20.6

¹Includes federal pass-through funds.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, 1977 and 1987 Census of Governments, Vol. 4, No. 5 (Washington DC, 1979 and 1991), Table 10 (expenditures), Table 29 (aid data); 1977 aid data from Census Bureau unpublished sources.

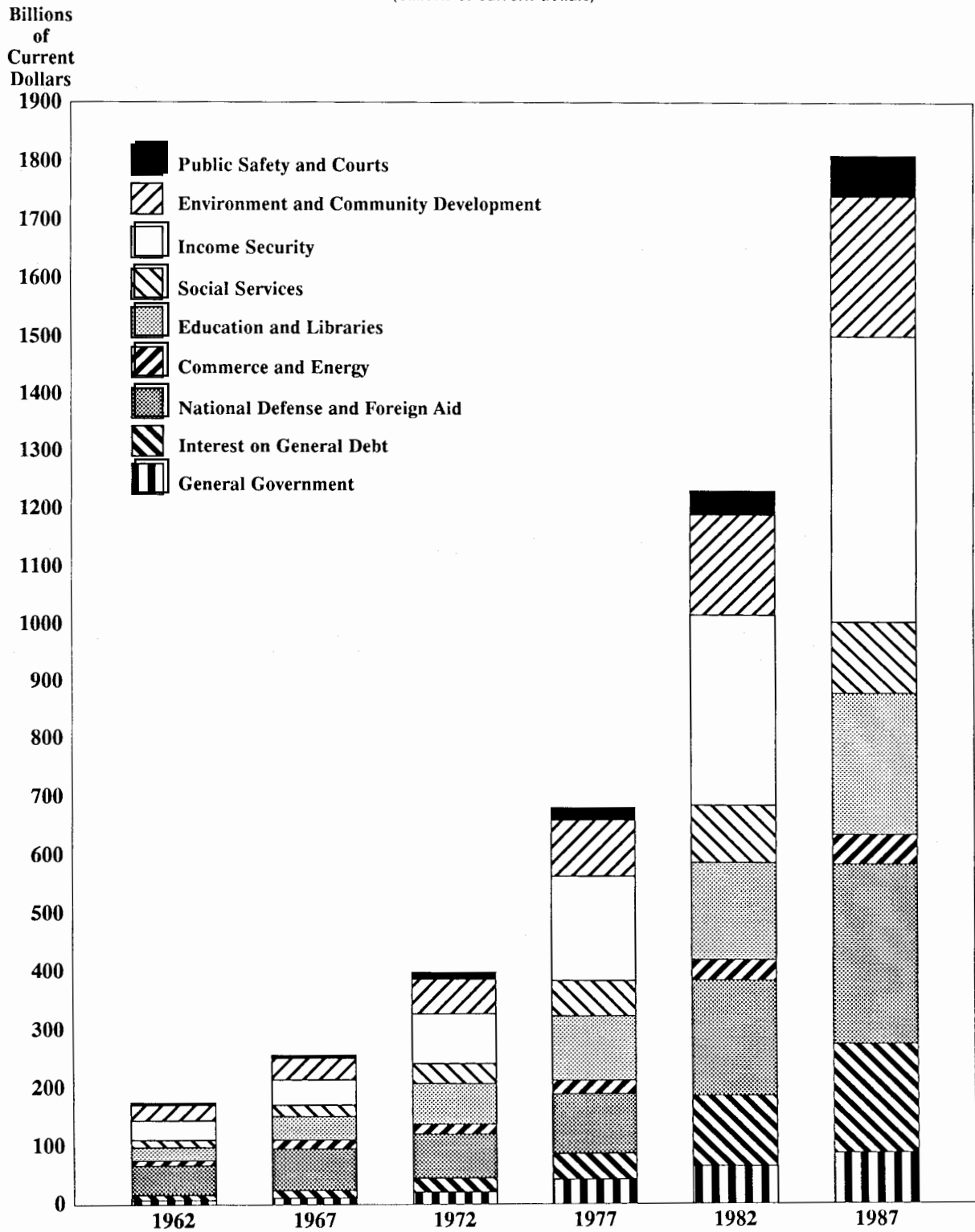
Table 4B
Direct Federal Aid and State Aid¹, as a Percentage of Local Direct Expenditures, by Type of Local Government and Selected Functions, 1987
(millions)

	<u>Counties</u>		<u>Municipalities</u>		<u>Townships</u>		<u>School Districts</u>		<u>Special Districts</u>	
	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures	Amount	Percent of Local Direct Expenditures
Education Expenditure	\$13,116		\$13,179		\$3,501		\$134,996		\$180	
Direct Federal Aid	147	1.1	201	1.5	28	.8	1,119	.8	0	.0
State Aid ¹	6,989	53.3	6,687	50.7	1,146	32.7	73,102	54.2	1	.6
Total Aid	7,136	54.4	6,888	52.3	1,174	33.5	74,221	55.0	1	.6
Public Welfare Expenditure	13,618		5,173		158		0		0	
Direct Federal Aid	153	1.1	309	6.0	7	4.4	0	.0	0	.0
State Aid ¹	11,129	81.7	4,600	88.9	17	10.8	0	.0	0	.0
Total Aid	11,282	82.8	4,909	94.9	24	15.2	0	.0	0	.0
Health and Hospitals Expenditure	15,028		7,375		171		0		7,351	
Direct Federal Aid	106	.7	106	1.4	0	.0	0	.0	95	1.3
State Aid ¹	3,115	20.7	645	8.7	8	4.7	0	.0	101	1.4
Total Aid	3,221	21.4	751	10.2	8	4.7	0	.0	196	2.7
Highways Expenditure	8,064		10,082		2,171		0		550	
Direct Federal Aid	84	1.0	185	1.8	6	.3	0	.0	4	.7
State Aid ¹	3,573	44.3	2,619	26.0	372	17.1	0	.0	28	5.1
Total Aid	3,657	45.3	2,804	27.8	378	17.4	0	.0	32	5.8
Housing and Community Development Expenditure	777		5,575		80		0		4,029	
Direct Federal Aid	719	92.5	3,213	57.6	25	31.3	0	.0	3,078	76.4
State Aid ¹	0	.0	0	.0	0	.0	0	.0	0	.0
Total Aid	719	92.5	3,213	57.6	25	31.3	0	.0	3,078	76.4
Total Aid as Percentage of Direct Expenses, 5 Functions, Weighted Average		51.4		44.9		26.5		55.0		27.3

¹Includes federal pass-through funds.

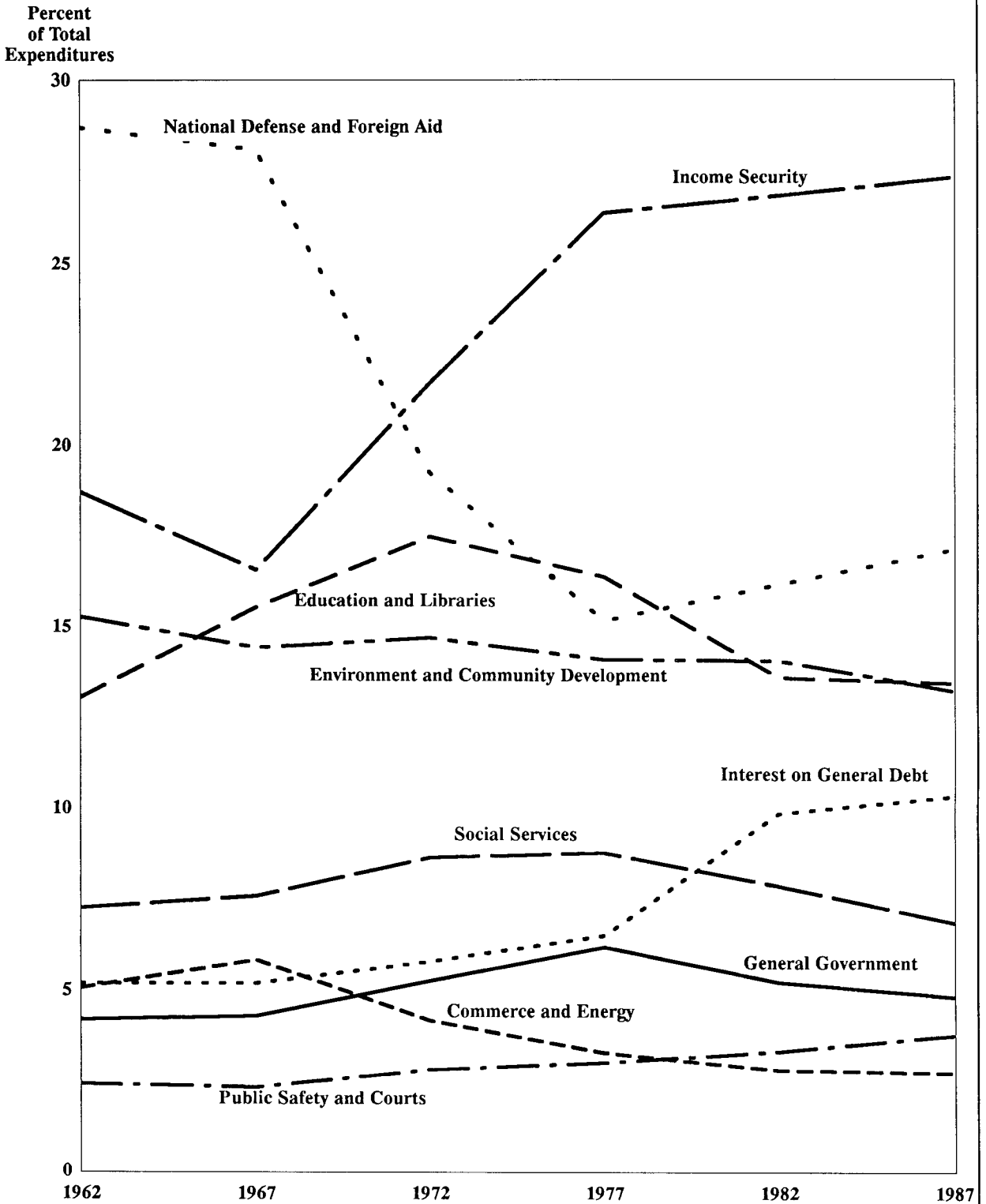
Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, 1977 and 1987 Census of Governments, Vol. 4, No. 5 (Washington DC, 1979 and 1991), Table 10 (expenditures), Table 29 (aid data); 1977 aid data from Census Bureau unpublished sources.

Figure 2
Direct Governmental Expenditures, by Function, All Governments,
1962, 1967, 1972, 1977, 1982, 1987
 (billions of current dollars)



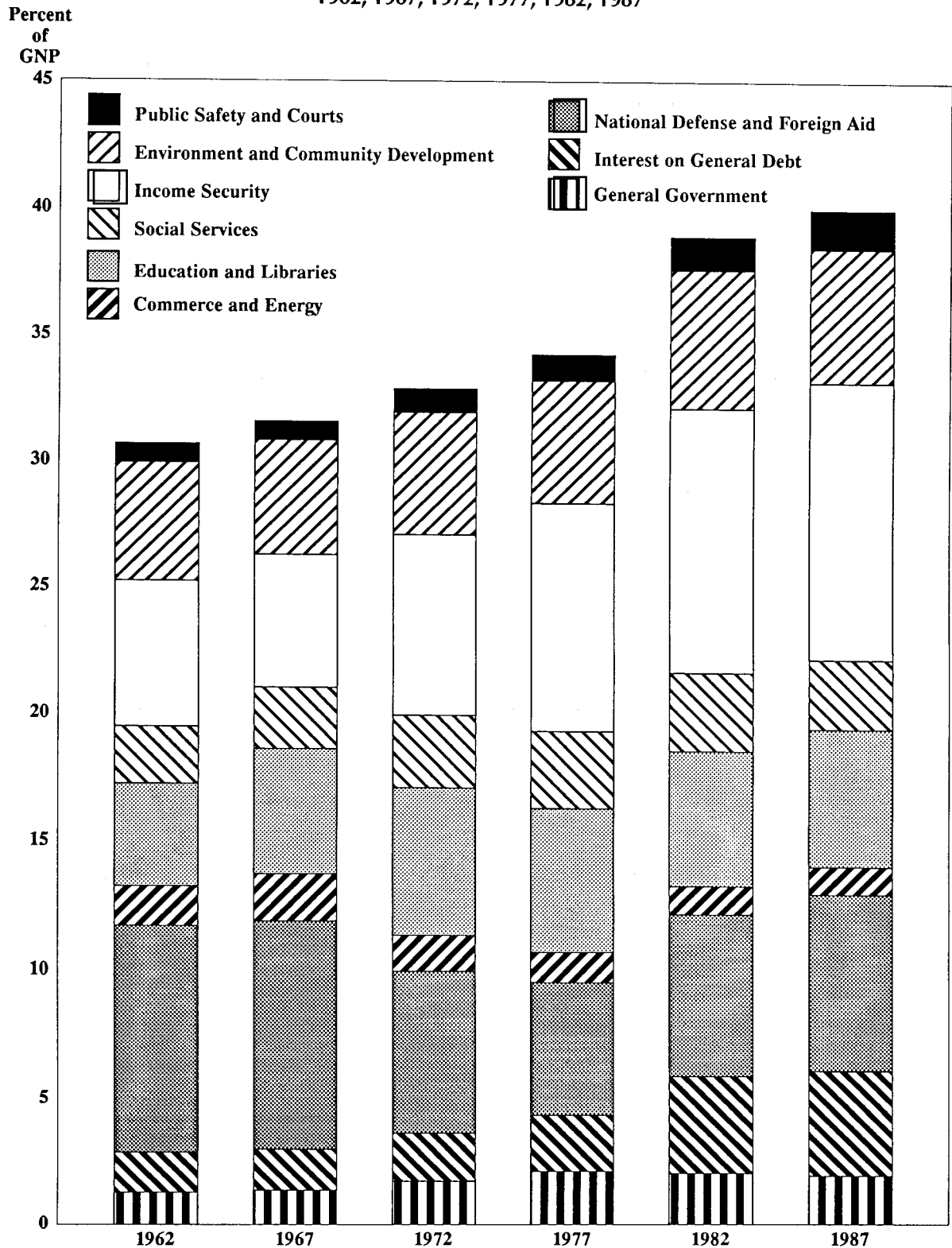
Source: Appendix Table 1.

Figure 3
Direct Governmental Expenditures, by Function, All Governments,
1962, 1967, 1972, 1977, 1982, 1987
 (percentage of total expenditures)



Source: Appendix Table 9.

Figure 4
Direct Governmental Expenditures as a Percentage of GNP, by Function, All Governments, 1962, 1967, 1972, 1977, 1982, 1987



Source: Appendix Table 5.

Overall, the table indicates that the percentage of direct expenditures financed by intergovernmental aid varied with the type of local government, but the share was substantial for most of the types of government involved in the five functions. Health and hospitals was the least aided function. State aid (including federal aid passed through the states) was far more significant than federal aid, except for housing and community development.

In 1987, the weighted average of total aid as a percentage of direct expenditures for all five functions

combined was 51.4 percent for counties, 44.9 percent for municipalities, 26.5 percent for townships, 55 percent for school districts, and 22.3 percent for special districts. Compared with 1977, these percentages were higher for counties, school districts, and special districts, but lower for municipalities and townships.

Keeping this background in mind, this report returns to its main focus of examining the detailed functions of government as revealed by available data on direct expenditures and employment.

DIRECT EXPENDITURES

THE PUBLIC SECTOR EXPENDITURE PICTURE: ALL GOVERNMENTS

Direct expenditures in the public sector went from \$257.8 billion in 1967 to \$1,811.7 billion in 1987, an increase of 602.8 percent (Figures 2 and 3, Appendix Table 1). In constant (1982) dollars,⁸ this was an increase of 115 percent. On a per capita basis, the increase was from \$1,297 to \$7,427, or 473 percent (Appendix Table 2). Again in constant dollars, the per capita increase was 75 percent (Appendix Table 3).

The pace of change was not consistent over the 20-year period. In five-year spans, the greatest increase in spending was from 1977 to 1982, the last three years of the Carter Administration and the first two years of the Reagan Administration—80.7 percent; the smallest, from 1982-1987, the middle period of the Reagan Administration—46.9 percent, which approximately matched the 1962-1967 rise (Appendix Table 4). The per capita rates of change follow a similar pattern, with the greatest increase in the 1977-1982 period—71.2 percent, and the least in 1982-1987—40 percent (Appendix Table 2).

The public sector grew faster than the national economy. Government expenditures rose relative to GNP from 31.6 percent in 1967 to 40.0 percent in 1987 (Figure 4, Appendix Table 5).⁹

The Nine Functions

Along with growth in the public sector came a significant shift in functional emphasis, as appears in Figures 2 and 3 (Appendix Table 6). In 1967, the leading function in expenditures was National Defense and Foreign Aid, constituting 28.1 percent of the total, followed by Income Security (16.6 percent) and Education and Libraries (15.6 percent). By 1987, Income Security was far and away the largest function in terms of dollars (27.4 percent); National Defense and Foreign Aid had dropped to second (17.2 percent); and Education and Libraries was third (13.5 percent), barely edging

out Environment and Community Development (13.3 percent).

Appendix Tables 6 and 7 show the ranking of the nine categories for each of the five-year intervals. Commerce and Energy dropped the farthest in rank—from sixth to ninth (5.8 percent to 2.8 percent), Interest on General Debt went up two steps (from seventh to fifth), and General Government and Public Safety and Courts each rose one step.

Over the 20 years, Interest on General Debt doubled its share of total expenditures, from 5.2 percent to 10.4 percent. Interest on General Debt also registered the largest percentage increase (in current dollars) from 1967 to 1987 (1,302.8 percent). Then came Public Safety and Courts (1047.2 percent) and Income Security (1058.9 percent). Those with the smallest growth were Commerce and Energy (233.4 percent), and National Defense and Foreign Aid (329.6 percent).

Considering all nine functions from the standpoints of both expenditure size and amount of change, National Defense and Foreign Aid, Interest on General Debt, and Income Security stand out. Changes in the last two are especially clear in breaking down expenditures by character and object, as in Table 5. Besides showing the doubling of the Interest on General Debt percentage, this table shows insurance benefits and repayments growing from 13.0 percent to 20.3 percent. The latter (mainly Social Security and Medicare) is the main component of Income Security. The table also highlights another shift in expenditure patterns from 1967 to 1987: the decline in capital outlays from 16.3 percent to 10.8 percent. Together, these trends point to a movement away from spending for goods and services and toward payments to individuals and institutions.

Looking at the percentage changes at five-year intervals shows how government policies shifted functional emphasis within the 20-year span (Appendix Table 4). In the 1967-1972 and 1972-1977 periods, Income Security grew the fastest (102.8 percent and 107.7 percent). The slowest growth was experienced by National Defense

Table 5
Direct Expenditures as a Percentage of Total Expenditures, by Character and Object, 1967-1987

	1987	1982	1977	1972	1967
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Current Operation	53.2	52.0	53.9	56.9	59.5
Capital Outlay	10.8	10.5	11.0	13.9	16.3
Construction	4.8	5.0	6.4	8.3	9.2
Equipment, Land and Existing Structures	6.0	5.5	4.6	5.6	7.1
Assistance & Subsidies	4.9	5.6	7.2	7.0	5.7
Interest on Debt	10.8	10.2	6.8	6.0	5.4
Insurance Benefits & Repayments	20.3	21.7	21.1	16.2	13.0

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49 percent, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Vol. 4, (Washington, DC, 1967, 1972, 1977, Table 6; 1982 and 1987, Table 7).

Table 6
Functions with Fastest and Slowest Expenditure Growth, All Governments, Five-Year Intervals, 1967-1987

Period	Overall Percent Change	Fastest Growing Function		Slowest Growing Function	
1967-72	54.8%	Income Security	102.8%	National Defense and Foreign Aid	6.1%
1972-77	71.0	Income Security	107.7	National Defense and Foreign Aid	34.7
1977-82	80.7	Interest on General Debt	174.0	Education and Libraries	49.9
1982-87	46.9	Public Safety and Courts	66.8	Social Services	28.1

Source: Appendix Table 4.

and Foreign Aid (6.1 percent and 34.7 percent) In 1977-1982, Interest on General debt grew most rapidly (174 percent), and Education and Libraries least (49.9 percent). Finally, for 1982-1987, Public Safety and Courts led with an increase of 66.8 percent, and Social Services was by far the slowest growing functional grouping (28.1 percent). Table 6 summarizes these trends.

In constant (1982) dollars, the percentage changes are of course much different, with two functions actually showing decreases in two five-year periods (Figure 5, Appendix Table 8). Thus, both National Defense and Foreign Aid, and Commerce and Energy lost ground from 1967-1972 and 1972-1977, particularly in the earlier period. Education and Libraries barely grew in the 1977-1982 span (0.9 percent).

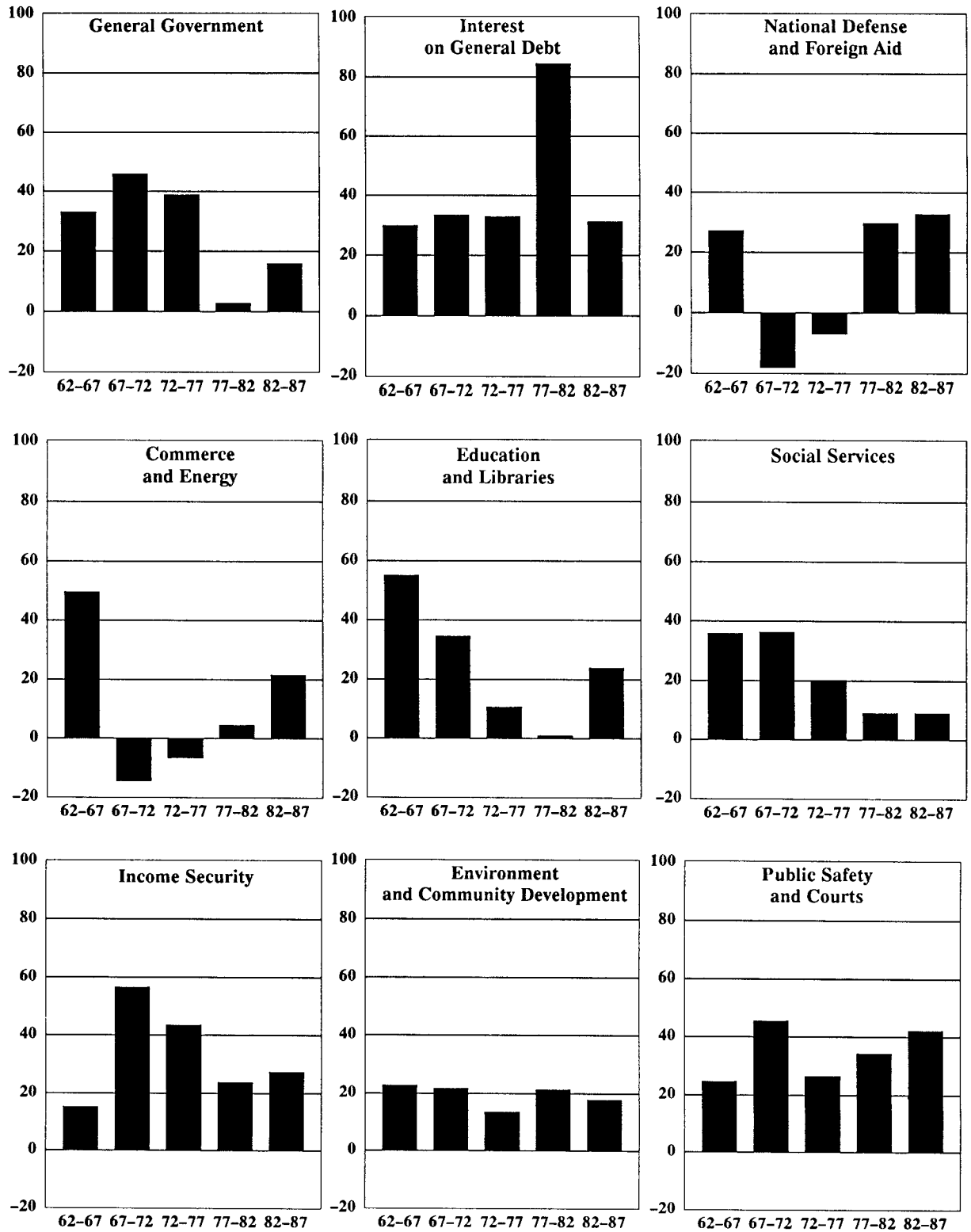
The 36 Expenditure Categories within the Nine Functions

To gain more insight into the changing expenditure picture, it helps to focus on the 36 expenditure

classes within the nine broad functions (Appendix Table 1). Table 7 identifies the seven largest and seven smallest functional categories in 1967 and 1987, measured by their percentage of total direct expenditures. The 36 do not include National Defense and Foreign Aid or Interest on General Debt because these two basic functions are not subdivided in this report. Their relative importance has been noted.

The table pinpoints how public priorities have shifted over the 20 years. In 1967, education stood at the top; only one of the elements of Income Security (Social Security and Medicare) was in the top seven categories; highways was third most important; and the remaining four were not to appear in the top seven 20 years later. In 1987, four of the components of Income Security were in the top seven (Social Security and Medicare, public welfare cash assistance and Medicaid vendor payments, employee retirement, and federal farm price and income support), education slipped to second, highways from third to fifth, and water and power utilities (basically a local government function) became the sixth most important.

Figure 5
Direct Expenditures by Function, Percentage Change in 1982 Constant Dollars, All Governments, Five-Year Periods, 1962-1987



Source: Appendix Table 8.

Table 7
**Seven Largest and Smallest Functional Categories, All Governments,
 1967 and 1987**

Functional Category	Percent of Total Direct Expenditures	Functional Category	Percent of Total Direct Expenditures
SEVEN LARGEST			
1967		1987	
1. Education	15.4%	1. Social Security/Medicare	15.6%
2. Social Security/Medicare	9.3	2. Education	13.3
3. Highways	5.4	3. Public Welfare: Cash Assistance/Medicaid	3.9
4. Veterans' Services	2.9	4. Employee Retirement	3.1
5. Natural Resources	2.6	5. Highways	2.9
6. General Expenditures, N.E.C.	2.6	6. Utilities (Water, Power)	2.8
7. Postal Service	2.4	7. Federal Farm Price/Income Support	2.8
SEVEN SMALLEST			
1967		1987	
1. Parking Facilities	.06	1. Liquor Stores	.16
2. Libraries	.20	2. Libraries	.20
3. Solid Waste Management	.34	3. Water Terminals/Transport	.21
4. General Public Buildings	.36	4. Protective Inspection/Regulation	.24
5. Corrections	.47	5. Solid Waste Management	.36
6. Social Insurance Administration	.47	6. General Public Buildings	.27
7. Transit	.50	7. Sewerage	.36

Source: Appendix Table 9.

At the bottom end, the 20-year movement of subfunctions in and out of the list of seven smallest is illuminating. Parking facilities, corrections, and transit moved out, indicating a rise in their priority status; liquor stores, water terminals and transportation, and sewerage moved in, indicating their reduced relative importance. Libraries, solid waste management, general public buildings, and social insurance administration remained among the smallest subfunctions over the two decades.

In connection with the decline in relative highway spending, it may be noted that the transportation cluster under Environment and Community Development fell from 7.2 percent of total expenditures in 1967 to 4.5 percent in 1987. Transportation includes, besides highways, air transport, water transport, parking facilities, and transit.

Federal, State, Local Concurrent Responsibilities

As between the federal, state, and local governments, there was a 20-year shift of overall direct expenditure responsibility from the federal to the state governments and little change in local government's share. State government's share rose from

15.4 percent to 17.4 percent; local government slipped very slightly from 25.7 percent to 25.4 percent; and the federal portion dropped from 58.9 percent to 57.3 percent (Figure 6, Appendix Table 10).

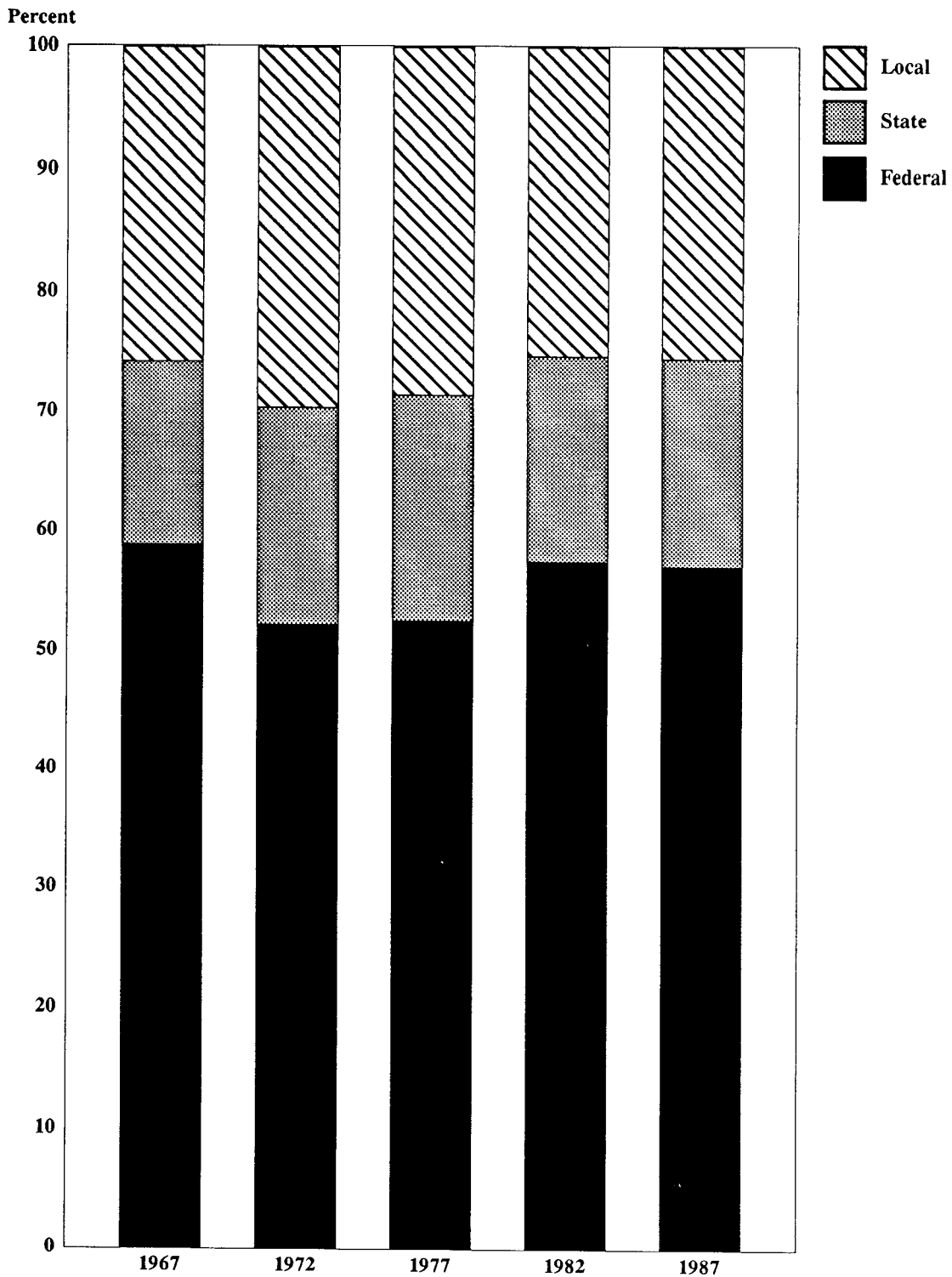
In considering these figures, as well as those in the following sections on federal, state, and local governments, it is important to keep in mind that the focus is on direct expenditures, which do not include intergovernmental expenditures. This fact has important implications for the heavily intergovernmental functions, particularly Education and Libraries, Income Security, and Environment and Community Development (including highways).

Federal Government

Functional shifts within the federal government over the 20 years are apparent from the ranking of the nine functions by their percentage of total direct expenditures at the five-year intervals (Table 8).

Among the three largest functions—constituting over 80 percent of total federal expenditures in 1987—there was a clear shift from 1967 to 1987 toward Income Security and Debt Interest and away from National Defense and Foreign Aid. Among the other functions, Environment and Community Development moved up (despite a decline in percentage share) and

Figure 6
 Direct Expenditures, by Type of Government, All Governments, 1967, 1972, 1977, 1982, and 1987
 (percentage)



Source: Appendix Table 10.

