

# Local Government in Two Rural Ohio Counties

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# LOCAL GOVERNMENT IN TWO RURAL OHIO COUNTIES<sup>1</sup>

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## INTRODUCTION

During the past few years, attention has been focused on local government both rural and urban, partly because of the stresses developed in a time of economic depression and partly because of tendencies of longer standing. Thus we find local government in rural areas being scrutinized by those concerned with agriculture because the economic and social welfare of rural people is being affected in various ways. The following statements summarize some of the reasons why local government has been discussed and studied by taxpayers' organizations, legislators, civic groups with various interests, and finally, why this study has been conducted.

**Expanded public service.**—Present-day requirements on government are much more costly than the standards accepted a generation ago. So far as local government in rural areas is concerned, the principal change has come in education, highways, and welfare.

**High taxes.**—Property taxation, the only major tax developed which fits local administration, no longer provides an equitable method of financing a large share of local government. Before the burden was lightened the past few years the increase in delinquency threatened a breakdown in the system of property taxation.

**Campaigns for economy.**—One direct result of the high property taxes was campaigns for economy directed by various organizations, mostly taxpayers, who often viewed much governmental activity as inexcusable waste.

**Substitute taxes.**—Public demand in the aggregate will not long remain quiescent when standards of service are substantially lowered. Therefore, other taxes have been substituted for property taxation. The more important examples are the gasoline tax, motor vehicle licenses, various special sales taxes, and the general retail sales tax.

**Centralized administration.**—Nearly all new taxes available are adapted to state or national administration rather than local. This in itself implies some shift in responsibility from local to central departments both for fiscal administration and for determination of service policies.

**Devitalized local government.**—When the policy-forming function and administration are centralized, a decline in the vitality of the smaller units of local government seems inevitable.

**Local political democracy needs to be redefined.**—The sequence of events through which we are passing may have serious effects on the spirit of local political democracy. Maintenance of truly democratic methods of government is a part of our political philosophy. This becomes increasingly difficult when public service grows complex, when administrative units are large, and when

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control of policy is so remote that the individual voter loses personal contact with the policy-forming division of government. The basic difficulty rests with the individual, who may feel that his voice and vote no longer count. In order to maintain local political democracy the individual citizen needs a wider grasp than ever before of the governmental pattern devised to serve him and of the problems associated with it.



Fig. 1.—Location of Noble and Putnam Counties

These counties were selected as being representative rural areas; Noble in the southeastern hills, Putnam in the level lands of northwestern Ohio.

**Should local government be reorganized?**—Investigations of local government often result in the claim that the present administrative organization is needlessly inflexible, complex, expensive, and antiquated. Fundamentally, these charges have most of their foundation in the fact that rapid transportation and communication, inventions, science, and the consequent industrial developments have changed the economic and social pattern in which local government must function but so far have not resulted in much change in the administrative organization.

In view of the conditions and claims mentioned, it was deemed desirable to conduct a study of local government in two areas selected as typical of rural Ohio; and further, to obtain such ideas as residents of the areas might have relative to their local governments. The primary purpose of this bulletin is to present facts on public finance which will aid rural people to understand the developments which are affecting local government at present and possibly shaping its future. It must be recognized that the average person often does not have sufficient facts at hand to form an accurate opinion either of existing conditions or proposed changes. The data presented in this publication by no means answer all the questions raised in the preceding paragraphs. It is hoped, however, that the reader will have them in mind when considering the material that follows.

#### THE AREAS STUDIED

The data presented in this bulletin apply directly to two counties only, but these were selected with the view that they were roughly representative of much larger areas, Noble of the southeastern hill section and Putnam of western Ohio. The following facts will help to visualize the circumstances associated with these areas.

**Population.**—Both Noble and Putnam Counties are entirely rural as classified by the federal census; i. e., they contain no incorporated towns of 2,500 or more population. Both counties have lost population, a tendency common to large areas of rural Ohio. The total population of Putnam was 32,525 in 1900 and 25,074 in 1930, a decline of 23 per cent. Noble County reached a peak 20 years sooner, containing a population of 21,138 in 1880 and 14,961 in 1930, a decline of 29 per cent. The population of both counties is predominantly native-born white.

TABLE 1.—Noble County Statistics of Population

	1870	1880	1890	1900	1910	1920	1930
Total.....	19,949	21,138	20,753	19,466	18,601	17,849	14,961
White.....	19,864	21,044	20,716	19,428	18,556	17,825	14,933
Negro.....	85	94	37	37	44	24	28
Foreign-born white.....	664	546	345	244	591	938	411
Unincorporated area.....					15,195	13,991	11,565
Incorporated villages.....					3,406	3,858	3,396

TABLE 2.—Putnam County Statistics of Population

	1870	1880	1890	1900	1910	1920	1930
Total.....	17,081	23,713	30,188	32,525	29,972	27,751	25,074
White.....	17,008	23,619	30,125	32,467	29,946	27,723	25,073
Negro.....	73	94	62	58	26	28	2
Foreign-born white.....	2,048	2,046	1,989	1,574	1,090	723	458
Unincorporated area.....					18,768	17,054	15,211
Incorporated villages.....					11,204	10,697	9,863

**Occupation of the people.**—In both Noble and Putnam Counties agriculture is the chief industry, being the occupation of 54.28 per cent of all gainfully employed persons in Noble and 51.35 per cent in Putnam, according to data obtained from the census of 1930. Personal service occupations rank next,

accounting for 16.71 per cent of the gainfully employed in Noble and 23.48 per cent in Putnam. The latter county supports more and larger trade centers, which, however, are primarily dependent for their business on persons engaged in agriculture. Extraction of minerals (coal, petroleum, and gas) is relatively important in Noble, employing 12.11 per cent of the gainful workers as compared with 0.96 per cent in Putnam. Manufacturing industry employs 6.87 per cent of the workers in Noble, 10.40 in Putnam; transportation and communication employ 6.50 per cent in Noble, 8.71 per cent in Putnam.

