

INVESTMENT OF IDLE CASH BALANCES BY STATE AND LOCAL GOVERNMENTS

Summary of Report A-3



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¹ Membership on the Commission expired Jan. 20, 1961.

² Resigned January 1961.

³ Membership on the Commission expired Jan. 2, 1961.

⁴ Replaced by John Anderson, Jr., Governor of Kansas, Jan. 19, 1961.

A COMMISSION REPORT

*Investment of
Idle Cash Balances
By State and Local
Governments*

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

JANUARY 1961

PREFACE

Pursuant to its statutory authority, the Advisory Commission on Intergovernmental Relations from time to time singles out for study and recommendations particular problems, the amelioration of which, in the Commission's view, would enhance cooperation among the different levels of government and thereby improve the effectiveness of the federal system of government in the United States.

One problem so identified relates to the investment of idle cash balances of State and local units of government and to possible changes in the facilities available to these units in utilizing their cash balances for producing additional revenue. In this report the Commission sets forth the essential facts and policy considerations bearing upon this problem, and invites attention to the opportunity, available through the cooperative endeavors of all three levels of government, to increase State and local government revenues without raising their taxes and without increasing non-tax charges upon the public.

This is a summary of a report that was adopted by the Commission at its meeting of January 18, 1961.

Frank Bane
Chairman

1. FINDINGS

State and local governments in the United States are hard-pressed to raise the revenues necessary to keep abreast of an ever-broadening and intensifying demand for more governmental services. Cash balances of such jurisdictions which are in excess of near-term operating needs can, however, be put to work drawing interest and producing additional revenue for State and local government.

The investment of otherwise idle balances constitutes a significant potential revenue source which is sometimes overlooked completely and is frequently under-utilized. Cash balances in excess of normal needs arise in a number of ways. Tax revenues are received on one or more "penalty or tax-due" dates during the year and following their receipt funds on hand will naturally exceed the amount needed for immediate expenditure. Bonds may be sold for financing capital construction and proceeds from the sale may not be needed for expenditure until later. These situations offer investment possibilities of a short-term character. It is the hope of the Commission that this report will contribute to the increased revenue from interest earnings by State and local governments and to improved inter-governmental relations in this area.

Historical Development

A drastic change has occurred over the past quarter century in public attitudes and private ethics with respect to the custody and handling of government funds following a period of scandal associated with State and local funds and some unhappy experiences encountered by the National Government.^{1/} The inauguration of deposit insurance and the stabilization of the banking system since the banking crash of 1933 has lessened greatly the problem of security of government deposits in commercial banks.

Another historical problem concerned the interest earned on deposits of public funds, which until 1900 allowed treasurers, by almost universal practice, to retain such earnings for personal use.

^{1/} White, Leonard D., Introduction to the Study of Public Administration, 4th Edition, McMillan Co., New York, 1955.

A new problem of interest earnings arose in 1935 when a revision of Federal banking laws prohibited the payment of interest on demand deposits. However, a number of States and localities began to be increasingly active in authorizing investments in short-term interest-bearing obligations of Federal, State or municipal governments or time deposits in commercial banks. This change marked the beginning of the current period when State and local governments are beginning to follow along the general lines of usual business practice.

Current Cash and Security Holdings of Local and State Governments

State and local governments held about \$70 billion in their employee retirement, unemployment compensation, and other funds at the end of their 1963 fiscal years. This was \$6 billion more than they held in 1962 and almost \$22 billion more than five years before that, in 1957.

Of the \$63.9 billion worth of financial assets held by State and local governments at the close of their 1962 fiscal years, almost half were in insurance trust funds--mainly employee retirement, unemployment compensation, and workmen's compensation funds (table 1).^{1/} Because the insurance trust funds accumulate assets for the payment of future benefits, and their holdings are almost entirely in the form of government and private securities, they fall largely outside the scope of this report. All other financial assets of State and local governments--i.e., exclusive of insurance trust funds--totaled \$33.3 billion at the end of fiscal 1962. As indicated by table 1, these consisted of (a) \$5.9 billion held specifically for future debt retirement, (b) \$7.3 billion representing the proceeds of bonds sold to finance capital expenditures, to be disbursed at some future time, and (c) \$20.2 billion of "other" holdings, mainly the assets of "operating" funds.

Of the \$33.3 billion held on behalf of non-insurance funds at the close of fiscal 1962, \$14.4 billion was in the form of cash and deposits, up from \$11.1 billion in 1957 (table 2). The remaining \$18.9 billion comprised \$12.9 billion of Federal securities, \$2.6 billion of State and local government securities, and \$3.4 billion of non-government holdings, a figure which incidentally more than doubled in the period 1957-1962.

^{1/} See Appendix A for Tables.

Almost half of the \$33.3 billion (\$15.8 billion) was held by State governments, a fourth (\$8 billion) by municipalities, a fifth (\$6.2 billion) by school and special districts, and the remainder by counties and townships (table 3).

It is interesting to note the wide variation among types of government in the proportion to total holdings represented by "cash and deposits" (table 4). This category includes principally (a) actual cash; (b) demand deposits with banking institutions; (c) time deposits with banking institutions; and (d) accounts with savings and loan associations. In 1962, the States had only 28.3 percent of their non-insurance fund holdings in cash and deposits, while the counties still had 80.5 percent of their funds in such categories, municipalities 46.6 percent, townships 79.1 percent and school districts 70.1 percent.

All other factors being equal, the smaller the number of units of government involved, the smaller would be the proportion of cash in relation to total holdings. Furthermore, legal statutes which require the fragmentation of county moneys into many separate funds greatly aggravate the investment problem at that level of government. However, the relatively high figure for counties cannot be explained entirely on these grounds when compared with the figure for municipalities.

With respect to the States, 42.8 percent of their non-insurance holdings were in Federal securities, 9.9 percent in State and local government securities, and 18.9 percent in others (table 5). State and local governments obtained \$702 million in interest earnings from non-insurance funds during fiscal 1962, or 2.1 percent of their cash and security holdings at the end of the fiscal year.

A major portion of State and local funds "on deposit" does not bear interest. Table 6 shows the time and demand deposits of State and local governments with insured commercial banks for selected dates, 1957 to 1964, indicating that nationally, a steadily decreasing percent of State and local government holdings are of the non-interest bearing demand deposits.

Federally insured commercial banks are precluded by Federal law from paying interest on demand deposits. Of the approximately \$21 billion on deposit by State and local governments in 1964, \$12½ billion or 59.1 percent was in demand deposits. Such deposits made up about 7.5 percent

of the total of all deposits in the Nation in insured commercial banks (table 7).

Constitutional and Statutory Provisions Regarding State Funds

A nationwide study of investment practices of State governments published in 1956 by the Public Affairs Research Council of Louisiana showed that at that time 38 States had varying degrees of authority to invest idle operating funds in securities. Twenty-five of these States and two additional States also utilized time deposits.^{1/} Therefore, at the end of 1956, 40 of the then 48 States were using some form of investment for idle operating funds. Four States--Indiana, Kansas, Missouri and Oklahoma--were specifically precluded from investment. The other four States were not prohibited from investing but lacked permissive legislation. A constitutional amendment permitting investments was approved in the 1956 elections in Missouri and in 1957, legislation was enacted in Kansas authorizing limited use of time deposits.

In contrast to the rather limited investment of idle operating funds, virtually all States invest idle "nonoperating" funds, including especially funds of State employee retirement systems and other public trust funds. In fact, the rapid growth over the past 20 years of retirement and pension funds for State and local government employees has tended to bring about a liberalization of statutory provisions and administrative practice with respect to the investment of State and local funds generally.