Table 8
Federal Government Direct Expenditures Ranking by Function,
1967, 1972, 1977, 1982, 1987
 (percentage)

	1987	1982	1977	1972	1967
	Rank	Rank	Rank	Rank	Rank
	Percent of Total Expenditures	Percent of Total Expenditures	Percent of Total Expenditures	Percent of Total Expenditures	Percent of Total Expenditures
Income Security	1	1	1	2	2
National Defense/ Foreign Aid	2	2	2	1	1
Interest on General Debt	3	3	3	3	4
Environment/ Community Development	4	4	5	6	6
Commerce/ Energy	5	6	6	5	3
Social Services	6	5	4	4	5
General Government	7	7	7	7	7
Education/ Libraries	8	8	8	8	8
Public Safety/ Courts	9	9	9	9	9

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49 percent, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Appendix Table 11

Commerce and Energy and Social Services moved down in relative ranking. The other three kept the same ranking but increased in percentage shares of the total.

Figure 7 pictures the shifts in percentage shares over the 20-year period. Two of the three largest functions, Income Security and Interest on General Debt, moved steadily upward except for slight dips in 1982 (Income Security) and 1987 (Debt Interest); National Defense and Foreign Aid moved steadily down through 1982, then regained a little ground in 1987; the next three in rank moved downward from 1967 to 1987, with one or more tentative moves upward in the intervening years.

Focusing on the 36 categories, the following increased their percentage shares by more than 50 percent from 1967 to 1987 (Appendix Table 12): public welfare other than cash assistance and Medicaid vendor payments, hospitals, public welfare cash assistance and Medicaid vendor payments, Social Security and Medicare (OASDHI), federal farm price

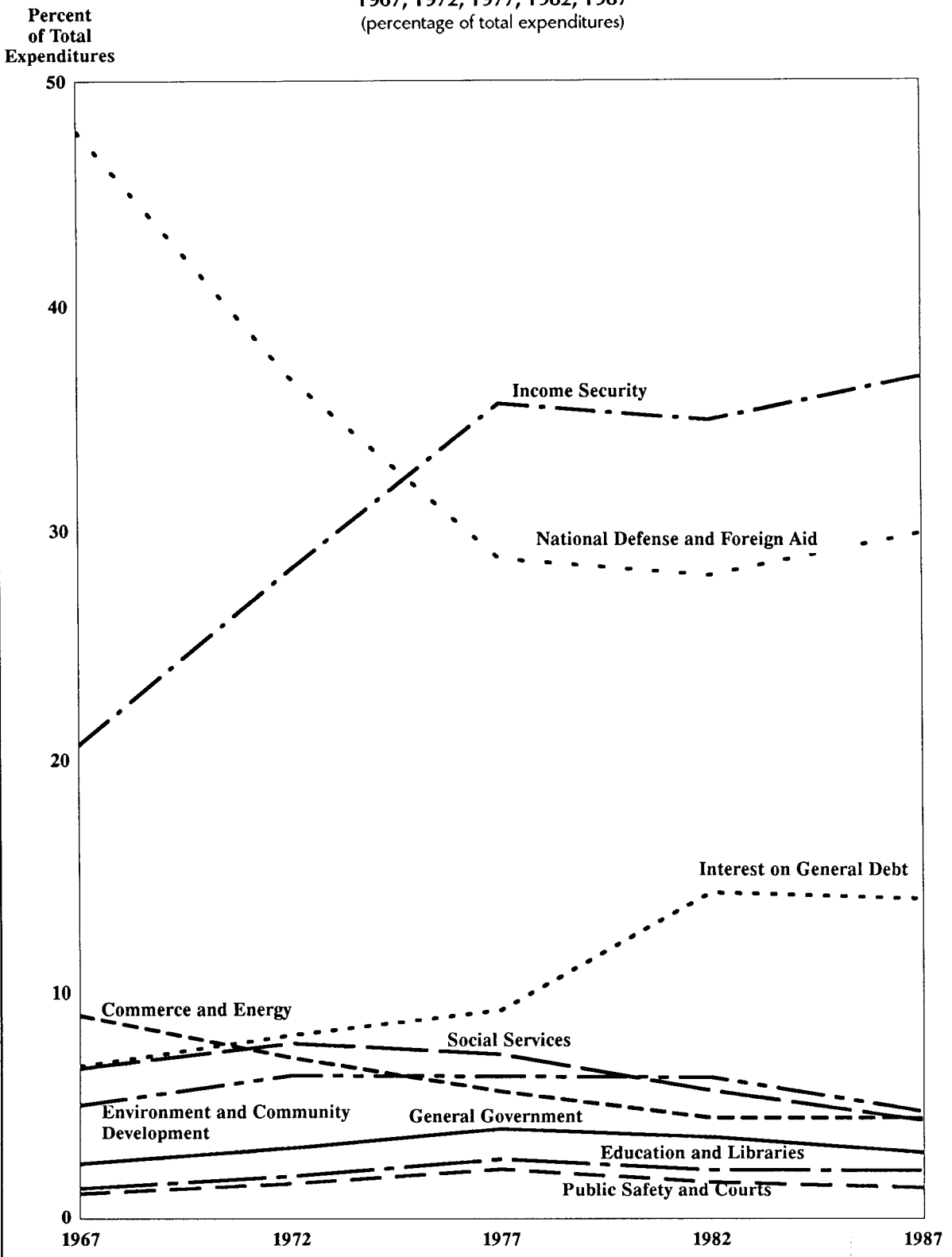
and income supports, employee retirement, police protection, and corrections. Dropping more than 50 percent were space research and technology, veterans' services, and water transport.

State Government

Ranking of the broad functions of state government (eight instead of nine, dropping the federal function of National Defense and Foreign Aid) according to percentage of total expenditures spotlights the major functional shifts between 1967 and 1987 (Figure 8, Table 9).

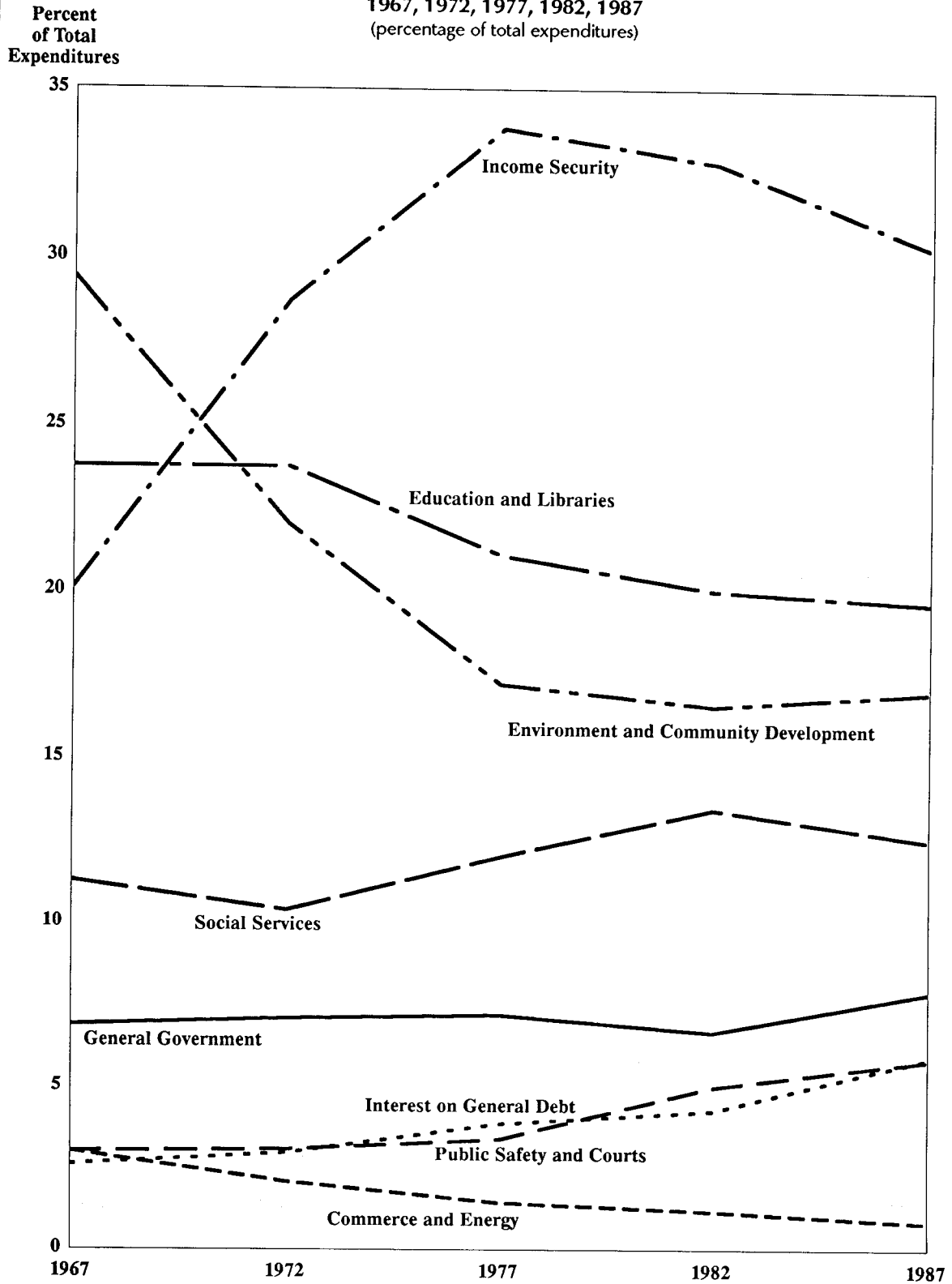
Comparing 1967 and 1987, among the four largest functions, representing over 75 percent of total state expenditures, Income Security was at the top in 1987, trading places with the 1967 front runner, Environment and Community Development, which dropped to third. The rise for Income Security paralleled the federal expenditure pattern. Education and Libraries and Social Services retained their positions—second

Figure 7
Federal Government Direct Expenditures, by Function,
 1967, 1972, 1977, 1982, 1987
 (percentage of total expenditures)



Source: Appendix Table 11.

Figure 8
State Government Direct Expenditures, by Function,
 1967, 1972, 1977, 1982, 1987
 (percentage of total expenditures)



Source: Appendix Table 13.

Table 9
**State Government Direct Expenditures Ranking by Function,
 1967, 1972, 1977, 1982, 1987**
 (percentage)

	1987		1982		1977		1972		1967	
	Rank	Percent of Total Expenditures	Rank	Percent of Total Expenditures	Rank	Percent of Total Expenditures	Rank	Percent of Total Expenditures	Rank	Percent of Total Expenditures
Income Security	1	30.3%	1	32.8%	1	33.8%	1	28.7%	3	20.1%
Education/ Libraries	2	19.7	2	20.1	2	21.1	2	23.8	2	23.8
Environment/ Community Development	3	17.0	3	16.6	3	17.2	3	22.0	1	29.4
Social Services	4	12.5	4	13.5	4	12.0	4	10.4	4	11.3
General Government	5	7.9	5	6.7	5	7.2	5	7.1	5	6.9
Interest on General Debt	6	5.9	7	4.3	6	3.9	7	2.9	8	2.6
Public Safety/ Courts	7	5.9	6	5.0	7	3.4	6	3.1	6	3.0
Commerce/ Energy	8	0.8	8	1.1	8	1.4	8	2.1	7	3.0

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49 percent, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Appendix Table 13

and fourth, respectively—although Education and Libraries dropped markedly in share from 23.8 percent to 19.7 percent, while Social Services rose from 11.3 percent to 12.5 percent. Among the four other broad functions, Interest on General Debt rose from eighth to sixth in rank of importance, more than doubling its percentage share of total state expenditures. Public Safety and Courts dropped one rank, although states almost doubled their percentage of total spending devoted to this function—from 3.0 percent to 5.9 percent. The share given to Commerce and Energy dropped steeply from 3.0 percent to 0.8 percent. This function in state government, according to this report’s classification, consists solely of liquor store expenditures.

Examining changes in the 27 categories within the eight broad functions of state government throws additional light on the shifts in the rankings of the latter (Appendix Table 13). Under Income Security, public welfare cash assistance and Medicaid vendor payments, and employee retirement almost doubled their percentage shares. Under Environment and Community Development, on the other hand, the

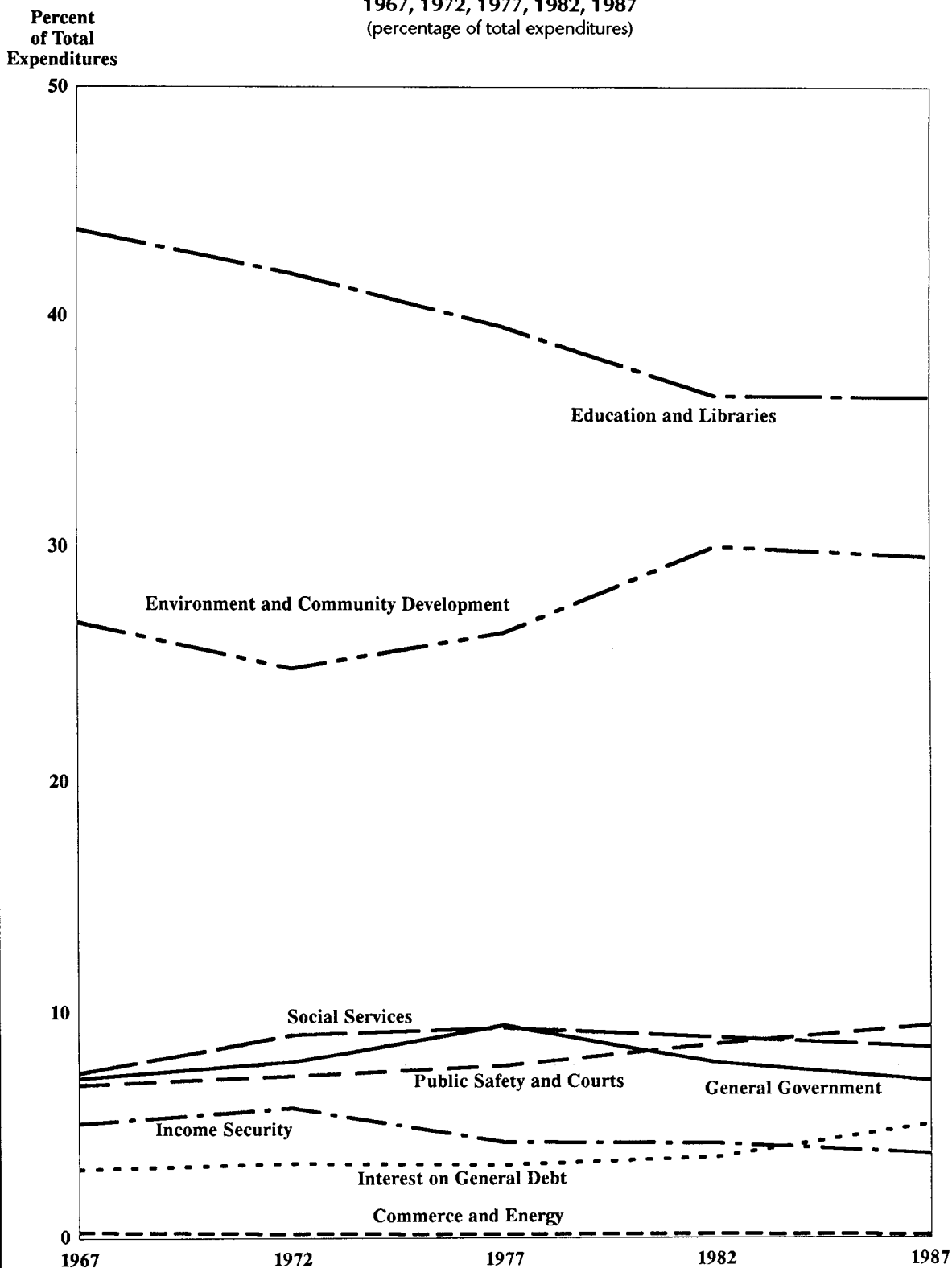
transportation cluster dropped over one-half of its share, with highways being the basic reason: highway expenditures went from 23.7 percent of total state spending in 1967 to 10.0 percent in 1987. Under Public Safety and Courts, police protection’s share remained stable but the corrections share almost doubled (1.88 percent to 3.43 percent).

Local Government

Rankings of the eight broad functions of local government by percentage share at five-year intervals between 1967 and 1987 are shown in Figure 9 and Table 10.

The two largest functions, making up two-thirds of total direct expenditures, were in the top spots in 1987 and 1967, but they fared differently in terms of their shares of total local government expenditures. Education and Libraries (for all practical purposes, Education), the dominant function, became not so dominant, slipping from 43.8 percent to 36.5 percent. Environment and Community Development, however, rose from 26.8 percent to 29.7 percent. Public

Figure 9
Local Government Direct Expenditures, by Function,
 1967, 1972, 1977, 1982, 1987
 (percentage of total expenditures)



Source: Appendix Table 14.

Table 10
Local Government Direct Expenditures Ranking by Function,
1967, 1972, 1977, 1982, 1987
 (percentage)

	1987	1982	1977	1972	1967
	Percent of Total Expen- ditures	Percent of Total Expen- ditures	Percent of Total Expen- ditures	Percent of Total Expen- ditures	Percent of Total Expen- ditures
	Rank	Rank	Rank	Rank	Rank
Education/ Libraries	1 36.5	1 36.6	1 39.6	1 41.9	1 43.8
Environment/ Community Development	2 29.7	2 30.1	2 26.4	2 24.8	2 26.8
Public Safety/ Courts	3 9.5	4 8.7	5 7.7	5 7.2	5 6.8
Social Services	4 8.5	3 9.0	4 9.4	3 9.0	3 7.3
General Government	5 7.0	5 7.8	3 9.5	4 7.8	4 7.0
Interest on General Debt	6 5.1	7 3.6	7 3.2	7 3.3	7 3.0
Income Security	7 3.7	6 4.2	6 4.3	6 5.8	6 5.1
Commerce/ Energy	8 0.1	8 0.1	8 0.1	8 0.2	8 0.2

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49 percent, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Appendix Table 14

Safety and Courts showed the most dramatic change in rank, rising two steps from fifth to third, from 6.8 percent to 9.5 percent. Interest on General Debt went up one step, and Social Services, General Government, and Income Security each fell off one. Social Services actually went up in percentage share, from 7.3 percent to 8.5 percent, but Income Security dropped from 5.1 percent to 3.7 percent.

The Environment and Community Development function rose because of increased relative expenditures for sewerage, solid waste management, air transportation, transit subsidies and operations, and water and power utilities. These were large enough to more than offset the substantial decline in percentage of expenditures for highways (6.8 percent to 4.5 percent). The percentages for housing and community development, and parks and recreation, other important components of the Environment and Community Development function, were stable, comparing 1987 to 1967.

The increased importance of Public Safety and Courts was traceable to the rise in relative spending on both police and corrections: 3.9 percent to 4.6

percent and 0.6 percent to 1.3 percent, respectively, reflecting heightened public concern about crime. Social Services rose in percentage share because increases in relative spending for health and hospitals more than offset the drop in spending for public welfare other than cash assistance and Medicaid vendor payments. The overall drop in Income Security was attributable to the decline in percentage of expenditures for public welfare cash assistance and Medicaid vendor payments, from 3.6 percent to 2.1 percent, at the same time that employee retirement payments went up from 1.5 percent to 1.6 percent.

Summary: Shifts in Functional Priorities – 1967 to 1987

Table 11 pulls together major data from the preceding section, summarizing how changes in expenditure priorities of the several governments relate to changes in the public sector overall between 1967 and 1987. Columns 1 to 3 show the functional shares of total expenditures and differences in percentage points between the two years. Columns

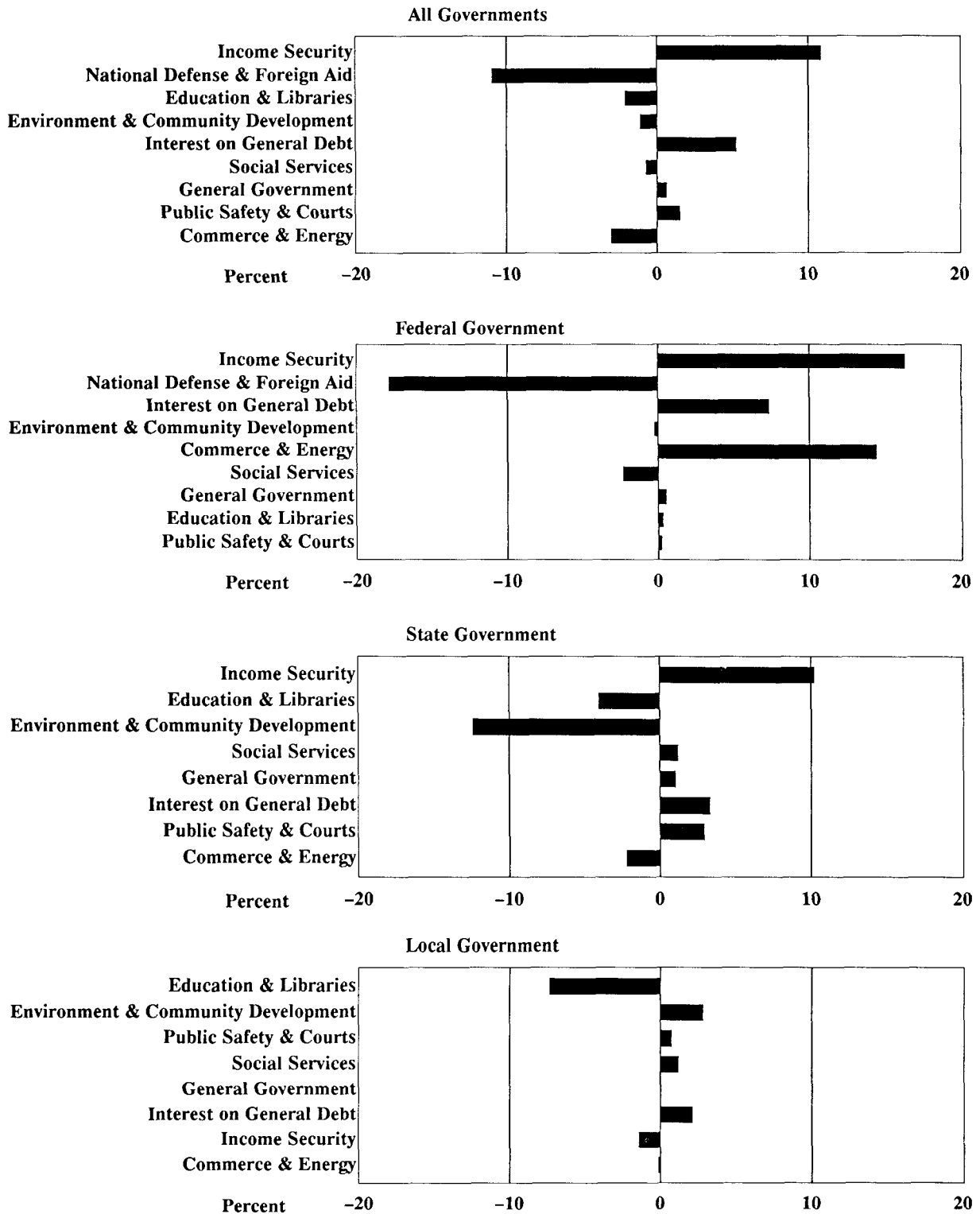
Table 11
**Percentage Distribution of Total Expenditures, by Government,
 Change from 1967 to 1987**

Functions	Percent of Total Expenditures		Change in Percent of Total Expenditures	Rank in Percent of Total Expenditures		Change in Rank in Percent of Total Expenditures
	1967 (1)	1987 (2)	1967-1987 (3)	1967 (4)	1987 (5)	1967-1987 (6)
All Governments						
Income Security	16.6%	27.4%	10.8%	2	1	+1
National Defense/Foreign Aid	28.1	17.2	-10.9	1	2	-1
Education/Libraries	15.6	13.5	-2.1	3	3	0
Environment/ Community Development	14.4	13.3	-1.1	4	4	0
Interest on General Debt	5.2	10.4	5.2	7	5	+2
Social Services	7.6	6.9	-0.7	5	6	-1
General Government	4.3	4.9	0.6	8	7	+1
Public Safety/Courts	2.3	3.8	1.5	9	8	+1
Commerce/Energy	5.8	2.8	-3.0	6	9	-3
Federal Government						
Income Security	20.7	37.0	16.3	2	1	+1
National Defense/ International Relations	47.8	30.0	-17.8	1	2	-1
Interest on General Debt	6.8	14.1	7.3	4	3	+1
Environment/ Community Development	5.1	4.9	-0.2	6	4	+2
Commerce/Energy	9.0	4.6	-4.4	3	5	-2
Social Services	6.8	4.5	-2.3	5	6	-1
General Government	2.5	3.0	0.5	7	7	0
Education/Libraries	1.1	1.4	0.3	8	8	0
Public Safety/Courts	0.2	0.7	0.5	9	9	0
State Government						
Income Security	20.1	30.3	10.2	3	1	+2
Education/Libraries	23.8	19.7	-4.1	2	2	0
Environment/ Community Development	29.4	17.0	-12.4	1	3	-2
Social Services	11.3	12.5	1.2	4	4	0
General Government	6.9	7.9	1.0	5	5	0
Interest on General Debt	2.6	5.9	3.3	8	6	+2
Public Safety/Courts	3.0	5.9	2.9	7	7	0
Commerce/Energy	3.0	0.8	-2.2	6	8	-2
Local Government						
Education/Libraries	43.8	36.5	-7.3	1	1	0
Environment/ Community Development	26.8	29.7	2.9	2	2	0
Public Safety/Courts	6.8	9.5	2.7	5	3	+2
Social Services	7.3	8.5	1.2	3	4	-1
General Government	7.0	7.0	0	4	5	-1
Interest on General Debt	3.0	5.1	2.1	7	6	+1
Income Security	5.1	3.7	-1.4	6	7	-1
Commerce/Energy	0.2	0.1	-0.1	8	8	0

¹ Ranked by size of 1987 direct expenditures.

Sources: Appendix Tables 9, 11, 13, 14.

Figure 10
 Total Expenditures, Percentage Change, by Function and Type of Government, 1967 to 1987,
 Ranked by 1987 Direct Expenditures



Source: Table 11.

4 and 5 show the relative rankings of the functions in each year, measured by percentage shares, and Column 6 shows the changes in rankings between the two years.

Figure 10 presents Column 3 graphically—changes in percentage points from 1967 to 1987.

Local Governments: The Five Types

Local government services are provided by five general types of local units identified by the Bureau of the Census: counties, municipalities, townships (towns), school districts, and special districts. Again, using direct expenditures as a measure of service provision, Appendix Tables 15 and 16 and Figure 11 show—on a national aggregate basis—how these five types of government shared responsibility in 1987 for services in eight broad categories (excluding National Defense and Foreign Aid, for which Census lists no state or local expenditures).

Municipalities led in share of total expenditures (34.6 percent), followed by school districts (29.9 percent), counties (21.3 percent), special districts (11.1 percent), and townships (3.1 percent).

The way the five units shared in the eight broad functions is also shown in Appendix Table 17 and Figure 12, which rank the functions according to expenditure size. The largest function in terms of dollars was Education and Libraries (36.5 percent of total expenditures—Appendix Table 14), which was dominated by school districts (80.4 percent in 1987). Environment and Community Development, the second largest local function (29.7 percent), was dominated by municipalities (a 54.5 percent share), although the special districts' share was sizable (26.8 percent). Each of the remaining five broad functions made up less than 10 percent of total local spending. For these smaller functions, municipalities led in spending for Public Safety and Courts (a 58.2 percent share), General Government (52.5 percent), and Interest on General Debt (39.8 percent), while counties were second in these three functions. Counties about equaled municipalities in Income Security spending, and were dominant in Social Services (a 54.7 percent share).

Thirty Expenditure Categories, 1987

Breaking down the eight broad local service functions into their 30 categories (parallel to the 36 identified earlier in the total government picture)¹⁰ reveals that municipalities led in 1987 expenditures for highways, police, fire protection, sewerage, solid waste management, parks and recreation, housing and community development, air transport, parking facilities, water and power utilities, protective inspection and regulation, and libraries (Appendix Table 16). For each of the remaining categories except educa-

tion and natural resources, moreover, municipalities accounted for at least 22 percent of local expenditures. Counties were the clear leader in public welfare, hospitals, health, corrections, judicial and legal, and natural resources. They also represented at least 15 percent of local spending for highways, police, solid waste management, parks and recreation, and libraries. Special districts were preeminent in water transport, transit, and natural resources, and accounted for a significant share of expenditures for housing and community development (38.5 percent), water and power utilities (33.7 percent), hospitals (32.3 percent), air transport (28.3 percent), sewerage (24.3 percent), libraries (14.0 percent), and parks and recreation (12.0 percent).

Townships, which existed in 20 states, played a relatively minor nationwide role in all functions, and were responsible for a double-digit share of total expenditures only in highways (10.4 percent). In the 20 township states as a separate group, however, townships accounted for a substantially larger percent of local government expenditures: highways (21.3 percent), solid waste management (17.1 percent), fire protection (14.2 percent), libraries (13.4 percent), police (11.8 percent), and parks and recreation (10.7 percent).

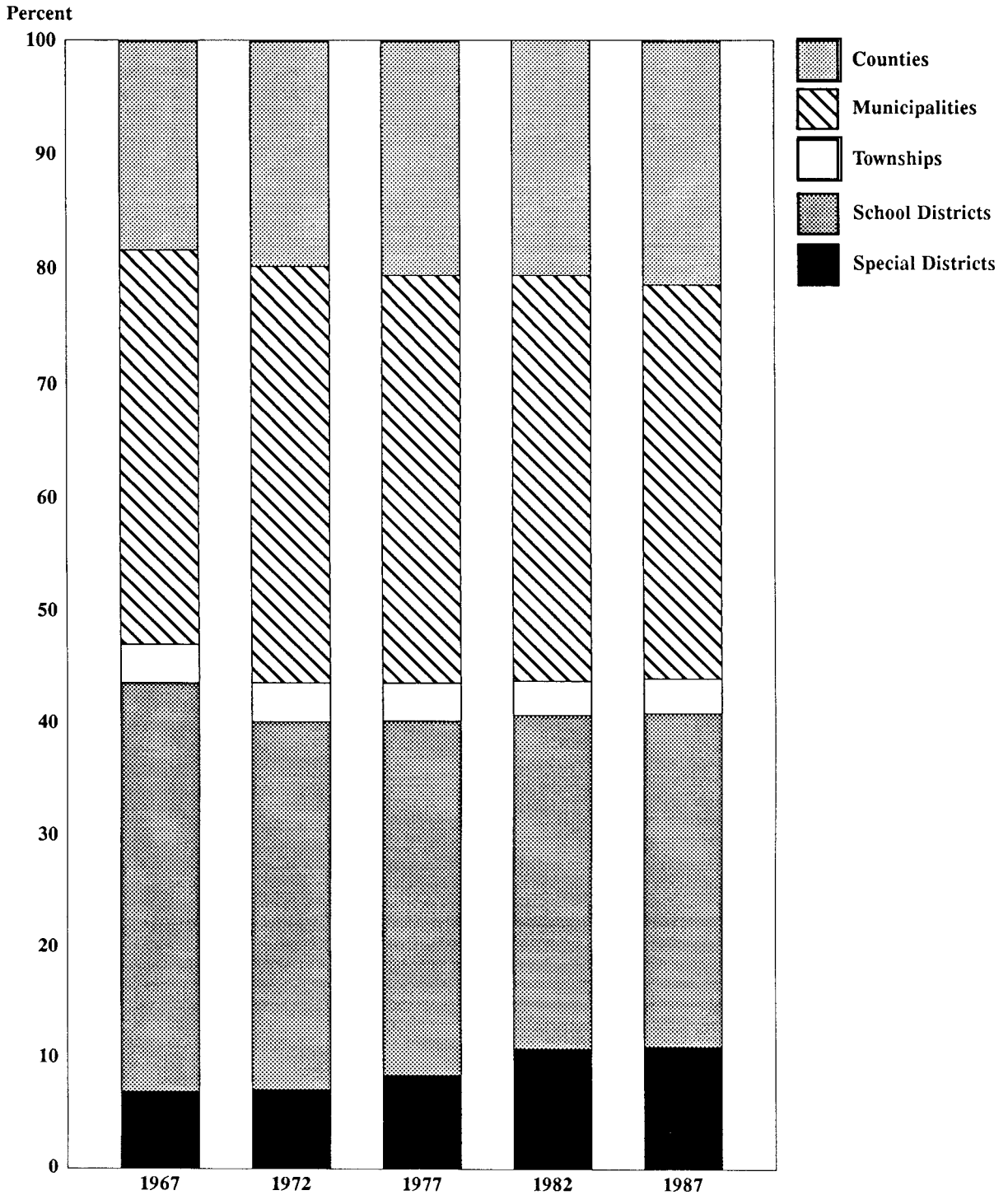
Twenty-Year Trend, 1967-1987

Figure 11 depicts the distribution of local government expenditures among the five types of local units at five-year intervals from 1967 to 1987. The sharpest change overall was felt by school districts, whose share dropped steadily from 35.3 percent in 1967 to 29.9 percent in 1987. Special districts experienced the greatest rise, from 6.7 percent to 11.1 percent. Counties' share rose steadily from 18.3 percent to 21.3 percent, while the municipalities' share was 36.3 percent in 1967 and rose slightly in 1972, only to decline thereafter to end in 1987 at 34.6 percent.