In terms of total population 33.54 per cent of the people in Noble County were gainfully employed as compared with 32.15 per cent in Putnam.

The general comparisons given indicate no decided difference in the occupational background of the two counties, although it may be pointed out that extraction of minerals is of greater relative importance to Noble County than is indicated by the census, owing to part-time employment in coal mines or in the oil fields of persons primarily engaged in agriculture.

TABLE 3.—Population, Land Area, Land Use, and Wealth  
in Noble and Putnam Counties

	Noble County	Putnam County
Population, total (1930 census).....	14,961	25,074
Population in unincorporated territory (1930 census).....	11,565	15,211
Population in incorporated villages (1930 census).....	3,396	9,863
Number of townships.....	15	15
Number of incorporated villages.....	6	15
Land area in acres.....	255,360	308,480
Land area in square miles.....	399	482
Population per square mile, total county.....	37.5	52.0
Population per square mile in unincorporated territory.....	29.2	32.3
Number of farms (1935 census).....	2,493	3,135
Land area in farms, acres (1935 census).....	242,219	308,480
Percentage of total land area in farms.....	94.9	95.3
Value of farm real estate, total (1935 census).....	\$5,805,141	\$20,967,275
Average per acre value of farm real estate (1935 census).....	\$23.97	\$71.30
Acres in crops, 1934 total (1935 census).....	57,526	211,621
Acres in pasture, 1934 total (1935 census).....	172,580	52,734
Acres of land listed for taxation in rural territory (1934).....	253,751	301,217
Tax valuation in rural territory in 1934 of:		
Real estate.....	\$5,562,110	\$19,871,580
Tangible personal property.....	350,758	804,079
Public utility property.....	1,763,840	4,283,190
Total.....	\$7,676,708	\$24,958,849
Tax valuation in incorporated villages (1934) of:		
Real estate.....	\$1,244,290	\$4,803,340
Tangible personal property.....	137,162	647,149
Public utility property.....	132,900	1,289,740
Total.....	\$1,514,352	\$6,740,229
Tax valuation of intangibles, total county (1934).....	261,281	783,841
Grand total tax valuation of county (1934).....	\$9,452,341	\$32,482,919

**Wealth.**—It is impossible to give a complete appraisal of the wealth in these areas. However, certain census and tax data having a bearing on the subject are given in Table 3. To summarize the situation briefly, about twice as much wealth per capita<sup>2</sup> exists in Putnam as in Noble; or in terms of total wealth, there is about three and one-half times as much in Putnam as in Noble.

<sup>2</sup>The total tax valuation of all property in 1934 averaged \$631.80 per capita in Noble and \$1,295.48 in Putnam.

Evidently the western Ohio county can maintain a certain standard of public service with less burden than the southeastern county; or if the burden on the people be held constant, either a less expensive type of service could be maintained in the area of smaller wealth or more state aid would be necessary. Observations of the actual facts lead to the conclusion that all these factors operate; i. e., in areas of smaller wealth higher tax rates are levied, some service is sacrificed, and more state aid is supplied.

#### METHOD USED IN THIS STUDY

In order to present a picture of local government, two things were done: first, the finances, both income and expenditures, over a period of years were given some analysis in conjunction with a discussion of the administrative organization as observed by personnel making the study and local officials and other residents interviewed; second, the attempt was made to obtain from local people suggestions for improvement of the entire governmental organization.

#### THE SUBDIVISIONS OF GOVERNMENT INCLUDED

All units of local government in the two areas were included. In Noble these comprised, at the beginning of the period studied, the county unit of government, 15 townships, 16 school districts, and 6 villages;<sup>3</sup> in Putnam, the county, 15 townships, 22 school districts, and 15 villages. The county school district and health district are legally separate districts but have been included as departments of the county government.

Obviously, a separate discussion for each of the 91 units of government in the two counties would be impossible in any short publication. The procedure followed has been to combine the finances of the various units of government in each county so far as practicable.

#### THE PERIOD COVERED

Data on finances of the counties and townships were assembled for the years 1932 to 1936 inclusive. School district finances were taken on the fiscal school year basis covering the years of 1931-32 to 1935-36 inclusive. Data on village finances were assembled for 4 years, 1932 to 1934 inclusive and 1936.

It was deemed advisable to assemble data on finance over as many years as practicable in order to trace and illustrate the changes and trends. Disturbed economic conditions have affected governmental finance and service sufficiently to cause the data for any recent year to be in some degree unrepresentative of either prior or succeeding periods.