With respect to operating funds, as of 1956, 12 States were restricted to U.S. Treasury securities in their investments. Eighteen others were authorized to buy their own State issues in addition to Federal securities and a small number of these could also purchase securities offered for sale by political subdivisions within the State.

The treasurers of the various States are generally responsible for fund investment. Where responsibility rests with another agency, the treasurer usually serves as a member of the board, committee, or other agency responsible for the investment function. At least four States, including Kentucky, Minnesota, New Jersey, and Wisconsin, have organized separate administrative units to conduct the States' entire investment programs, including pension and other nonoperating funds.

^{1/} Public Affairs Research Council of Louisiana, Investment of Idle State Funds, November, 1956.

State Requirements and Local Practice Regarding Local Funds

A survey conducted by the Municipal Finance Officers Association in 1953 disclosed wide variation in State laws regarding the investment of idle funds by local units of government. These laws varied from no authority for investment of idle funds in the State of Kansas to rather broad authority in California. In the latter State "sinking funds or surplus money not required for the immediate necessities of a county, city, public district, or any public or municipal corporation may be invested in: (a) bonds issued by the local agency payable solely out of revenues from a revenue-producing property owned, controlled, or operated by it; (b) United States Treasury notes or bonds or those for which the full faith and credit of the United States are pledged for the payment of principal and interest; (c) treasury notes or bonds of the State of California or of any local agency within the State including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the State or a local agency; and (d) registered State warrants which are legal investments for savings banks in California."1/

While, of course, local units of government are restricted in their investment of idle funds to the extent set forth by State law, for example, North Carolina, which restricts investment of idle funds to institutions within the State, these laws are for the most part permissive rather than mandatory, and even where investments are authorized by State law, local units of government may choose not to exercise the authority conveyed by the statute.

In a recent survey conducted by the Federal Reserve Board as to the investment of proceeds from the sale of bonds, a number of municipal finance officers indicated that although statutory authority existed for the investment of the proceeds, they felt it was better to keep the money in local banks on demand deposit.

Decisions not to invest idle funds may be taken for a variety of reasons--financial, administrative, or political. Considerable sentiment exists in many localities for "keeping the money at home" rather than sending it to the U.S. Treasury or to the State capital.

1/ Funk, Robert L., "Permanent Legislation Regarding Investment of Governmental Funds," Municipal Finance, February, 1953.

Illustrative of these decisions was the ordinance adopted by the City of Miami in 1952 (later modified) to "provide that the moneys of the city shall be deposited as demand deposits in all the banks of the city and shall be prorated between said banks upon the ratio that the deposits of each such bank bears to the aggregate deposits of all such banks on the first day of the year."^{1/}

On the other hand, examples have been numerous in recent years of aggressive investment practices by local units of government. It has been estimated that the City of Columbia, South Carolina, is earning an amount of interest about equal to the revenue it would receive by a 1-1/4 mill property tax because 90 percent of its cash assets are in investments. Summit County, Ohio,^{2/} Milwaukee County, Wisconsin, Atlanta, Tacoma and many other local governments have also carried on aggressive investment programs.

^{1/} City of Miami, Ordinance Number 4597.

^{2/} The Summit County, Ohio, experience has been widely publicized by the National Association of Counties in Proceedings of the County Finance, Congress , (February 14-16, 1961), pp. 118-121, published by the National Association of Counties, Washington, D.C.

2. POLICY CONSIDERATIONS

Maximization of Revenue

It seems fairly clear that the interest earnings on cash balances constitute a source of revenue for State and local governments which is frequently under-utilized. Based upon the analyses of current data, it seems evident that the greatest opportunities for increased utilization of this revenue source rests with counties, townships, school, and special districts. However, it is also apparent from the detailed tables in the Appendix that many municipalities and some State governments can improve significantly their revenues in this field. While the Commission would hesitate to put forth anything approaching a firm estimate of the unused potential of this revenue source, a range of \$50 to \$100 million annually does not appear unattainable. This is an order of magnitude which in the view of the Commission warrants the attention of legislative, executive, and financial officials at all levels of State and local government.

It should be noted at this point, however, that the investment of those cash balances which are in excess of operating requirements is only one aspect of the general function of treasury management--the other area of possible major savings being in the reduction of tax anticipation and other temporary borrowing through rescheduling of tax due dates to stabilize the flow of revenue receipts. Obviously, the reduction of interest costs through a rescheduling of receipts is reciprocal to an increase in interest income through the investment of balances. To the extent that the flow of receipts is stabilized, fewer peaks and valleys appear in the cash picture with a consequent diminution of idle cash needing investment.

Relationships with the Banking Community

While State and local funds do not constitute a major segment of total bank deposits, neither can these funds be termed insignificant. Legislative provisions and administrative policies governing the handling of cash balances must be fair to the banks as well as to the taxpayers at large. On the other hand, the governmental units should expect treatment equally favorable to that extended to private customers.

There are two aspects to the size of deposit balances that should be maintained in the depository bank or banks of a governmental unit. One phase relates to the cost of services performed by the bank for the State

or municipality. These are somewhat similar to services performed for other depositors such as accepting and accounting for deposits, collection services, clearing services, securities custodial services, etc. Also, the bank may and often does offer investment and financial advice to the governmental unit, particularly in small towns, cities and villages.

The second service relates to the economic functions performed by the banking element. The efficacy with which this function is performed may affect the economic well-being of the municipality. For example, undoubtedly the municipality can benefit from loan activities of a bank. Where loans are made for construction of commercial enterprises or residential properties, the city directly benefits from an increase in taxable values so added. The extent to which the economy is maintained through approximate full employment of the labor force in a local town or city is also a factor since this is reflected, in some degree, in the ability of taxpayers to meet taxes imposed by the municipality.

Principles and Types of Investment

Three primary fundamentals underlie any investment program utilizing public funds. These are:

(a) Safety. Regardless of any other considerations the protection of the taxpayers' money is the main objective, and no reasoning to the contrary can justify speculation with the principal amount of the funds to be invested.

(b) Liquidity. "When the money is needed it must be available."

(c) Yield. If the first two considerations are met, the rate of return becomes a major consideration.

The principal types of investment possibilities may be summarized as follows: (a) U.S. Treasury obligations, including bonds, Treasury bills, and Treasury notes; (b) obligations of the State or of its instrumentalities; (c) obligations of the city, county, or other local unit of government in question; (d) obligations of other States or other local units of government or instrumentalities thereof; (e) obligations of instrumentalities of the United States such as the Federal National Mortgage Association; (f) time deposits in insured banks; and (g) interest

bearing accounts with insured savings and loan associations. Additionally, some jurisdictions permit the investment of certain proportions of idle funds in high-grade corporate securities; it should be noted, however, that only the larger units of government are likely to have available the technical investment talent to handle transactions of this category.

From the point of view of local units of government of small size, it can be generally stated that since investment is limited to those choices which provide a combination of stability, liquidity, and minimum fluctuation of principal values, the possibilities frequently narrow down to time deposits and short-term paper of the U. S. Treasury, with savings and loan associations and special obligations of housing authorities as additional possibilities where local circumstances permit.

3. RECOMMENDATIONS

A. Removal of Constitutional and Statutory Prohibitions Against Investment of State and Local Funds

It is recommended that State legislatures take action to remove or initiate the removal of existing constitutional and statutory restrictions upon the investment of the States' own funds and upon the investment by local units of government of funds under their control, at least to the extent of permitting the investment of idle operating funds, as well as balances of other funds not needed for current requirements, in interest bearing deposits with insured institutions and in obligations of the State or of the United States.^{1/}

Based upon the facts and considerations set forth in this report, the Commission strongly questions the justifications for the continuance of State legislative restrictions which preclude the investment, in a safe and prudent manner, by State or local governments of otherwise idle funds. To continue these restrictions upon local governments is not only inconsistent with constructive State-local relations in general but deprives local units of government of much needed revenue.