Figure 12 shows the 20-year trend of percentage distribution by type of local unit for each of the eight major functions. In Education and Libraries, school districts, of course, dominated, and counties picked up ground that municipalities lost. In Environment and Community Development, special districts' share rose while the shares of the three general types of government all declined. In Public Safety and Courts, the counties' substantially increased share was almost exactly balanced by the municipalities' declining share. Counties and special districts, particularly the latter, took on larger shares of Social Services, again at the expense of municipalities. Special districts and townships increased their part of General Government expenditures, while counties' and municipalities' portions went down.

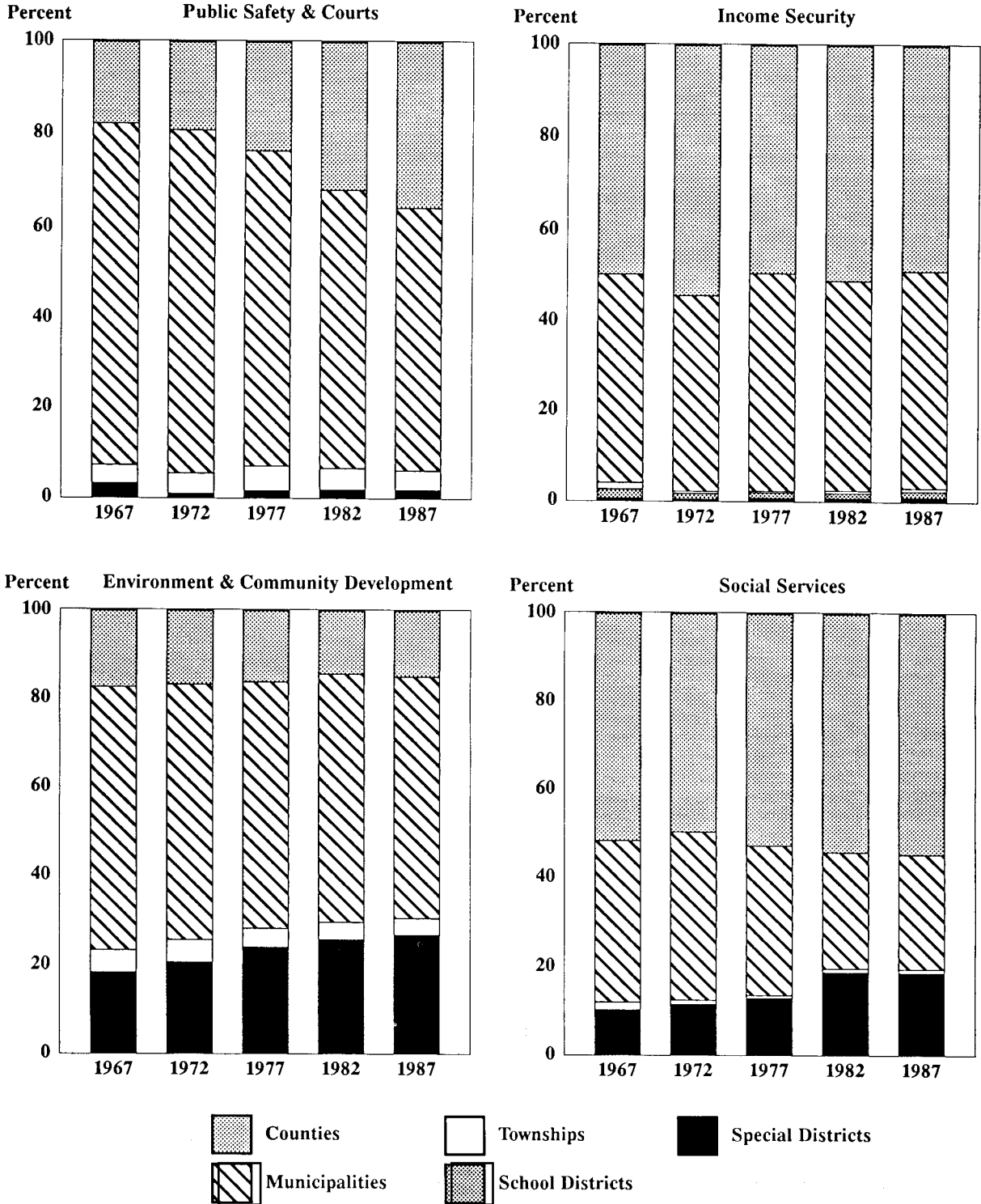
Regarding Interest on General Debt, the counties and school districts clearly showed the major changes, the counties' share expanding from 12.0

Figure 11
 Local Government Direct Expenditures, by Type of Government, 1967, 1972, 1977, 1982, and 1987
 (percentage)



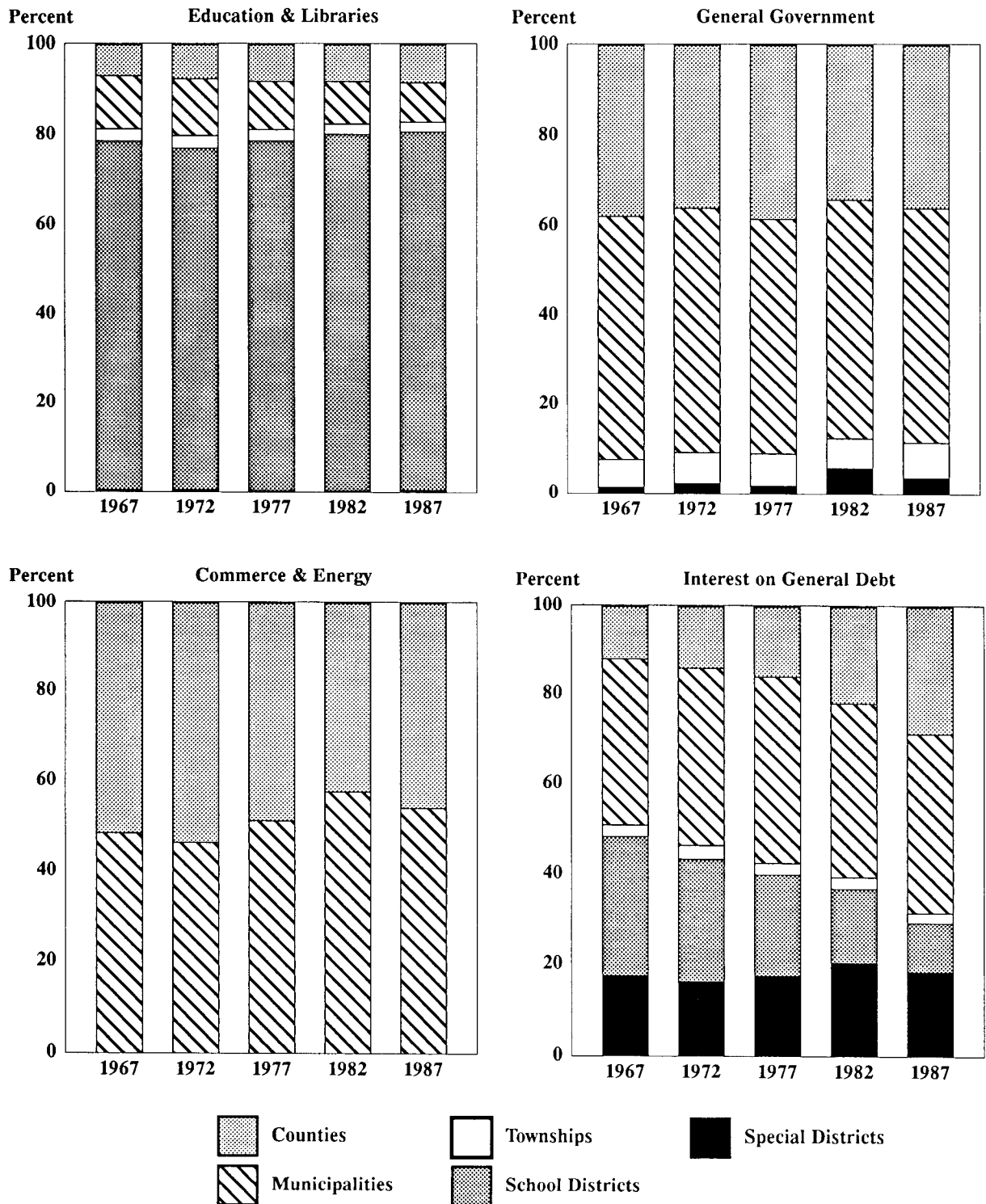
Source: Appendix Table 16; U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Vol. 4, No. 5 (Washington, DC every five years), Table 6 (1967, 1972, 1977 data).

Figure 12
**Percentage Distribution of Local Direct Expenditures,
 by Major Function and Type of Local Government, 1967, 1972, 1977, 1982, and 1987**



Source: Appendix Table 16.

Figure 12 (cont.)
**Percentage Distribution of Local Direct Expenditures,
 by Major Function and Type of Local Government, 1967, 1972, 1977, 1982, and 1987**



Source: Appendix Table 16.

percent to 28.8 percent while school districts' contracted from 30.8 percent to 10.8 percent. The sharing of Income Security and Commerce and Energy Expenditures was relatively stable over the two decades.

Changes in the 30 categories help explain shifts in the local units' shares of the Environment and Community Development and Public Safety and Courts functions between 1967 and 1987 (Appendix Table 16). The growth in special districts' share of Environment and Community Development expenditures is attributable mainly to their larger shares of local expenditures for transit operations and water and power utilities. The declining county share of that function is traceable to their relatively reduced spending for highways, whereas municipalities' reduced portion is attributable to smaller shares of total local spending for transit subsidies and operations, housing and community development, solid waste management, and water and power utilities, among others.

The larger county share of Public Safety and Courts expenditures from 1967 to 1987 stemmed from their growth in police, fire protection, and corrections (especially the last), and a generally proportionate decline in municipalities' shares of those expenditures.

The State and Its Local Governments: "Dominant Providers"

Focusing on the distribution of functional responsibility among a state government and its principal types of local government, the dominant provider of a function may be identified, when "dominant" is defined arbitrarily for these purposes as accounting for at least 55 percent of total state-local expenditures. As seen in Appendix Table 18 and Figure 13, applying this analysis to 21 expenditure categories,¹¹ state governments dominated direct spending for the following services in 1987 (in order of share of state/local expenditures): public welfare, highways, hospitals, health, corrections, judicial and legal, natural resources, and protective inspection and regulation. They shared the lead with municipalities in water transport. Municipalities were the predominant provider of seven basically urban functions: police, sewerage, parks and recreation, fire protection, solid waste management, air transport, and parking facilities. School districts, of course, had the major responsibility for education.

"More than one provider" was the rule in a substantial number of states for hospitals, police, sewerage, housing and community development, parks and recreation, judicial and legal, general public buildings, and libraries. Nationwide, neither counties nor special districts dominated any service, although special districts were the dominant providers of housing and community development in 15 states.

Twenty-Year Trend, 1967-1987

Comparing the dominant provider patterns for 1967 and 1987 highlights a number of shifts over the 20-year span, some of which appeared in earlier tables. In libraries, there was a definite trend away from the municipality as dominant provider and toward the county, possibly reflecting population movement out of central cities. Municipalities' dominance also receded in air transport, police, fire protection, sewerage, housing and community development, parks and recreation, and solid waste management. In all these functions, except air transport, the gainer was "more than one provider," indicating a diffusing of responsibility among the state and its five types of local units. In the case of air transport, more reliance was placed on the special district as dominant provider.

More states were dominant in health in 1987 (36) than in 1967 (31), but the situation was reversed in hospitals (31 in 1967 and 23 in 1987), highways (49 and 43), water transport (17 and 13), and corrections (49 and 44).

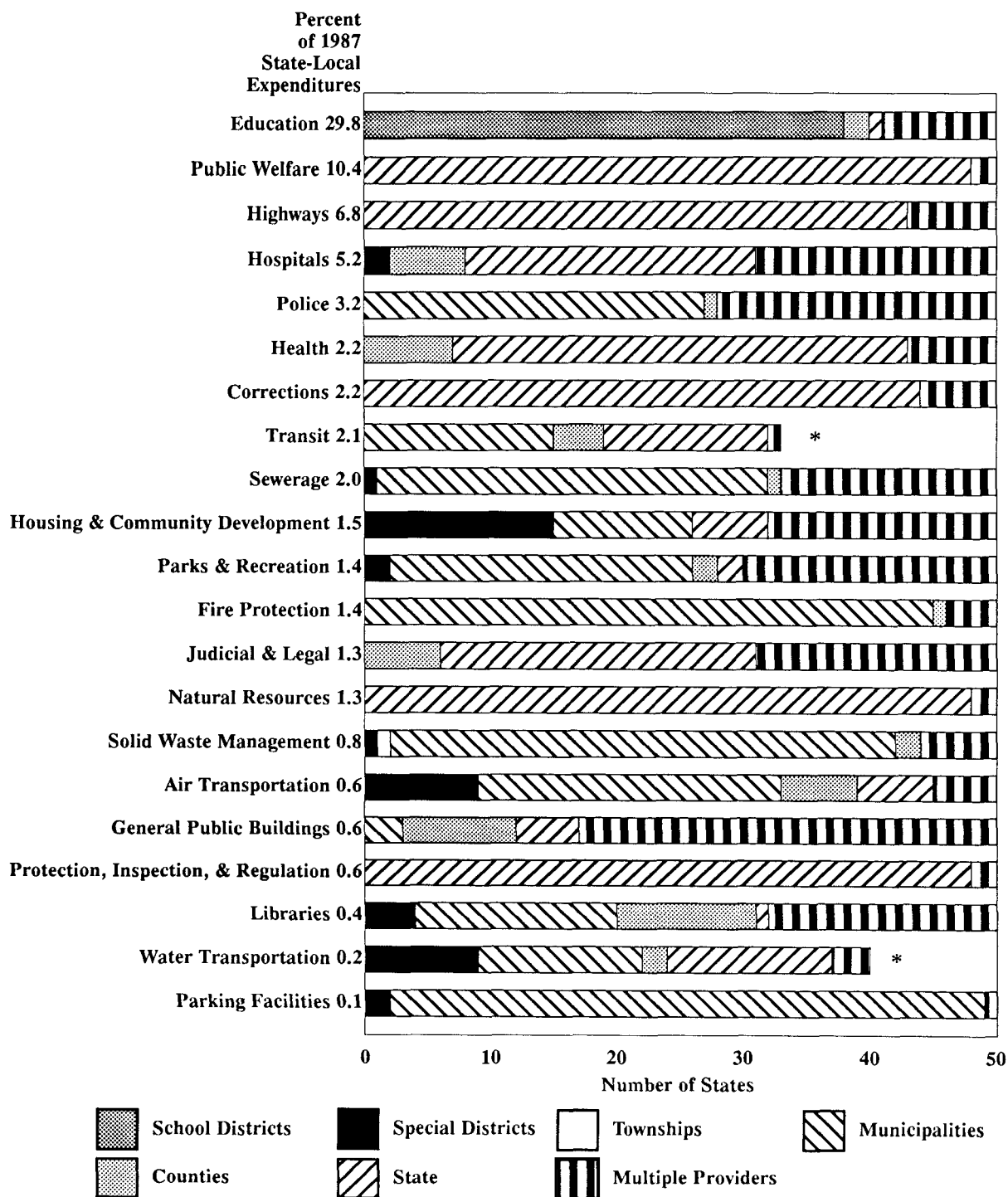
Aggregating the dominant figures for the 18 categories¹² that appeared throughout the 20 years (50 states x 18 functions = 900 opportunities)¹³ produces the overall picture in Appendix Table 19. From 1967 to 1987, "more than one provider" and counties gained substantially in dominance, while municipalities receded markedly and states were stable.

Regional Patterns

One question that arises is whether any regions of the country show discernible patterns in their state-local and interlocal assignment of functions. Breaking down the "dominant provider" data according to nine Census Bureau regions reveals the degree to which the states in various regions favor functional assignments to the state government or the several types of local units. Such analysis again is based on the 900 opportunities for assignment. Appendix Table 20 shows the percentage of opportunities in which each of the governmental types was the dominant provider in each region in 1967 and 1987. For example, in 1987 in the Mid-Atlantic region the state government was the dominant provider in 22.2 percent of the cases (12 instances out of a total of 54 functional opportunities—18 functions x 3 states). Highlights of this analysis for 1987 follow:

- ▶ The New England region was the heaviest user of state government as dominant provider. It also led in use of townships.
- ▶ Special districts were most used as dominant provider in the Mid-Atlantic region. The region also nosed out the New England region

Figure 13
 Dominant Providers, by Function and Number of States, 1987



Note: This figure is based on direct expenditures *after* the transfer of intergovernmental aid. For five major functions, the intergovernmental aid can be traced. The aid components of those five functions are shown in Table 4, this report.

* Not all states provided these functions

Source: Appendix Table 18.

as most frequent user of the “more than one provider” pattern.

- ▶ Municipalities showed their greatest dominance in the West North Central region. In all six midwestern and western regions, municipalities had relatively high emphasis.
- ▶ Counties showed their greatest dominance in the eight states of the South Atlantic region, followed by the Mountain and East South Central states.

Between 1967 and 1987, there were some notable shifts in dominance patterns in the regions. Using a change of plus or minus 5 percentage points in the share of total dominance opportunities as the measure of “notable,” the following fall under that heading:

- ▶ A relative decline in use of municipalities as dominant provider in all the regions except the West South Central, the West North Central, and the Pacific regions.
- ▶ A relative decline in use of state government in the Pacific region and in the use of counties in the Mountain region, and a rise in the use of counties in the South Atlantic states.
- ▶ A relative rise in the use of special districts in the Mid-Atlantic region.
- ▶ A relative rise in popularity of “more than one provider” in the New England, Mid-Atlantic, South Atlantic, East North Central and Pacific regions.

The State and Its Local Governments: “Significant Providers”

Another way of looking at the distribution of state-local functional responsibility is to analyze direct expenditures for various functions according to a minimum level of “significance” rather than “dominance.” This approach helps explain the “more than one provider” groups more fully and, thereby, tells more about the degree of dispersion of responsibility instead of the degree of preference among the various types of government unit. Appendix Table 21 presents the results of such analysis, defining “significant” as 15 percent or more of the share of total state and local direct expenditures.

From this perspective, the county appears as a more significant unit than it does when focusing on dominant provider. In 1987, it was a significant provider of eight of the 18 listed services in over half of the states: highways, hospitals, police, health, corrections, solid waste management, general public buildings, and libraries. This compared with ten such services for state governments and 11 for municipalities. Moreover, during the 20-year period 1967-1987, counties increased their roles more, by this measure,

than states and municipalities (Table 12). Municipalities, in fact, did not change at all in the aggregate. However, as in the case of dominant providers, special districts made the most progress in the 20 years among the five types of local government, increasing by 52.5 percent the number of states in which they were significant providers.

Table 12
Aggregate of “Significant Providers,” 18 Functions,
1967 and 1987

	1967	1987	Percent Change 1967-87
State	467	514	+ 10.6%
County	293	347	+ 18.4
Municipality	539	539	0.0
Township	55	64	+ 16.4
School District	41	41	0.0
Special District	99	151	+ 52.5
Total	1494	1656	10.8

Source: Appendix Table 21.

Classification of State-Local Fiscal Systems

In recent years, several groups of scholars have developed typologies of state-local fiscal relationships, using expenditure and revenue data and reflecting intergovernmental aid flows in the latter. Although these typologies do not distinguish among types of local units, they categorize states according to the degree to which fiscal relationships lean toward state or local dominance.

Two such typologies were cited in the ACIR’s 1982 report *State and Local Roles in the Federal System*. One of these, a report by C. Ross Stephens and Gerald W. Olson, has been updated to 1986 by Stephens.

The Stephens-Olson typology uses three elements: expenditures as a measure of service delivery, revenues as a measure of the funding of state and local services, and the distribution of personnel. Since local services are considerably more labor intensive than state services, the personnel distribution is adjusted for the different labor input characteristics of the two units of government.

The Stephens-Olson composite index of centralization-decentralization, incorporating all three measures, places states in five groups: 39.9 or less, decentralized; 40.0-44.0, local services; 45.0-54.9, balanced; 55.0-59.9, state services; and 60.0, centralized.

Table 13 presents the results of this methodology, showing the categories of state centralization by the three constituent elements and the composite index for seven different dates ending in 1986. Overall, the

Table 13
State Centralization, 1913 to 1986

Categories of State Centralization	Raw Personnel Data							Adjusted Personnel Data ¹						
	1913 ²	1957 ³	1969	1972	1977	1982	1986	1913 ²	1957 ³	1969	1972	1977	1982	1986
Centralized	-	2	1	1	1	1	1	-	2	4	4	5	10	10
State Services	-	1	-	1	1	-	-	-	1	1	2	4	9	8
Balanced	-	-	3	2	2	3	2	-	15	17	17	22	23	26
Local Services	-	2	1	3	4	3	5	1	11	12	10	9	7	4
Decentralized	48	45	45	43	42	43	42	47	21	16	17	10	1	2
Average State's Percentage of State/Local	15%	25%	27%	33%	33%	33%	34%	19%	42%	45%	45%	48%	54%	53%
Categories of State Centralization	Service Delivery System							State Financial Responsibility						
	1913 ²	1957 ³	1969	1972	1977	1982	1986	1913 ²	1957 ³	1969	1972	1977	1982	1986
Centralized	-	3	5	6	8	15	14	-	16	22	26	29	35	43
State Services	-	7	8	11	8	7	8	-	14	15	13	13	4	5
Balanced	-	16	20	19	23	21	21	2	14	12	11	8	10	2
Local Services	1	6	8	10	7	3	4	-	2	1	-	-	-	-
Decentralized	47	18	9	4	4	4	3	46	4	-	-	-	-	-
Average State's Percentage of State/Local	18%	44%	49%	51%	52%	53%	54%	21%	57%	61%	62%	63%	63%	67%
Categories of State Centralization	Composite Index of State Centralization ⁴													
	1913 ²	1957 ³	1969	1972	1977	1982	1986							
Centralized	-	4	6	8	9	16	20							
State Services	-	5	9	11	12	12	14							
Balanced	-	20	24	23	25	18	15							
Local Services	1	8	6	6	4	4	1							
Decentralized	47	13	5	2	-	-	-							
Average State's Percentage of State/Local	19%	47%	52%	53%	54%	57%	58%							

¹ State and local services are different in terms of inputs—labor, capital, and cash. These are adjusted personnel data, taking into account differences in labor intensity of state and local services.

² The data available for 1913 are not as detailed and in some ways not strictly comparable with those available for later years, but enough data are available to give a good estimate of the situation that existed at that time. Relationships for 1913 are almost identical to those for 1902. U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1967* (Washington, DC, 1980), pp. 726-730.

³ Includes Alaska and Hawaii, even though they had not been admitted to the Union at this time.

⁴ This is simply an unweighted average of each state's rating of adjusted personnel, service delivery systems, and financial responsibility.

Source: G. Ross Stephens and Gerald W. Olson, *Passthrough Federal Aid and Interlevel Finance in the American Federal System, 1967 to 1977, Vol. I. A Report to the National Science Foundation on Research into Passthrough Federal Aids*, Kansas City, MO, University of Missouri-Kansas City, 1979, Table IV-1; and letter from G. Ross Stephens, January 9, 1991.

composite of the three measures shows a clear movement toward centralization in the state-local relationship from 1913 to 1986. In 1913, 47 states were decentralized and one additional state leaned toward a decentralized system. In 1986, no states were decentralized, one state leaned toward decentralization, and 20 were centralized.

The service delivery system index alone, measuring the relative shares of expenditures, clearly shows the shift to centralization over the 29-year period: 14 centralized states in 1986 compared to three in 1957, eight leaning toward centralization compared to seven, and 21 balanced as against 16, or a total in all three categories of 43 compared to 26.

PUBLIC EMPLOYMENT: ANOTHER MEASURE OF FUNCTIONAL RESPONSIBILITY

Civilian public employment figures offer another way of looking at how functional responsibilities are shared among federal, state, and local governments. They show a different picture than expenditures because functions vary in the degree to which they involve cash payments (as in public welfare cash assistance and Medicaid vendor payments), use capital equipment (as in highway construction and maintenance), are labor intensive (as in education and police), or are contracted out to private firms. Also, compensation levels differ among functions.

PUBLIC EMPLOYMENT: ALL GOVERNMENTS

The overall picture is shown in Figure 14 and Appendix Tables 22, 23, and 24. For the total public sector, the number of full-time equivalent employees went from 10.4 million in 1967 to 15.1 million in 1987, an increase of 45.9 percent. The rate of increase varied between 10 percent and 15 percent in three of the four five-year spans during this period, but in the 1977-1982 interval, it dropped to 3.1 percent (Table 14).

In 1967, the leading categories of civilian employment among the eight¹⁴ broad functions (Table 15) were Education and Libraries (36.0 percent), Environment and Community Development (15.3 percent), National Defense and Foreign Aid (13.0 percent), and Social Services (12.0 percent). By 1987, there had been some sharp shifts in priority: Education and Libraries was still the largest employer (40.2 percent), with even a larger share of the total; Environment and Community Development was again second, but with a smaller share (13.1 percent); but Social Services had risen to third in rank (13.1 percent), and National Defense and Foreign Aid had dropped from third to sixth place (7.2 percent). In terms of the percentage change from 1967 to 1987 by function (Table 14), National Defense and Foreign

Aid experienced a marked decrease (-19.1 percent), while Education and Libraries (+63.3 percent) and Social Services (+59.8 percent) rose substantially.

By five-year intervals, the fastest and slowest growing functions in terms of employment, excluding Income Security, which had 1.1 percent of total employment in 1987, are shown in Table 16.

These figures highlight the rapid decline of national defense manpower (civilian) in the first decade, the move to expand police, corrections, and courts manpower in the second decade, and the sudden increase and then decrease in General Government staffing in the second and third five-year periods.

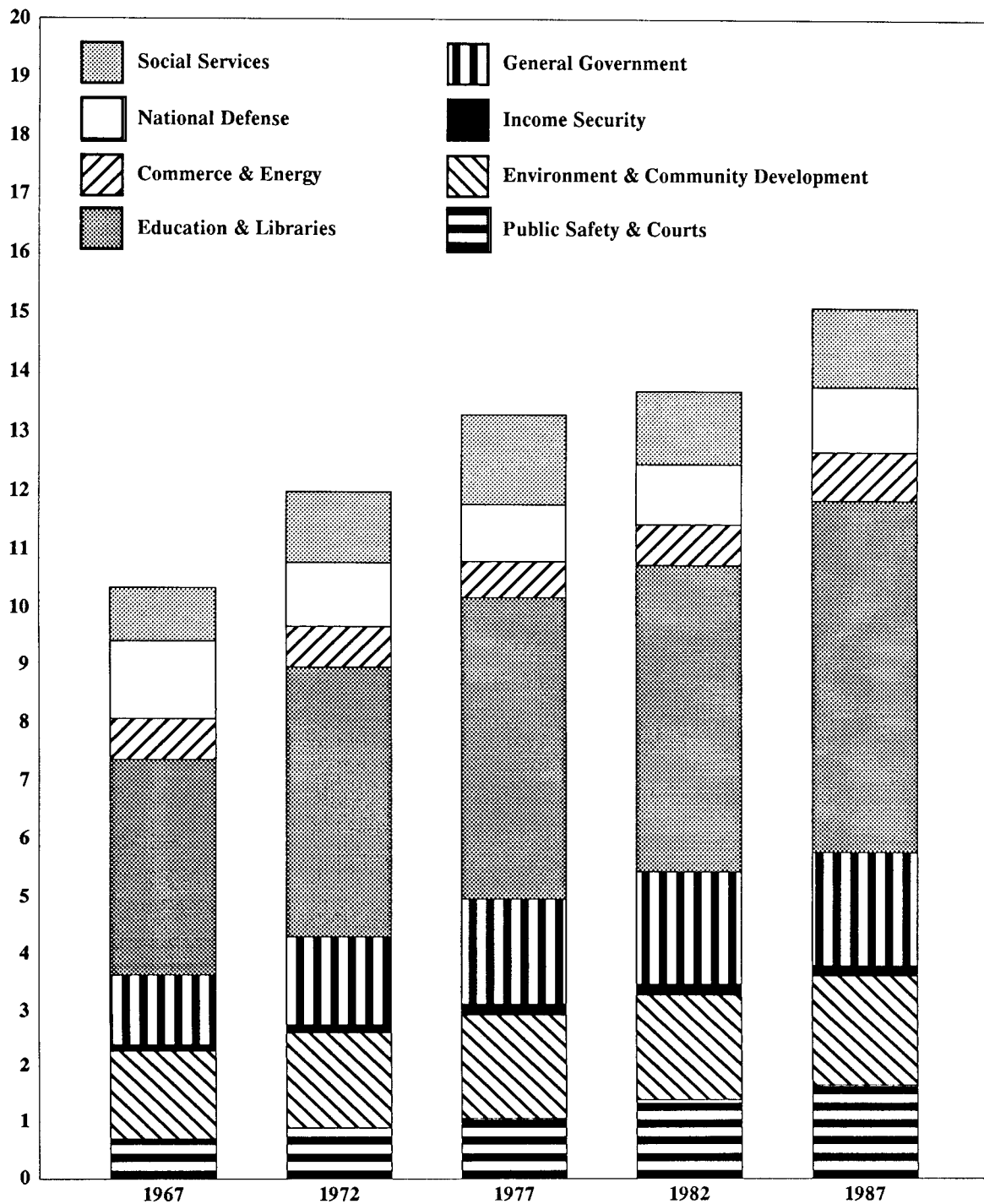
The 25 Categories within the Eight Functions

As in the expenditure analysis, focusing on the 25 categories within the eight functional groups helps explain employment changes more fully. Table 17 identifies the seven largest and seven smallest functional categories in 1967 and 1987, measured by their percentage of total public employment. The 25 do not take into account (1) National Defense and Foreign Aid because it is one of the eight basic functions and is not subdivided into categories in this report, and (2) Income Security because it consists of just one employment classification, social insurance administration.

The major shifts in rank in the top group were the rise of police (from fifth to fourth largest) and public welfare (from ninth to seventh largest), and the decline of highways (from fourth to fifth largest) and natural resources (from sixth to ninth largest). Among the lowest seven, the principal shifts were the rise in sewerage (from fifth to seventh smallest) and the fall in solid waste management (from ninth to sixth smallest). In general, the shifts in employment rank were less extreme than in expenditure rank (see Table 7). This moderation is understandable because of the greater overall increase in expenditures.

Figure 14
Public Employment, by Function, All Governments, 1967, 1972, 1977, 1982, and 1987

Millions
of Full-Time
Equivalent
Employees



Source: Appendix Table 22.

Table 14
Public Employment, All Governments, Percentage Change, Selected Five-Year Periods, 1967-1987
 (full-time equivalent employees)

	1967-87	1967-72	1972-77	1977-82	1982-87
Total	49.5%	15.9%	10.9%	3.1%	10.2%
Public Safety/Courts	35.1	27.7	18.1	32.0	18.0
Environment/Community Development	25.5	7.9	9.4	0.7	5.0
Income Security	42.1	21.5	30.6	0.5	-10.9
Social Services	59.8	25.7	18.5	6.2	-1.1
Education/Libraries	63.3	25.2	11.9	1.8	14.5
Commerce/Energy	14.6	-1.3	-10.8	12.2	16.4
National Defense/Foreign Aid	-19.1	-17.6	-11.6	4.5	6.3
General Government	43.2	30.2	24.4	-19.0	9.1

Source: Table A-26.