Most of the field work was done in the autumn and winter of 1934-35.

#### THE RECEIPTS AND PAYMENTS OF ALL UNITS OF LOCAL GOVERNMENT IN NOBLE AND PUTNAM COUNTIES

Local government is a patchwork made more complicated by the fact that the patches overlap. The county covers all; outside cities of 5,000 or more population the townships administer some services reaching all the people; the local school districts may or may not coincide with township areas; within the

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<sup>3</sup>The Muskingum Valley Conservancy District materially affects three Noble County townships, Wayne, Seneca, and Beaver; this represents another layer of government, the activities of which are not covered in this bulletin.



townships may be incorporated villages functioning independently of the township in most matters; the county school district includes all rural and non-exempted village districts within the county; the county health district includes all villages and townships in the county. All these units of local government and districts have administrative boards vested also with the legislative power to levy taxes and appropriate money within the limits imposed by state law.

In order to simplify the picture of local finance the receipts and expenditures of all these units of local government within each county have been combined in Table 4. Later the various units will be discussed separately, but it is desirable first to appraise the sources of revenue and the services rendered in an area without the confusion involved when the various subdivisions are each assigned their particular share.

**Revenue receipts, Noble County.**—The revenue income of all units of local government in Noble County totaled \$638,425 in 1932, \$611,991 in 1934, and \$657,431 in 1936. In terms of total population (1930 census) this represents a

**TABLE 4.—Receipts and Payments of All Units of Government in Noble and Putnam Counties in 1932, 1934, and 1936**

Data in this table and all subsequent tables were assembled from the annual financial reports of the individual units of government, except when otherwise noted.

	Noble			Putnam		
	1932	1934	1936	1932	1934	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>						
General and classified property tax	221,530	191,584	164,918	501,085	421,945	426,004
Special assessments	24,044	16,306	8,475	42,849	31,758	22,165
Retail sales tax (local government fund share)			4,951			8,683
Inheritance tax	438	283	223	1,545	778	1,774
Gasoline tax	103,485	80,079	94,386	105,736	83,629	108,958
Motor vehicle licenses	31,036	42,610	43,677	51,532	51,178	70,217
School districts' share of state taxes	33,085	49,887	106,983	105,014	116,255	17,962
Cigarette, beer, and liquor licenses	265	1,543	3,044	668	5,970	8,518
Dog and kennel licenses	2,695	4,426	2,662	3,201	4,004	3,986
Other licenses and permits	40	162	194	110	653	262
Fines, forfeits, etc.	537	1,279	1,829	2,057	776	825
Grants in aid, state and federal	164,343	174,865	180,595	6,756	41,381	244,306
Earnings of general departments	14,866	11,530	14,540	21,443	23,372	31,621
Public service enterprises	29,328	30,723	28,415	55,901	54,104	61,761
Interest	6,007	4,219	352	11,809	9,057	2,213
Miscellaneous	6,726	2,495	1,877	6,854	5,073	7,643
<b>Total revenue receipts</b>	<b>638,425</b>	<b>611,991</b>	<b>657,121</b>	<b>916,560</b>	<b>849,933</b>	<b>1,016,898</b>
Borrowed funds	7,664	64,326	81,534	5,000	70,020	71,540
<b>Governmental cost payments:</b>						
General government	52,719	96,392*	43,920	85,031	101,314†	90,064
Protection	9,677	9,807	8,708	22,616	19,087	22,590
Highways and streets	183,390	130,602	142,040	245,142	162,181	161,229
Charities, hospitals, and correction	23,159	54,366	29,031	56,820	133,371	94,277
Education	277,044	264,435	370,187	368,494	310,235	353,719
Health and sanitation	3,151	3,872	4,537	6,528	9,895	105,848‡
Recreation	243	208	50	521	1,452	272
Development and conservation of natural resources	4,078	2,018	3,413	5,606	6,237	4,535
Public service enterprises	28,725	38,290	29,093	49,494	52,122	53,316
Interest	24,971	18,593	21,407	24,505	32,923	21,105
Miscellaneous	1,962	1,864	3,709	3,881	8,147	15,454
<b>Total governmental cost payments</b>	<b>609,120</b>	<b>620,447</b>	<b>656,095</b>	<b>868,638</b>	<b>836,964</b>	<b>927,409</b>
Debt payments	80,513	46,122	59,189	143,001	207,199	90,530

\*Includes \$44,298, capital outlay for court house.

†Includes \$15,715, capital outlay for town hall.

‡Includes \$88,250, capital outlay for sewage disposal system.