B. Facilitating Interfund Transfers

It is recommended that State and local legislative bodies and administrative officials take action to permit and facilitate temporary transfers among the separate funds for the purposes of investment and for effective cash management, taking care to insure that such transfers are of such kind and duration as in no way to impair the credit of the governmental unit concerned.

Interest earnings on cash balances can often be enhanced through the process of "interfund advances," where such is legally permitted. Usually, most projections of individual fund cash requirements will show a temporary need at some time during the fiscal year for a loan or an advance from another source. Under proper safeguards, these temporary

^{1/} Mayor Celebrezze dissented from this recommendation, believing that the objective would be served more effectively and more directly by amending the Banking Act of 1935 to permit commercial banks to pay interest on demand deposits.

cash requirements can be met from cash balances in other funds, if legally available for such a purpose. It is important that these advances be guided by certain basic principles, namely, (1) the funds can be advanced for the period required; (2) the borrowing fund can repay the advance from estimated revenues when required; (3) the cash advance be repaid as promptly as possible; and (4) the transactions are fully recorded.

C. State Technical Assistance to Local Units

It is recommended that where such is not already being done, State Governments initiate a program of technical assistance to local units of government with respect to the investment of idle funds.

The Commission firmly subscribes to the general principle that the States have a basic responsibility in assisting and strengthening local government. This responsibility includes the provision by the State to the local units, particularly those of small size, of professional and technical assistance which would be impossible or uneconomical for the local unit to provide for itself.

D. Publicizing to Local Officials of Regular and Special Offerings of U.S. Treasury Obligations

It is recommended that the Department of the Treasury, in cooperation with the investment community and executive and financial officials of States and localities, develop an informational program regarding United States obligations as investment possibilities for State and local funds; this program should include exploring the desirability of special issues of United States securities specially designed to meet the needs of State and local governments.

Many smaller units of government are perhaps not aware of the investment possibilities with respect to interest-bearing short-term obligations of the United States, particularly short-term Treasury bills. The Commission believes that the initiation of a cooperative Federal-State informational program would be widely helpful, and would constitute a useful element in the program of State professional and technical investment assistance to local units of government recommended above.

Since publication of the Advisory Commission's earlier report, the Treasury Department, in cooperation with the Commission, has issued a pamphlet describing the kinds of U.S. Government securities that are available for the investment of short-term balances.^{1/}

In conclusion, the States can help their local governments earn more on their idle funds by broadening their investment authority, by offering them technical assistance with their investment problems, and by helping to keep them informed on the investment opportunities afforded by short-term Federal securities, State and local securities, time deposits in insured finance institutions and other investment media.^{2/}

^{1/} U.S. Treasury Department, Interest Bearing U. S. Government Securities Available for Investment of Short-Term Cash Balances, September, 1963. Copies may be obtained from the Advisory Commission on Intergovernmental Relations.

^{2/} Suggested legislation for implementing these recommendations appear in Appendix B.

APPENDIX A

TABLES

1. Cash and Security Holdings of State and Local Governments, by Purpose of Holding, by States: 1962
2. Cash and Security Holdings of State and Local Governments -- Exclusive of Insurance Trust Funds -- by Type of Holding, by States: 1957 and 1962
3. Cash and Security Holdings of State and Local Governments -- Exclusive of Insurance Trust Holdings -- by Type of Government, by States: 1962
4. Cash and Deposits of State and Local Governments -- Exclusive of Insurance Trust Holdings -- as a Percent of Total Non-Insurance-Trust Holdings of State and Local Governments, by Type of Government, by States: 1962 and 1957
5. Cash and Security Holdings and Interest Earnings of State and Local Governments -- Exclusive of Insurance Trust Fund Accounts -- by Type of Government: 1962
6. Deposits of State and Local Governments in Insured Commercial Banks, and Demand Deposits as a Percent of Total, by States: Selected Dates, 1957 and 1964
7. Demand and Time Deposits of State and Local Governments in Insured Commercial Banks by States: June 30, 1964

Table 1. - Cash and Security Holdings of State and Local Governments, by Purpose of Holding, by States: 1962
(In thousands of dollars)

State	Total	Insurance trust systems			Other than insurance trust systems			
		Unemployment compensation	Employee retirement	Other	Total	Offsets to debt	Bond funds	Other
Alabama	553,692	51,714	189,299	64	312,615	47,988	77,129	187,498
Alaska	94,682	7,408	7,718	100	83,456	2,469	16,786	64,201
Arizona	483,241	61,872	114,824	79,562	226,983	29,245	56,963	140,775
Arkansas	250,031	28,736	64,068	68	157,159	15,737	28,464	112,958
California	9,766,784	555,731	3,803,242	185,001	5,222,810	1,554,138	943,698	2,724,974
Colorado	639,729	54,756	172,942	15,673	396,358	18,446	71,993	305,919
Connecticut	992,392	152,528	257,179	53	582,632	15,348	139,528	427,756
Delaware	100,918	9,824	1,935	35	89,124	3,036	9,408	76,680
District of Columbia	137,250 ^{1/}	63,134	40,330	-	33,786 ^{1/}	-	591	33,195 ^{1/}
Florida	1,353,277	111,743	378,548	347	862,639	147,768	278,549	436,322
Georgia	1,014,839	136,891	258,516	-	619,432	62,067	216,437	340,928
Hawaii	340,309	19,312	168,529	-	152,468	12,860	37,537	102,071
Idaho	188,641	24,573	20,453	4,980	138,635	5,698	9,859	123,078
Illinois	3,138,505	346,522	1,114,528	252	1,677,203	205,644	499,390	972,169
Indiana	972,985	132,576	186,031	54	654,324	64,224	113,469	476,631
Iowa	683,767	101,935	174,295	48	407,489	18,319	42,675	346,495
Kansas	503,599	61,678	44,607	45	397,269	23,482	59,703	314,084
Kentucky	695,698	93,669	128,724	34	473,271	59,889	254,779	158,603
Louisiana	947,829	96,606	431,669	-	419,554	81,589	148,538	189,427
Maine	192,118	22,236	66,659	12	103,211	7,027	16,564	79,620
Maryland	996,574	81,092	503,927	6,509	405,046	94,476	122,190	188,380
Massachusetts	1,551,566	176,755	525,744	384	848,683	61,096	253,740	533,847
Michigan	2,228,556	175,794	822,329	14,175	1,216,258	128,343	392,371	695,544
Minnesota	1,247,616	34,862	302,611	854	909,289	55,354	125,215	728,720
Mississippi	299,069	29,446	47,466	35	222,122	28,042	67,173	126,907
Missouri	1,014,406	190,206	231,492	213	592,495	47,915	157,641	386,939
Montana	219,018	20,770	55,388	10,614	132,246	13,365	10,269	108,612
Nebraska	397,270	38,096	52,130	21	307,023	34,876	35,096	237,053
Nevada	148,266	18,183	31,416	18,528	80,139	4,860	19,326	55,953
New Hampshire	122,469	23,172	48,613	-	50,684	1,038	8,022	41,574
New Jersey	2,253,094	307,874	832,138	108,239	1,004,843	26,003	249,569	729,271
New Mexico	438,973	36,401	52,885	-	349,687	20,895	32,349	296,443
New York	10,949,020	882,264	5,878,915	417,252	3,770,589	1,689,553	525,128	1,555,908
North Carolina	1,073,352	181,098	372,918	684	188,652	43,917	73,565	401,170
North Dakota	238,097	4,603	19,441	14,508	199,545	12,171	16,211	171,163
Ohio	3,411,579	123,579	1,484,280	403,391	1,400,329	166,000	379,708	854,621
Oklahoma	701,699	32,122	86,240	2,562	580,775	58,683	156,097	365,995
Oregon	833,705	42,511	137,816	71,619	581,759	261,315	46,708	273,736
Pennsylvania	2,874,077	128,258	1,531,356	16,074	1,198,389	248,492	331,654	618,243
Rhode Island	224,869	34,435	82,863	34,262	73,309	19,865	12,442	41,002
South Carolina	436,054	74,530	159,868	695	200,961	29,122	32,723	139,116
South Dakota	189,281	14,815	5,746	13	168,707	3,420	4,909	160,378
Tennessee	714,241	62,136	208,506	371	443,228	45,956	99,703	297,569
Texas	3,372,695	247,071	758,414	48	2,367,162	215,792	447,592	1,703,778
Utah	226,856	36,890	40,761	12,362	136,843	5,193	23,519	108,131
Vermont	78,873	9,471	38,185	12	31,205	594	2,676	27,935
Virginia	950,093	95,741	231,356	-	622,996	28,589	198,531	395,876
Washington	1,579,870	191,479	365,484	118,536	904,371	95,430	226,088	582,853
West Virginia	367,849	38,035	109,438	90,158	130,218	40,028	26,765	63,425
Wisconsin	1,541,697	191,774	637,010	5,309	707,604	28,113	164,574	514,917
Wyoming	190,896	6,254	14,943	11,902	157,797	3,303	19,103	135,391
United States	63,921,966 ^{1/}	5,659,161	23,293,775	1,645,658	33,323,372 ^{1/}	5,886,773	7,282,765	20,153,834 ^{1/}