Table 15
Full-Time Equivalent Public Employment, by Function, Selected Years, 1967-1987
 (percentage)

Functions	1967		1972		1977		1982		1987	
	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment
Education/Libraries	1	36.0%	1	38.8%	1	39.2%	1	38.7%	1	40.2%
Environment/Community Development	2	15.3	2	14.3	2	14.1	3	13.8	2	13.1
Social Services	4	12.0	3	13.0	3	13.9	2	14.3	3	13.1
Public Safety/Courts	7	6.8	6	7.5	6	8.0	4	10.2	4	10.9
General Government	5	9.0	4	10.1	4	11.3	5	8.9	5	8.8
National Defense/Foreign Aid	3	13.0	5	9.2	5	7.4	6	7.5	6	7.2
Commerce/Energy	6	6.9	7	5.9	7	4.7	7	5.1	7	5.4
Income Security	8	1.2	8	1.2	8	1.4	8	1.4	8	1.1

Source: Table A-27.

Table 16
**Functions with Fastest and Slowest Growth in Number of Employees, All Governments,
 Five-Year Intervals 1967-1987**

Period	Overall Growth	Fastest Growing Function		Slowest Growing Function	
1967-72	15.9%	Education/Libraries	63.3%	National Defense/Foreign Aid	-19.1%
1972-77	10.9	General Government	24.4	National Defense/Foreign Aid	-11.6
1977-82 ¹	3.1	Commerce/Energy	12.2	Income Security	0.5
1982-87	10.1	Public Safety/Courts	18.0	Social Services	1.1

¹Excluding Public Safety and Courts, and General Government because of data problems. See Appendix B for explanation.
 Source: Appendix Table 22

Table 17
Largest and Smallest Public Employment Categories, All Governments, 1967-1987

Functional Category	Percent of Total Employment	Functional Category	Percent of Total Employment
SEVEN LARGEST			
1967		1987	
1. Education	35.5%	1. Education	39.6%
2. Hospitals	8.5	2. Hospitals	8.0
3. Postal Service	6.4	3. Postal Service	5.2
4. Highways	5.4	4. Police	4.7
5. Police	3.9	5. Highways	3.4
6. Natural Resources	3.4	6. Financial Admin.	2.81
7. Financial Admin.	2.7	7. Public Welfare	2.80
SEVEN SMALLEST			
1967		1987	
1. Liquor Stores	0.14	1. Liquor Stores	0.07
2. Space Research/Technology	0.33	2. Space Research & Technology	0.15
3. Water Transport	0.43	3. Water Transport	0.18
4. Libraries	0.48	4. Air Transport	0.52
5. Sewerage	0.52	5. Libraries	0.61
6. Air Transport	0.53	6. Solid Waste Management	0.68
7. Housing/Community Development	0.54	7. Sewerage	0.70

Source: Appendix Table 23.

Federal, State, and Local Shares

Among the federal, state, and local governments, there has been a 20-year shift in the shares of public employment from the federal government to the state and local governments (Appendix Table 24 and Figure 15). State government's share rose from 18.8 percent to 22.9 percent, and local government's from 53.1 percent to 57.0 percent, whereas the federal government's portion dropped from 28.1 percent to 20.0 percent. Focusing separately on each type of government helps clarify what happened.

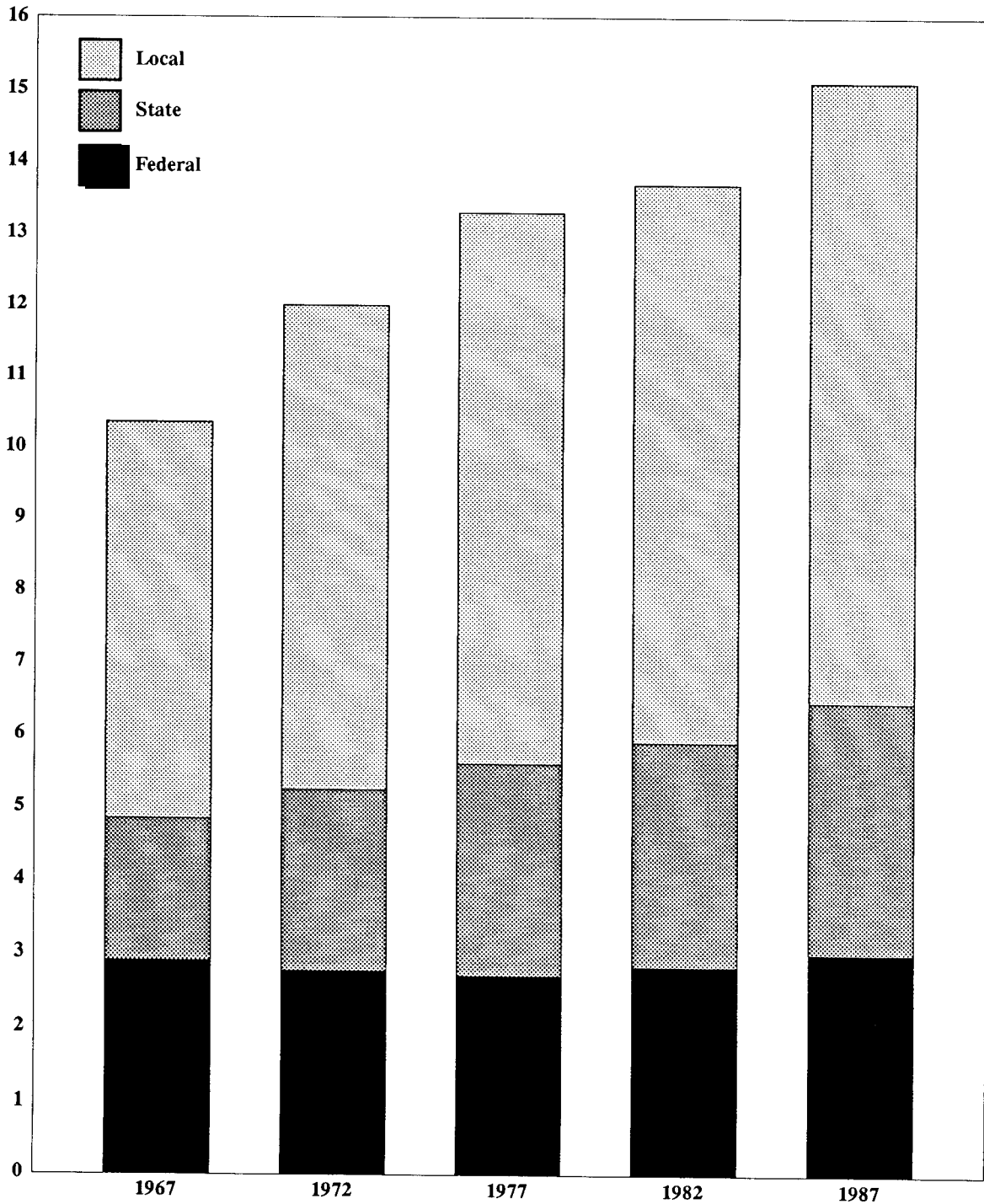
Federal Government. Ranking the eight functions by their percentage of total federal employment

indicates scarcely any change in rank over the 20-year period, even though there were some pronounced changes in percentage shares. Chief among the latter was the relative drop in civilian personnel engaged in National Defense and Foreign Aid—from 46.3 percent in 1967 (at the height of the Vietnam War) to 36.0 percent in 1987 (Table 18).

Focusing on the 25 categories within the eight functions reveals that three increased their shares of federal employment by one or more percentage points: postal service (from 22.8 percent to 25.8 percent), police (from 0.8 percent to 2.4 percent), and hospitals (from 4.8 percent to 5.8 percent). None decreased their shares by as much as one percentage point.

Figure 15
 Total Public Employment, by Government, 1967, 1972, 1977, 1982, and 1987

Millions
 of Full-Time
 Equivalent
 Employees



Source: Appendix Table 22.

Table 18
Federal Civilian Employment in Eight Major Functions,
1967-1987

Function	1987		1982		1977		1972		1967	
	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment
Total		100		100		100		100		100
National Defense/ Foreign Aid	1	36.0	1	36.0	1	36.0	1	40.0	1	46.3
Commerce/ Energy	2	26.6	2	24.1	2	22.4	2	24.8	2	24.0
Environment/ Community Development	3	11.2	3	12.6	3	13.3	3	11.7	3	10.6
General Government	4	10.3	4	10.6	4	12.8	4	11.5	4	9.1
Social Services	5	8.6	5	9.4	5	9.3	5	7.8	5	6.5
Public Safety/ Courts	6	4.0	6	3.5	7	2.4	7	12.5	7	1.0
Income Security	7	2.3	7	3.2	6	3.1	6	2.2	6	2.0
Education/ Libraries	8	0.6	8	0.6	8	0.8	8	0.7	8	0.6

Source: Appendix Table 23.

Table 19
State Government Civilian Employment in Seven Major Functions,
1967-1987

Function	1987		1982		1977		1972		1967	
	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment
Education/ Libraries	1	36.1	1	34.2	1	34.6	1	34.9	1	31.9
Social Services	2	24.5	2	26.7	2	26.8	2	25.5	2	25.8
Environment/ Community Development	3	13.2	3	13.8	3	14.3	2	17.2	3	20.9
Public Safety/ Courts	4	12.7	5	10.6	5	7.0	5	6.7	5	6.3
General Government	5	10.4	4	10.8	4	13.0	4	11.5	4	11.2
Income Security	6	2.9	6	3.3	6	3.7	6	3.5	6	3.3
Commerce/ Energy	7	0.3	7	0.4	7	0.5	7	0.6	7	0.7

Source: Appendix Table 23.

State Government. State government employment over the 20-year period experienced just one shift in rank order among its seven functions—in 1987, Public Safety and Courts moved from fifth to fourth, replacing General Government, which dropped from fourth to fifth (Table 19). As in the federal government, some pronounced changes in percentage shares occurred. On the growing side, employment in Education and Libraries rose from 31.9 percent to 36.1 percent, and Public Safety and Courts employment doubled—from 6.3 percent to 12.7 percent. On the falling side, Environment and Community Development employment shrank from 20.9 percent to 13.2 percent.

Social Services showed a small decline over the 20 years (from 25.8 percent to 24.5 percent), but this masked the shifts in the categories within the broad function—the rise in public welfare and health employees, both by 1.7 percentage points, and the fall in hospital staffs by 4.7 points. The increase in the share of Public Safety and Courts employees was traceable to the growth in the number of corrections employees by 3.6 points.

Local Government. As with the federal and state governments, there was relatively little change in rank among the five broad functions of local government between 1967 and 1987 (Table 20). In fact, the only shifts occurred in the middle years and then reversed; by 1987, the five broad functions had the same ranking they had in 1967. In percentage shares, the most notable shifts were in Environment and Community Development, dropping from 15.8 percent to 13.8 percent, and Public Safety and Courts, rising from 10.0 percent to 12.7 percent. Mainly responsible for the changes in these two functions were, respectively, highways, down from a 4.8 percent share to 3.1 percent, and corrections, up from 0.8 percent to 1.6 percent.

The Five Types of Local Government

Figure 16 and Appendix Tables 25 and 27 show how full-time equivalent employees were distributed among the five general types of local government in 1967 and 1987. In 1987, school districts led (45.2 percent), followed by municipalities (25.8 percent), counties (20.6 percent), special districts (5.3 percent), and townships (3.0 percent). Viewed against 1967, school districts, counties and, especially, special districts had increased their shares, while municipalities and townships experienced relative declines.

Further analysis shows where these changes occurred (Figure 17 and Appendix Tables 26 and 27). School districts' increase, of course, occurred in Education and Libraries. The county increase was traceable to the more than doubling of their share of Public Safety and Courts personnel and a modest increase in their Social Services personnel. These were large enough to more than offset the declining county share in Environment and Community Development and General Government. Special districts' larger portion of local employees came largely through increases in their shares of the Environment and Community Development and Social Services categories. Municipalities' shares dropped in all functions except General Government, but fell most in Public Safety and Courts and Social Services (categories in which the county share of employment was growing significantly).

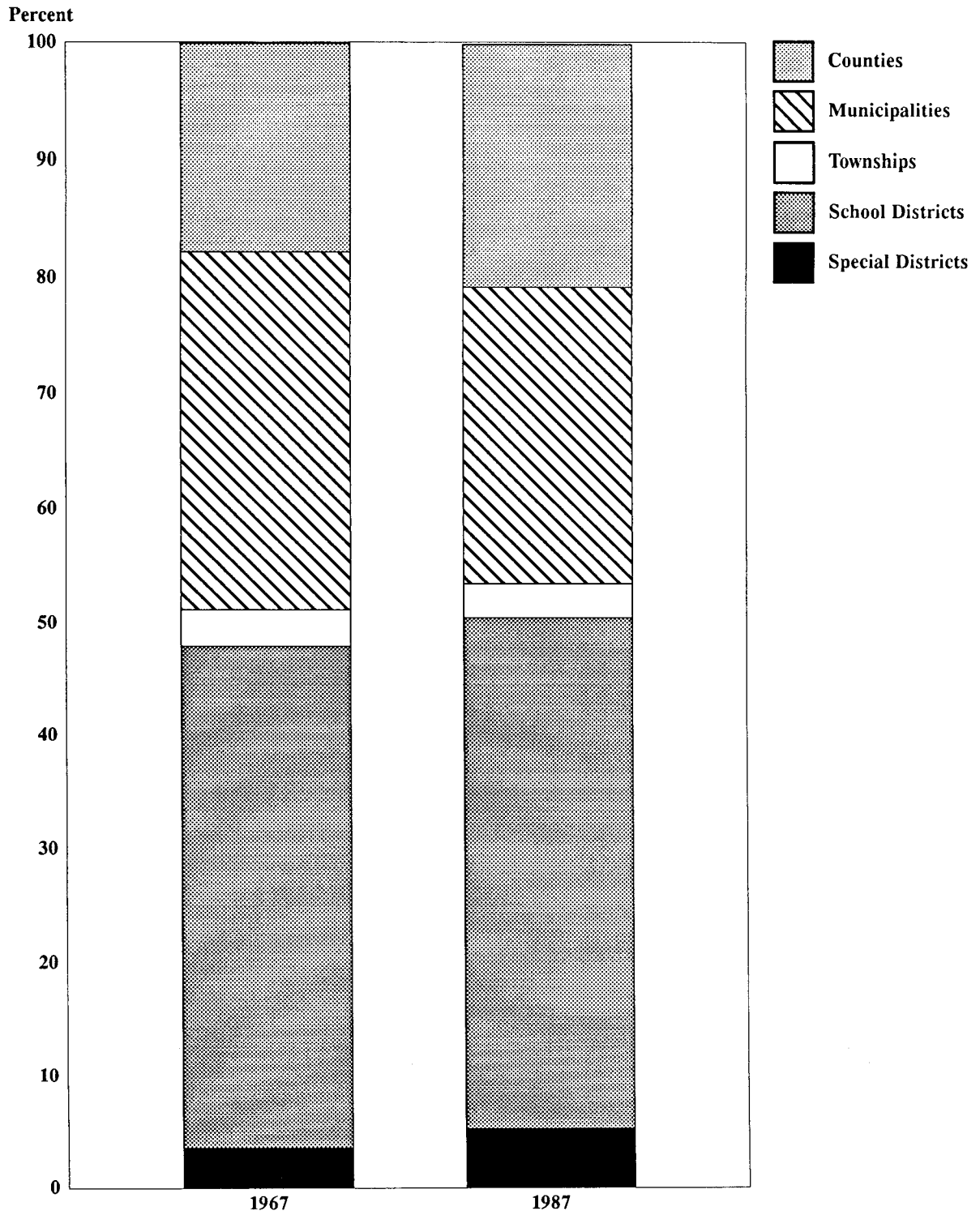
Examining the larger employment categories within the broad functions (Appendix Table 28) reveals that between 1967 and 1987 counties showed particular personnel expansion in corrections (244.7 percent), health (213.5 percent), and police (142.8 percent).

Table 20
Local Government Civilian Employment in Seven Major Functions, 1967-1987

Function	1987		1982		1977		1972		1967	
	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment	Rank	Percent of Total Employment
Education/Libraries	1	55.8	1	54.6	1	54.6	1	55.9	1	56.1
Environment/ Community Development	2	13.8	2	14.2	2	14.3	2	14.3	2	15.8
Public Safety/Courts	3	12.7	3	12.5	4	10.3	4	10.2	3	10.0
Social Services	4	10.1	4	11.2	3	10.6	3	10.5	4	9.9
General Government	5	7.6	5	7.5	5	10.2	5	9.0	5	8.1

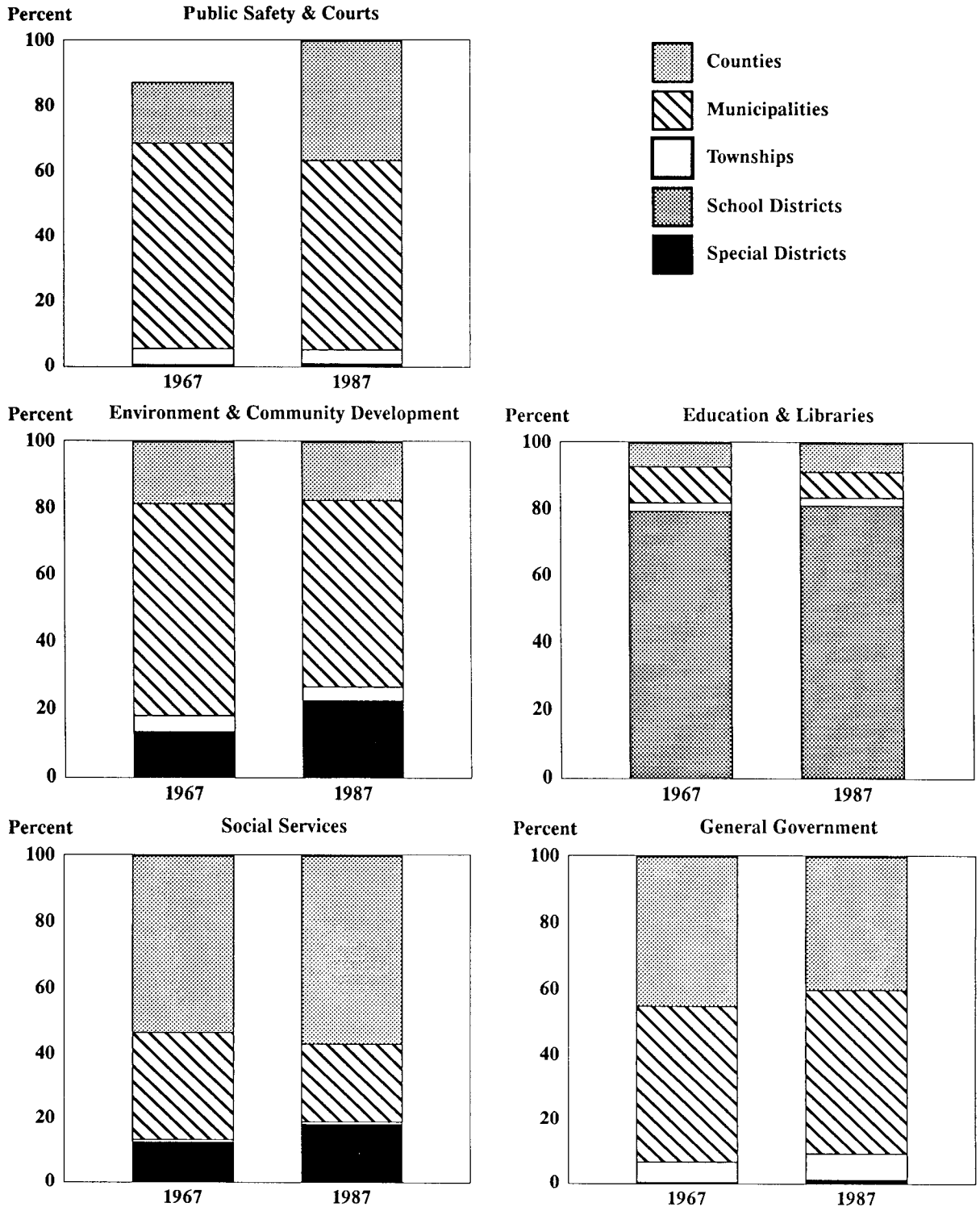
Source: Appendix Table 23.

Figure 16
Local Government Employment, by Type of Government, 1967 and 1987
 (percentage)



Source: Appendix Table 27.

Figure 17
Local Government Employment, by Major Function and Type of Local Government,
1967 and 1987
 (percentage of full-time equivalent employees)



Source: Appendix Table 27.

Among special districts, growth was noteworthy in transit (256.7 percent), health (246.0 percent), hospitals (125.5 percent), and housing and community development (123.3 percent). Among the larger municipal functions, only police (46.8 percent), and parks and recreation (42.6 percent) increased at a rate greater than the overall rate of increase for municipalities (29.7 percent). Several of the larger categories grew at a less than average rate: hospitals (6.2 percent), highways (10.0 percent), and water and power utilities (10.8 percent). Solid waste management manpower actually declined over the 20 years (-21.3 percent), possibly due to increased contracting of this activity.

Expenditures, Employment Compared

Changes in the size and functions of the public sector and of its federal, state, and local government components clearly are different when measured by expenditures, on one hand, and by numbers of public employees, on the other. From 1967 to 1987, the public sector increased much more in expenditures than in manpower: direct expenditures grew by 114.9 percent in constant (1982) dollars, while the number of employees rose by only 45.9 percent. In functional terms, the two fastest growing expenditures (in constant dollars) were Interest on General Debt (329.0 percent) and Income Security (254.4 percent); the two fastest growing manpower functions were Education and Libraries (63.3 percent) and Social Services (59.8 percent).

Clearly, between 1967 and 1987, the public sector shifted strongly toward programs requiring cash payments to individuals and institutions (Interest on General Debt, Social Security, cash assistance to the needy, Medicaid vendor payments, farm income and price supports), and placed less emphasis on payments for current goods, services, and capital outlay. Evidence from sources other than the Census Bureau's financial and employment reports suggests that emphasis on privatization and governmental substitution of contracting for own-force performance also played a part in the relative decline in the latter types of expenditures.

The overall shift toward cash payments was not felt equally by all three component governments. The federal government felt it most strongly, by virtue of being the largest spender (1987 expenditures: federal, 57.2 percent; state, 17.4 percent; local, 25.4 percent) and the largest spender on Interest on General Debt (federal, 74.4 percent; state, 9.9 percent; local, 15.8 percent) and Income Security (federal, 77.3 percent; state, 19.2 percent; local, 3.5 percent). As a result, while the federal government's spending in constant (1982) dollars went up by 108.9 percent between 1967 and 1987, its manpower barely increased (+ 4.0 percent). In contrast, state government's manpower expansion was about one-half its spending increase (78.2 percent vs. 142.2 percent), as was local government's (56.6 percent vs. 112.3 percent).

Notes

¹ In order to provide a measure of growth in the Census figures for public expenditures (used throughout this report) relative to the economy, the Census figures were compared to the Gross National Product (GNP). This comparison was calculated as follows from Census Bureau data: 1967—expenditures \$257.8 billion/GNP \$816.4 billion = 31.6%; 1987—expenditures \$1,811.7 billion/GNP \$4,524.3 billion = 40.0%. Public expenditure data presented by the Bureau of Economic Analysis (BEA) of the Department of Commerce using the National Income and Product Accounts net-out certain types of expenditures and produce lower percentages: 1967, 30.0%; 1987, 34.8% (*Economic Report of the President, February 1991*, Tables B-1 and B-79). The netting of expenditures and receipts in the BEA calculations, for example, drops receipts earned by public programs and enterprises, and interest earned on balances in certain trust funds. A fuller explanation of these differences relative to state and local government expenditures for 1987 is provided in the *Survey of Current Business*, July 1990, Table 3.18.

² U.S. Department of Commerce, Bureau of the Census, *Government Finances in 1988-89* (Washington, DC, 1991).

³ Calculated using same sources and methodology as described in note 1.

⁴ U.S. Advisory Commission on Intergovernmental Relations (ACIR), *State and Local Roles in the Federal System* (Washington, DC, 1982).

⁵ For a discussion of the meaning of provision of services and the difference between "providing" and "producing" a function, see ACIR, *The Organization of Local Public Economies* (Washington, DC, 1987).

⁶ ACIR completed a study of state mandates in 1990 (*Mandates: Cases in State-Local Relations*), and is investigating federal preemptions and federal mandates. Preemptions frequently translate into mandated expenditures.

⁷ Aid data were not available for 1967, the usual base year for trend analysis in this report.

⁸ Using GNP Implicit Price Deflator from *Economic Report of the President*, February 1990, Table C.

⁹ See note 1.

¹⁰ Dropping the strictly federal functions: atomic energy, space research and technology, postal service, Social Security and Medicare, and farm price and income supports.

¹¹ Of the 30 functional categories identified in the earlier discussion, the following are excluded: financial administration, other administration, general expenditure NEC, liquor stores, social insurance administration, employee retirement, other insurance trust, and water and power utilities. In addition, public welfare is carried as one item because a distinction was not possible between its cash and Medicaid vendor payments and other expenditures in the early years of the period examined.

¹² The 21 listed in the table less transit subsidies, protective inspection and regulation, and judicial and legal, for which data were not separately identified in Census Bureau publications in 1977 and earlier.

¹³ Actually less than 900 because water transport was provided in fewer than 50 states in each of the years.

¹⁴ Reduced from nine under expenditures because employees are not reported under Interest on Public Debt.

APPENDIX TABLES

Appendix Table 1
Direct Expenditures, by Function, All Governments, Selected Years 1962-1987
(millions of current dollars)

Function	1987	1982	1977	1972	1967	1962
Total	\$1,811,733	\$1,233,495	\$682,494	\$399,125	\$257,798	\$176,243
General Government	87,879	64,581	42,241	21,019	11,123	7,430
Financial Administration	18,698	11,981	7,258	4,068	2,387	1,705
Other Administration	8,216	5,870	7,527	4,097	2,150	1,483
General Expenditure, NEC	60,965	46,730	27,456	12,854	6,586	4,242
Interest on General Debt	188,046	121,976	44,510	23,143	13,405	9,173
National Defense/Foreign Aid	311,471	199,855	103,665	76,946	72,500	50,623
Commerce/Energy	50,242	35,204	22,676	16,730	15,068	8,953
Atomic Energy	7,613	4,420	1,931	2,312	2,138	2,602
Space Research/Technology	7,450	6,181	4,008	3,369	5,359	1,242
Postal Service	32,243	21,761	14,641	9,366	6,227	4,101
Liquor Stores	2,936	2,842	2,096	1,683	1,344	1,008
Education/Libraries	244,308	167,964	112,022	69,934	40,122	22,997
Education	240,646	165,766	110,615	69,118	39,604	22,657
Libraries	3,662	2,198	1,407	816	518	340
Social Services	124,770	97,377	60,092	34,553	19,584	12,816
Public Welfare (except cash assistance/Medicaid)	34,949	28,966	19,326	7,518	4,001	1,594
Health	24,634	17,145	9,272	3,304	1,848	1,050
Hospitals	47,970	36,243	21,275	11,708	6,293	4,065
Veterans' Services	17,217	15,023	10,219	12,023	7,442	6,107
Income Security	495,628	331,320	180,127	86,741	42,766	33,017
Public Welfare (cash assistance/Medicaid)	71,458	49,819	30,107	16,025	5,560	3,524
Social Insurance Administration	6,775	5,409	3,690	2,291	1,210	727
Social Security/Medicare (OASDHI)	282,212	201,204	103,177	46,949	23,919	13,669
Federal Farm Price/Income Supports	50,137	8,474	2,245	4,895	3,496	7,910
Employee Retirement	55,594	37,486	19,220	8,573	4,584	2,642
Other	29,452	28,928	21,688	8,008	3,997	4,545
Environment/Community Development	240,222	173,759	96,357	58,698	37,201	26,938
Transportation	82,300	55,887	34,920	27,856	18,673	13,832
Highways	52,978	35,096	23,323	19,453	14,032	10,508
Air	8,737	5,442	3,369	3,697	1,326	1,082
Water	3,722	3,495	2,332	2,245	1,886	1,388
Parking Facilities	761	406	298	171	144	83
Transit	16,102	11,448	5,598	2,290	1,285	771
Natural Resources	42,869	37,067	20,139	9,333	6,649	4,284
Parks/Recreation	12,521	8,876	5,698	2,318	1,291	886
Housing/Community Development	21,308	16,494	5,599	5,364	2,413	1,701
Sewerage	15,148	10,806	7,052	3,259	1,635	1,272
Solid Waste Management	6,499	4,134	2,374	1,587	888	686
Protective Inspection/Regulation	4,417	2,787	1,637	¹	¹	¹
General Public Buildings	4,848	3,286	2,442	1,529	931	603
Utilities (Water, Power)	50,312	34,422	16,496	7,452	4,721	3,674
Public Safety/Courts	69,167	41,459	20,804	11,361	6,029	4,296
Police Protection	28,778	18,511	11,788	6,559	3,331	2,326
Fire Protection	10,453	7,026	4,412	2,579	1,499	1,124
Corrections	17,562	8,892	4,604	2,223	1,199	846
Judicial/Legal	12,374	7,030	²	²	²	²

¹ Not identified separately prior to 1977.

² Not identified separately prior to 1982.

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Sources: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Volume 4, No. 5 (Washington, DC, every five years), Table 8 (1977 data), Table 9 (1967, 1972, 1977 data), and Table 10 (1967, 1972, 1982, 1987 data); *State Government Finances* (Washington, DC, annual).

Appendix Table 2
Direct Expenditures Per Capita, by Function, All Governments, Selected Years 1962-1987
 (current dollars)

Function	1987	1982	1977	1972	1967	1962
Total	\$7,427	\$5,305	\$3,099	\$1,902	\$1,297	\$945
General Government	360	278	192	100	56	40
Financial Administration	77	52	33	19	12	9
Other Administration	34	25	34	20	11	8
General Expenditure, NEC	250	201	125	61	33	23
Interest on General Debt	771	525	202	110	67	49
National Defense/Foreign Aid	1,277	860	471	367	365	271
Commerce/Energy	206	151	103	80	76	48
Atomic Energy	31	19	9	11	11	14
Space Research/Technology	31	27	18	16	27	7
Postal Service	132	94	66	45	31	22
Liquor Stores	12	12	10	8	7	5
Education/Libraries	1,002	722	509	333	202	123
Education	987	713	502	329	199	121
Libraries	15	9	6	4	3	2
Social Services	511	419	273	165	99	69
Public Welfare (except cash assistance/Medicaid)	143	125	88	36	20	9
Health	101	74	42	16	9	6
Hospitals	197	156	97	56	32	22
Veterans' Services	71	65	46	57	37	33
Income Security	2,032	1,425	818	413	215	177
Public Welfare (cash assistance/Medicaid)	293	214	137	76	28	19
Social Insurance Administration	28	23	17	11	6	4
Social Security/Medicare (OASDHI)	1,157	865	468	224	120	73
Federal Farm Price/Income Supports	206	36	10	23	18	42
Employee Retirement	228	161	87	41	23	14
Other	121	124	98	38	20	24
Environment/Community Development	985	747	438	280	187	144
Transportation	337	240	159	133	94	74
Highways	217	151	106	93	71	56
Air	36	23	15	18	7	6
Water	15	15	11	11	9	7
Parking Facilities	3	2	1	1	1	0
Transit	66	49	25	11	6	4
Natural Resources	176	159	91	44	33	23
Parks/Recreation	51	38	26	11	6	5
Housing/Community Development	87	71	25	26	12	9
Sewerage	62	46	32	16	8	7
Solid Waste Management	27	18	11	8	4	4
Protective Inspection/Regulation	18	12	7	1	1	1
General Public Buildings	20	14	11	7	5	3
Utilities (Water, Power)	206	148	75	36	24	20
Public Safety/Courts	284	178	94	54	30	23
Police Protection	118	80	54	31	17	12
Fire Protection	43	30	20	12	8	6
Corrections	72	38	21	11	6	5
Judicial/Legal	51	30	²	²	²	²

¹ Not identified separately prior to 1977.

² Not identified separately prior to 1982.

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Appendix Table 1 converted to per capita using population figures from *Economic Report of the President*, February 1990, Table C-31.