TABLE 4.—Receipts and Payments of All Units of Government in Noble and Putnam Counties in 1932, 1934, and 1936—Continued

	Noble			Putnam		
	1932	1934	1936	1932	1934	1936
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
<b>Revenue receipts:</b>						
General and classified property tax	34.70	31.31	25.10	54.67	49.64	41.89
Special assessments	3.77	2.66	1.29	4.67	3.74	2.18
Retail sales tax (local government fund share)			.75			.85
Inheritance tax	.07	.05	.03	.17	.09	.17
Gasoline tax	16.21	13.08	14.37	11.54	9.84	10.71
Motor vehicle licenses	4.86	6.96	6.64	5.62	6.02	6.91
School districts' share of state taxes	5.18	8.15	16.28	11.46	13.67	1.77
Cigarette, beer, and liquor licenses	.04	.25	.46	.07	.70	.84
Dog and kennel licenses	.42	.72	.41	.35	.47	.39
Other licenses and permits	.01	.03	.03	.01	.08	.03
Fines, forfeits, etc.	.09	.21	.28	.22	.09	.08
Grants in aid, state and federal	25.74	28.58	27.48	.74	4.87	24.03
Earnings of general departments	2.33	1.88	2.21	2.34	2.75	3.11
Public service enterprises	4.59	5.02	4.33	6.10	6.37	6.07
Interest	.94	.69	.05	1.29	1.07	.22
Miscellaneous	1.05	.41	.29	.75	.60	.75
<b>Total revenue receipts</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Governmental cost payments:</b>						
General government	8.65	15.54	6.70	9.79	12.10	9.71
Protection	1.59	1.58	1.33	2.60	2.28	2.44
Highways and streets	30.11	21.05	21.65	28.22	19.38	17.38
Charities, hospitals, and correction	3.80	8.76	4.42	6.54	15.94	10.16
Education	47.58	42.62	56.42	42.42	37.07	38.14
Health and sanitation	.52	.62	.69	.75	1.18	11.41
Recreation	.04	.03	.01	.06	.17	.03
Development and conservation of natural resources	.67	.33	.52	.65	.75	.49
Public service enterprises	4.72	6.17	4.43	5.70	6.23	6.29
Interest	2.00	3.00	3.26	2.82	3.93	2.28
Miscellaneous	.32	.30	.57	.45	.97	1.67
<b>Total governmental cost payments</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

per capita sum of \$42.67, \$40.91, and \$43.94 in the same 3 years, respectively. Where did the money come from? The reader is referred to Table 4 for the details; but it may be pointed out that local property taxes produced about 35 per cent of the money in 1932 and 25 per cent in 1936; the difference was made up out of state-collected taxes returned to the locality either as a designated share of the tax yield or as state (or federal) aid determined on the basis of need.

**Revenue receipts, Putnam County.**—The revenue income totaled \$916,560 in 1932, \$849,933 in 1934, and \$1,016,898 in 1936, a sum per capita of \$36.55, \$33.90, and \$40.56 in the 3 years, respectively. The same general tendencies in finance exist in Putnam as in Noble owing principally to changes in state tax laws. However, Putnam has relatively good local resources and, therefore, continues to obtain more money from local tax levies, which amounted to 54.67 per cent of the revenues in 1932 and 41.89 per cent in 1936. State-collected taxes and direct aid supplied 30.96 per cent of the income in 1932 and 63.42 per cent in 1936. The proportion of aid in the latter year is abnormally high because of the inclusion in the accounts of a village of a federal (W. P. A.) grant for a sewage disposal system, a nonrecurring expense. Practically no direct state aid for schools came into Putnam prior to the recent adoption in Ohio of a system of universal state aid.

Earnings of general departments are nearly all associated with the county government. Public service enterprises are mainly village light and water systems, and their income from service rendered usually offsets the expenses. Also, township cemeteries are a type of public service enterprise usually partially self-supporting. All units of government receive some revenue from various other sources as listed in Table 4.

**Governmental cost payments.**—These, in the long run, roughly equal the revenue income, although in particular years the expenditure of borrowed money or the building up of cash balances may cause one or the other to be the larger. Governmental costs have been classified according to function in Table 4. A little additional explanation will aid in the interpretation of the figures.

General government costs cover the salaries and expenses of the township boards, village councils, and county officials except those strictly associated with functions other than general government; the outlay and upkeep of township and village halls and the court house; heat, light, and incidental supplies and services consumed in maintaining the offices. In Noble the cost of general government normally represents 7 to 8 per cent of all governmental costs, although the building of a new court house in 1934 doubled the proportion in that year.

In Putnam, general government costs run a little higher than in Noble because of the presence of more units of government (15 incorporated villages as compared with 6 in Noble).

Protection to person and property represents about 1.5 per cent of the total costs in Noble and 2.5 per cent in Putnam. Township bounties on predatory animals have been paid to a limited extent, but the principal costs are the county sheriff's and recorder's offices and village police and fire departments.

Highways and streets have ranked second as an expense in both counties (education first), representing close to a third of the total cost payments in 1932 and about one-fifth in 1936. Different topographical conditions definitely affect the service of highway construction and maintenance in the two counties.

**TABLE 5.—Mileage of Various Types of Roads in the Township, County, and State Highway Systems of Noble and Putnam Counties, 1936\***

Type of road	Noble				Putnam			
	Township	County	State	Total	Township	County	State	Total
Brick .....			12.63	12.63				
Concrete .....	0.24	0.20	9.00	9.44	0.20	0.25	20.76	21.21
Bituminous concrete .....			1.00	1.00			6.25	6.25
Kentucky rock asphalt .....							14.80	14.80
Bituminous macadam .....		32.70	2.84	35.54		47.80	34.76	82.56
Water-bound macadam .....			11.90	11.90		3.60	7.57	11.17
Stone, gravel, and tar-bound macadam .....	111.15	145.20	96.57	352.92	564.10	317.95	87.44	969.49
Earth .....	612.42	6.30		618.72	73.85			73.85
Total, all types .....	723.81	184.40	133.94	1,042.15	638.15	369.60	171.58	1,179.33

\*Data supplied by the State Department of Highways.