^{1/} Revised from published Census data to eliminate duplication of unemployment compensation holdings for District of Columbia.

Source: U. S. Bureau of the Census, Compendium of Government Finances, 1962 Census of Governments, Vol. IV, No. 4.

Table 2. - Cash and Security Holdings of State and Local Governments -- Exclusive of Insurance Trust Funds -- by Type of Holding, by States: 1957 and 1962
(In thousands of dollars)

State	1962						1957		
	Total	Cash and deposits	Securities				Total	Cash and deposits	Securities
			Total	Federal	State and local government	Other (non-governmental)			
Alabama	312,615	180,864	131,751	107,144	10,916	13,691	206,538	122,106	84,432
Alaska	83,456	41,735	41,721	34,518	151	7,052	25,890	15,087	10,803
Arizona	226,983	147,709	79,274	67,050	10,494	1,730	111,084	90,299	20,785
Arkansas	157,159	96,184	60,975	50,447	8,914	1,614	111,258	68,835	42,423
California	5,222,810	2,076,635	3,146,175	1,619,658	24,697	1,501,820	3,519,632	1,473,653	2,045,979
Colorado	396,358	174,197	222,161	170,534	19,677	31,950	271,583	116,827	154,756
Connecticut	582,632	106,403	476,229	300,211	106,048	69,970	437,257	72,623	364,634
Delaware	89,124	40,128	48,996	15,350	286	33,360	68,398	36,669	31,729
District of Columbia	33,786	12,815	20,971	16,606	--	4,365	95,435	24,227	71,208
Florida	862,639	407,527	455,112	424,930	20,277	9,905	592,257	308,242	284,015
Georgia	619,432	280,786	338,646	324,939	4,421	9,286	416,096	240,437	175,659
Hawaii	152,468	116,897	35,571	14,078	11	21,482	78,628	55,193	23,435
Idaho	138,635	62,876	75,759	58,169	16,740	850	108,925	52,473	56,452
Illinois	1,677,203	1,075,435	601,768	511,786	46,071	43,911	1,603,882	721,685	882,197
Indiana	654,324	463,202	191,122	157,510	19,893	13,719	506,442	370,285	136,157
Iowa	407,489	200,949	206,540	198,708	3,410	4,422	343,247	248,893	94,354
Kansas	397,269	275,994	121,275	106,959	11,279	3,037	286,992	211,652	75,340
Kentucky	473,271	141,843	331,428	315,369	6,087	9,972	205,257	120,000	85,257
Louisiana	419,554	297,731	121,823	110,955	4,468	6,400	531,007	367,877	163,130
Maine	103,211	35,853	67,358	57,120	2,652	7,586	82,827	33,787	49,040
Maryland	405,046	125,992	279,054	223,256	45,798	10,000	411,291	116,927	294,364
Massachusetts	848,683	362,398	486,285	402,044	62,452	21,789	557,789	299,707	258,082
Michigan	1,216,258	478,084	738,174	625,416	13,083	99,675	998,255	357,126	641,129
Minnesota	909,289	226,378	682,911	547,103	87,017	48,791	725,298	191,433	533,865
Mississippi	222,122	173,025	49,097	29,725	1,702	17,670	173,732	140,016	33,716
Missouri	592,495	286,680	305,815	295,348	3,884	6,583	474,072	260,751	213,321
Montana	132,246	63,593	68,653	53,706	13,735	1,212	117,069	58,421	58,648
Nebraska	307,023	116,193	190,830	181,290	6,771	2,769	222,827	107,952	114,875
Nevada	80,139	57,529	22,610	15,483	4,134	2,993	48,272	35,811	12,461
New Hampshire	50,684	39,465	11,219	4,939	2,146	4,134	29,058	21,377	7,681
New Jersey	1,004,843	463,935	540,908	361,879	17,561	161,468	764,231	321,823	442,408
New Mexico	349,687	101,005	248,682	119,274	5,296	124,112	242,975	91,071	151,904
New York	3,770,589	1,171,915	2,598,674	1,128,936	1,270,739	198,999	3,309,201	793,096	2,516,105
North Carolina	518,652	269,868	248,784	231,288	4,681	12,815	388,513	147,662	240,851
North Dakota	199,545	115,956	83,589	50,703	25,207	7,679	186,881	116,823	70,058
Ohio	1,400,329	695,357	704,972	613,469	41,855	49,648	1,267,377	574,374	693,003
Oklahoma	580,775	252,754	328,021	238,754	54,371	34,896	365,826	184,499	181,327
Oregon	581,759	146,792	434,967	186,344	4,006	244,617	360,878	119,402	241,476
Pennsylvania	1,198,389	553,886	644,503	509,956	24,111	110,436	1,136,815	402,604	734,211
Rhode Island	73,309	40,469	32,840	25,964	3,266	3,610	68,179	24,557	43,622
South Carolina	200,961	107,900	93,061	82,228	8,696	2,137	117,559	68,942	48,617
South Dakota	168,707	91,945	76,762	65,083	5,738	5,941	117,270	60,077	57,193
Tennessee	443,228	332,707	110,521	101,624	3,869	5,028	400,931	243,297	157,634
Texas	2,367,162	1,018,207	1,348,955	830,942	195,686	322,327	1,797,687	817,867	979,820
Utah	136,843	81,737	55,106	41,468	10,517	3,121	107,408	84,302	23,106
Vermont	31,205	14,571	16,634	6,304	1,015	9,315	27,828	12,022	15,806
Virginia	622,996	224,567	398,429	297,122	66,318	34,989	471,505	220,916	250,589
Washington	904,371	233,285	671,086	494,219	161,273	15,594	631,430	154,607	476,823
West Virginia	130,218	82,195	48,023	43,709	3,930	384	94,296	71,431	22,865
Wisconsin	707,604	227,544	480,060	347,391	54,775	77,894	581,000	162,596	418,404
Wyoming	157,797	45,887	111,910	70,074	31,608	10,228	110,989	59,038	51,951
United States	33,323,372 ^{1/}	14,437,582 ^{1/}	18,885,790	12,887,082	2,551,732	3,446,976	25,909,077 ^{2/}	11,071,377 ^{2/}	14,837,700 ^{2/}

^{1/} Revised from published Census data to eliminate holdings of unemployment compensation fund for District of Columbia.