Appendix Table 3
Direct Expenditures Per Capita, by Function, All Governments, Selected Years 1962-1987
 (constant 1982 dollars)

Function	1987	1982	1977	1972	1967	1962
Total	\$6,326	\$5,305	\$4,605	\$4,089	\$3,614	\$2,962
General Government	307	278	285	215	156	125
Financial Administration	65	52	49	42	33	29
Other Administration	29	25	51	42	30	25
General Expenditure, NEC	213	201	185	132	92	71
Interest on General Debt	657	525	300	237	188	154
National Defense/Foreign Aid	1,088	860	699	788	1,016	851
Commerce/Energy	175	151	153	171	211	150
Atomic Energy	27	19	13	24	30	44
Space Research/Technology	26	27	27	35	75	21
Postal Service	113	94	99	96	87	69
Liquor Stores	10	12	14	17	19	17
Education/Libraries	853	722	756	717	562	386
Education	840	713	746	708	555	381
Libraries	13	9	9	8	7	6
Social Services	436	419	405	354	275	215
Public Welfare (except cash assistance/Medicaid)	122	125	130	77	56	27
Health	86	74	63	34	26	18
Hospitals	168	156	144	120	88	68
Veterans' Services	60	65	69	123	104	103
Income Security	1,731	1,425	1,215	889	599	555
Public Welfare (cash assistance/Medicaid)	250	214	203	164	78	59
Social Insurance Administration	24	23	25	23	17	12
Social Security/Medicare (OASDHI)	985	865	696	481	335	230
Federal Farm Price/Income Supports	175	36	15	50	49	133
Employee Retirement	194	161	130	88	64	44
Other	103	124	146	82	56	76
Environment/Community Development	839	747	650	601	521	453
Transportation	287	240	236	285	262	232
Highways	185	151	157	199	197	177
Air	31	23	23	38	19	18
Water	13	15	16	23	26	23
Parking Facilities	3	2	2	2	2	1
Transit	56	49	38	23	18	13
Natural Resources	150	159	136	96	93	72
Parks/Recreation	44	38	38	24	18	15
Housing/Community Development	74	71	38	55	34	29
Sewerage	53	46	48	33	23	21
Solid Waste Management	23	18	16	16	12	12
Protective Inspection/Regulation	15	12	11	1	1	1
General Public Buildings	17	14	16	16	13	10
Utilities (Water, Power)	176	148	111	76	66	62
Public Safety/Courts	242	178	140	116	85	72
Police Protection	100	80	80	67	47	39
Fire Protection	37	30	30	26	21	19
Corrections	61	38	31	23	17	14
Judicial/Legal	43	30	²	²	²	²

¹ Not identified separately prior to 1977.

² Not identified separately prior to 1982.

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Appendix Table 2 converted to constant dollars using GNP Implicit Price Deflator from *Economic Report of the President*, February 1990, Table C-3.

Appendix Table 4
Direct Expenditures, Percentage Change, by Function, All Governments, Five-Year Periods 1962-1987,
 (current dollars)

Function	1982-1987	1977-1982	1972-1977	1967-1972	1962-1967
Total	46.88%	80.73%	71.00%	54.82%	46.27%
General Government	36.08	52.89	100.97	88.97	49.70
Interest on General Debt	54.17	174.04	92.33	72.64	46.14
National Defense/Foreign Aid	55.85	92.79	34.72	6.13	43.22
Commerce/Energy	42.72	55.25	35.54	11.03	68.30
Education/Libraries	45.45	49.94	60.18	74.30	74.47
Social Services	28.13	62.05	73.91	76.43	52.81
Income Security	49.59	83.94	107.66	102.83	29.53
Environment/Community Development	38.25	80.33	64.16	57.79	38.10
Public Safety/Courts	66.83	99.28	83.12	88.44	40.34

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 1.

Appendix Table 5
Direct Expenditures as a Percentage of GNP, by Function, All Governments, Selected Years 1962-1987

Function	1987	1982	1977	1972	1967	1962
Total	40.04%	38.96%	34.28%	32.91%	31.61%	30.70%
General Government	1.94	2.04	2.12	1.73	1.36	1.29
Financial Administration	.41	.38	.36	.34	.29	.30
Other Administration	.18	.19	.38	.34	.26	.26
General Expenditure, NEC	1.35	1.48	1.38	1.06	.81	.74
Interest on General Debt	4.16	3.85	2.24	1.91	1.64	1.60
National Defense/Foreign Aid	6.88	6.31	5.21	6.34	8.89	8.82
Commerce/Energy	1.11	1.11	1.14	1.38	1.85	1.56
Atomic Energy	.17	.14	.10	.19	.26	.45
Space Research/Technology	.16	.20	.20	.28	.66	.22
Postal Service	.71	.69	.74	.77	.76	.71
Liquor Stores	.06	.09	.11	.14	.16	.18
Education/Libraries	5.40	5.31	5.63	5.77	4.92	4.01
Education	5.32	5.24	5.56	5.70	4.86	3.95
Libraries	.08	.07	.07	.07	.06	.06
Social Services	2.76	3.08	3.02	2.85	2.40	2.23
Public Welfare (except cash assistance/Medicaid)	.77	.91	.97	.62	.49	.28
Health	.54	.54	.47	.27	.23	.18
Hospitals	1.06	1.14	1.07	.97	.77	.71
Veterans' Services	.38	.47	.51	.99	.91	1.06
Income Security	10.95	10.46	9.05	7.15	5.24	5.75
Public Welfare (cash assistance/Medicaid)	1.58	1.57	1.51	1.32	.68	.61
Social Insurance Administration	.15	.17	.19	.19	.15	.13
Social Security/Medicare (OASDHI)	6.24	6.36	5.18	3.87	2.93	2.38
Federal Farm Price/Income Supports	1.11	.27	.11	.40	.43	1.38
Employee Retirement	1.23	1.18	.97	.71	.56	.46
Other	.65	.91	1.09	.66	.49	.79
Environment/Community Development	5.31	5.49	4.84	4.84	4.56	4.69
Transportation	1.82	1.77	1.75	2.30	2.29	2.41
Highways	1.17	1.11	1.17	1.60	1.72	1.83
Air	.19	.17	.17	.30	.16	.19
Water	.08	.11	.12	.19	.23	.24
Parking Facilities	.02	.01	.01	.01	.02	.01
Transit	.36	.36	.28	.19	.16	.13
Natural Resources	.95	1.17	1.01	.77	.82	.75
Parks/Recreation	.28	.28	.29	.19	.16	.15
Housing/Community Development	.47	.52	.28	.44	.30	.30
Sewerage	.33	.34	.35	.27	.20	.22
Solid Waste Management	.14	.13	.12	.13	.11	.12
Protective Inspection/Regulation	.10	.09	.08	¹	¹	¹
General Public Buildings	.11	.10	.12	.13	.11	.11
Utilities (Water, Power)	1.11	1.09	.83	.61	.58	.64
Public Safety/Courts	1.53	1.31	1.04	.94	.74	.75
Police Protection	.64	.58	.59	.54	.41	.41
Fire Protection	.23	.22	.22	.21	.18	.20
Corrections	.39	.28	.23	.18	.15	.15
Judicial/Legal	.27	.22	²	²	²	²

¹ Not identified separately prior to 1977.

² Not identified separately prior to 1982.

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

In order to provide a measure of growth in the Census figures for public expenditures (used throughout this report) relative to the economy, the Census figures were compared to the Gross National Product (GNP). Public expenditure data presented by the Bureau of Economic Analysis (BEA) of the Department of Commerce using the National Income and Product Accounts net-out certain types of expenditures and produce lower percentages. For a detailed explanation see Note 1, page XX.

Source: Appendix Table 1 converted to percentage of GNP using GNP figures from *Economic Report of the President*, February 1990, Table C-1.

Appendix Table 6
Direct Expenditures as a Percentage of Total Expenditures, by Functional Group, All Governments, Selected Years 1962-1987

Function	1987	1982	1977	1972	1967	1962
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	4.85	5.24	6.19	5.27	4.31	4.22
Interest on General Debt	10.38	9.89	6.52	5.80	5.20	5.20
National Defense/Foreign Aid	17.19	16.20	15.19	19.28	28.12	28.72
Commerce/Energy	2.77	2.85	3.32	4.19	5.84	5.08
Education/Libraries	13.48	13.62	16.41	17.52	15.56	13.05
Social Services	6.89	7.89	8.80	8.66	7.60	7.27
Income Security	27.36	26.86	26.39	21.73	16.59	18.73
Environment/Community Development	13.26	14.09	14.12	14.71	14.43	15.28
Public Safety/Courts	3.82	3.36	3.05	2.85	2.34	2.44

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 1.

Appendix Table 7
Direct Expenditures, Ranked by Functional Group, All Governments, Selected Years 1962-1987

Function	Rank					
	1987	1982	1977	1972	1967	1962
Income Security	1	1	1	1	2	2
National Defense/Foreign Aid	2	2	3	2	1	1
Education/Libraries	3	4	2	3	3	4
Environment/Community Development	4	3	4	4	4	3
Interest on General Debt	5	5	6	6	7	6
Social Services	6	6	5	5	5	5
General Government	7	7	7	7	8	8
Public Safety/Courts	8	8	9	9	9	9
Commerce/Energy	9	9	8	8	6	7

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 1.

Appendix Table 8
Direct Expenditures, Ranked by Percentage Increase, All Governments, Five-Year Periods 1962-1987
 (constant 1982 dollars)

Function	1982-1987	1977-1982	1972-1977	1967-1972	1962-1967
Total	25.11%	21.63%	18.15%	19.53%	29.98%
General Government	15.91	2.89	38.85	45.89	33.02
Interest on General Debt	31.32	84.43	32.88	33.29	29.85
National Defense/Foreign Aid	32.75	29.75	-6.91	-18.06	27.26
Commerce/Energy	21.56	4.48	-6.35	-14.28	49.55
Education/Libraries	23.89	.91	10.68	34.57	55.03
Social Services	9.14	9.06	20.16	36.22	35.78
Income Security	27.42	23.79	43.48	56.59	15.10
Environment/Community Development	17.76	21.36	13.42	21.82	22.71
Public Safety/Courts	42.11	34.12	26.52	45.48	24.70

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 1.

Appendix Table 9
**Direct Expenditures as a Percentage of Total Expenditures, by Function, All Governments,
 Selected Years 1962-1987**

Function	1987	1982	1977	1972	1967	1962
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	4.85	5.24	6.19	5.27	4.31	4.22
Financial Administration	1.03	.97	1.06	1.02	.93	.97
Other Administration	.45	.48	1.10	1.03	.83	.84
General Expenditure, NEC	3.37	3.79	4.02	3.22	2.55	2.41
Interest on General Debt	10.38	9.89	6.52	5.80	5.20	5.20
National Defense/Foreign Aid	17.19	16.20	15.19	19.28	28.12	28.72
Commerce/Energy	2.77	2.85	3.32	4.19	5.84	5.08
Atomic Energy	.42	.36	.28	.58	.83	1.48
Space Research/Technology	.41	.50	.59	.84	2.08	.70
Postal Service	1.78	1.76	2.15	2.35	2.42	2.33
Liquor Stores	.16	.23	.31	.42	.52	.57
Education/Libraries	13.48	13.62	16.41	17.52	15.56	13.05
Education	13.28	13.44	16.21	17.32	15.36	12.86
Libraries	.20	.18	.21	.20	.20	.19
Social Services	6.89	7.89	8.80	8.66	7.60	7.27
Public Welfare (except cash assistance/Medicaid)	1.93	2.35	2.83	1.88	1.55	.90
Health	1.36	1.39	1.36	.83	.72	.60
Hospitals	2.65	2.94	3.12	2.93	2.44	2.31
Veterans' Services	.95	1.22	1.50	3.01	2.89	3.47
Income Security	27.36	26.86	26.39	21.73	16.59	18.73
Public Welfare (cash assistance/Medicaid)	3.94	4.04	4.41	4.02	2.16	2.00
Social Insurance Administration	.37	.44	.54	.57	.47	.41
Social Security/Medicare (OASDHI)	15.58	16.31	15.12	11.76	9.28	7.76
Federal Farm Price/Income Supports	2.77	.69	.33	1.23	1.36	4.49
Employee Retirement	3.07	3.04	2.82	2.15	1.78	1.50
Other	1.63	2.35	3.18	2.01	1.55	2.58
Environment/Community Development	13.26	14.09	14.12	14.71	14.43	15.28
Transportation	4.54	4.53	5.12	6.98	7.24	7.85
Highways	2.92	2.85	3.42	4.87	5.44	5.96
Air	.48	.44	.49	.93	.51	.61
Water	.21	.28	.34	.56	.73	.79
Parking Facilities	.04	.03	.04	.04	.06	.05
Transit	.89	.93	.82	.57	.50	.44
Natural Resources	2.37	3.01	2.95	2.34	2.58	2.43
Parks/Recreation	.69	.72	.83	.58	.50	.50
Housing/Community Development	1.18	1.34	.82	1.34	.94	.97
Sewerage	.84	.88	1.03	.82	.63	.72
Solid Waste Management	.36	.34	.35	.40	.34	.39
Protective Inspection/Regulation	.24	.23	.24	¹	¹	¹
General Public Buildings	.27	.27	.36	.38	.36	.34
Utilities (Water, Power)	2.78	2.79	2.42	1.87	1.83	2.08
Public Safety/Courts	3.82	3.36	3.05	2.85	2.34	2.44
Police Protection	1.59	1.50	1.73	1.64	1.29	1.32
Fire Protection	.58	.57	.65	.65	.58	.64
Corrections	.97	.72	² .67	² .56	² .47	² .48
Judicial/Legal	.68	.57	²	²	²	²

¹ Not identified separately prior to 1977.

² Not identified separately prior to 1982.

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 1.

Appendix Table 10
Direct Expenditures, by Type of Government, Selected Years 1967-1987

Government	1987	1982	1977	1972	1967
MILLIONS OF CURRENT DOLLARS					
Total	\$1,811,732	\$1,233,522	\$682,492	\$399,100	\$257,800
Federal	1,037,143	710,469	359,324	208,602	151,821
State	314,421	211,647	128,764	72,497	39,705
Local	460,168	311,406	194,404	118,001	66,274
PERCENTAGE					
Total	100.00%	100.00%	100.00%	100.00%	100.00%
Federal	57.25	57.60	52.65	52.27	58.89
State	17.35	17.16	18.87	18.16	15.40
Local	25.40	25.24	28.48	29.57	25.71

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Volume 4, No. 5 (Washington, DC, every five years) Table 1 (1967-1987 data).

Appendix Table 11
Federal Direct Expenditures, Percentage by Functional Group, Selected Years 1962-1987

Function	1987	1982	1977	1972	1967	1962
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	2.97	3.67	4.05	3.18	2.47	3.02
Interest on General Debt	14.09	14.33	9.26	8.20	6.83	6.78
National Defense/Foreign Aid	30.03	28.13	28.85	36.89	47.75	47.47
Commerce/Energy	4.56	4.56	5.73	7.21	9.04	7.52
Education/Libraries	1.39	1.64	2.22	1.58	1.11	.42
Social Services	4.45	5.77	7.35	7.84	6.75	6.53
Income Security	36.95	35.01	35.71	28.34	20.69	22.91
Environment/Community Development	4.86	6.34	6.39	6.43	5.12	5.13
Public Safety/Courts	.70	.55	.44	.32	.23	.23

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Volume 4, No. 5 (Washington, DC, every five years), Table 8 (1977 data), Table 9 (1967, 1972, 1977 data), Table 10 (1982, 1987 data); *Governmental Finances in [Year]* (Washington, DC, annual), Table 12 (1982 data), Table 4 (1987 data).

Appendix Table 12

Federal Direct Expenditures as a Percentage of Total Expenditures, by Function, Selected Years 1962-1987

Function	1987	1982	1977	1972	1967	1962
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	2.97	3.67	4.05	3.18	2.47	3.02
Financial Administration	.56	.55	.77	.75	.61	.61
Other Administration	.11	.10	.35	.33	.20	.20
General Expenditure, NEC	2.30	3.03	2.93	2.11	1.67	2.22
Interest on General Debt	14.09	14.33	9.26	8.20	6.83	6.78
National Defense/Foreign Aid	30.03	28.13	28.85	36.89	47.75	47.47
Commerce/Energy	4.56	4.56	5.73	7.21	9.04	7.52
Atomic Energy	.73	.62	.54	1.11	1.41	2.46
Space Research/Technology	.72	.87	1.12	1.62	3.53	1.18
Postal Service	3.11	3.06	4.07	4.49	4.10	3.88
Education/Libraries	1.39	1.64	2.22	1.58	1.11	.42
Education	1.35	1.62	2.18	1.58	1.11	.42
Libraries	.04	.03	.04	.00	.00	.00
Social Services	4.45	5.77	7.35	7.84	6.75	6.53
Public Welfare (except cash assistance/Medicaid)	1.31	1.90	2.44	1.13	.86	.02
Health	.75	.92	1.05	.35	.51	.44
Hospitals	.75	.84	1.04	.60	.48	.30
Veterans' Services	1.65	2.11	2.83	5.76	4.90	5.78
Income Security	36.95	35.01	35.71	28.34	20.69	22.91
Public Welfare (cash assistance/Medicaid)	1.21	1.27	1.71	.04	.02	.01
Social Insurance Administration	.39	.44	.55	.55	.44	.31
Social Security/Medicare (OASDHI)	27.21	28.32	28.71	22.51	15.75	12.93
Federal Farm Price/Income Supports	4.83	1.19	.62	2.35	2.30	7.48
Employee Retirement	2.51	2.77	2.69	1.82	1.30	1.01
Other	.80	1.02	1.42	1.07	.87	1.17
Environment/Community Development	4.86	6.34	6.39	6.43	5.12	5.13
Transportation	.62	.74	1.07	2.19	1.66	1.85
Highways	.06	.08	.07	.21	.07	.14
Air	.37	.36	.56	1.16	.57	.67
Water	.19	.30	.44	.83	1.03	1.04
Natural Resources	3.17	4.29	4.48	2.98	2.84	2.76
Parks/Recreation	.14	.19	.22	.00	.00	.00
Housing/Community Development	.92	1.11	.62	1.26	.62	.52
Public Safety/Courts	.70	.55	.44	.32	.23	.23
Police Protection	.39	.28	.37	.27	.19	.19
Corrections	.09	.06	.07	.05	.04	.05
Judicial/Legal	.22	.21	.1	.1	.1	.1

¹Not identified separately prior to 1982.

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Volume 4, No. 5 (Washington, DC, every five years), Table 8 (1977 data), Table 9 (1967, 1972, 1977 data), Table 10 (1982, 1987 data); *Governmental Finances in [Year]* (Washington, DC, annual), Table 12 (1982 data), Table 4 (1987 data).

Appendix Table 13
State Direct Expenditures as a Percentage of Total Expenditures, by Function, Selected Years 1962-1987

Function	1987	1982	1977	1972	1967	1962
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	7.91	6.69	7.20	7.09	6.89	6.77
Financial Administration	2.02	1.73	1.73	1.69	1.85	2.00
Other Administration	.60	.54	1.37	1.26	1.11	1.00
General Expenditure, NEC	5.29	4.42	4.11	4.15	3.93	3.77
Interest on General Debt	5.91	4.26	3.85	2.94	2.58	2.49
National Defense	.00	.00	.00	.00	.00	.00
Commerce/Energy	.79	1.14	1.41	2.06	2.99	3.46
Liquor Stores	.79	1.14	1.41	2.06	2.99	3.46
Education/Libraries	19.70	20.06	21.10	23.75	23.76	16.83
Education	19.61	19.99	21.03	23.66	23.63	16.75
Libraries	.09	.07	.08	.09	.12	.08
Social Services	12.53	13.46	12.02	10.38	11.27	10.77
Public Welfare (except cash assistance/Medicaid)	3.84	4.27	3.27	2.09	2.81	2.29
Health	2.93	2.61	2.01	1.53	1.26	1.11
Hospitals	5.72	6.56	6.70	6.76	7.20	7.37
Veterans' Services	.04	.03	.04	.00	.00	.00
Income Security	30.30	32.82	33.83	28.71	20.12	25.73
Public Welfare (cash assistance/Medicaid)	15.65	15.35	14.32	14.80	7.99	7.55
Social Insurance Administration	.87	1.08	1.32	1.56	1.37	1.57
Employee Retirement	7.06	6.19	5.38	4.40	4.04	3.66
Other	6.72	10.20	12.81	7.95	6.70	12.96
Environment/Community Development	17.02	16.59	17.23	22.02	29.40	30.88
Transportation	11.55	10.88	11.11	18.00	24.20	26.52
Highways	10.01	9.50	10.76	17.58	23.73	26.02
Air	.15	.16	.15	.20	.16	.14
Water	.17	.24	.20	.22	.30	.36
Transit	1.21	.97	.00	.00	.00	.00
Natural Resources	2.34	2.47	2.39	3.41	4.54	3.82
Parks/Recreation	.60	.64	.80	.00	.00	.00
Housing/Community Development	.42	.23	.14	.05	.07	.03
Sewerage	.13	.17	.19	.00	.00	.00
Protective Inspection/Regulation	.92	.90	.91	.00	.00	.00
General Public Buildings	.35	.41	.43	.56	.59	.51
Utilities	.72	.89	1.27	.00	.00	.00
Public Safety/Courts	5.85	4.98	3.36	3.05	2.99	3.08
Police Protection	1.16	1.13	1.22	1.24	1.11	1.08
Corrections	3.43	2.61	2.14	1.81	1.88	1.99
Judicial/Legal	1.26	1.24	.00	.00	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Volume 4, No. 5 (Washington, DC, every five years), Table 8 (1977 data), Table 9 (1967, 1972, and 1977 data), Table 10 (1982 and 1987 data); *State Government Finances in [Year]* (Washington, DC, annual), Table 1 (1967-1987 data).

Appendix Table 14

Local Direct Expenditures as a Percentage of Total Expenditures, by Function, Selected Years 1962-1987

Function	1987	1982	1977	1972	1967	1962
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	7.01	7.82	9.47	7.83	7.00	6.58
Financial Administration	1.42	1.42	1.17	1.08	1.11	1.23
Other Administration	1.13	1.30	2.31	2.12	2.12	2.26
General Expenditure, NEC	4.46	5.10	5.99	4.62	3.77	3.08
Interest on General Debt	5.07	3.58	3.23	3.30	3.03	3.05
National Defense/Foreign Aid	.00	.00	.00	.00	.00	.00
Commerce/Energy	.10	.14	.14	.16	.24	.28
Liquor Stores	.10	.14	.14	.16	.24	.28
Education/Libraries	36.54	36.56	39.55	41.88	43.76	40.54
Education	35.89	35.96	38.94	41.24	43.05	39.84
Libraries	.65	.60	.61	.64	.71	.71
Social Services	8.52	8.96	9.36	9.04	7.33	7.03
Public Welfare (except cash assistance/Medicaid)	2.02	2.06	3.27	3.10	2.38	2.19
Health	1.67	1.64	1.50	1.25	.88	.86
Hospitals	4.83	5.26	4.59	4.70	4.08	3.98
Income Security	3.73	4.20	4.25	5.77	5.07	4.97
Public Welfare (cash assistance/Medicaid)	2.10	2.66	2.84	4.42	3.55	3.53
Social Insurance Administration	.00	.00	.00	.00	.00	.00
Employee Retirement	1.61	1.50	1.36	1.34	1.51	1.43
Other	.02	.03	.04	.02	.01	.01
Environment/Community Development	29.66	30.07	26.35	24.83	26.78	30.30
Transportation	8.61	8.86	8.30	8.67	9.86	11.35
Highways	4.54	4.63	4.73	5.32	6.81	8.26
Air	.97	.81	.60	.96	.60	.75
Water	.26	.28	.26	.31	.30	.45
Parking Facilities	.17	.13	.15	.14	.22	.18
Transit	2.67	3.02	2.56	1.94	1.94	1.71
Natural Resources	.56	.45	.50	.55	.82	.88
Parks/Recreation	1.99	1.97	2.00	1.96	1.95	1.97
Housing/Community Development	2.28	2.60	1.65	2.29	2.17	2.54
Sewerage	3.21	3.35	3.50	2.76	2.47	2.82
Solid Waste Management	1.41	1.33	1.22	1.34	1.34	1.52
Protective Inspection/Regulation	.33	.28	.24	.00	.00	.00
General Public Buildings	.81	.78	.97	.95	1.05	1.05
Utilities	10.45	10.45	7.97	6.29	7.12	8.16
Public Safety	9.48	8.67	7.66	7.19	6.79	7.25
Police Protection	4.59	4.53	4.57	4.33	3.94	4.12
Fire Protection	2.27	2.26	2.27	2.19	2.26	2.50
Corrections	1.28	.95	.82	.68	.59	.64
Judicial/Legal	1.33	.94	.00	.00	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, Census of Governments, Volume 4, No. 5 (Washington, DC, every five years), Table 8 (1977 data), Table 9 (1967, 1972, and 1977 data), Table 10 (1967, 1972, 1982, 1987 and data).

Appendix Table 15
Local Direct Expenditures, by Function and Type of Local Government, 1987
(millions of current dollars)

Function	Total	County	Municipality	Township	School District	Special District
Total	\$460,168	\$98,146	\$159,241	\$14,084	\$137,738	\$50,959
General Government	32,203	11,603	16,894	2,541	0	1,165
Financial Administration	6,507	2,807	3,303	397	0	0
Other Administration	5,188	2,143	2,556	489	0	0
General Expenditures, NEC	20,508	6,653	11,035	1,655	0	1,165
Interest on General Debt	23,306	6,713	9,268	502	2511	4,312
Commerce/Energy	465	214	251	0	0	0
Liquor Stores	465	214	251	0	0	0
Education/Libraries	167,981	13,910	14,778	3,695	134,996	602
Education	164,972	13,116	13,179	3,501	134,996	180
Elementary/Secondary	155,610	11,593	12,759	3,501	127,577	180
Higher	9,362	1,523	420	0	7,419	0
Libraries	3,009	794	1,599	194	0	422
Social Services	39,168	21,433	10,063	321	0	7,351
Public Welfare (except cash assistance/Medicaid)	9,283	6,405	2,728	150	0	0
Health	7,696	5,520	1,887	96	0	193
Hospitals	22,189	9,508	5,448	75	0	7158
Income Security	17,165	8,382	8,270	115	231	167
Public Welfare (cash assistance/Medicaid)	9,666	7,213	2,445	8	0	0
Social Insurance Administration	11	11	11	0	0	0
Employee Retirement	7,414	1,169	5,740	107	231	167
Other Insurance Trust	74	74	74	0	0	0
Environment/Community Development	136,325	20,411	74,358	5,025	0	36,531
Transportation	39,571	9,874	17,380	2,208	0	10,109
Highways	20,867	8,064	10,082	2,171	0	550
Air	4,437	964	2,204	13	0	1256
Water	1,216	83	437	4	0	692
Parking Facilities	761	27	653	16	0	65
Transit	12,290	736	4,004	4	0	7,546
Natural Resources	2,588	1,183	88	34	0	1,283
Parks/Recreation	9142	1,715	5,940	389	0	1,098
Housing/Community Development	10,461	777	5,575	80	0	4,029
Sewerage	14,742	1,777	8,721	661	0	3,583
Solid Waste Management	6,500	1,349	4,425	509	0	217
Protective Inspection/Regulation	1,532	308	1,141	83	0	0
General Public Buildings	3,741	1,867	1,645	229	0	0
Utilities (Water, Power)	48,048	1,561	29,443	832	0	16,212
Public Safety/Courts	43,555	15,480	25,359	1,885	0	831
Police	21,106	5,259	14,722	1,125	0	0
Fire Protection	10,452	1,082	7,883	656	0	831
Corrections	5,867	4,571	1,295	1	0	0
Judicial/Legal	6,130	4,568	1,459	103	0	0

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, 1987 Census of Governments, Volume 4, No. 5 (Washington, DC, 1990), Tables 2 and 10.

Appendix Table 16A
**Local Direct Expenditures as a Percentage of Total Expenditures,
 by Function and Type of Local Government, 1987**

Function	County	Municipality	Township	School District	Special District
Total	21.33%	34.60%	3.06%	29.93%	11.07%
General Government	36.03	52.46	7.89	.00	3.62
Financial Administration	43.14	50.76	6.10	.00	.00
Other Administration	41.31	49.27	9.43	.00	.00
General Expenditures, NEC	32.44	53.81	8.07	.00	5.68
Interest on General Debt	28.80	39.77	2.15	10.77	18.50
Commerce/Energy	46.02	53.98	.00	.00	.00
Liquor Stores	46.02	53.98	.00	.00	.00
Education/Libraries	8.28	8.80	2.20	80.36	.36
Education	7.95	7.99	2.12	81.83	.11
Elementary/Secondary	7.45	8.20	2.25	81.99	.12
Higher	16.27	4.49	.00	79.25	.00
Libraries	26.39	53.14	6.45	.00	14.02
Social Services	54.72	25.69	.82	.00	18.77
Public Welfare (except cash assistance/Medicaid)	69.00	29.39	1.62	.00	.00
Health	71.73	24.52	1.25	.00	2.51
Hospitals	42.85	24.55	.34	.00	32.26
Income Security	48.83	48.18	.67	1.35	.97
Public Welfare (cash assistance/Medicaid)	74.62	25.29	.08	.00	.00
Social Insurance Administration	.00	100.00	.00	.00	.00
Employee Retirement	15.77	77.42	1.44	3.12	2.25
Other Insurance Trust	.00	100.00	.00	.00	.00
Environment/Community Development	14.97	54.54	3.69	.00	26.80
Transportation	24.95	43.92	5.58	.00	25.55
Highways	38.64	48.32	10.40	.00	2.64
Air	21.73	49.67	.29	.00	28.31
Water	6.83	35.94	.33	.00	56.91
Parking Facilities	3.55	85.81	2.10	.00	8.54
Transit	5.99	32.58	.03	.00	61.40
Natural Resources	45.71	3.40	1.31	.00	49.57
Parks/Recreation	18.76	64.97	4.26	.00	12.01
Housing/Community Development	7.43	53.29	.76	.00	38.51
Sewerage	12.05	59.16	4.48	.00	24.30
Solid Waste Management	20.75	68.08	7.83	.00	3.34
Protective Inspection/Regulation	20.10	74.48	5.42	.00	.00
General Public Buildings	49.91	43.97	6.12	.00	.00
Utilities (Water, Power)	3.25	61.28	1.73	.00	33.74
Public Safety/Courts	35.54	58.22	4.33	.00	1.91
Police	24.92	69.75	5.33	.00	.00
Fire Protection	10.35	75.42	6.28	.00	7.95
Corrections	77.91	22.07	.02	.00	.00
Judicial/Legal	74.52	23.80	1.68	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 15.

Appendix Table 16B
**Local Direct Expenditures as a Percentage of Total Expenditures,
 by Function and Type of Local Government, 1982**

Function	County	Municipality	Township	School District	Special District
Total	20.56%	35.55%	3.09%	29.86%	10.94%
General Government	34.21	53.34	6.71	.00	5.74
Financial Administration	42.17	48.68	9.15	.00	.00
Other Administration	49.05	45.56	5.39	.00	.00
General Expenditures, NEC	28.21	56.62	6.37	.00	8.81
Interest on General Debt	22.04	38.64	2.58	16.39	20.35
Commerce/Energy	42.40	57.60	.00	.00	.00
Liquor Stores	42.40	57.60	.00	.00	.00
Education/Libraries	8.09	9.45	2.26	79.94	.26
Education	7.77	8.71	2.19	81.27	.05
Elementary/Secondary	7.33	8.54	2.34	81.73	.06
Higher	14.16	11.23	.00	74.60	.00
Libraries	27.18	53.46	6.43	.00	12.92
Social Services	54.18	26.12	.81	.00	18.89
Public Welfare (except cash assistance/Medicaid)	65.65	32.79	1.56	.00	.00
Health	71.56	24.02	1.33	.00	3.09
Hospitals	44.25	24.16	.36	.00	31.23
Income Security	50.97	46.53	.56	1.15	.80
Public Welfare (cash assistance/Medicaid)	71.11	28.76	.12	.00	.00
Social Insurance Administration	.00	100.00	.00	.00	.00
Employee Retirement	16.46	76.77	1.35	3.21	2.22
Other Insurance Trust	.00	100.00	.00	.00	.00
Environment/Community Development	14.39	55.97	3.78	.00	25.85
Transportation	24.80	43.56	5.84	.00	25.80
Highways	39.60	47.68	11.04	.00	1.69
Air	19.45	56.61	.40	.00	23.54
Water	6.64	38.77	.00	.00	54.60
Parking Facilities	2.21	88.21	1.47	.00	8.11
Transit	6.17	32.23	.04	.00	61.57
Natural Resources	46.29	3.85	.43	.00	49.43
Parks/Recreation	19.93	65.29	4.59	.00	10.18
Housing/Community Development	5.48	57.32	.62	.00	36.57
Sewerage	12.40	58.59	4.80	.00	24.21
Solid Waste Management	16.18	75.62	6.75	.00	1.45
Protective Inspection/Regulation	23.02	71.43	5.56	.00	.00
General Public Buildings	47.35	46.82	5.83	.00	.00
Utilities (Water, Power)	3.09	63.58	1.92	.00	31.41
Public Safety/Courts	31.83	61.54	4.71	.00	1.92
Police	24.66	69.85	5.49	.00	.00
Fire Protection	9.07	77.17	6.38	.00	7.39
Corrections	76.17	23.83	.00	.00	.00
Judicial/Legal	76.47	21.82	1.71	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances*, 1982 Census of Governments, Volume 4, No. 5, (Washington, DC, 1984), Tables 2 and 10.