**Noble County roads.**—It is indicated in Table 5 that the county contains 1,042 miles of road. Part of the mileage in the township system could be classified as abandoned although legally still a part of the highway system. Map measurement of the township roads in actual use indicates that about 9 miles per township, or 140 miles in the county, are no longer in public use.

Road improvement has progressed as rapidly as finances would permit. In 1930, according to the federal census, 1,533 farms were on unimproved earth roads and 784, or about one-third of the total, on roads of higher type. Comparable figures are not available for a later date, although, as indicated in Table 5, by 1936 about 40 per cent of the road mileage in the county had received some type of improvement; and if the before-mentioned abandoned mileage is not counted, about 50 per cent is improved. Highway expenditures on the present or an enlarged scale are necessary in order to maintain and extend the system of improved roads. Nearly all the unimproved roads are in the township system and can be satisfactorily improved by a limited application of stone or gravel. The broken topography, type of soil, and limited local supplies of stone suitable for surfacing roads add to the cost and have retarded the road building program.

**Putnam County roads.**—Nearly all farms in the county are adjacent to a surfaced road owing to a combination of favorable circumstances: first, nearly all the land warrants improvement and in the past has supplied a reasonably good tax base for road purposes; second, the level topography allows the road system to be standardized both as to layout on the checkerboard system of land survey and conventional stone surface construction; third, ample supplies of limestone are locally available. Another characteristic of the Putnam County road system is the decentralized system of administration whereby a substantial road mileage is under township supervision, a point which will be further mentioned under township government.

**Charities, hospitals, and correction.**—Most of this expense can be associated with charity. Funds for this purpose passing through the treasuries of local government by no means represent the total cost of charity in either area in the period studied. As accounted for, Noble County governments so spent only 3.80 per cent of the governmental payments in 1932, 8.76 per cent in 1934, and 4.42 per cent in 1936. In Putnam County, the percentages were 6.54, 15.94, and 10.16 in the same 3 years, respectively. Welfare activities are administered by so many agencies that it is difficult to make an appraisal of the total situation. Normally townships supply temporary relief in all areas outside of cities containing 5,000 or more population. In the period since 1932, however, much of the emergency relief load has been turned over to the county emergency relief office. This is particularly true in Noble County, where the townships dropped nearly all the relief load. In Putnam County the townships continued to supply relief to the limit of their resources, particularly medical service, hospitalization, and burials. But these activities by no means cover the extent of the welfare work. Mothers' pensions are administered by the county juvenile court; soldiers' and sailors' relief by the county commissioners' office; aid for the blind comes from the same source; county homes for the indigent are maintained in both counties; some dependent children are maintained in private homes (no children's home in either county). In addition to these, the state system of old-age pensions, half state and half federal funds, represents a welfare expenditure larger than all others combined. Following is a statement of these costs in 1936:

	Noble County	Putnam County
County home .....	\$ 5,103	\$ 14,249
Dependent and crippled children .....	6,133	239
Blind relief .....	1,666	1,955
Mothers' pensions (and children) .....	957	9,957
Soldiers' and sailors' relief .....	475	1,441
County maintenance of persons in state institutions .....	2,123	4,321
Other (emergency) relief by county .....	10,053	35,610
Township relief: medical and hospital .....	548	10,417
Township relief: burial .....	173	1,158
Township relief: other .....	382	5,884
Old-age pensions (state-federal) .....	86,038	99,980
Rural Resettlement Administration .....	Unknown	1,706
Total .....	113,651	186,917

When allowance is made for differences in population, practically the same rate of expenditure for welfare purposes exists in the two counties, \$7.60 per capita in Noble, \$7.48 in Putnam in 1936.

TABLE 6.—Receipts and Payments of Noble County Governments, 1936

	County	Town- ships	School districts	Villages	Total
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
General and classified property tax .....	54,501	12,987	89,655	7,775	164,918
Special assessments .....	5,928			2,547	8,475
Retail sales tax .....	2,926	1,825		200	4,951
Inheritance tax .....				223	223
Gasoline tax .....	58,400	30,354		5,632	94,386
Motor vehicle licenses .....	40,519			3,158	43,677
Share of state taxes .....			106,983		106,983
Cigarette, beer, and liquor licenses .....	200	1,210		1,634	3,044
Dog and kennel licenses .....	2,662				2,662
Other licenses and permits .....	172			22	194
Fines, forfeits, etc. ....	1,391			438	1,829
Grants in aid, state and federal .....	12,443		168,152		180,595
Earnings of general departments .....	14,540				14,540
Interest .....		83	167	102	352
Miscellaneous .....		275	1,205	397	1,877
Public service enterprises .....		292		28,123	28,415
Total revenue receipts .....	193,982	47,036	366,162	50,251	657,121
Borrowed funds .....	1,500		77,784	2,250	81,534
<b>Governmental cost payments:</b>					
General government .....	38,300	12,809		2,811	53,920
Protection .....	7,970			738	8,708
Highways and streets .....	101,763	35,111		5,166	142,040
Charities, hospitals, and correction .....	27,928	1,103			29,031
Education .....	5,998		364,189		370,187
Health and sanitation .....	3,227			1,310	4,537
Recreation .....		50			50
Development and conservation of natural resources .....	3,413				3,413
Public service enterprises .....		536		28,557	29,093
Interest .....	3,484	725	14,616	2,582	21,407
Miscellaneous .....	2,415	330		964	3,709
Total governmental cost payments .....	194,498	50,664	378,805	42,128	666,095
Debt payments .....	23,200	1,600	23,390	10,999	59,189