^{2/} Includes the territories of Alaska and Hawaii.

Source: U. S. Bureau of the Census, *Compendium of Government Finances*, 1962 Census of Governments, Vol. IV, No. 4, and 1957 Census of Governments, Vol. III, No. 5.

Table 3. - Cash and Security Holdings of State and Local Governments -- Exclusive of Insurance
Trust Holdings -- by Type of Government, by States: 1962
(In thousands of dollars)

State	State government	Counties	Municipalities	Townships	School and special districts	Total
Alabama	132,490	35,103	111,692	- -	33,329	312,615
Alaska	63,852	- -	13,215	- -	6,389	83,456
Arizona	89,562	13,275	62,532	- -	61,614	226,983
Arkansas	84,285	10,219	29,993	- -	32,661	157,159
California	2,716,326	506,436	898,302	- -	1,101,745	5,222,810
Colorado	177,688	17,608	88,236	- -	112,826	396,358
Connecticut	396,923	- -	91,908	77,597	16,204	582,632
Delaware	62,708	4,486	9,802	- -	12,128	89,124
District of Columbia	- -	- -	31,722 ^{1/}	- -	2,064	33,786 ^{1/}
Florida	318,552	112,521	308,067	- -	123,498	862,639
Georgia	414,463	59,152	82,281	- -	63,537	619,432
Hawaii	115,458	7,731	29,265	- -	13	152,468
Idaho	89,421	16,254	12,084	- -	20,877	138,635
Illinois	584,790	158,921	356,057	18,680	558,754	1,677,203
Indiana	311,833	49,972	161,224	4,243	127,052	654,324
Iowa	181,971	58,543	91,376	- -	75,599	407,489
Kansas	170,475	38,991	92,388	1,591	93,823	397,269
Kentucky	291,352	13,559	134,838	- -	33,522	473,271
Louisiana	155,264	47,473	112,076	- -	104,741	419,554
Maine	64,836	2,472	14,473	13,495	7,936	103,211
Maryland	261,678	74,721	49,620	- -	19,028	405,046
Massachusetts	394,516	11,625	224,072	169,677	48,793	848,683
Michigan	402,370	143,395	316,102	39,441	314,950	1,216,258
Minnesota	528,597	48,872	165,791	5,348	160,679	909,289
Mississippi	108,664	37,895	34,526	- -	41,037	222,122
Missouri	188,567	30,573	192,864	726	179,764	592,495
Montana	81,132	13,423	14,966	- -	22,724	132,246
Nebraska	89,356	34,601	61,190	498	121,378	307,023
Nevada	35,558	17,886	6,503	- -	20,193	80,139
New Hampshire	17,861	1,073	16,123	11,178	4,451	50,684
New Jersey	409,992	64,407	228,819	89,534	212,091	1,004,843
New Mexico	275,739	10,511	34,592	- -	28,846	349,687
New York	1,387,969	234,615	1,626,278	80,674	441,053	3,770,589
North Carolina	351,760	80,062	81,772	- -	5,057	518,652
North Dakota	130,155	16,945	23,697	2,999	25,751	199,545
Ohio	439,379	114,224	544,683	17,605	284,438	1,400,329
Oklahoma	388,204	22,180	113,148	- -	57,242	580,775
Oregon	411,468	32,110	55,745	- -	82,437	581,759
Pennsylvania	526,405	61,956	198,492	25,491	386,044	1,198,389
Rhode Island	32,772	- -	34,075	3,966	2,496	73,309
South Carolina	121,860	17,249	30,584	- -	31,267	200,961
South Dakota	91,164	27,847	19,954	2,508	27,234	168,707
Tennessee	121,224	81,190	208,384	- -	32,429	443,228
Texas	1,386,216	192,227	451,584	- -	337,134	2,367,162
Utah	77,137	10,520	13,393	- -	35,792	136,843
Vermont	17,895	91	4,977	7,289	951	31,205
Virginia	283,290	105,752	108,142	- -	125,811	622,996
Washington	311,536	41,491	178,935	188	372,222	904,371
West Virginia	68,094	5,843	24,857	- -	31,425	130,218
Wisconsin	271,779	89,599	193,153	19,944	133,130	707,604
Wyoming	118,814	8,349	16,386	- -	14,248	157,797
United States	15,753,400	2,783,948	8,004,938 ^{1/}	592,672	6,188,407	33,323,372 ^{1/}

Note: Detail may not add to total because of rounding.

^{1/} Revised from published Census data to eliminate holdings of unemployment compensation fund for District of Columbia.

Source: U. S. Bureau of the Census, Compendium of Government Finances, 1962 Census of Governments, Vol. IV, No. 4.

Table 4. Cash and Deposits of State and Local Governments -- Exclusive of Insurance Trust Holdings -- as a Percent of Total Non-Insurance-Trust Holdings of State and Local Governments, by Type of Government, by States: 1962 and 1957