Appendix Table 16C
**Local Direct Expenditures as a Percentage of Total Expenditures,
 by Function and Type of Local Government, 1977**

Function	County	Municipality	Township	School District	Special District
Total	20.53%	35.81%	3.35%	31.77%	8.53%
General Government	38.49	52.52	7.20	.00	1.78
Financial Administration	48.17	45.83	6.00	.00	.00
Other Administration	56.80	38.64	4.56	.00	.00
General Expenditures, NEC	29.53	59.19	8.46	.00	2.82
Interest on General Debt	16.03	41.53	2.50	22.40	17.54
Commerce/Energy	48.75	51.25	.00	.00	.00
Liquor Stores	48.75	51.25	.00	.00	.00
Education/Libraries	8.08	10.76	2.52	78.37	.28
Education	7.77	10.06	2.46	79.59	.11
Elementary/Secondary	7.35	9.73	2.63	80.17	.12
Higher	14.02	14.94	.00	71.04	.00
Libraries	27.73	55.45	5.83	.00	10.99
Social Services	52.73	33.65	.69	.00	12.93
Public Welfare (except cash assistance/Medicaid)	55.80	43.32	.88	.00	.00
Health	65.13	31.09	1.44	.00	2.34
Hospitals	46.50	27.58	.31	.00	25.61
Income Security	49.40	48.20	.44	1.30	.67
Public Welfare (cash assistance/Medicaid)	67.45	32.48	.07	.00	.00
Social Insurance Administration	.00	100.00	.00	.00	.00
Employee Retirement	13.38	79.26	1.21	4.06	2.08
Other Insurance Trust	.00	100.00	.00	.00	.00
Environment/Community Development	16.22	55.65	4.17	.00	23.97
Transportation	25.61	43.74	6.37	.00	24.28
Highways	40.79	45.96	11.07	.00	2.18
Air	20.95	51.38	.34	.00	27.33
Water	3.21	31.33	.20	.00	65.26
Parking Facilities	3.36	87.92	1.34	.00	7.38
Transit	2.15	36.44	.00	.00	61.41
Natural Resources	56.48	.83	.00	.00	42.69
Parks/Recreation	21.13	64.35	5.11	.00	9.41
Housing/Community Development	1.15	55.39	.31	.00	43.15
Sewerage	14.05	55.96	4.71	.00	25.28
Solid Waste Management	12.38	80.08	6.57	.00	.97
Protective Inspection/Regulation	19.48	75.54	4.98	.00	.00
General Public Buildings	50.82	45.09	4.08	.00	.00
Utilities (Water, Power)	3.06	66.14	2.07	.00	28.73
Public Safety/Courts	23.47	69.38	5.43	.00	1.71
Police	21.70	72.40	5.90	.00	.00
Fire Protection	7.73	80.03	6.46	.00	5.78
Corrections	76.74	23.26	.00	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances, 1977* Census of Governments, Volume 4, No. 5 (Washington, DC, 1979), Tables 10, 12, 13, and 49.

Appendix Table 16D
**Local Direct Expenditures as a Percentage of Total Expenditures,
 by Function and Type of Local Government, 1972**

Function	County	Municipality	Township	School District	Special District
Total	19.69%	36.58%	3.45%	33.04%	7.23%
General Government	36.07	54.65	6.93	.00	2.35
Financial Administration	47.85	44.57	7.58	.00	.00
Other Administration	54.09	39.61	6.30	.00	.00
General Expenditures, NEC	25.01	63.94	7.07	.00	3.98
Interest on General Debt	14.13	39.48	3.03	27.13	16.23
Commerce/Energy	53.72	46.28	.00	.00	.00
Liquor Stores	53.72	46.28	.00	.00	.00
Education/Libraries	7.51	12.61	2.78	76.57	.53
Education	7.25	11.85	2.73	77.76	.41
Elementary/Secondary	6.82	11.36	2.88	78.51	.43
Higher	15.20	21.01	.00	63.79	.00
Libraries	24.17	61.62	5.71	.00	8.50
Social Services	49.70	37.93	.89	.00	11.47
Public Welfare (except cash assistance/Medicaid)	62.26	36.34	1.39	.00	.00
Health	50.92	45.54	1.70	.00	1.84
Hospitals	41.10	36.97	.34	.00	21.59
Income Security	54.27	43.51	.43	1.36	.43
Public Welfare (cash assistance/Medicaid)	67.84	31.91	.25	.00	.00
Social Insurance Administration	.00	100.00	.00	.00	.00
Employee Retirement	10.25	81.01	1.01	5.89	1.84
Other Insurance Trust	.00	100.00	.00	.00	.00
Environment/Community Development	16.85	57.51	4.90	.00	20.74
Transportation	27.56	47.03	7.01	.00	18.40
Highways	41.66	44.41	11.27	.00	2.66
Air	16.58	46.91	.18	.00	36.33
Water	.00	44.90	.28	.00	54.82
Parking Facilities	.00	90.64	4.09	.00	5.26
Transit	.79	51.35	.00	.00	47.86
Natural Resources	53.91	.00	.00	.00	46.09
Parks/Recreation	18.55	67.34	4.92	.00	9.19
Housing/Community Development	.30	54.89	.19	.00	44.63
Sewerage	14.61	58.79	6.69	.00	19.91
Solid Waste Management	7.69	84.50	6.81	.00	1.01
General Public Buildings	47.19	47.01	5.80	.00	.00
Utilities (Water, Power)	2.69	70.14	2.82	.00	24.35
Public Safety/Courts	18.95	75.48	4.55	.00	1.03
Police	17.45	77.53	5.01	.00	.00
Fire Protection	5.66	85.92	5.04	.00	3.37
Corrections	71.11	28.89	.00	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances, 1972 Census of Governments, Volume 4, No. 5* (Washington, DC, 1974), Tables 8, 10, 12, and 13.

Appendix Table 16E
**Local Direct Expenditures as a Percentage of Total Expenditures,
 by Function and Type of Local Government, 1967**

Function	County	Municipality	Township	School District	Special District
Total	18.33%	34.63%	3.36%	36.70%	6.98%
General Government	37.86	54.55	6.10	.00	1.49
Financial Administration	47.68	45.10	7.22	.00	.00
Other Administration	54.23	39.07	6.69	.00	.00
General Expenditures, NEC	25.75	66.04	5.45	.00	2.76
Interest on General Debt	11.96	37.12	2.54	30.84	17.54
Commerce/Energy	51.59	48.41	.00	.00	.00
Liquor Stores	51.59	48.41	.00	.00	.00
Education/Libraries	6.86	11.87	2.55	78.16	.56
Education	6.63	11.00	2.48	79.45	.43
Elementary/Secondary	6.51	10.59	2.59	79.86	.45
Higher	9.55	20.35	.00	70.10	.00
Libraries	20.90	64.39	6.40	.00	8.32
Social Services	51.73	36.30	1.65	.00	10.33
Public Welfare (except cash assistance/Medicaid)	65.88	30.50	3.61	.00	.00
Health	50.86	43.97	2.24	.00	2.93
Hospitals	43.66	38.03	.37	.00	17.94
Income Security	49.57	46.33	1.37	2.14	.60
Public Welfare (cash assistance/Medicaid)	66.68	31.70	1.62	.00	.00
Social Insurance Administration	.00	100.00	.00	.00	.00
Employee Retirement	9.88	80.14	.80	7.19	2.00
Other Insurance Trust	.00	100.00	.00	.00	.00
Environment/Community Development	17.40	59.26	4.87	.00	18.47
Transportation	30.93	48.23	7.65	.00	13.19
Highways	42.48	44.37	10.91	.00	2.24
Air	24.00	50.25	.75	.00	25.00
Water	.00	30.81	.51	.00	68.69
Parking Facilities	.00	90.28	2.78	.00	6.94
Transit	.78	59.14	.00	.00	40.08
Natural Resources	50.55	.00	.00	.00	49.45
Parks/Recreation	15.49	70.10	4.73	.00	9.68
Housing/Community Development	.00	56.07	.35	.00	43.58
Sewerage	6.79	66.34	5.94	.00	20.93
Solid Waste Management	4.16	88.86	5.96	.00	1.01
General Public Buildings	47.63	47.48	4.89	.00	.00
Utilities (Water, Power)	2.39	73.05	2.42	.00	22.14
Public Safety/Courts	17.75	74.92	3.99	.00	3.35
Police	17.37	78.16	4.49	.00	.00
Fire Protection	4.07	86.72	5.00	.00	4.20
Corrections	71.28	28.72	.00	.00	.00

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances, 1967 Census of Governments, Volume 4, No. 5* (Washington, DC, 1969), Tables 8, 10, 12, and 13.

Appendix Table 17
Local Direct Expenditures, Percentage by Functional Group and Type of Local Government, 1987

Function	Total	County	Municipality	Township	School District	Special District
Education/Libraries	100.0%	8.3%	8.8%	2.2%	80.4%	.4%
Environment/Community Development	100.0	15.0	54.5	3.7	.0	26.8
Public Safety/Courts	100.0	35.5	58.2	4.3	.0	1.9
Social Services	100.0	54.7	25.7	.8	.0	18.8
General Government	100.0	36.0	52.5	7.9	.0	3.6
Interest on General Debt	100.0	28.8	39.8	2.2	10.8	18.5
Income Security	100.0	48.8	48.2	.7	1.4	1.0
Commerce/Energy	100.0	46.0	54.0	.0	.0	.0

Note: Direct expenditures refers to government spending without regard to which governments raise the revenues. In other words, the government that spends the money does not necessarily raise the money. Thus, for functions financed in part by intergovernmental grants—such as education, health, and transportation—the federal, state, and local “funding” shares differ from their “spending” shares. For example, of the money that school districts spend, 49%, on average, comes from state and federal aid. Spending is defined here as final expenditures after intergovernmental payments have been made.

Source: Computed from Appendix Table 15.

Appendix Table 18A
Dominant Service Provider¹, Number by Type of Government and Function, 1987

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
Education	1	2	0	0	38	0	9
Libraries	1	11	16	0	0	4	18
Public Welfare	48	0	0	0	0	0	2
Health	36	7	0	0	0	0	7
Hospitals	23	6	0	0	0	2	19
Highways	43	0	0	0	0	0	7
Air Transportation	6	6	24	0	0	9	5
Water Transportation ²	13	2	13	0	0	9	3
Parking Facilities	0	0	47	0	0	2	1
Transit Subsidies ²	13	4	15	0	0	0	1
Natural Resources	48	0	0	0	0	0	2
Parks/Recreation	2	2	24	0	0	2	20
Housing/Community Development	6	0	11	0	0	15	18
Sewerage	0	1	31	0	0	1	17
Solid Waste Management	0	2	40	1	0	1	6
Protective Inspection/Regulation	48	0	0	0	0	0	2
General Public Buildings	5	9	3	0	0	0	33
Police	0	1	27	0	0	0	22
Fire Protection	0	1	45	0	0	0	4
Corrections	44	0	0	0	0	0	6
Judicial/Legal	25	6	0	0	0	0	19

¹ A dominant service provider is one that accounts for at least 55% of the state-local direct expenditures for a function. "More than one provider" means there is no dominant service provider.

² Number of states total less than 50 for these functions because not all states provided the function.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, Census of Governments, Volume 3, No. 2 (Washington, DC, every five years), Table 3 (1977-1987 data), Table 4 (1967 and 1972 data), Table 5 (1967-1982 data), Table 7 (1987 data).

Appendix Table 18B
Dominant Service Provider¹, Number by Type of Government and Function, 1982

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
Education	1	2	0	0	35	0	12
Libraries	1	9	20	1	0	3	16
Public Welfare	47	0	0	0	0	0	3
Health	34	6	0	0	0	0	10
Hospitals	20	4	1	0	0	1	24
Highways	37	0	0	0	0	0	13
Air Transportation	6	6	26	0	0	6	6
Water Transportation ²	15	1	13	0	0	7	3
Parking Facilities ²	0	0	45	0	0	2	2
Transit Subsidies ²	15	4	15	0	0	0	2
Natural Resources	49	0	0	0	0	0	1
Parks/Recreation	2	1	22	0	0	2	23
Housing/Community Development	2	0	12	0	0	19	17
Sewerage	0	1	32	1	0	3	13
Solid Waste Management	0	2	42	2	0	0	4
Protective Inspection/Regulation	48	0	0	0	0	0	2
General Public Buildings	7	6	0	0	0	0	37
Police	0	0	24	0	0	0	26
Fire Protection	0	1	45	0	0	0	4
Corrections	46	0	0	0	0	0	4
Judicial/Legal	22	8	0	0	0	0	20

¹ A dominant service provider is one that accounts for at least 55 of the state-local direct expenditures for a function. "More than one provider" means there is no dominant service provider.

² Number of states total less than 50 for these functions because not all states provided the function.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, Census of Governments, Volume 3, No. 2 (Washington, DC, every five years), Table 3 (1977-1987 data), Table 4 (1967 and 1972 data), Table 5 (1967-1982 data), Table 7 (1987 data).

Appendix Table 18C
Dominant Service Provider¹, Number by Type of Government and Function, 1977

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
Education	1	2	0	0	37	0	10
Libraries	2	9	19	0	0	2	18
Public Welfare	43	1	1	0	0	0	5
Health	34	0	0	0	0	0	16
Hospitals	24	4	0	0	0	1	21
Highways	39	0	0	0	0	0	11
Air Transportation	6	9	26	0	0	5	4
Water Transportation ²	16	3	20	1	0	6	1
Parking Facilities	0	0	47	0	0	1	2
Transit Subsidies ²	³	³	³	³	³	³	³
Natural Resources	48	0	0	0	0	0	2
Parks/Recreation	3	1	24	0	0	2	20
Housing/Community Development	3	0	16	0	0	21	10
Sewerage	0	1	33	0	0	4	12
Solid Waste Management	0	1	44	2	0	0	3
Protective Inspection/Regulation	50	0	0	0	0	0	0
General Public Buildings	5	8	1	0	0	0	36
Police	0	0	27	0	0	0	23
Fire Protection	0	0	48	0	0	0	2
Corrections	46	1	0	0	0	0	3
Judicial/Legal	³	³	³	³	³	³	³

¹ A dominant service provider is one that accounts for at least 55% of the state-local direct expenditures for a function. "More than one provider" means there is no dominant service provider.

² Number of states total less than 50 for these functions because not all states provided the function.

³ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, Census of Governments, Volume 3, No. 2 (Washington, DC, every five years), Table 3 (1977-1987 data), Table 4 (1967 and 1972 data), Table 5 (1967-1982 data), Table 7 (1987 data).

Appendix Table 18D
Dominant Service Provider¹, Number by Type of Government and Function, 1972

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
Education	1	3	0	0	40	0	6
Libraries	2	12	26	0	0	3	7
Public Welfare	39	8	1	0	0	0	2
Health	27	7	0	0	0	0	16
Hospitals	27	8	0	0	0	2	13
Highways	48	0	0	0	0	0	2
Air Transportation	7	8	25	0	0	7	3
Water Transportation ²	16	0	16	0	0	8	0
Parking Facilities	0	0	48	1	0	1	0
Transit Subsidies ²	³	³	³	³	³	³	³
Natural Resources	49	0	0	0	0	0	1
Parks/Recreation	0	2	43	0	0	1	4
Housing/Community Development	4	0	17	0	0	26	3
Sewerage	0	2	37	1	0	2	8
Solid Waste Management	0	0	48	1	0	0	1
Protective Inspection/Regulation	³	³	³	³	³	³	³
General Public Buildings	6	19	7	0	0	0	18
Police	0	0	44	0	0	0	6
Fire Protection	0	0	49	0	0	0	1
Corrections	46	2	0	0	0	0	2
Judicial/Legal	³	³	³	³	³	³	³

¹ A dominant service provider is one that accounts for at least 55% of the state-local direct expenditures for a function. "More than one provider" means there is no dominant service provider.

² Number of states total less than 50 for these functions because not all states provided the function.

³ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, Census of Governments, Volume 3, No. 2 (Washington, DC, every five years), Table 3 (1977-1987 data), Table 4 (1967 and 1972 data), Table 5 (1967-1982 data), Table 7 (1987 data).

Appendix Table 18E
Dominant Service Provider¹, Number by Type of Government and Function, 1967

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
Education	1	3	0	0	37	0	9
Libraries	1	6	21	0	0	2	20
Public Welfare	36	10	2	0	0	0	2
Health	31	2	1	0	0	0	16
Hospitals	31	6	0	0	0	1	12
Highways	49	0	0	0	0	0	1
Air Transportation	5	6	27	0	0	5	7
Water Transportation ²	17	0	15	0	0	8	2
Parking Facilities	0	0	47	1	0	1	1
Transit Subsidies ²	3	3	3	3	3	3	3
Natural Resources	49	0	0	0	0	0	1
Parks/Recreation	0	1	44	0	0	2	3
Housing/Community Development	3	0	22	0	0	23	2
Sewerage	0	0	38	1	0	3	8
Solid Waste Management	0	0	48	1	0	0	1
Protective Inspection/Regulation	3	3	3	3	3	3	3
General Public Buildings	5	7	1	0	0	0	37
Police	0	0	33	0	0	0	17
Fire Protection	0	0	50	0	0	0	0
Corrections	49	0	0	0	0	0	1
Judicial/Legal	3	3	3	3	3	3	3

¹ A dominant service provider is one that accounts for at least 55 of the state-local direct expenditures for a function. "More than one provider" means there is no dominant service provider.

² Number of states total less than 50 for these functions because not all states provided the function.

³ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, Census of Governments, Volume 3, No. 2 (Washington, DC, every five years), Table 3 (1977-1987 data), Table 4 (1967 and 1972 data), Table 5 (1967-1982 data), Table 7 (1987 data).

Appendix Table 19
Aggregate of "Dominant Service Providers", 50 States, 18 Functions¹, Selected Years 1967-1987

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
1967	277	41	349	3	37	45	140
1972	272	71	361	3	40	50	93
1977	268	37	305	3	37	42	205
1982	267	39	282	4	35	43	218
1987	276	50	281	1	38	45	199
Percentage Change: 1967-1987	-4%	22.0%	-19.5%	-66.7%	2.7%	0.0%	42.1%

¹ All the functions listed in Appendix Table 18, except transit subsidies, and judicial and legal, which were not identified separately in Census Bureau publications prior to 1982, and protective inspection and regulation, which was not identified separately before 1977.

Source: Computed from Appendix Table 22.

Appendix Table 20
**Total Service Opportunities in 18 Functions,
 Percentage in Which State or Local Unit Dominate Service, by Region, 1967 and 1987**

Function	State	County	Municipality	Township	School District	Special District	More Than One Provider
1987							
New England	42.1%	.0	17.8%	.9	1.9%	1.9%	35.5%
Mid-Atlantic	22.2	.0	24.1	.0	3.7	13.0	36.0
South Atlantic	33.6	14.7	18.9	.0	3.5	3.5	25.9
East South Central	29.2	8.3	36.1	.0	2.8	6.9	16.7
West South Central	27.8	2.8	37.5	.0	5.6	6.9	19.4
East North Central	25.6	4.4	36.7	.0	5.6	6.7	21.1
West North Central	27.4	1.6	44.4	.0	5.6	4.0	16.9
Mountain	31.9	8.7	35.5	.0	5.8	2.2	15.2
Pacific	32.2	3.3	35.6	.0	3.3	6.7	18.9
1967							
New England	40.7	.0	32.4	2.8	.9	.9	22.2
Mid-Atlantic	20.4	3.7	35.2	.0	3.7	7.4	29.6
South Atlantic	29.9	9.0	34.0	.0	2.8	5.6	18.8
East South Central	30.6	5.6	41.7	.0	4.2	4.2	13.9
West South Central	29.2	1.4	41.7	.0	5.6	5.6	16.7
East North Central	26.7	3.3	44.4	.0	4.4	5.6	15.6
West North Central	26.0	3.3	45.5	.0	5.7	6.5	13.0
Mountain	27.3	6.5	42.4	.0	5.8	3.6	14.4
Pacific	37.8	4.4	38.9	.0	3.3	5.6	10.0

Regions: **New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
Mid-Atlantic: New Jersey, New York, Pennsylvania.
South Atlantic: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia.
East South Central: Alabama, Kentucky, Mississippi, Tennessee.
West South Central: Arkansas, Louisiana, Oklahoma, Texas.
East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin.
West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.
Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.
Pacific: Alaska, California, Hawaii, Oregon, Washington.
 See U.S. Department of Commerce, Bureau of the Census, *State and Metropolitan Area Data Book 1986* (Washington, DC, 1986).

Source: Computed from Appendix Table 22.

Appendix Table 21A
Significant Service Provider¹, Number by Type of Government and Function, 1987

Function	State	County	Municipality	Township	School District	Special District
Education	50	6	9	4	41	0
Libraries	14	26	42	7	0	9
Public Welfare	50	11	1	0	0	0
Health	50	31	7	0	0	0
Hospitals	50	30	13	0	0	16
Highways	50	26	27	6	0	0
Air Transportation	9	14	34	0	0	16
Water Transportation	17	4	18	0	0	15
Parking Facilities	0	2	50	4	0	3
Natural Resources	50	8	0	0	0	8
Parks/Recreation	31	16	49	6	0	7
Housing/Community Development	20	4	42	0	0	41
Sewerage	3	12	50	6	0	20
Solid Waste Management	0	26	50	8	0	7
General Public Buildings	35	44	45	5	0	0
Police	35	37	50	8	0	0
Fire Protection	0	2	50	10	0	9
Corrections	50	27	2	0	0	0

¹ A significant service provider is one that accounts for at least 15 or more of the state-local direct expenditures for a particular function.

Source: Computed from U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances, Census of Governments, Vol. 4, No.5* (Washington, DC, every five years), Table 45 and Table 48.

Appendix Table 21B
Significant Service Provider¹, Number by Type of Government and Function, 1967

Function	State	County	Municipality	Township	School District	Special District
Education	49	5	11	4	41	0
Libraries	20	24	43	7	0	5
Public Welfare	40	21	5	1	0	0
Health	49	34	17	2	0	1
Hospitals	49	31	10	0	0	6
Highways	50	19	11	2	0	1
Air Transportation	12	20	37	1	0	8
Water Transportation	23	0	21	0	0	10
Parking Facilities	0	1	49	2	0	2
Natural Resources	50	6	0	0	0	8
Parks/Recreation	0	15	50	7	0	3
Housing/Community Development	5	0	38	0	0	34
Sewerage	0	8	50	7	0	16
Solid Waste Management	0	5	50	6	0	2
General Public Buildings	35	43	43	5	0	0
Police	35	28	50	6	0	0
Fire Protection	0	6	50	5	0	3
Corrections	50	27	4	0	0	0

¹ A significant service provider is one that accounts for at least 15 or more of the state-local direct expenditures for a particular function.

Source: Computed from U.S. Department of Commerce, Bureau of the Census, *Compendium of Government Finances, Census of Governments, Vol. 4, No.5* (Washington, DC, every five years), Table 46 and Table 48.

Appendix Table 22A
**Full-Time Equivalent Employment, by Function
 and Type of Government, 1987**
 (thousands of employees)

Function	Total	Federal	State	Local
Total	15,117	3,026	3,467	8,624
General Government	1,332	313	363	656
Financial Administration	425	132	130	163
Other Administration	227	27	39	161
General Expenditure, NEC	680	154	194	332
National Defense/ Foreign Aid	1,089	1,089	0	0
Commerce/Energy	815	815	0	0
Postal Service	781	781	0	0
Space Research/Technology	23	23	0	0
Liquor Stores	11	11	0	0
Education/Libraries	6,085	19	1,253	4,813
Education	5,993	14	1,252	4,727
Libraries	92	5	1	86
Social Services	1,982	260	850	872
Public Welfare	424	13	190	221
Health	349	71	132	146
Hospitals	1,209	176	528	505
Income Security	172	71	101	0
Social Insurance Administration	172	71	101	0
Environment/ Community Development	1,986	339	458	1,189
Transportation	818	67	276	475
Highways	518	4	248	266
Air	78	48	2	28
Water	27	15	5	7
Transit	195	0	21	174
Natural Resources	406	235	142	29
Parks/Recreation	226	23	33	170
Housing/Community Development	111	14	0	97
Sewerage	106	0	1	105
Solid Waste Management	103	0	0	103
Utilities (Water, Power)	216	0	6	210
Public Safety/Courts	1,656	120	442	1,094
Police Protection	714	72	85	557
Fire Protection	239	0	0	239
Corrections	416	13	261	142
Judicial/Legal	287	35	96	156

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1987* Census of Governments, Vol. 3, No. 2 (Washington, DC, 1991), Tables 3 and 7.

Appendix Table 22B
**Full-Time Equivalent Employment by Function
 and Type of Government, 1982**
 (thousands of employees)

Function	Total	Federal	State	Local
Total	13,709	2,847	3,079	7,783
General Government	1,221	301	334	586
Financial Administration	379	104	115	160
Other Administration	244	31	36	177
General Expenditure, NEC	598	166	183	249
National Defense/ Foreign Aid	1,024	1,024	0	0
Commerce/Energy	700	687	13	0
Postal Service	664	664	0	0
Space Research/Technology	23	23	0	0
Liquor Stores	13	0	13	0
Education/Libraries	5,316	16	1,053	4,247
Education	5,247	16	1,053	4,178
Libraries	69	0	0	69
Social Services	1,961	268	823	870
Public Welfare	391	12	170	209
Health	310	75	113	122
Hospitals	1,260	181	540	539
Income Security	193	90	103	0
Social Insurance Administration	193	90	103	0
Environment/ Community Development	1,893	360	426	1,107
Transportation	782	68	263	451
Highways	513	4	241	268
Air	69	47	2	20
Water	29	16	6	7
Transit	171	1	14	156
Natural Resources	418	257	135	26
Parks/Recreation	185	19	24	142
Housing/Community Development	101	16	0	85
Sewerage	98	0	0	98
Solid Waste Management	109	0	0	109
Utilities (Water, Power)	200	0	4	196
Public Safety/Courts	1,401	101	327	973
Police Protection	666	62	75	529
Fire Protection	231	0	0	231
Corrections	286	10	180	96
Judicial/Legal	218	29	72	117

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1982* Census of Governments, Vol. 3, No. 2 (Washington, DC, 1984), Tables 3 and 5.

Appendix Table 22C
**Full-Time Equivalent Employment by Function
and Type of Government, 1977**
(thousands of employees)

Function	Total	Federal	State	Local
Total	13,309	2,720	2,903	7,686
General Government	1,507	347	378	782
Financial Administration	377	107	115	155
Other Administration	405	44	80	281
General Expenditure, NEC	725	196	183	346
National Defense/				
Foreign Aid	980	980	0	0
Commerce/Energy	624	610	14	0
Postal Service	586	586	0	0
Space Research/Technology	24	24	0	0
Liquor Stores	14	0	14	0
Education/Libraries	5,220	21	1,005	4,194
Education	5,155	21	1,005	4,129
Libraries	65	0	0	65
Social Services	1,846	252	778	816
Public Welfare	367	11	165	191
Health	273	75	89	109
Hospitals	1,206	166	524	516
Income Security	192	84	108	0
Social Insurance				
Administration	192	84	108	0
Environment/				
Community Development	1,878	362	416	1,100
Transportation	788	82	264	442
Highways	553	5	258	290
Air	76	58	0	18
Water	32	18	6	8
Transit	127	1	0	126
Natural Resources	440	261	152	27
Parks/Recreation	157	0	0	157
Housing/Community				
Development	104	19	0	85
Sewerage	82	0	0	82
Solid Waste Management	123	0	0	123
Utilities (Water, Power)	184	0	0	184
Public Safety/Courts	1,062	64	204	794
Police Protection	622	55	70	497
Fire Protection	214	0	0	214
Corrections	226	9	134	83
Judicial/Legal ¹				

¹ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1977 Census of Governments*, Vol. 3, No. 2 (Washington, DC, 1979), Tables 3 and 5.

Appendix Table 22D
**Full-Time Equivalent Employment by Function
and Type of Government, 1972**
(thousands of employees)

Function	Total	Federal	State	Local
Total	12,008	2,774	2,485	6,749
General Government	1,214	319	287	608
Financial Administration	332	109	97	126
Other Administration	335	50	52	233
General Expenditure, NEC	547	160	138	249
National Defense/				
Foreign Aid	1,109	1,109	0	0
Commerce/Energy	702	686	16	0
Postal Service	658	658	0	0
Space Research/Technology	28	28	0	0
Liquor Stores	16	0	16	0
Education/Libraries	4,662	19	867	3,776
Education	4,604	19	867	3,718
Libraries	58	0	0	58
Social Services	1,559	217	634	708
Public Welfare	296	7	114	175
Health	223	67	68	88
Hospitals	1,040	143	452	445
Income Security	147	60	87	0
Social Insurance				
Administration	147	60	87	0
Environment/				
Community Development	1,717	323	428	966
Transportation	767	80	292	395
Highways	566	5	286	275
Air	68	53	0	15
Water	36	22	6	8
Transit	97	0	0	97
Natural Resources	384	225	136	23
Parks/Recreation	126	0	0	126
Housing/Community				
Development	84	18	0	66
Sewerage	67	0	0	67
Solid Waste Management	118	0	0	118
Utilities (Water, Power)	171	0	0	171
Public Safety/Courts	898	41	166	691
Police Protection	521	34	62	425
Fire Protection	206	0	0	206
Corrections	171	7	104	60
Judicial/Legal ¹				

¹ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1972 Census of Governments*, Vol. 3, No. 2 (Washington, DC, 1974), Tables 4 and 5.

Appendix Table 22E
**Full-Time Equivalent Employment by Function
and Type of Government, 1967**
(thousands of employees)

Function	Total	Federal	State	Local
Total	10,361	2,909	1,946	5,506
General Government	931	266	217	448
Financial Administration	283	90	84	109
Other Administration	256	38	31	187
General Expenditure, NEC	392	138	102	152
National Defense/ Foreign Aid	1,346	1,346	0	0
Commerce/Energy	711	697	14	0
Postal Service	663	663	0	0
Space Research/Technology	34	34	0	0
Liquor Stores	14	0	14	0
Education/Libraries	3,726	17	620	3,089
Education	3,676	17	620	3,039
Libraries	50	0	0	50
Social Services	1,240	189	502	549
Public Welfare	212	6	74	132
Health	145	43	40	62
Hospitals	883	140	388	355
Income Security	121	57	64	0
Social Insurance Administration	121	57	64	0
Environment/ Community Development	1,582	308	406	868
Transportation	738	80	291	367
Highways	558	5	287	266
Air	55	44	0	11
Water	45	31	4	10
Transit	80	0	0	80
Natural Resources	351	213	115	23
Parks/Recreation	104	0	0	104
Housing/Community Development	56	15	0	41
Sewerage	54	0	0	54
Solid Waste Management	116	0	0	116
Utilities (Water, Power)	163	0	0	163
Public Safety/Courts	704	29	123	552
Police Protection	405	24	47	334
Fire Protection	174	0	0	174
Corrections	125	5	76	44
Judicial/Legal ¹				

¹ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1967* Census of Governments, Vol. 3, No. 2 (Washington, DC, 1969), Tables 4 and 5.

Appendix Table 23A
**Percentage Distribution
of Full-Time Equivalent Employment,
by Function, 1987**

Function	Total	Federal	State	Local
Total	100.00	100.00	100.00	100.00
General Government	8.81	10.34	10.47	7.61
Financial Administration	2.81	4.36	3.75	1.89
Other Administration	1.50	.89	1.12	1.87
General Expenditure, NEC	4.50	5.09	5.60	3.85
National Defense/ Foreign Aid	7.20	35.99	.00	.00
Commerce/Energy	5.39	26.57	.32	.00
Postal Service	5.17	25.81	.00	.00
Space Research/Technology	.15	.76	.00	.00
Liquor Stores	.07	.00	.32	.00
Education/Libraries	40.25	.63	36.14	55.81
Education	39.64	.46	36.11	54.81
Libraries	.61	.17	.03	1.00
Social Services	13.11	8.59	24.52	10.11
Public Welfare	2.80	.43	5.48	2.56
Health	2.31	2.35	3.81	1.69
Hospitals	8.00	5.82	15.23	5.86
Income Security	1.14	2.35	2.91	.00
Social Insurance Administration	1.14	2.35	2.91	.00
Environment/ Community Development	13.14	11.20	13.21	13.79
Transportation	5.41	2.21	7.96	5.51
Highways	3.43	.13	7.15	3.08
Air	.52	1.59	.06	.32
Water	.18	.50	.14	.08
Transit	1.29	.00	.61	2.02
Natural Resources	2.69	7.77	4.10	.34
Parks/Recreation	1.50	.76	.95	1.97
Housing/Community Development	.73	.46	.00	1.12
Sewerage	.70	.00	.03	1.22
Solid Waste Management	.68	.00	.00	1.19
Utilities (Water, Power)	1.43	.00	.17	2.44
Public Safety/Courts	10.95	3.97	12.75	12.69
Police Protection	4.72	2.38	2.45	6.46
Fire Protection	1.58	.00	.00	2.77
Corrections	2.75	.43	7.53	1.65
Judicial/Legal	1.90	1.16	2.77	1.81

Source: Computed from Appendix Table 22.