Education will be more fully discussed in connection with the local school district organization, which covers practically the entire cost. The county school district expenditures, which totaled about \$6,000 in Noble and \$8,000 in Putnam in 1936, have been treated as a part of the county costs.

In Noble County the total educational expenses represented 47.58 per cent of the total governmental costs in the county in 1932, 42.62 per cent in 1934, and 56.42 in 1936. In Putnam, the percentages were 42.42, 37.07, and 38.14 in the same years, respectively. In the latter county the presence of five parochial schools, which are not financed by public funds, has tended to hold educational costs of the school districts a little below what they would be if all students were attending the public schools. However, as will be indicated later in the analysis of school district costs, the per pupil expenditure in Putnam is relatively low.

TABLE 7.—Receipts and Payments of Putnam County Governments, 1936

	County	Townships	School districts	Villages	Total
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
General and classified property tax.....	106,265	72,360	214,678	32,701	426,004
Special assessments.....	12,315	343	.....	9,507	22,165
Retail sales tax.....	372	2,959	.....	5,352	8,683
Inheritance tax.....	.....	1,244	.....	530	1,774
Gasoline tax.....	58,613	36,540	.....	13,805	108,958
Motor vehicle licenses.....	61,765	.....	.....	8,452	70,217
Share of state taxes.....	.....	.....	17,962	.....	17,962
Cigarette, beer, and liquor licenses.....	488	325	.....	7,705	8,518
Dog and kennel licenses.....	3,986	.....	.....	.....	3,986
Other licenses and permits.....	.....	.....	.....	262	262
Fines, forfeits, etc.....	347	20	.....	458	825
Grants in aid, state and federal.....	47,986	.....	163,070	33,250	244,306
Earnings of general departments.....	28,280	.....	.....	1,050	29,330
Interest.....	587	546	426	654	2,213
Miscellaneous.....	.....	658	5,524	1,461	7,643
Public service enterprises.....	.....	2,291	.....	61,761	64,052
<b>Total revenue receipts.....</b>	<b>321,004</b>	<b>118,336</b>	<b>401,660</b>	<b>175,898</b>	<b>1,016,898</b>
<b>Borrowed funds.....</b>	<b>29,422</b>	<b>.....</b>	<b>42,118</b>	<b>15,064</b>	<b>71,540</b>
<b>Governmental cost payments:</b>					
General government.....	59,887	15,177	.....	15,000	90,064
Protection.....	11,112	25	.....	11,453	22,590
Highways and streets.....	61,830	75,486	.....	23,913	161,229
Charities, hospitals, and correction.....	76,807	17,459	.....	11	94,277
Education.....	8,272	.....	345,447	.....	353,719
Health and sanitation.....	5,585	.....	.....	100,263	105,848
Recreation.....	.....	83	.....	189	272
Development and conservation of natural resources.....	4,535	.....	.....	.....	4,535
Public service enterprises.....	1,011	4,549	.....	52,756	58,316
Interest.....	4,795	.....	10,581	5,729	21,105
Miscellaneous.....	3,041	3,589	.....	8,824	15,454
<b>Total governmental cost payments.....</b>	<b>236,875</b>	<b>116,368</b>	<b>356,028</b>	<b>218,138</b>	<b>927,409</b>
<b>Debt payments.....</b>	<b>53,525</b>	<b>.....</b>	<b>37,005</b>	<b>15,718</b>	<b>90,530</b>

Health and sanitation expenses cover, first, the activities of the county health district, which is treated here as a department of the county, and, second, the sewage disposal systems of villages. Registration of vital statistics and tuberculosis testing of cattle have been included in health expenses but these are of very minor cost. Health and sanitation represent less than 1 per cent of all local expenditures in Noble and are only fractionally higher in Putnam, with the exception of 1936. In that year a sewage disposal system constructed by one village with the federal aid of a works project raised the sanitation cost to 11.41 per cent of all expenses in the county.

Recreational expenses, as reported, represent some small appropriations made by a few townships and the counties for Memorial Day.

Development and conservation of natural resources include expenditures for the county fairs, farmers' institutes, and county agricultural agents; all these items are included under agriculture in the financial records of the county. At least a large share of these expenses is also educational. In Putnam County the expense of drainage ditches also is included. All these services combined represent a negligible sum, ranging around 0.5 per cent of all local costs.