State	1962						Exhibit: Demand deposits as percent of all State and local deposits in commercial banks June 30, 1962 ¹	1957						Exhibit: Demand deposits as percent of all State and local deposits in commercial banks June 6, 1957 ^{1/}
	Percent of holdings represented by cash and deposits							Percent of holdings represented by cash and deposits						
	State government	Counties	Municipalities	Townships	School and special districts	Total State and local		State government	Counties	Municipalities	Townships	School and special districts	Total State and local	
Alabama	72.4	64.4	35.9	--	67.0	57.9	94.6	65.0	63.8	43.3	--	79.5	59.1	98.1
Alaska	41.0	--	69.2	--	100.0	50.0	36.2	50.7	--	62.4	--	95.4	58.3	59.5
Arizona	81.0	94.6	35.8	--	65.3	65.1	74.5	83.0	83.6	73.2	--	77.6	81.3	73.2
Arkansas	57.7	87.2	58.5	--	64.6	61.2	95.8	51.7	97.8	57.3	--	84.3	61.9	97.5
California	9.1	84.6	69.7	--	70.3	39.8	26.4	14.9	89.8	53.9	--	74.4	41.9	43.1
Colorado	36.4	78.7	35.9	--	56.7	43.9	47.0	49.1	70.2	34.6	--	35.3	43.0	73.5
Connecticut	5.9	--	38.3	49.5	58.2	18.3	78.2	6.5	60.3	44.8	57.1	47.8	16.6	99.2
Delaware	29.0	99.7	59.1	--	96.2	45.0	69.6	44.7	100.0	63.6	--	98.3	53.6	74.2
Dist. of Columbia	--	--	79.8	--	14.5	78.4	n.a.	--	--	23.8	--	91.9	25.4	n.a.
Florida	33.7	70.2	43.2	--	71.3	47.2	55.7	55.1	65.2	41.3	--	60.5	52.0	62.6
Georgia	45.5	40.9	40.1	--	54.8	45.3	69.5	61.6	77.8	49.5	--	39.7	57.8	95.4
Hawaii	79.4	49.2	73.2	--	100.0	76.7	45.5	50.7	100.0	96.9	--	100.0	70.2	61.2
Idaho	25.7	97.4	69.1	--	75.5	45.4	99.9	28.5	97.6	72.4	--	79.0	48.2	100.0
Illinois	89.4	92.5	41.0	82.0	43.7	64.1	81.4	46.9	94.6	28.8	99.7	41.2	45.0	81.0
Indiana	66.0	91.6	66.6	96.5	78.9	70.8	92.2	64.5	92.5	80.3	100.0	81.7	73.1	99.9
Iowa	13.9	98.3	67.4	--	74.7	49.3	98.8	61.9	98.7	70.8	--	75.7	72.5	99.8
Kansas	82.4	91.9	46.4	82.0	59.1	69.5	85.4	69.6	91.0	77.5	92.0	67.4	73.7	99.8
Kentucky	23.0	65.5	27.9	--	85.0	30.0	82.2	76.4	89.4	31.6	--	85.3	58.5	82.6
Louisiana	80.9	88.0	66.1	--	53.8	71.8	88.6	72.6	86.1	63.2	--	58.9	69.3	97.0
Maine	24.8	96.0	32.2	71.0	40.2	34.7	93.0	30.7	78.9	54.7	68.2	39.0	40.8	95.7
Maryland	17.9	80.6	21.0	--	44.2	31.1	80.0	22.7	53.6	12.1	--	42.6	28.4	92.3
Massachusetts	24.3	100.0	42.5	83.2	38.6	42.7	90.8	50.1	98.9	40.6	79.5	39.0	53.7	95.6
Michigan	13.1	62.1	41.6	79.5	55.0	39.3	49.2	20.1	74.7	43.0	80.5	43.1	35.8	74.3
Minnesota	3.3	80.4	47.4	85.5	53.9	24.9	80.8	7.7	88.0	54.0	94.7	69.1	26.4	87.8
Mississippi	82.8	81.2	77.9	--	62.0	77.9	98.8	84.0	85.6	63.3	--	84.5	80.6	99.9
Missouri	36.6	63.4	47.6	89.4	58.9	48.4	70.4	57.4	57.2	45.5	100.0	60.9	55.0	78.7
Montana	19.5	99.0	92.1	--	91.2	48.1	80.4	20.7	90.2	86.4	--	97.8	49.9	98.0
Nebraska	21.8	84.3	45.4	82.7	32.5	37.8	93.5	41.8	82.7	62.2	92.3	34.5	48.4	99.7
Nevada	74.3	67.2	61.0	--	74.8	71.8	57.0	81.8	48.4	90.5	--	73.3	74.2	96.7
New Hampshire	82.7	95.2	72.3	78.5	72.6	77.9	84.9	74.1	100.0	55.6	77.5	86.8	73.6	98.3
New Jersey	19.8	83.4	68.1	79.4	48.1	46.2	79.0	14.5	72.8	65.3	77.8	44.9	42.1	91.8
New Mexico	18.7	88.2	45.6	--	85.0	28.9	73.0	28.4	72.8	52.7	--	75.5	37.5	81.7
New York	20.6	75.1	24.3	92.7	54.6	31.1	56.5	15.0	75.4	19.9	94.8	42.0	24.0	83.2
North Carolina	37.0	90.3	78.2	--	69.9	52.0	54.9	20.2	87.4	70.5	--	64.7	38.0	77.5
North Dakota	44.6	99.4	66.3	93.1	87.6	58.1	77.4	53.8	99.3	68.7	98.9	85.7	62.5	90.0
Ohio	52.9	84.5	32.3	88.3	61.5	49.7	70.7	37.5	81.7	33.5	96.3	65.8	45.3	77.7
Oklahoma	35.9	85.1	43.6	--	78.6	43.5	88.6	40.3	93.0	55.5	--	72.0	50.4	97.4
Oregon	6.1	78.1	57.0	--	78.6	25.2	47.9	17.4	74.1	46.4	--	69.6	33.1	77.9
Pennsylvania	36.5	84.4	45.7	78.8	51.5	46.2	58.1	21.2	49.4	41.2	50.3	50.5	35.4	77.1
Rhode Island	52.0	--	55.6	73.9	62.7	55.2	85.2	44.5	--	24.7	49.7	67.0	36.0	98.7
South Carolina	44.2	87.4	47.3	--	78.3	53.7	80.6	54.0	53.8	55.2	--	82.3	58.6	83.3
South Dakota	30.7	79.9	76.1	83.3	89.7	54.5	76.0	28.3	78.7	77.9	97.2	79.7	51.2	86.3
Tennessee	94.2	79.1	67.3	--	43.5	75.1	75.4	93.8	85.0	29.7	--	65.0	60.7	85.0
Texas	19.8	90.3	69.8	--	75.5	43.0	56.2	27.9	89.3	63.1	--	70.0	45.5	61.7
Utah	69.5	50.0	58.1	--	42.2	59.7	55.7	85.8	90.0	74.3	--	61.3	78.5	68.3
Vermont	19.5	100.0	82.0	82.8	91.8	46.7	84.0	18.5	100.0	47.4	82.7	99.4	43.2	85.7
Virginia	20.1	90.3	56.6	--	8.6	36.0	66.4	66.4	89.5	46.8	--	33.8	46.9	68.6
Washington	12.2	73.4	28.3	99.5	30.6	25.8	97.6	11.7	69.0	41.1	83.1	22.5	24.5	99.7
West Virginia	58.8	98.3	72.3	--	58.6	63.1	98.3	69.0	97.8	73.6	--	90.0	75.8	96.8
Wisconsin	1.4	46.0	45.8	88.2	57.4	32.2	71.1	1.7	34.9	32.4	94.3	75.8	28.0	93.6
Wyoming	16.2	82.7	39.8	--	92.4	29.1	61.2	39.7	99.0	69.1	--	75.2	53.2	88.8
United States ^{2/}	28.3	80.5	46.6	79.1	57.8	43.4	65.1	31.6	79.2	40.5	77.4	57.4	42.7	79.8

n.a. - Data not available.

^{1/} See table 5.

^{2/} Includes the territories of Alaska and Hawaii in 1957.

Source: U. S. Bureau of the Census, Compendium of Government Finances, 1962 Census of Governments, Vol. IV, No. 4, and 1957 Census of Governments, Vol. III, No. 5.

Table 5. - Cash and Security Holdings and Interest Earnings of State and Local Governments -- Exclusive of Insurance Trust Fund Amounts -- by Type of Government: 1962

(Dollar amounts in millions)

Item	State & local States		Local Governments				
			Coun- ties	Munici- palities	Town- ships	School districts	Special districts
Total	\$33,387	\$15,753	\$2,784	\$8,068	\$593	\$3,801	\$2,388
Percentage Distribution:							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cash, Deposits	43.4	28.3	80.5	46.6	79.1	70.1	38.2
Securities	56.6	71.7	19.5	53.4	20.9	29.9	61.8
Federal	38.6	42.8	18.1	39.0	16.5	26.2	58.5
State and local	7.6	9.9	0.6	11.1	3.5	1.0	0.8
Other	10.3	18.9	0.8	3.4	0.8	2.8	2.5
Interest earnings	\$702	\$365	\$52	\$164	\$5	\$58	\$58
Interest earnings as percent of cash and security holdings	2.1	2.3	1.9	2.0	0.8	1.5	2.4

Note: Holdings data are as of the end of the fiscal years; interest figures pertain to amounts received during the fiscal year. Due to rounding, detail will not necessarily add to totals.

Source: U.S. Bureau of Census, Compendium of Government Finances, 1962 Census of Governments, Vol. IV, No. 4.