Appendix Table 23B
**Percentage Distribution
of Full-Time Equivalent Employment,
by Function, 1982**

Function	Total Federal State Local			
	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00
General Government	8.91	10.57	10.85	7.53
Financial Administration	2.76	3.65	3.73	2.06
Other Administration	1.78	1.09	1.17	2.27
General Expenditure, NEC	4.36	5.83	5.94	3.20
National Defense/ Foreign Aid	7.47	35.97	.00	.00
Commerce/Energy	5.11	24.13	.42	.00
Postal Service	4.84	23.32	.00	.00
Space Research/Technology	.17	.81	.00	.00
Liquor Stores	.09	.00	.42	.00
Education/Libraries	38.78	.56	34.20	54.57
Education	38.27	.56	34.20	53.68
Libraries	.50	.00	.00	.89
Social Services	14.30	9.41	26.73	11.18
Public Welfare	2.85	.42	5.52	2.69
Health	2.26	2.63	3.67	1.57
Hospitals	9.19	6.36	17.54	6.93
Income Security	1.41	3.16	3.35	.00
Social Insurance Administration	1.41	3.16	3.35	.00
Environment/ Community Development	13.81	12.64	13.84	14.22
Transportation	5.70	2.39	8.54	5.79
Highways	3.74	.14	7.83	3.44
Air	.50	1.65	.06	.26
Water	.21	.56	.19	.09
Transit	1.25	.04	.45	2.00
Natural Resources	3.05	9.03	4.38	.33
Parks/Recreation	1.35	.67	.78	1.82
Housing/Community Development	.74	.56	.00	1.09
Sewerage	.71	.00	.00	1.26
Solid Waste Management	.80	.00	.00	1.40
Utilities (Water, Power)	1.46	.00	.13	2.52
Public Safety/Courts	10.22	3.55	10.62	12.50
Police Protection	4.86	2.18	2.44	6.80
Fire Protection	1.69	.00	.00	2.97
Corrections	2.09	.35	5.85	1.23
Judicial/Legal	1.59	1.02	2.34	1.50

Source: Computed from Appendix Table 22.

Appendix Table 23C
**Percentage Distribution
of Full-Time Equivalent Employment,
by Function, 1977**

Function	Total Federal State Local			
	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00
General Government	11.32	12.76	13.02	10.17
Financial Administration	2.83	3.93	3.96	2.02
Other Administration	3.04	1.62	2.76	3.66
General Expenditure, NEC	5.45	7.21	6.30	4.50
National Defense/ Foreign Aid	7.36	36.03	.00	.00
Commerce/Energy	4.69	22.43	.48	.00
Postal Service	4.40	21.54	.00	.00
Space Research/Technology	.18	.88	.00	.00
Liquor Stores	.11	.00	.48	.00
Education/Libraries	39.22	.77	34.62	54.57
Education	38.73	.77	34.62	53.72
Libraries	.49	.00	.00	.85
Social Services	13.87	9.26	26.80	10.62
Public Welfare	2.76	.40	5.68	2.49
Health	2.05	2.76	3.07	1.42
Hospitals	9.06	6.10	18.05	6.71
Income Security	1.44	3.09	3.72	.00
Social Insurance Administration	1.44	3.09	3.72	.00
Environment/ Community Development	14.11	13.31	14.33	14.31
Transportation	5.92	3.01	9.09	5.75
Highways	4.16	.18	8.89	3.77
Air	.57	2.13	.00	.23
Water	.24	.66	.21	.10
Transit	.95	.04	.00	1.64
Natural Resources	3.31	9.60	5.24	.35
Parks/Recreation	1.18	.00	.00	2.04
Housing/Community Development	.78	.70	.00	1.11
Sewerage	.62	.00	.00	1.07
Solid Waste Management	.92	.00	.00	1.60
Utilities (Water, Power)	1.38	.00	.00	2.39
Public Safety/Courts	7.98	2.35	7.03	10.33
Police Protection	4.67	2.02	2.41	6.47
Fire Protection	1.61	.00	.00	2.78
Corrections	1.70	.33	4.62	1.08
Judicial/Legal ¹				

¹Not identified separately.

Source: Computed from Appendix Table 22.

Appendix Table 23D
**Percentage Distribution
of Full-Time Equivalent Employment,
by Function, 1972**

Function	Total	Federal	State	Local
Total	100.00	100.00	100.00	100.00
General Government	10.11	11.50	11.55	9.01
Financial Administration	2.76	3.93	3.90	1.87
Other Administration	2.79	1.80	2.09	3.45
General Expenditure, NEC	4.56	5.77	5.55	3.69
National Defense/ Foreign Aid	9.24	39.98	.00	.00
Commerce/Energy	5.85	24.73	.64	.00
Postal Service	5.48	23.72	.00	.00
Space Research/Technology	.23	1.01	.00	.00
Liquor Stores	.13	.00	.64	.00
Education/Libraries	38.82	.68	34.89	55.95
Education	38.34	.68	34.89	55.09
Libraries	.48	.00	.00	.86
Social Services	12.98	7.82	25.51	10.49
Public Welfare	2.47	.25	4.59	2.59
Health	1.86	2.42	2.74	1.30
Hospitals	8.66	5.16	18.19	6.59
Income Security	1.22	2.16	3.50	.00
Social Insurance				
Administration	1.22	2.16	3.50	.00
Environment/ Community Development	14.30	11.64	17.22	14.31
Transportation	6.39	2.88	11.75	5.85
Highways	4.71	.18	11.51	4.07
Air	.57	1.91	.00	.22
Water	.30	.79	.24	.12
Transit	.81	.00	.00	1.44
Natural Resources	3.20	8.11	5.47	.34
Parks/Recreation	1.05	.00	.00	1.87
Housing/Community Development	.70	.65	.00	.98
Sewerage	.56	.00	.00	.99
Solid Waste Management	.98	.00	.00	1.75
Utilities (Water, Power)	1.42	.00	.00	2.53
Public Safety/Courts	7.48	1.48	6.68	10.24
Police Protection	4.34	1.23	2.49	6.30
Fire Protection	1.72	.00	.00	3.05
Corrections	1.42	.25	4.19	.89
Judicial/Legal ¹				

¹Not identified separately.

Source: Computed from Appendix Table 22.

Appendix Table 23E
**Percentage Distribution
of Full-Time Equivalent Employment,
by Function, 1967**

Function	Total	Federal	State	Local
Total	100.00	100.00	100.00	100.00
General Government	8.99	9.14	11.15	8.14
Financial Administration	2.73	3.09	4.32	1.98
Other Administration	2.47	1.31	1.59	3.40
General Expenditure, NEC	3.78	4.74	5.24	2.76
National Defense/ Foreign Aid	12.99	46.27	.00	.00
Commerce/Energy	6.86	23.96	.72	.00
Postal Service	6.40	22.79	.00	.00
Space Research/Technology	.33	1.17	.00	.00
Liquor Stores	.14	.00	.72	.00
Education/Libraries	35.96	.58	31.86	56.10
Education	35.48	.58	31.86	55.19
Libraries	.48	.00	.00	.91
Social Services	11.97	6.50	25.80	9.97
Public Welfare	2.05	.21	3.80	2.40
Health	1.40	1.48	2.06	1.13
Hospitals	8.52	4.81	19.94	6.45
Income Security	1.17	1.96	3.29	.00
Social Insurance				
Administration	1.17	1.96	3.29	.00
Environment/ Community Development	15.27	10.59	20.86	15.76
Transportation	7.12	2.75	14.95	6.67
Highways	5.39	.17	14.75	4.83
Air	.53	1.51	.00	.20
Water	.43	1.07	.21	.18
Transit	.77	.00	.00	1.45
Natural Resources	3.39	7.32	5.91	.42
Parks/Recreation	1.00	.00	.00	1.89
Housing/Community Development	.54	.52	.00	.74
Sewerage	.52	.00	.00	.98
Solid Waste Management	1.12	.00	.00	2.11
Utilities (Water, Power)	1.57	.00	.00	2.96
Public Safety/Courts	6.79	1.00	6.32	10.03
Police Protection	3.91	.83	2.42	6.07
Fire Protection	1.68	.00	.00	3.16
Corrections	1.21	.17	3.91	.80
Judicial/Legal ¹				

¹Not identified separately.

Source: Computed from Appendix Table 22.

Appendix Table 24A
**Percentage Distribution
of Full-Time Equivalent Employment,
by Type of Government, 1987**

Function	Federal	State	Local
Total	20.02	22.93	57.05
General Government	23.50	27.25	49.25
Financial Administration	31.06	30.59	38.35
Other Administration	11.89	17.18	70.93
General Expenditure, NEC	22.65	28.53	48.82
National Defense/Foreign Aid	100.00	.00	.00
Commerce/Energy	98.65	1.35	.00
Postal Service	100.00	.00	.00
Space Research/Technology	100.00	.00	.00
Liquor Stores	.00	100.00	.00
Education/Libraries	.31	20.59	79.10
Education	.23	20.89	78.88
Libraries	5.43	1.09	93.48
Social Services	13.12	42.89	44.00
Public Welfare	3.07	44.81	52.12
Health	20.34	37.82	41.83
Hospitals	14.56	43.67	41.77
Income Security	41.28	58.72	.00
Social Insurance			
Administration	41.28	58.72	.00
Environment/ Community Development	17.07	23.06	59.87
Transportation	8.19	33.74	58.07
Highways	.77	47.88	51.35
Air	61.54	2.56	35.90
Water	55.56	18.52	25.93
Transit	.00	10.77	89.23
Natural Resources	57.88	34.98	7.14
Parks/Recreation	10.18	14.60	75.22
Housing/ Community Development	12.61	.00	87.39
Sewerage	.00	.94	99.06
Solid Waste Management	.00	.00	100.00
Utilities (Water, Power)	.00	2.78	97.22
Public Safety/Courts	7.25	26.69	66.06
Police Protection	10.08	11.90	78.01
Fire Protection	.00	.00	100.00
Corrections	3.13	62.74	34.13
Judicial/Legal	12.20	33.45	54.36

Source: Computed from Appendix Table 22.

Appendix Table 24B
**Percentage Distribution
of Full-Time Equivalent Employment,
by Type of Government, 1982**

Function	Federal	State	Local
Total	20.77	22.46	56.77
General Government	24.65	27.35	47.99
Financial Administration	27.44	30.34	42.22
Other Administration	12.70	14.75	72.54
General Expenditure, NEC	27.76	30.60	41.64
National Defense/Foreign Aid	100.00	.00	.00
Commerce/Energy	98.14	1.86	.00
Postal Service	100.00	.00	.00
Space Research/Technology	100.00	.00	.00
Liquor Stores	.00	100.00	.00
Education/Libraries	.30	19.81	79.89
Education	.30	20.07	79.63
Libraries	.00	.00	100.00
Social Services	13.67	41.97	44.37
Public Welfare	3.07	43.48	53.45
Health	24.19	36.45	39.35
Hospitals	14.37	42.86	42.78
Income Security	46.63	53.37	.00
Social Insurance			
Administration	46.63	53.37	.00
Environment/ Community Development	19.02	22.50	58.48
Transportation	8.70	33.63	57.67
Highways	.78	46.98	52.24
Air	68.12	2.90	28.99
Water	55.17	20.69	24.14
Transit	.58	8.19	91.23
Natural Resources	61.48	32.30	6.22
Parks/Recreation	10.27	12.97	76.76
Housing/Community Development	15.84	.00	84.16
Sewerage	.00	.00	100.00
Solid Waste Management	.00	.00	100.00
Utilities (Water, Power)	.00	2.00	98.00
Public Safety/Courts	7.21	23.34	69.45
Police Protection	9.31	11.26	79.43
Fire Protection	.00	.00	100.00
Corrections	3.50	62.94	33.57
Judicial/Legal	13.30	33.03	53.67

Source: Computed from Appendix Table 22.

Appendix Table 24C
**Percentage Distribution
of Full-Time Equivalent Employment,
by Type of Government, 1977**

Function	Federal	State	Local
Total	20.44	21.81	57.75
General Government	23.03	25.08	51.89
Financial Administration	28.38	30.50	41.11
Other Administration	10.86	19.75	69.38
General Expenditure, NEC	27.03	25.24	47.72
National Defense/Foreign Aid	100.00	.00	.00
Commerce/Energy	97.76	2.24	.00
Postal Service	100.00	.00	.00
Space Research/Technology	100.00	.00	.00
Liquor Stores	.00	100.00	.00
Education/Libraries	.40	19.25	80.34
Education	.41	19.50	80.10
Libraries	.00	.00	100.00
Social Services	13.65	42.15	44.20
Public Welfare	3.00	44.96	52.04
Health	27.47	32.60	39.93
Hospitals	13.76	43.45	42.79
Income Security	43.75	56.25	.00
Social Insurance Administration	43.75	56.25	.00
Environment/			
Community Development	19.28	22.15	58.57
Transportation	10.41	33.50	56.09
Highways	.90	46.65	52.44
Air	76.32	.00	23.68
Water	56.25	18.75	25.00
Transit	.79	.00	99.21
Natural Resources	59.32	34.55	6.14
Parks/Recreation	.00	.00	100.00
Housing/Community Development	18.27	.00	81.73
Sewerage	.00	.00	100.00
Solid Waste Management	.00	.00	100.00
Utilities (Water, Power)	.00	.00	100.00
Public Safety/Courts	6.03	19.21	74.76
Police Protection	8.84	11.25	79.90
Fire Protection	.00	.00	100.00
Corrections	3.98	59.29	36.73
Judicial/Legal ¹			

¹Not identified separately.

Source: Computed from Appendix Table 22.

Appendix Table 24D
**Percentage Distribution
of Full-Time Equivalent Employment,
by Type of Government, 1972**

Function	Federal	State	Local
Total	23.10	20.69	56.20
General Government	26.28	23.64	50.08
Financial Administration	32.83	29.22	37.95
Other Administration	14.93	15.52	69.55
General Expenditure, NEC	29.25	25.23	45.52
National Defense/Foreign Aid	100.00	.00	.00
Commerce/Energy	97.72	2.28	.00
Postal Service	100.00	.00	.00
Space Research/Technology	100.00	.00	.00
Liquor Stores	.00	100.00	.00
Education/Libraries	.41	18.60	81.00
Education	.41	18.83	80.76
Libraries	.00	.00	100.00
Social Services	13.92	40.67	45.41
Public Welfare	2.36	38.51	59.12
Health	30.04	30.49	39.46
Hospitals	13.75	43.46	42.79
Income Security	40.82	59.18	.00
Social Insurance Administration	40.82	59.18	.00
Environment/			
Community Development	18.81	24.93	56.26
Transportation	10.43	38.07	51.50
Highways	.88	50.53	48.59
Air	77.94	.00	22.06
Water	61.11	16.67	22.22
Transit	.00	.00	100.00
Natural Resources	58.59	35.42	5.99
Parks/Recreation	.00	.00	100.00
Housing/Community Development	21.43	.00	78.57
Sewerage	.00	.00	100.00
Solid Waste Management	.00	.00	100.00
Utilities (Water, Power)	.00	.00	100.00
Public Safety/Courts	4.57	18.49	76.95
Police Protection	6.53	11.90	81.57
Fire Protection	.00	.00	100.00
Corrections	4.09	60.82	35.09
Judicial/Legal ¹			

¹Not identified separately.

Source: Computed from Appendix Table 22.

Appendix Table 24E
**Percentage Distribution
of Full-Time Equivalent Employment,
by Type of Government, 1967**

Function	Federal	State	Local
Total	28.08	18.78	53.14
General Government	28.57	23.31	48.12
Financial Administration	31.80	29.68	38.52
Other Administration	14.84	12.11	73.05
General Expenditure, NEC	35.20	26.02	38.78
National Defense/Foreign Aid	100.00	.00	.00
Commerce/Energy	98.03	1.97	.00
Postal Service	100.00	.00	.00
Space Research/Technology	100.00	.00	.00
Liquor Stores	.00	100.00	.00
Education/Libraries	.46	16.64	82.90
Education	.46	16.87	82.67
Libraries	.00	.00	100.00
Social Services	15.24	40.48	44.27
Public Welfare	2.83	34.91	62.26
Health	29.66	27.59	42.76
Hospitals	15.86	43.94	40.20
Income Security	47.11	52.89	.00
Social Insurance	47.11	52.89	.00
Administration	47.11	52.89	.00
Environment/			
Community Development	19.47	25.66	54.87
Transportation	10.84	39.43	49.73
Highways	.90	51.43	47.67
Air	80.00	.00	20.00
Water	68.89	8.89	22.22
Transit	.00	.00	100.00
Natural Resources	60.68	32.76	6.55
Parks/Recreation	.00	.00	100.00
Housing/Community			
Development	26.79	.00	73.21
Sewerage	.00	.00	100.00
Solid Waste Management	.00	.00	100.00
Utilities (Water, Power)	.00	.00	100.00
Public Safety/Courts	4.12	17.47	78.41
Police Protection	5.93	11.60	82.47
Fire Protection	.00	.00	100.00
Corrections	4.00	60.80	35.20
Judicial/Legal ¹			

¹Not identified separately.

Source: Computed from Appendix Table 22.

Appendix Table 25A
Local Full-Time Equivalent Employment, by Function and Type of Local Government, 1987

Function	Total	County	Municipality	Township	School District	Special District
Total	8,621,477	1,777,007	2,222,980	259,576	3,900,522	461,392
General Government	655,455	262,039	332,070	52,935	0	8,411
Financial Administration	162,815	82,757	68,428	11,630	0	0
Other Administration	160,712	70,743	77,157	12,812	0	0
All Other/Unallocable	331,928	108,539	186,485	28,493	0	8,411
Education/Libraries	4,812,718	412,628	380,198	106,419	3,900,522	12,951
Education	4,726,736	390,362	337,491	101,346	3,897,537	0
Libraries	85,982	22,266	42,707	5,073	2,985	12,951
Social Services	871,008	494,072	211,441	6,072	0	159,423
Public Welfare (except cash assistance/Medicaid)	220,632	168,204	49,399	2,935	0	94
Health	145,676	101,591	36,333	2,234	0	5,518
Hospitals	504,700	224,277	125,709	903	0	153,811
Environment/Community Development	1,188,195	207,818	662,989	47,759	0	269,629
Transportation	475,499	122,636	207,923	26,456	0	118,484
Highways	266,001	111,329	122,409	26,164	0	6,099
Air	27,881	4,668	13,294	137	0	9,782
Water	7,195	487	2,338	59	0	4,311
Transit	174,422	6,152	69,882	96	0	98,292
Natural Resources	29,495	13,268	2,995	526	0	12,706
Parks/Recreation	169,932	34,359	111,136	7,632	0	16,805
Housing/Community Development	96,787	4,205	44,676	694	0	47,212
Sewerage	104,524	12,477	64,553	3,658	0	23,836
Solid Waste Management	102,550	11,341	85,204	4,598	0	1,407
Utilities (Water/Power)	209,408	9,532	146,502	4,195	0	49,179
Public Safety/Courts	1,094,101	400,450	636,282	46,391	0	10,978
Police Protection	557,428	145,493	378,950	32,985	0	0
Fire Protection	239,252	23,802	193,401	11,071	0	10,978
Corrections	141,519	114,255	27,231	33	0	0
Judicial/Legal	155,902	116,900	36,700	2,302	0	0

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, 1987 Census of Governments, Vol. 3, No. 2 (Washington, DC, 1991), Tables 5 and 7.

Appendix Table 25B

Local Full-Time Equivalent Employment, by Function and Type of Local Government, 1982

Function	Total	County	Municipality	Township	School District	Special District
Total	7,782,062	1,616,419	2,087,876	237,890	3,425,658	414,219
General Government	585,888	256,659	276,944	40,080	0	12,205
Financial Administration	160,168	80,937	67,653	11,578	0	0
Other Administration	176,958	79,899	78,721	18,338	0	0
All Other/Unallocable	248,762	95,823	130,570	10,164	0	12,205
Education/Libraries	4,246,470	359,989	354,280	98,057	3,425,658	8,486
Education	4,177,817	342,596	317,386	93,952	3,423,882	1
Libraries	68,653	17,393	36,894	4,105	1776	8,485
Social Services	870,196	487,356	212,186	5,730	0	164,924
Public Welfare (except cash assistance/Medicaid)	208,610	162,860	43,596	2,154	0	0
Health	122,145	79,094	36,640	1,391	0	5,020
Hospitals	539,441	245,402	131,950	2,185	0	159,904
Environment/Community Development	1,105,840	198,364	637,115	49,859	0	220,502
Transportation	450,408	126,122	197,039	31,055	0	96,192
Highways	268,040	115,615	118,033	30,827	0	3,565
Air	19,818	4,062	11,074	106	0	4,576
Water	6,720	441	2,626	67	0	3,586
Transit	155,830	6,004	65,306	55	0	84,465
Natural Resources	25,781	12,206	2,559	397	0	10,619
Parks/Recreation	142,410	28,339	95,300	5,983	0	12,788
Housing/Community Development	85,192	4,210	41,368	480	0	39,134
Sewerage	97,902	11,198	62,220	3,429	0	21,055
Solid Waste Management	109,236	8,855	95,090	4,630	0	661
Utilities (Water/Power)	194,911	7,434	143,539	3,885	0	40,053
Public Safety/Courts	973,668	314,051	607,351	44,164	0	8,102
Police Protection	529,014	129,975	367,153	31,886	0	0
Fire Protection	231,432	19,664	192,981	10,685	0	8,102
Corrections	96,484	77,443	19,030	11	0	0
Judicial/Legal	116,738	86,969	28,187	1,582	0	0

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, 1982 Census of Governments, Vol. 3, No. 2 (Washington, DC, 1984), Table 5.

Appendix Table 25C
Local Full-Time Equivalent Employment, by Function and Type of Local Government, 1977

Function	Total	County	Municipality	Township	School District	Special District
Total	7,687,815	1,582,193	2,167,968	241,227	3,350,369	346,058
General Government	782,893	369,928	359,863	45,846	0	7,256
Financial Administration	154,640	82,211	61,954	10,475	0	0
Other Administration	281,444	157,237	105,503	18,704	0	0
All Other/Unallocable	346,809	130,480	192,406	16,667	0	7,256
Education/Libraries	4,193,884	336,342	393,346	105,939	3,350,369	7,888
Education	4,129,413	318,941	358,007	102,096	3,350,369	0
Libraries	64,471	17,401	35,339	3,843	0	7,888
Social Services	816,442	473,190	213,574	4,174	0	125,504
Public Welfare (except cash assistance/Medicaid)	191,168	148,567	41,441	1,160	0	0
Health	108,820	70,192	34,258	1,073	0	3,297
Hospitals	516,454	254,431	137,875	1,941	0	122,207
Environment/Community Development	1,100,833	210,092	645,110	46,650	0	198,981
Transportation	442,131	136,314	193,583	28,872	0	83,362
Highways	290,295	128,589	128,669	28,765	0	4,272
Air	17,991	3,672	9,764	80	0	4,475
Water	7,891	356	2,863	0	0	4,672
Transit	125,954	3,697	52,287	27	0	69,943
Natural Resources	27,120	13,411	2,354	0	0	11,355
Parks/Recreation	157,350	31,933	107,715	5,123	0	12,579
Housing/Community Development	84,777	2,968	40,715	136	0	40,958
Sewerage	82,468	8,359	53,871	3,100	0	17,138
Solid Waste Management	123,098	10,720	106,719	5,307	0	352
Utilities (Water/Power)	183,889	6,387	140,153	4,112	0	33,237
Public Safety/Courts	793,763	192,641	556,075	38,618	0	6,429
Police Protection	497,019	111,793	356,392	28,834	0	0
Fire Protection	213,972	15,722	182,037	9,784	0	6,429
Corrections	82,772	65,126	17,646	0	0	0
Judicial/Legal ¹						

¹ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1977 Census of Governments*, Vol. 3, No. 2 (Washington, DC, 1979), Table 5.

Appendix Table 25D
Local Full-Time Equivalent Employment, by Function and Type of Local Government, 1972

Function	Total	County	Municipality	Township	School District	Special District
Total	6,748,033	1,242,161	2,027,096	215,075	2,981,194	282,507
General Government	607,608	268,181	295,878	36,297	0	7,252
Financial Administration	125,808	62,286	54,824	8,698	0	0
Other Administration	232,705	128,356	91,191	13,158	0	0
All Other/Unallocable	249,095	77,539	149,863	14,441	0	7,252
Education/Libraries	3,776,415	274,767	414,388	99,609	2,981,194	6,457
Education	3,717,976	261,774	378,484	96,524	2,981,194	0
Libraries	58,439	12,993	35,904	3,085	0	6,457
Social Services	707,528	383,889	209,663	3,674	0	110,302
Public Welfare (except cash assistance/Medicaid)	175,336	131,616	43,082	638	0	0
Health	87,585	47,037	37,217	1,214	0	2,117
Hospitals	444,607	205,236	129,364	1,822	0	108,185
Environment/Community Development	964,735	175,717	592,887	44,326	0	151,805
Transportation	394,287	127,925	184,903	28,569	0	52,890
Highways	275,110	123,601	118,744	28,569	0	4,196
Air	14,829	3,015	8,111	0	0	3,703
Water	7,719	194	2,709	0	0	4,816
Transit	96,629	1,115	55,339	0	0	40,175
Natural Resources	22,601	11,189	0	0	0	11,412
Parks/Recreation	125,643	20,090	88,705	4,808	0	12,040
Housing/Community Development	65,734	1,275	31,060	158	0	33,241
Sewerage	66,641	6,559	45,591	2,456	0	12,035
Solid Waste Management	118,339	4,561	108,715	4,767	0	296
Utilities (Water/Power)	171,490	4,118	133,913	3,568	0	29,891
Public Safety/Courts	691,747	139,607	514,280	31,169	0	6,691
Police Protection	424,937	84,035	319,004	21,898	0	0
Fire Protection	206,465	9,810	180,693	9,271	0	6,691
Corrections	60,345	45,762	14,583	0	0	0
Judicial/Legal ¹						

¹ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment*, 1972 Census of Governments, Vol. 3, No. 2 (Washington, DC, 1974), Table 5.

Appendix Table 25E
Local Full-Time Equivalent Employment, by Function and Type of Local Government, 1967

Function	Total	County	Municipality	Township	School District	Special District
Total	5,506,927	972,693	1,713,963	175,082	2,448,974	196,215
General Government	448,228	201,623	216,546	28,150	0	1,909
Financial Administration	108,585	53,903	46,969	7,713	0	0
Other Administration	187,481	101,852	71,162	14,467	0	0
All Other/Unallocable	152,162	45,868	98,415	5,970	0	1,909
Education/Libraries	3,088,360	217,414	339,518	78,103	2,448,974	4,351
Education	3,038,549	208,088	305,578	75,909	2,448,974	0
Libraries	49,811	9,326	33,940	2,194	0	4,351
Social Services	549,063	291,943	182,872	4,429	0	69,819
Public Welfare (except cash assistance/Medicaid)	132,058	92,698	37,356	2,004	0	0
Health	62,165	32,402	27,085	1,083	0	1,595
Hospitals	354,840	166,843	118,431	1,342	0	68,224
Environment/Community Development	869,159	161,976	549,143	41,847	0	116,193
Transportation	367,802	125,163	171,472	29,555	0	41,612
Highways	266,450	121,662	111,242	29,555	0	3,991
Air	10,868	2,284	6,251	0	0	2,333
Water	10,331	254	2,342	0	0	7,735
Transit	80,153	963	51,637	0	0	27,553
Natural Resources	22,636	11,753	0	0	0	10,883
Parks/Recreation	104,371	14,625	77,932	3,495	0	8,319
Housing/Community Development	41,152	468	19,451	88	0	21,145
Sewerage	54,492	4,178	39,798	1,802	0	8,714
Solid Waste Management	115,720	3,172	108,231	3,833	0	484
Utilities (Water/Power)	162,986	2,617	132,259	3,074	0	25,036
Public Safety/Courts	552,117	99,737	425,884	22,553	0	3,943
Police Protection	333,940	59,926	258,136	15,874	0	4
Fire Protection	174,019	6,666	156,735	6,679	0	3,939
Corrections	44,158	33,145	11,013	0	0	0
Judicial/Legal ¹						

¹ Not identified separately.

Source: U.S. Department of Commerce, Bureau of the Census, *Compendium of Public Employment, 1967 Census of Governments, Vol. 3, No. 2* (Washington, DC, 1969), Table 5.

Appendix Table 26A
Percentage Distribution of Local Full-Time Equivalent Employment, by Function, 1987

Function	Total	County	Municipality	Township	School District	Special District
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	7.60	14.75	14.94	20.40	.00	1.82
Financial Administration	1.89	4.66	3.08	4.48	.00	.00
Other Administration	1.86	3.98	3.47	4.94	.00	.00
All Other/Unallocable	3.85	6.11	8.39	10.98	.00	1.82
Education/Libraries	55.83	23.22	17.10	40.99	100.00	2.81
Education	54.83	21.97	15.18	39.04	99.92	.00
Libraries	1.00	1.25	1.92	1.95	.08	2.81
Social Services	10.10	27.80	9.50	2.34	.00	34.56
Public Welfare (except cash assistance/Medicaid)	2.56	9.47	2.22	1.13	.00	.02
Health	1.69	5.72	1.63	.86	.00	1.20
Hospitals	5.85	12.62	5.65	.35	.00	33.34
Environment/Community Development	13.77	11.69	29.82	18.40	.00	58.42
Transportation	5.51	6.90	9.36	10.19	.00	25.67
Highways	3.09	6.26	5.51	10.08	.00	1.32
Air	.32	.26	.60	.05	.00	2.12
Water	.08	.03	.11	.02	.00	.93
Transit	2.02	.35	3.14	.04	.00	21.30
Natural Resources	.34	.75	.13	.20	.00	2.75
Parks/Recreation	1.97	1.93	5.00	2.94	.00	3.64
Housing/Community Development	1.12	.24	2.01	.27	.00	10.23
Sewerage	1.21	.70	2.90	1.41	.00	5.17
Solid Waste Management	1.19	.64	3.83	1.77	.00	.30
Utilities (Water/Power)	2.43	.54	6.59	1.62	.00	10.66
Public Safety/Courts	12.70	22.54	28.62	17.88	.00	2.38
Police Protection	6.47	8.19	17.05	12.71	.00	.00
Fire Protection	2.78	1.34	8.70	4.27	.00	2.38
Corrections	1.64	6.43	1.22	.01	.00	.00
Judicial/Legal	1.81	6.58	1.65	.89	.00	.00

Source: Computed from Appendix Table 25.

Appendix Table 26B
Percentage Distribution of Local Full-Time Equivalent Employment, by Function, 1982

Function	Total	County	Municipality	Township	School District	Special District
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	7.53	15.88	13.26	16.85	.00	2.95
Financial Administration	2.06	5.01	3.24	4.87	.00	.00
Other Administration	2.27	4.94	3.77	7.71	.00	.00
All Other/Unallocable	3.20	5.93	6.25	4.27	.00	2.95
Education/Libraries	54.57	22.27	16.97	41.22	100.00	2.05
Education	53.69	21.19	15.20	39.49	99.95	.00
Libraries	.88	1.08	1.77	1.73	.05	2.05
Social Services	11.18	30.15	10.16	2.41	.00	39.82
Public Welfare (except cash assistance/Medicaid)	2.68	10.08	2.09	.91	.00	.00
Health	1.57	4.89	1.75	.58	.00	1.21
Hospitals	6.93	15.18	6.32	.92	.00	38.60
Environment/Community Development	14.21	12.27	30.51	20.96	.00	53.23
Transportation	5.79	7.80	9.44	13.05	.00	23.22
Highways	3.44	7.15	5.65	12.96	.00	.86
Air	.25	.25	.53	.04	.00	1.10
Water	.09	.03	.13	.03	.00	.87
Transit	2.00	.37	3.13	.02	.00	20.39
Natural Resources	.33	.76	.12	.17	.00	2.56
Parks/Recreation	1.83	1.75	4.56	2.52	.00	3.09
Housing/Community Development	1.09	.26	1.98	.20	.00	9.45
Sewerage	1.26	.69	2.98	1.44	.00	5.08
Solid Waste Management	1.40	.55	4.55	1.95	.00	.16
Utilities (Water/Power)	2.50	.46	6.87	1.63	.00	9.67
Public Safety/Courts	12.51	19.43	29.09	18.56	.00	1.96
Police Protection	6.80	8.04	17.59	13.40	.00	.00
Fire Protection	2.97	1.22	9.24	4.49	.00	1.96
Corrections	1.24	4.79	.91	.00	.00	.00
Judicial/Legal	1.50	5.38	1.35	.67	.00	.00

Source: Computed from Appendix Table 25.