TABLE 8.—Percentage Distribution of Revenue Receipts and Government Cost Payments of Noble County Governments in 1932 and 1936

	County		Townships		School districts		Villages	
	1932	1936	1932	1936	1932	1936	1932	1936
	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>
<b>Revenue receipts:</b>								
General and classified property tax	36.96	28.10	48.70	27.61	34.00	24.49	12.47	15.47
Special assessments	7.92	3.05					13.73	5.07
Retail sales tax		1.51		3.88				.40
Inheritance tax				.49				.45
Gasoline tax	32.00	30.10	43.48	64.53			9.59	11.21
Motor vehicle licenses	11.72	20.89	5.89				5.06	6.28
School districts' share of state taxes					10.99	29.21		
Cigarette, beer, and liquor licenses	.07	.10	.03	2.57			.15	3.25
Dog and kennel licenses	1.35	1.53					.07	.04
Other licenses and permits	.10	.72					.57	.87
Fines, forfeits, etc.	.53	6.41			54.24	45.92		.79
Grants in aid, state and federal	7.27	7.50						56
Earnings of general departments			.14	.64			48.88	55.97
Public service enterprises	2.08		.85	.18	.32	.05	.39	.20
Interest			.42	.59	.45	.32	8.43	
Miscellaneous								
<b>Total revenue receipts</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Governmental cost payments:</b>								
General government	19.67	19.69	14.45	25.28			4.89	6.67
Protection	3.97	4.10	.66				2.64	1.75
Highways and streets	56.62	52.33	76.49	69.30			23.03	12.26
Charities, hospitals, and correction	9.24	14.36	6.08	2.18			.09	
Education	2.87	3.08			95.49	96.14		
Health and sanitation	1.47	1.66					.47	3.11
Recreation	.10		.05	.10				
Development and conservation of natural resources	2.05	1.75						
Public service enterprises			.86	1.06			58.40	67.79
Interest	3.13	1.79	1.26	1.43	4.51	3.86	10.29	6.13
Miscellaneous	.88	1.24	.15	.65			.19	2.29
<b>Total governmental cost payments</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Public service enterprises include such activities as the water and light systems owned and operated by the larger villages, also township cemeteries. Municipal water and light services when operated are usually self-supporting and represent about one-half of the village financial operations.

Interest payments, the carrying charges on short-time notes and bond issues, range below 4 per cent of the total expenses in both counties.

The process of borrowing money and paying debt is practically a continuous operation when all the governmental units in a county are considered in the aggregate. Some of this debt may be on short-time notes even paid within the year of issue; or it may be on serial bonds coming due over a period of one, two, or more decades. From 1930 to 1933 the general tendency was to make few capital improvements and, therefore, not to issue bonds. Then the tendency changed; federal encouragement of work projects partially financed by federal money encouraged road improvements, school building construction, municipal

water supply and sewage disposal systems, and in the case of Noble County, the erection of a new court house. The foregoing partially explains why Noble County units of government in 1932 borrowed \$7,664 and paid \$80,513; in 1934 borrowed \$64,326 and paid \$46,122; and in 1936 borrowed \$81,534 and paid \$59,189. The general tendency in Noble has been toward a moderate increase in debt since 1932. Putnam County governments continued to reduce the aggregate debt throughout the period of 1932-36.

TABLE 9.—Percentage Distribution of Revenue Receipts and Government Cost Payments of Putnam County Governments in 1932 and 1936

	County		Townships		School districts		Villages	
	1932	1936	1932	1936	1932	1936	1932	1936
	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>	<i>Pct.</i>
Revenue receipts:								
General and classified property tax	46.46	33.10	66.27	61.74	65.92	53.44	31.21	18.59
Special assessments	10.13	3.84	.32	.29			9.24	5.41
Retail sales tax		.12		2.52				3.04
Inheritance tax			.03	1.06			1.15	.30
Gasoline tax	20.02	18.26	22.99	31.10			11.38	7.85
Motor vehicle licenses	12.50	19.34	6.61				3.99	4.81
School districts' share of state taxes					29.83	4.47		
Cigarette, beer, and liquor licenses	.11	.15	.02	.28			.23	4.38
Dog and kennel licenses	1.07	1.24						
Other licenses and permits							.09	.15
Fines, forfeits, etc.	.57	.11	.08	.02			.18	.26
Grants in aid, state and federal	.43	14.95			1.55	40.60		18.90
Earnings of general departments	7.07	8.81					.19	
Public service enterprises			1.87	1.96			40.98	35.11
Interest	1.64	.18	1.65	.47	.82	.11	1.36	.37
Miscellaneous			.16	.56	1.88	1.38		.33
Total revenue receipts	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Governmental cost payments:								
General government	22.90	25.28	11.61	13.04			8.04	6.88
Protection	4.44	4.69	.67	.02			9.19	5.25
Highways and streets	45.13	26.10	68.15	64.87			31.48	10.96
Charities, hospitals, and correction	13.06	32.43	14.47	15.00			2.54	
Education	2.77	3.49			96.65	97.03		
Health and sanitation	2.05	2.36					1.01	45.96
Recreation	.09		.10	.07			.11	.01
Development and conservation of natural resources	2.12	2.35						
Public service enterprises			4.99	3.91			39.65	24.18
Interest	6.03	2.02			3.35	2.97	7.86	2.63
Miscellaneous	1.41	1.28	.01	3.09			.12	4.13
Total governmental cost payments	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The data in Table 6 give a comparison of the finances of the different units of government in Noble County in 1936. Table 7 contains similar data for Putnam. In Noble the county government spent in 1936 approximately 29 per cent of all the money used by the local governments as compared with 8 by the townships, 57 by the school districts, and 6 by the villages. In Putnam the distribution was: county, 26; townships, 13; school districts, 38; and villages, 23. Some significant differences are indicated by these figures: first, the townships assume a more active role in Putnam than in Noble, where relatively more of the total activity centers in the county government; second, a larger village population in Putnam naturally places relatively more financial responsibility on village government; third, probably owing to the method of finance whereby education is largely supported by state funds, the school districts of Noble County are less restricted in their expenditures than are the other subdivisions of government.