Table 6 - Deposits of State and Local Governments in Insured Commercial Banks, and Demand Deposits as a Percent of Total, by States: Selected Dates, 1957 to 1964
(Dollar amounts in thousands)

State	June 30, 1964		December 20, 1963		June 29, 1963		March 18, 1963		September 28, 1962		June 30, 1962		December 31, 1959		June 6, 1957	
	Amount	Percent demand deposits	Amount	Percent demand deposits	Amount	Percent demand deposits	Amount	Percent demand deposits	Amount	Percent demand deposits	Amount	Percent demand deposits	Amount	Percent demand deposits	Amount	Percent demand deposits
Alabama	\$ 268,354	86.5	\$ 244,704	87.8	\$ 261,929	90.0	\$ 241,367	90.6	\$ 221,633	92.9	\$ 224,456	94.1	\$ 208,206	97.6	\$ 160,011	98.1
Alaska	61,722	38.6	57,385	32.6	63,283	27.8	59,727	23.5	65,492	27.4	45,679	36.2	19,507	39.7	13,735	59.5
Arizona	182,849	74.7	196,254	77.9	174,993	76.5	164,138	73.9	139,330	69.3	166,481	74.5	131,509	78.9	111,668	73.2
Arkansas	138,411	92.2	131,105	91.8	124,899	91.4	119,096	93.3	135,966	96.0	122,415	95.8	91,621	97.9	79,208	97.5
California	2,669,229	25.5	2,470,651	30.2	2,436,673	27.3	2,140,694	23.1	2,119,867	26.8	2,348,526	26.4	1,818,018	44.6	1,344,219	43.1
Colorado	222,905	46.3	189,479	47.5	216,548	45.5	202,825	49.0	199,463	50.4	191,082	47.0	123,118	72.7	121,601	73.5
Connecticut	208,520	55.8	190,048	52.9	180,005	60.4	163,383	68.4	157,996	75.1	150,773	78.2	102,008	98.9	98,848	99.2
Delaware	65,177	76.0	52,517	30.2	61,234	73.8	39,544	39.2	47,523	66.4	51,152	69.6	47,273	73.3	37,365	74.2
Florida	620,457	51.8	670,500	66.4	569,814	54.1	602,689	55.9	465,990	56.2	545,608	55.7	496,787	80.1	398,284	62.6
Georgia	401,782	67.0	349,035	67.8	338,930	68.4	306,590	66.7	292,031	68.7	303,739	69.5	247,278	94.2	213,294	95.4
Hawaii	132,219	53.7	116,579	41.3	131,835	41.7	114,555	35.4	140,536	32.0	161,461	45.5	112,643	39.7	6,577	61.2
Idaho	82,206	100.0	73,143	100.0	82,306	100.0	65,974	100.0	58,237	99.9	82,480	99.9	79,218	99.9	51,536	100.0
Illinois	1,462,209	61.5	1,266,722	57.4	1,449,449	70.0	899,735	70.9	1,135,819	80.6	1,105,416	81.4	901,049	77.4	1,120,619	81.0
Indiana	668,628	92.9	528,108	90.8	616,762	91.7	422,476	87.6	457,380	88.4	599,861	92.2	491,381	87.8	469,175	99.9
Iowa	206,717	90.1	233,344	92.9	265,765	98.6	261,801	98.9	291,113	99.1	254,452	98.8	209,351	99.6	325,297	99.8
Kansas	494,751	83.2	470,441	82.1	491,406	85.8	479,746	85.3	410,319	82.9	483,555	85.4	425,277	86.3	322,269	99.8
Kentucky	222,381	80.4	224,608	81.4	214,342	81.1	220,959	80.9	195,586	82.0	197,847	82.2	154,185	82.0	150,783	82.6
Louisiana	491,655	81.7	458,355	80.9	457,628	87.7	432,511	86.6	369,826	85.7	378,090	88.6	432,435	97.9	454,335	97.0
Maine	29,505	91.5	32,921	93.7	34,337	93.0	26,400	91.8	43,721	96.4	30,639	93.0	31,534	95.7	25,752	95.7
Maryland	218,674	70.4	215,802	76.1	205,718	78.3	201,914	83.1	215,786	82.9	189,691	80.0	147,774	88.0	174,558	92.3
Massachusetts	374,145	84.7	410,781	34.0	303,511	86.0	283,763	85.5	301,466	87.8	309,931	90.8	390,167	95.4	243,048	95.6
Michigan	961,081	41.9	929,603	49.2	858,333	48.0	968,810	48.0	793,297	50.1	786,654	49.2	552,060	76.6	540,682	74.3
Minnesota	395,753	73.5	374,620	74.9	417,271	78.6	320,235	74.0	334,416	76.5	378,615	80.8	269,441	88.6	263,744	87.8
Mississippi	217,818	98.4	180,537	98.3	211,777	98.3	227,508	98.2	194,281	98.7	217,160	98.8	205,200	99.8	161,637	99.9
Missouri	395,222	60.6	492,191	75.3	381,087	63.6	429,019	68.3	342,494	69.9	354,421	70.4	394,137	88.2	286,346	78.7
Montana	95,769	78.9	100,758	81.0	93,277	79.6	88,435	79.5	67,255	75.4	84,558	80.4	80,658	84.6	74,459	98.0
Nebraska	133,486	90.6	140,454	92.2	127,957	89.1	144,311	92.1	124,990	93.9	126,886	93.5	117,290	99.0	130,415	99.7
Nevada	75,345	58.0	79,003	67.2	79,685	57.5	73,517	63.9	74,155	64.7	64,472	57.0	58,325	57.5	46,282	96.7
New Hampshire	34,195	75.3	45,989	88.7	28,955	85.6	29,696	88.4	28,691	87.4	28,441	86.9	28,335	97.2	14,812	98.3
New Jersey	541,213	75.6	590,811	78.7	511,724	76.2	562,127	79.0	562,907	80.7	488,414	79.0	428,433	90.0	369,187	91.8
New Mexico	138,830	66.7	154,798	71.1	133,636	62.0	126,046	72.5	120,557	74.3	126,299	73.0	113,142	88.2	102,291	81.7
New York	2,619,705	50.4	2,432,709	45.5	2,369,928	52.8	2,393,757	52.4	2,231,709	58.1	2,122,872	56.5	1,316,008	82.5	1,375,460	83.2
North Carolina	339,571	50.7	364,951	51.9	310,322	51.2	327,069	54.7	285,619	54.9	267,251	54.9	195,405	81.6	146,799	77.5
North Dakota	61,029	71.6	44,948	70.1	56,411	75.0	66,762	82.7	42,353	75.0	50,959	77.4	29,639	87.1	36,075	90.0
Ohio	902,971	67.5	901,356	71.4	906,233	71.8	839,652	69.7	954,393	73.2	856,687	70.7	717,428	78.6	740,437	77.7
Oklahoma	326,734	87.1	275,655	90.1	314,641	91.0	317,660	91.9	255,121	88.7	299,032	88.6	236,387	98.8	205,985	97.4
Oregon	213,215	46.6	299,880	49.7	205,725	47.0	244,565	41.8	191,200	50.0	199,045	47.9	189,622	72.4	163,815	77.9
Pennsylvania	945,497	48.2	931,501	52.1	829,237	50.0	792,179	50.4	796,683	64.0	658,473	58.1	478,451	83.1	460,002	77.1
Rhode Island	79,017	71.4	59,165	59.0	68,749	81.5	53,170	72.5	57,432	89.2	52,520	85.2	31,191	94.8	43,850	98.7
South Carolina	124,511	79.6	139,893	81.2	121,225	78.2	129,143	80.1	120,148	80.0	123,692	80.6	117,511	82.2	75,037	83.3
South Dakota	130,448	69.3	112,099	68.1	119,347	73.0	104,804	73.4	98,409	72.1	113,619	76.0	76,036	79.5	78,593	86.3
Tennessee	461,771	67.9	345,557	67.7	398,729	70.3	382,161	76.0	350,747	76.6	370,981	75.4	242,009	82.6	255,338	85.0
Texas	1,384,915	46.9	1,309,836	48.7	1,291,942	51.1	1,390,593	53.5	1,087,727	53.3	1,189,048	56.2	984,086	67.0	826,703	61.7
Utah	120,348	57.6	161,363	74.4	122,806	59.2	130,177	61.6	103,766	62.8	111,623	55.7	132,157	82.4	82,678	68.3
Vermont	15,599	76.2	25,333	41.3	18,086	72.4	17,775	70.4	18,598	85.9	13,829	86.0	17,923	89.5	9,518	85.7
Virginia	313,807	61.4	299,396	63.2	285,051	67.2	277,698	58.7	258,347	65.3	274,397	66.4	242,356	69.1	245,563	68.6
Washington	258,633	98.9	217,768	97.6	258,421	98.0	206,284	97.3	212,896	97.3	254,567	97.6	192,711	99.4	201,947	99.7
West Virginia	122,133	97.9	125,197	98.1	115,822	98.7	131,855	98.8	146,160	98.9	105,506	98.3	100,427	98.6	84,051	96.8
Wisconsin	345,374	61.5	262,214	72.3	324,926	68.6	432,953	82.0	259,222	71.0	278,666	71.1	200,843	91.7	196,634	93.6
Wyoming	65,032	59.3	64,793	62.2	64,516	59.4	62,231	58.5	53,705	61.2	59,209	61.2	53,074	83.6	45,957	88.8
United States ^{1/}	21,121,518	59.1	20,024,660	60.8	19,707,186	62.4	18,720,059	62.2	17,632,158	65.3	18,011,230	65.1	14,460,624	78.6	13,169,479	79.8