Appendix Table 26C
Percentage Distribution of Local Full-Time Equivalent Employment, by Function, 1977

Function	Total	County	Municipality	Township	School District	Special District
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	10.18	23.38	16.60	19.01	.00	2.10
Financial Administration	2.01	5.20	2.86	4.34	.00	.00
Other Administration	3.66	9.94	4.87	7.75	.00	.00
All Other/Unallocable	4.51	8.25	8.87	6.91	.00	2.10
Education/Libraries	54.55	21.26	18.14	43.92	100.00	2.28
Education	53.71	20.16	16.51	42.32	100.00	.00
Libraries	.84	1.10	1.63	1.59	.00	2.28
Social Services	10.62	29.91	9.85	1.73	.00	36.27
Public Welfare (except cash assistance/Medicaid)	2.49	9.39	1.91	.48	.00	.00
Health	1.42	4.44	1.58	.44	.00	.95
Hospitals	6.72	16.08	6.36	.80	.00	35.31
Environment/Community Development	14.32	13.28	29.76	19.34	.00	57.50
Transportation	5.75	8.62	8.93	11.97	.00	24.09
Highways	3.78	8.13	5.94	11.92	.00	1.23
Air	.23	.23	.45	.03	.00	1.29
Water	.10	.02	.13	.00	.00	1.35
Transit	1.64	.23	2.41	.01	.00	20.21
Natural Resources	.35	.85	.11	.00	.00	3.28
Parks/Recreation	2.05	2.02	4.97	2.12	.00	3.63
Housing/Community Development	1.10	.19	1.88	.06	.00	11.84
Sewerage	1.07	.53	2.48	1.29	.00	4.95
Solid Waste Management	1.60	.68	4.92	2.20	.00	.10
Utilities (Water/Power)	2.39	.40	6.46	1.70	.00	9.60
Public Safety/Courts	10.32	12.18	25.65	16.01	.00	1.86
Police Protection	6.47	7.07	16.44	11.95	.00	.00
Fire Protection	2.78	.99	8.40	4.06	.00	1.86
Corrections	1.00	4.12	.81	.00	.00	.00
Judicial/Legal ¹						

¹Not identified separately.

Source: Computed from Appendix Table 25.

Appendix Table 26D
Percentage Distribution of Local Full-Time Equivalent Employment, by Function, 1972

Function	Total	County	Municipality	Township	School District	Special District
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	9.00	21.59	14.60	16.88	.00	2.57
Financial Administration	1.86	5.01	2.70	4.04	.00	.00
Other Administration	3.45	10.33	4.50	6.12	.00	.00
All Other/Unallocable	3.69	6.24	7.39	6.71	.00	2.57
Education/Libraries	55.96	22.12	20.44	46.31	100.00	2.29
Education	55.10	21.07	18.67	44.88	100.00	.00
Libraries	.87	1.05	1.77	1.43	.00	2.29
Social Services	10.48	30.90	10.34	1.71	.00	39.04
Public Welfare (except cash assistance/Medicaid)	2.60	10.60	2.13	.30	.00	.00
Health	1.30	3.79	1.84	.56	.00	.75
Hospitals	6.59	16.52	6.38	.85	.00	38.29
Environment/Community Development	14.30	14.15	29.25	20.61	.00	53.73
Transportation	5.84	10.30	9.12	13.28	.00	18.72
Highways	4.08	9.95	5.86	13.28	.00	1.49
Air	.22	.24	.40	.00	.00	1.31
Water	.11	.02	.13	.00	.00	1.70
Transit	1.43	.09	2.73	.00	.00	14.22
Natural Resources	.33	.90	.00	.00	.00	4.04
Parks/Recreation	1.86	1.62	4.38	2.24	.00	4.26
Housing/Community Development	.97	.10	1.53	.07	.00	11.77
Sewerage	.99	.53	2.25	1.14	.00	4.26
Solid Waste Management	1.75	.37	5.36	2.22	.00	.10
Utilities (Water/Power)	2.54	.33	6.61	1.66	.00	10.58
Public Safety/Courts	10.25	11.24	25.37	14.49	.00	2.37
Police Protection	6.30	6.77	15.74	10.18	.00	.00
Fire Protection	3.06	.79	8.91	4.31	.00	2.37
Corrections	.89	3.68	.72	.00	.00	.00
Judicial/Legal ¹						

¹Not identified separately.

Source: Computed from Appendix Table 25.

Appendix Table 26E
Percentage Distribution of Local Full-Time Equivalent Employment, by Function, 1967

Function	Total	County	Municipality	Township	School District	Special District
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Government	8.13	20.73	12.63	16.08	.00	.97
Financial Administration	1.97	5.54	2.74	4.41	.00	.00
Other Administration	3.40	10.47	4.15	8.26	.00	.00
All Other/Unallocable	2.76	4.72	5.74	3.41	.00	.97
Education/Libraries	56.08	22.35	19.81	44.61	100.00	2.22
Education	55.18	21.39	17.83	43.36	100.00	.00
Libraries	.90	.96	1.98	1.25	.00	2.22
Social Services	9.97	30.01	10.67	2.53	.00	35.58
Public Welfare (except cash assistance/Medicaid)	2.40	9.53	2.18	1.14	.00	.00
Health	1.13	3.33	1.58	.62	.00	.81
Hospitals	6.44	17.15	6.91	.77	.00	34.77
Environment/Community Development	15.80	16.65	32.03	23.91	.00	59.22
Transportation	6.69	12.86	10.00	16.88	.00	21.20
Highways	4.84	12.50	6.49	16.88	.00	2.03
Air	.20	.23	.36	.00	.00	1.19
Water	.19	.03	.14	.00	.00	3.94
Transit	1.46	.10	3.01	.00	.00	14.04
Natural Resources	.41	1.21	.00	.00	.00	5.55
Parks/Recreation	1.90	1.50	4.55	2.00	.00	4.24
Housing/Community Development	.75	.05	1.13	.05	.00	10.78
Sewerage	.99	.43	2.32	1.03	.00	4.44
Solid Waste Management	2.10	.33	6.31	2.19	.00	.25
Utilities (Water/Power)	2.96	.27	7.72	1.76	.00	12.76
Public Safety/Courts	10.02	10.26	24.84	12.88	.00	2.01
Police Protection	6.06	6.16	15.06	9.07	.00	.00
Fire Protection	3.16	.69	9.14	3.81	.00	2.01
Corrections	.80	3.41	.64	.00	.00	.00
Judicial/Legal ¹						

¹Not identified separately.

Source: Computed from Appendix Table 25.

Appendix Table 27A
Percentage Distribution of Local Full-Time Equivalent Employment, by Type of Local Government, 1987

Function	County	Municipality	Township	School District	Special District
Total	20.61%	25.78%	3.01%	45.24%	5.35%
General Government	39.98	50.66	8.08	.00	1.28
Financial Administration	50.83	42.03	7.14	.00	.00
Other Administration	44.02	48.01	7.97	.00	.00
All Other/Unallocable	32.70	56.18	8.58	.00	2.53
Education/Libraries	8.57	7.90	2.21	81.05	.27
Education	8.26	7.14	2.14	82.46	.00
Libraries	25.90	49.67	5.90	3.47	15.06
Social Services	56.72	24.28	.70	.00	18.30
Public Welfare (except cash assistance/Medicaid)	76.24	22.39	1.33	.00	.04
Health	69.74	24.94	1.53	.00	3.79
Hospitals	44.44	24.91	.18	.00	30.48
Environment/Community Development	17.49	55.80	4.02	.00	22.69
Transportation	25.79	43.73	5.56	.00	24.92
Highways	41.85	46.02	9.84	.00	2.29
Air	16.74	47.68	.49	.00	35.08
Water	6.77	32.49	.82	.00	59.92
Transit	3.53	40.06	.06	.00	56.35
Natural Resources	44.98	10.15	1.78	.00	43.08
Parks/Recreation	20.22	65.40	4.49	.00	9.89
Housing/Community Development	4.34	46.16	.72	.00	48.78
Sewerage	11.94	61.76	3.50	.00	22.80
Solid Waste Management	11.06	83.09	4.48	.00	1.37
Utilities (Water/Power)	4.55	69.96	2.00	.00	23.48
Public Safety/Courts	36.60	48.16	4.24	.00	1.00
Police Protection	26.10	67.98	5.92	.00	.00
Fire Protection	9.95	80.84	4.63	.00	4.59
Corrections	80.73	19.24	.02	.00	.00
Judicial/Legal	74.98	23.54	1.48	.00	.00

Source: Computed from Appendix Table 25.

Appendix Table 27B

Percentage Distribution of Local Full-Time Equivalent Employment, by Type of Local Government, 1982

Function	County	Municipality	Township	School District	Special District
Total	20.77%	26.83%	3.06%	44.02%	5.32%
General Government	43.81	47.27	6.84	.00	2.08
Financial Administration	50.53	42.24	7.23	.00	.00
Other Administration	45.15	44.49	10.36	.00	.00
All Other/Unallocable	38.52	52.49	4.09	.00	4.91
Education/Libraries	8.48	8.34	2.31	80.67	.20
Education	8.20	7.60	2.25	81.95	.00
Libraries	25.33	53.74	5.98	2.59	12.36
Social Services	56.01	24.38	.66	.00	18.95
Public Welfare (except cash assistance/Medicaid)	78.07	20.90	1.03	.00	.00
Health	64.75	30.00	1.14	.00	4.11
Hospitals	45.49	24.46	.41	.00	29.64
Environment/Community Development	17.94	57.61	4.51	.00	19.94
Transportation	28.00	43.75	6.89	.00	21.36
Highways	43.13	44.04	11.50	.00	1.33
Air	20.50	55.88	.53	.00	23.09
Water	6.56	39.08	1.00	.00	53.36
Transit	3.85	41.91	.04	.00	54.20
Natural Resources	47.34	9.93	1.54	.00	41.19
Parks/Recreation	19.90	66.92	4.20	.00	8.98
Housing/Community Development	4.94	48.56	.56	.00	45.94
Sewerage	11.44	63.55	3.50	.00	21.51
Solid Waste Management	8.11	87.05	4.24	.00	.61
Utilities (Water/Power)	3.81	73.64	1.99	.00	20.55
Public Safety/Courts	32.25	62.38	4.54	.00	.83
Police Protection	24.57	69.40	6.03	.00	.00
Fire Protection	8.50	83.39	4.62	.00	3.50
Corrections	80.27	19.72	.01	.00	.00
Judicial/Legal	74.50	24.15	1.36	.00	.00

Source: Computed from Appendix Table 25.

Appendix Table 27C

Percentage Distribution of Local Full-Time Equivalent Employment, by Type of Local Government, 1977

Function	County	Municipality	Township	School District	Special District
Total	20.58%	28.20%	3.14%	43.58%	4.50%
General Government	47.25	45.97	5.86	.00	.93
Financial Administration	53.16	40.06	6.77	.00	.00
Other Administration	55.87	37.49	6.65	.00	.00
All Other/Unallocable	37.62	55.48	4.81	.00	2.09
Education/Libraries	8.02	9.38	2.53	79.89	.19
Education	7.72	8.67	2.47	81.13	.00
Libraries	26.99	54.81	5.96	.00	12.23
Social Services	57.96	26.16	.51	.00	15.37
Public Welfare (except cash assistance/Medicaid)	77.72	21.68	.61	.00	.00
Health	64.50	31.48	.99	.00	3.03
Hospitals	49.26	26.70	.38	.00	23.66
Environment/Community Development	19.08	58.60	4.24	.00	18.08
Transportation	30.83	43.78	6.53	.00	18.85
Highways	44.30	44.32	9.91	.00	1.47
Air	20.41	54.27	.44	.00	24.87
Water	4.51	36.28	.00	.00	59.21
Transit	2.94	41.51	.02	.00	55.53
Natural Resources	49.45	8.68	.00	.00	41.87
Parks/Recreation	20.29	68.46	3.26	.00	7.99
Housing/Community Development	3.50	48.03	.16	.00	48.31
Sewerage	10.14	65.32	3.76	.00	20.78
Solid Waste Management	8.71	86.69	4.31	.00	.29
Utilities (Water/Power)	3.47	76.22	2.24	.00	18.07
Public Safety/Courts	24.27	70.06	4.87	.00	.81
Police Protection	22.49	71.71	5.80	.00	.00
Fire Protection	7.35	85.08	4.57	.00	3.00
Corrections	78.68	21.32	.00	.00	.00
Judicial/Legal ¹					

¹ Not identified separately.

Source: Computed from Appendix Table 25.

Appendix Table 27D

Percentage Distribution of Local Full-Time Equivalent Employment, by Type of Local Government, 1972

Function	County	Municipality	Township	School District	Special District
Total	18.41%	30.04%	3.19%	44.18%	4.19%
General Government	44.14	48.70	5.97	.00	1.19
Financial Administration	49.51	43.58	6.91	.00	.00
Other Administration	55.16	39.19	5.65	.00	.00
All Other/Unallocable	31.13	60.16	5.80	.00	2.91
Education/Libraries	7.28	10.97	2.64	78.94	.17
Education	7.04	10.18	2.60	80.18	.00
Libraries	22.23	61.44	5.28	.00	11.05
Social Services	54.26	29.63	.52	.00	15.59
Public Welfare (except cash assistance/Medicaid)	75.07	24.57	.36	.00	.00
Health	53.70	42.49	1.39	.00	2.42
Hospitals	46.16	29.10	.41	.00	24.33
Environment/Community Development	18.21	61.46	4.59	.00	15.74
Transportation	32.44	46.90	7.25	.00	13.41
Highways	44.93	43.16	10.38	.00	1.53
Air	20.33	54.70	.00	.00	24.97
Water	2.51	35.10	.00	.00	62.39
Transit	1.15	57.27	.00	.00	41.58
Natural Resources	49.51	.00	.00	.00	50.49
Parks/Recreation	15.99	70.60	3.83	.00	9.48
Housing/Community Development	1.94	47.25	.24	.00	50.57
Sewerage	9.84	68.41	3.69	.00	18.06
Solid Waste Management	3.85	91.87	4.03	.00	.25
Utilities (Water/Power)	2.40	78.09	2.08	.00	17.43
Public Safety/Courts	20.18	74.35	4.51	.00	.97
Police Protection	19.78	75.07	5.15	.00	.00
Fire Protection	4.75	87.52	4.49	.00	3.24
Corrections	75.83	24.17	.00	.00	.00
Judicial/Legal ¹					

¹Not identified separately.

Source: Computed from Appendix Table 25.

Appendix Table 27E
Percentage Distribution of Local Full-Time Equivalent Employment, by Type of Local Government, 1967

Function	County	Municipality	Township	School District	Special District
Total	17.66%	31.12%	3.18%	44.47%	3.56%
General Government	44.98	48.31	6.28	.00	.43
Financial Administration	49.64	43.26	7.10	.00	.00
Other Administration	54.33	37.96	7.72	.00	.00
All Other/Unallocable	30.14	64.68	3.92	.00	1.25
Education/Libraries	7.04	10.99	2.53	79.30	.14
Education	6.85	10.06	2.50	80.60	.00
Libraries	18.72	68.14	4.40	.00	8.74
Social Services	53.17	33.31	.81	.00	12.72
Public Welfare (except cash assistance/Medicaid)	70.19	28.29	1.52	.00	.00
Health	52.12	43.57	1.74	.00	2.57
Hospitals	47.02	33.38	.38	.00	19.23
Environment/Community Development	18.64	63.18	4.81	.00	13.37
Transportation	34.03	46.62	8.04	.00	11.31
Highways	45.66	41.75	11.09	.00	1.50
Air	21.02	57.52	.00	.00	21.47
Water	2.46	22.67	.00	.00	74.87
Transit	1.20	64.42	.00	.00	34.38
Natural Resources	51.92	.00	.00	.00	48.08
Parks/Recreation	14.01	74.67	3.35	.00	7.97
Housing/Community Development	1.14	47.27	.21	.00	51.38
Sewerage	7.67	73.03	3.31	.00	15.99
Solid Waste Management	2.74	93.53	3.31	.00	.42
Utilities (Water/Power)	1.61	81.15	1.89	.00	15.36
Public Safety/Courts	18.06	77.14	4.08	.00	.71
Police Protection	17.95	77.30	4.75	.00	.00
Fire Protection	3.83	90.07	3.84	.00	2.26
Corrections	75.06	24.94	.00	.00	.00
Judicial/Legal ¹					

¹ Not identified separately.

Source: Computed from Appendix Table 25.

Appendix Table 28
**Local Full-Time Equivalent Employment, Percentage Change 1967 to 1987,
 by Type of Local Government**

Function	Total	County	Municipality	Township	School District	Special District
Total	12.80%	82.69%	29.70%	48.26%	59.27%	135.15%
General Government	30.91	29.96	53.35	88.05	.00	340.60
Financial Administration	43.87	53.53	45.69	50.78	.00	.00
Other Administration	25.50	-30.54	8.42	-11.44	.00	.00
All Other/Unallocable	28.39	136.63	89.49	377.27	.00	340.60
Education/Libraries	5.45	89.79	11.98	36.25	59.27	197.66
Education	5.29	87.59	10.44	33.51	59.15	.00
Libraries	15.78	138.75	25.83	131.22	.00	197.66
Social Services	45.82	69.24	15.62	37.10	.00	128.34
Public Welfare (except cash assistance/Medicaid)	91.17	81.45	32.24	46.46	.00	.00
Health	94.11	213.53	34.14	106.28	.00	245.96
Hospitals	24.57	34.42	6.15	-32.71	.00	125.45
Environment/Community Development	4.95	28.30	20.73	14.13	.00	132.05
Transportation	11.24	-2.02	21.26	-10.49	.00	184.74
Highways	25.49	-8.49	10.04	-11.47	.00	52.82
Air	6.85	104.38	112.67	.00	.00	319.29
Water	-42.54	91.73	-.17	.00	.00	-44.27
Transit	-8.61	538.84	35.33	.00	.00	256.74
Natural Resources	.00	12.89	.00	.00	.00	16.75
Parks/Recreation	10.85	134.93	42.61	118.37	.00	102.01
Housing/Community Development	-12.67	798.50	129.68	688.64	.00	123.28
Sewerage	2.57	198.64	62.20	103.00	.00	173.54
Solid Waste Management	5.25	257.53	-21.28	19.96	.00	190.70
Utilities (Water/Power)	-4.27	264.23	10.77	36.47	.00	96.43
Public Safety/Courts	31.83	301.51	49.40	105.70	.00	178.42
Police Protection	19.51	142.79	46.80	107.79	.00	-100.00
Fire Protection	5.10	257.07	23.39	65.76	.00	178.78
Corrections	159.96	244.71	147.26	.00	.00	.00

Source: Computed from Appendix Table 25.

NOTE ON METHODOLOGY

Over the 20 years from 1967 to 1987, the Census Bureau added several expenditure categories in the reports used in this analysis: transit subsidies, judicial and legal, and protective inspection and regulation. Protective inspection and regulation appeared first in the 1977 Census report, the other two in 1982. Presumably, in prior years, expenditures for these functions were covered under Other Administration, General Control (which appeared prior to 1982) or Other Unallocable N.E.C. In this report, transit subsidies and protective inspection and regulation are included under the broad function Environment and Community Development; judicial and legal is under Public Safety and Courts. It should be understood, therefore, that prior to 1977, Environment and Community Development is understated and General Government is overstated in comparison with later years, and prior to 1982, Public Safety and Courts is understated in comparison with later years. In 1987, including these categories under General Government would have increased its percentage of total direct expenditures, all governments, from 4.85 percent to 6.66 percent, and reduced Environment and Community Development from 13.26 percent to 12.13 percent, and Public Safety and Courts from 3.82 percent to 3.14 percent.

Prior to the 1982 Census of Governments, the Census Bureau did not identify Medicaid vendor

payments by local governments. Therefore, it was not possible to take them into account in setting up this report's two Public Welfare categories. However, judging from the amounts of such payments reported in later years, the amounts in earlier years were relatively small in the total picture. The Census of Governments reports prior to 1982 also did not report Medicaid vendor payments by state governments, but those figures were available from the Census Bureau's annual *Government Finances* series.

Census Bureau classifications of functions are not the same in the public employment reports as they are in the government finances reports. The expenditure classification is more detailed, providing 36 categories within the broad functions as against 25 in the public employment classification. Another difference of particular relevance to this report is that, unlike expenditure data, employment data for public welfare do not distinguish between persons employed in the cash assistance and Medicaid vendor payment activities and those employed in other public welfare activities. Also, persons administering farm income and price supports are not separable from other employees counted under natural resources. Again, in the total picture, the differences in these specific categories are relatively small, since total employees for public welfare and natural resources constitute only 5 percent of all public employees.

EXPENDITURE CLASSIFICATIONS WITHIN THE NINE BROAD FUNCTIONS

The 36 individual classifications under the nine broad functions in the tables in this report follow the Census Bureau's classifications, with certain exceptions. Following are the Census Bureau's definition of all but the most obvious terms (such as police and fire protection), with notations as to where this report departs from those definitions.

Air Transportation. Construction, maintenance and operation and support of airport facilities NOTE: in tables in this report, called Air under Transportation.

Education. Schools, colleges, and other educational institutions and educational programs for adults, veterans, and other special classes. *State institutions of higher education* include activities of institutions operated by the state, except that agricultural extension services and experiment stations are classified under natural resources and hospital serving the public are classified under hospitals. *Elementary and secondary education* comprises payments for instructional, support services, and other activities of local public schools for kindergarten through high school programs. *Direct state expenditure for other education* includes state education administration and services, tuition grants, fellowships, aid to private schools, and special programs.

Employee-Retirement Expenditure. Cash payments to beneficiaries of government-administered employee retirement programs. Excludes cost of administering retirement systems, local government contributions to state-administered employee retirement systems, and noncontributory gratuities paid to former employees; these are classed under General Expenditure.

General Public Building (State-Local). Provision and maintenance of public buildings not allocated to particular functions. This category is not applied in reporting federal data.

Health. Out-patient health services, other than hospital care, including public health administration, research and education; categorical health programs; treatment and immunization clinics; nursing; environmental health activities such as air and water pollution control; ambulance service if provided separately from fire protection services, and other general public health activities such as mosquito abatement.

Highways. Construction, maintenance, and operation of highways, streets, and related structures, including toll highways, bridges, tunnels, ferries, street lighting, and snow and ice removal. Policing and traffic control are classed under Police Protection.

Hospitals. Financing, construction, acquisition, maintenance or operation of hospital facilities, provision of hospital care, and support of public or private hospitals. Vendor payments under welfare programs (including Medicaid) are covered under welfare programs.

Judicial and Legal. Courts and activities associated with courts, including law libraries, prosecutorial and defendant programs, probate functions, and juries.

National Defense and International Relations. The Census Bureau does not define this classification in its government finances publications but includes it in the table of federal government finances. The title is shown to include, among others, military functions, economic assistance, atomic energy, foreign affairs NEC, food for freedom, and military assistance. This report's classification National Defense and Foreign Aid is the same as the Census Bureau's National Defense and International Relations except for atomic energy, which is included in the Commerce and Energy function.

Natural Resources. Conservation, promotion, and development of natural resources, such as soil, water, forests, minerals, and wildlife. For the federal government, includes agricultural experiment sta-

tions and extension services, farm price stabilization programs, farm insurance and credit activities, and multipurpose power and reclamation projects. (NOTE: For this report, farm price and income supports are included under the function Income Security.)

Parking Facilities. Construction, purchase, maintenance, and operation of public parking lots, garages, parking meters, and other distinctive parking facilities on a commercial basis.

Protective Inspection and Regulation. Regulation of private enterprise for the protection of the public and inspection of hazardous activities except for major functions, such as fire protection, health, natural resources. Distinctive licensing collection activities are classified under Financial Administration.

Public Welfare. Support of and assistance to needy persons contingent on their need. Excludes pensions to former employees and other benefits not contingent on need. Includes cash assistance paid directly to needy persons under the categorical programs (Old Age Assistance, Aid to Families with Dependent Children, Aid to the Blind, and Aid to the Disabled) and under any other welfare programs; vendor payments made directly to private purveyors for medical care (notably Medicaid), burials, and other commodities and services; provision and operation by the government of welfare institutions; payments to other governments for welfare purposes, amounts for administration, support of private welfare agencies, and other public welfare services. Does not include health and hospital services provided directly by the government through its own hospitals and health agencies, and any payments to other governments for such purposes. NOTE: For this

report, public welfare is split between two functional groupings: cash assistance and Medicaid vendor payments (under Income Security), and all other (under Social Services).

Sanitation Other Than Sewerage. Street cleaning, solid waste collection and disposal, and provision of sanitary landfills. NOTE: Equivalent in this report to solid waste management.

Social Insurance Administration. For state and local governments, consists of Employment Security Administration activities. Also includes federal administration of Old Age, Survivors', Disability, and Health Insurance (Social Security) and other social insurance programs.

Transit Subsidies. Payments in support of subway, bus, surface rail and street railroad, and other passenger transportation systems, including public support of a private utility or railroad, and intergovernmental subsidy payments. Excludes amounts paid by a parent government to its dependent transit utility. NOTE: In tables in this report, transit subsidies are included with transit utilities under the title "transit."

Veterans' Services. Cash bonuses to veterans and other financial grants not contingent on need, administration of bonus payments, veterans' information and guidance services, and other veterans' services not classified under Public Welfare, Education, Hospitals, or other functions.

Water Transport and Terminals. Construction, maintenance, operation, and support of canals and other waterways, harbors, docks, wharves, and related marine terminal facilities. NOTE: In tables in this report, called Water, under Transportation.

Recent Publications of the U.S. Advisory Commission on Intergovernmental Relations

Significant Features of Fiscal Federalism, 1991 Edition,	
Volume I, M-176, 1991, 180 pp.	\$20.00
Volume II, M-176-II, 1991, 340 pp.	\$22.50
Coordinating Water Resources in the Federal System: The Groundwater-Surface Water Connection	
A-118, 1991, 152 pp.	\$15.00
Changing Public Attitudes on Governments and Taxes: 1990, S-20, 1991, 48 pp.	\$10.00
Interjurisdictional Tax and Policy Competition: Good or Bad for the Federal System?, M-177, 1991, 72 pp.	\$10.00
State-Local Relations Organizations: The ACIR Counterparts, A-117, 1991, 36 pp.	\$10.00
Directory of State-Local Relations Organizations: The ACIR Counterparts, A-117D, 1990, 52 pp.	\$2.00
State Taxation of Telecommunications, A-116, 1990, 40 pp.	\$10.00
The Structure of State Aid to Elementary and Secondary Education, M-175, 1990, 72 pp.	\$10.00
Representative Expenditures: Addressing the Neglected Dimension of Fiscal Capacity, M-174, 1990, 128 pp.	\$20.00
Mandates: Cases in State-Local Relations, M-173, 1990, 64 pp.	\$10.00
1988 Fiscal Capacity and Effort, M-170, 1990, 160 pp.	\$20.00
State Constitutional Law: Cases and Materials, 1990-91 Supplement, M-172, 1990, 56 pp.	\$7.00
Intergovernmental Regulation of Telecommunications, A-115, 1990, 48 pp.	\$10.00
The Volume Cap for Tax-Exempt Private-Activity Bonds: State and Local Experience in 1989, M-171, 1990, 36 pp.	\$7.50
Significant Features of Fiscal Federalism, 1990 Edition, Volume I, M-169, 1990, 152 pp.	\$17.50
Volume II, M-169-II, 1990, 280 pp.	\$17.50
State and Local Initiatives on Productivity, Technology, and Innovation, A-114, 1990, 180 pp.	\$25.00
Local Revenue Diversification: Rural Economies, SR-13, 1990, 60 pp.	\$8.00
State Taxation of Banks: Issues and Options, M-168, 1989, 48 pp.	\$10.00
A Catalog of Federal Grant-in-Aid Programs to State and Local Governments: Grants Funded FY 1989, M-167, 1989, 40 pp.	\$10.00
Local Revenue Diversification: Local Sales Taxes, SR-12, 1989, 56 pp.	\$8.00
State Constitutions in the Federal System: Selected Issues and Opportunities for State Initiatives, A-113, 1989, 128 pp.	\$15.00
Residential Community Associations: Questions and Answers for Public Officials, M-166, 1989, 40 pp.	\$5.00
Residential Community Associations: Private Governments in the Intergovernmental System? A-112, 1989, 128 pp.	\$10.00
Readings in Federalism—Perspectives on a Decade of Change, SR-11, 1989, 128 pp.	\$10.00
Disability Rights Mandates: Federal and State Compliance with Employment Protections and Architectural Barrier Removal, A-111, 1989, 136 pp.	\$10.00
Hearings on Constitutional Reform of Federalism: Statements by State and Local Government Association Representatives, M-164, 1989, 60 pp.	\$5.00
State and Federal Regulation of Banking: A Roundtable Discussion, M-162, 1988, 36 pp.	\$5.00
Assisting the Homeless: State and Local Responses in an Era of Limited Resources, M-161, 1988, 160 pp.	\$10.00
Devolution of Federal Aid Highway Programs: Cases in State-Local Relations and Issues in State Law, M-160, 1988, 60 pp.	\$5.00
State Regulations of Banks in an Era of Deregulation, A-110, 1988, 36 pp.	\$10.00
State Constitutional Law: Cases and Materials, M-159, 1988, 480 pp.	\$25.00
Local Revenue Diversification: Local Income Taxes, SR-10, 1988, 52 pp.	\$5.00
Metropolitan Organization: The St. Louis Case, M-158, 1988, 176 pp.	\$10.00
Interjurisdictional Competition in the Federal System: A Roundtable Discussion, M-157, 1988, 32 pp.	\$5.00
State-Local Highway Consultation and Cooperation: The Perspective of State Legislators, SR-9, 1988, 54 pp.	5.00
The Organization of Local Public Economies, A-109, 1987, 64 pp.	\$5.00
Is Constitutional Reform Necessary to Reinvigorate Federalism? A Roundtable Discussion, M-154, 1987, 39 pp.	\$5.00
Local Revenue Diversification: User Charges, SR-6, 1987, 64 pp.	\$5.00
Devolving Selected Federal-Aid Highway Programs and Revenue Bases: A Critical Appraisal, A-108, 1987, 56 pp.	\$10.00
Federalism and the Constitution: A Symposium on Garcia, M-152, 1987, 88 pp.	\$10.00

What is ACIR?

The Advisory Commission on Intergovernmental Relations (ACIR) was created by the Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. ACIR is a permanent national bipartisan body representing the executive and legislative branches of federal, state, and local government and the public.

The Commission is composed of 26 members—nine representing the federal government, 14 representing state and local government, and three representing the public. The President appoints 20—three private citizens and three federal executive officials directly, and four governors, three state legislators, four mayors, and three elected county officials from slates nominated by the National Governors' Association, the National Conference of State Legislatures, the National League of Cities, U.S. Conference of Mayors, and the National Association of Counties. The three Senators are chosen by the President of the Senate and the three Representatives by the Speaker of the House of Representatives.

Each Commission member serves a two-year term and may be reappointed.

As a continuing body, the Commission addresses specific issues and problems, the resolution of which would produce improved cooperation among the levels of government and more effective functioning of the federal system. In addition to dealing with important functional and policy relationships among the various governments, the Commission extensively studies critical governmental finance issues. One of the long-range efforts of the Commission has been to seek ways to improve federal, state, and local governmental practices and policies to achieve equitable allocation of resources and increased efficiency and equity.

In selecting items for the research program, the Commission considers the relative importance and urgency of the problem, its manageability from the point of view of finances and staff available to ACIR, and the extent to which the Commission can make a fruitful contribution toward the solution of the problem.

After selecting specific intergovernmental issues for investigation, ACIR follows a multistep procedure that assures review and comment by representatives of all points of view, all affected levels of government, technical experts, and interested groups. The Commission then debates each issue and formulates its policy position. Commission findings and recommendations are published and draft bills and executive orders developed to assist in implementing ACIR policy recommendations.