^{1/} Excludes deposits of the District of Columbia, which are included with Federal Government deposits in reports of the Federal Deposit Insurance Corporation. Excludes also, deposits of Guam, Puerto Rico, and Virgin Islands.

Source: Federal Deposit Insurance Corporation, Assets, Liabilities, and Capital Accounts -- Commercial and Mutual Saving Banks, Reports of Call Nos. 47, 52, 60, 61, 63, 64, 66, and 68.

Table 7. - Demand and Time Deposits of State and Local Governments in Insured Commercial Banks
by States: June 30, 1964
(Dollar amounts in thousands)

State	All deposits (public and private)	Time and demand deposits of State and local governments				
		Total		Time	Demand	
		Amount	Percent of all deposits	Amount	Amount	Percent of total
Alabama	\$ 2,639,092	\$ 268,354	10.2	\$ 36,298	\$ 232,056	86.5
Alaska	277,235	61,722	22.3	37,928	23,794	38.6
Arizona	1,813,201	182,849	10.1	46,319	136,530	74.7
Arkansas	1,673,644	138,411	8.3	10,764	127,647	92.2
California	32,194,067	2,669,229	8.3	1,987,506	681,723	25.5
Colorado	2,560,015	222,905	8.7	119,751	103,154	46.3
Connecticut	2,945,379	208,520	7.1	92,185	116,335	55.8
Delaware	823,937	65,177	7.9	15,675	49,502	76.0
Florida	6,248,278	620,457	9.9	299,051	321,406	51.8
Georgia	3,720,840	401,782	10.8	132,636	269,146	67.0
Hawaii	868,307	132,219	15.2	61,280	70,939	53.7
Idaho	754,635	82,206	10.9	- -	82,206	100.0
Illinois	21,817,060	1,462,209	6.7	563,135	899,074	61.5
Indiana	5,708,140	668,628	11.7	47,496	621,132	92.9
Iowa	3,682,508	286,717	7.8	28,296	258,421	90.1
Kansas	2,925,905	494,751	16.9	83,217	411,534	83.2
Kentucky	2,783,337	222,381	8.0	43,632	178,749	80.4
Louisiana	3,515,244	491,655	14.0	90,186	401,469	81.7
Maine	733,826	29,505	4.0	2,506	26,999	91.5
Maryland	3,040,634	218,674	7.2	64,738	153,936	70.4
Massachusetts	6,153,586	374,145	6.1	57,430	316,715	84.7
Michigan	11,900,016	961,081	8.1	558,575	402,506	41.9
Minnesota	5,179,059	395,753	7.6	105,065	290,688	73.5
Mississippi	1,688,225	217,818	12.9	3,586	214,232	98.4
Missouri	7,200,835	395,222	5.5	155,611	239,611	60.6
Montana	969,435	95,769	9.9	20,206	75,563	78.9
Nebraska	1,931,404	133,486	6.9	12,570	120,916	90.6
Nevada	625,816	75,345	12.0	31,657	43,688	58.0
New Hampshire	493,455	34,195	6.9	8,433	25,762	75.3
New Jersey	8,944,449	541,213	6.1	131,984	409,229	75.6
New Mexico	881,963	138,830	15.7	46,293	92,537	66.7
New York	54,377,141	2,619,705	4.8	1,300,403	1,319,302	50.4
North Carolina	3,465,070	339,571	9.8	167,405	172,166	50.7
North Dakota	819,445	61,029	7.4	17,349	43,680	71.6
Ohio	13,441,793	902,971	6.7	293,165	609,806	67.5
Oklahoma	3,228,566	326,734	10.1	41,995	284,739	87.1
Oregon	2,407,951	213,215	8.9	113,885	99,330	46.6
Pennsylvania	17,643,371	945,497	5.4	490,008	455,489	48.2
Rhode Island	1,061,152	79,017	7.4	22,577	56,440	71.4
South Carolina	1,193,169	124,511	10.4	25,372	99,139	79.6
South Dakota	915,026	130,448	14.3	40,055	90,393	69.3
Tennessee	4,356,300	461,771	10.6	148,068	313,703	67.9
Texas	15,123,366	1,384,915	9.2	735,387	649,528	46.9
Utah	1,179,371	120,348	10.2	51,015	69,333	57.6
Vermont	491,972	15,599	3.2	3,713	11,886	76.2
Virginia	4,153,831	313,807	7.6	120,990	192,817	61.4
Washington	3,317,946	258,633	7.8	2,902	255,731	98.9
West Virginia	1,532,693	122,133	8.0	2,613	119,520	97.9
Wisconsin	5,573,206	345,374	6.2	133,053	212,321	61.5
Wyoming	487,626	65,032	13.3	26,485	38,547	59.3
United States ^{1/}	281,462,522	21,121,518	7.5	8,630,449	12,491,069	59.1

^{1/} Excludes deposits of the District of Columbia, which are included with Federal Government deposits in reports of the Federal Deposit Insurance Corporation. Excludes also, deposits of Guam, Puerto Rico, and Virgin Islands.

Source: Federal Deposit Insurance Corporation, Assets, Liabilities, and Capital Accounts -- Commercial and Mutual Saving Banks, June 30, 1964, Report of Call No. 68.

15 impair the power of a municipality, county, school district
16 or other local governmental unit or political subdivision to
17 hold funds in deposit accounts with banking institutions as
18 otherwise authorized by law.

1. Section 2. The governing body may delegate the investment
2 authority provided by Section 1 of this act to the treasurer
3 or other financial officer charged with custody of the funds
4 of the local government, who shall thereafter assume full
5 responsibility for such investment transactions until the
6 delegation of authority terminates or is revoked.

1 Section 3. The state /insert title of the state official
2 or agency responsible for investing state funds⁷ is authorized
3 and directed to assist local governments in investing funds
4 that are temporarily in excess of operating needs by:

5 (a) explaining investment opportunities to such local
6 governments through publication and other appropriate means;

7 (b) acquainting such local governments with the state's
8 practice and experience in investing short-term funds; and

9 (c) providing technical assistance in investment of idle
10 funds to local governments that request such assistance.

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