## COUNTY GOVERNMENT

**Administrative personnel.**—The administrative organization of all counties in Ohio follows the one conventional pattern adopted when the State was organized and has been subsequently modified only in superficial details. The principal difference between counties is the employment of more assistants in the larger counties. The basic organization is the same regardless of size. Among the criticisms which have been directed at county government is that the conventional type of organization penalizes the smaller counties, because the per capita operating expenses tend to be high in counties of small population. Both counties covered by this study are relatively small. The population in 1930 of Putnam was 25,074, of Noble 14,961. That even this difference in population has some effect on costs is illustrated by the following description of the personnel.

TABLE 10.—Personnel Employed in the Administrative Offices of Noble and Putnam Counties, 1934

Office	Noble			Putnam		
	Officials	Full-time assistants	Part-time assistants	Officials	Full-time assistants	Part-time assistants
Commissioners .....	3	.....	.....	3	1	.....
Auditor .....	1	2	1	1	3	2
Treasurer .....	1	1	1	1	1	1
Recorder .....	1	1	.....	1	1	.....
Sheriff .....	1	1	1	1	1	2
Clerk of courts .....	1	.....	2	1	1	2
Prosecuting attorney .....	1	1	.....	1	.....	.....
Probate judge .....	1	1	.....	1	2	1
Surveyor .....	1	1	.....	1	2	.....
Total .....	11	8	5	11	12	8

In both counties economies enforced by the depression had probably resulted in slight cuts in part-time personnel. The opinion gained by contact with the various offices is that the administration in both counties is up to standard in efficiency and economy; i. e., no important additional savings can be realized under the present system of organization.

Under the present system of organization the elective officials of Noble County represent a total expense for salaries of \$12,392, which equals 82.8 cents per capita of the county population. In Putnam, which contains a larger population, the total annual salary expense for elective county officials is \$18,822.52, or 75.1 cents per capita. In Noble, the 19 full-time employees in the nine offices listed in Table 10 represent one employee for each 787 inhabitants of the county. In Putnam, the 23 full-time employees represent one employee for each 1,090 inhabitants of the county. These figures serve to illustrate how under the existing system of county organization, costs tend to be higher per capita in counties of small population. Some other illustrations follow. The salaries and wages paid all county employees in 1935 represented a cost per capita of \$3.49 in Noble and \$2.80 in Putnam. The operation and maintenance of the county home in Noble cost \$393.14 for each of the 14 inmates in 1935 as compared with \$308.64 for each of the 48 inmates in Putnam. Administration of soldiers' and sailors' relief cost 18 cents for each dollar of relief given in Noble and 2.5 cents in Putnam. The sum total of these and other differences related

to size materially affects the tax rates for county purposes, which were \$6.80 on each \$1,000 in Noble and \$2.60 in Putnam for the collection of 1935. Perhaps a too-broad conclusion should not be drawn from comparison of two counties. Therefore, similar data are given below for all counties in Ohio in 1935 having populations within certain size limits:

	Counties less than 20 thousand population	Counties 20 to 29 thousand population	Counties 30 to 39 thousand population
Salaries and wages expense per capita .....	\$ 4.83	\$ 3.63	\$ 3.45
County home expense per inmate .....	277.87	241.90	211.42
Administrative cost per dollar of soldiers' and sailors' relief .....	0.05	0.03	0.07
Tax rate for county purposes on each \$1,000 .....	4.58	3.69	3.17

The comparison of costs in counties with different sized populations shows the same trend illustrated by the data in Noble and Putnam with the exception of soldiers' relief, an item which has excessive administrative cost in a few individual counties regardless of size.

Should two or more small counties be combined in order to give a greater volume of business to each department? The objection can be raised that this would increase the indirect or social cost of government, for some people would need to travel long distances in order to contact officials and departments. On the other hand, combining departments within existing counties has the possibility of lowering the administrative cost without increasing the social cost of county government. The constitution of Ohio was amended in 1933 to permit the Legislature to establish alternative forms of county government which would permit counties to arrange administration to suit better the conditions of individual counties.<sup>4</sup> Up to the time this was written, legislation had not been enacted.

Since 1930, drives for economy have been directed at all departments of county government. The figures presented in Table 11 serve to illustrate how little change in the cost of general government has been effected. These figures suggest the obvious fact that in the long run, economy must be achieved through changes in organization rather than through sporadic attempts to force economies on the existing organization.

**The finances of Noble and Putnam Counties.**—A statement of the financial transactions of a county is complicated by the fact that the county is the fiscal agent of all units of local government. In order to simplify the picture of the finances directly associated with county functions, the agency and trust funds belonging to townships, school districts, and villages have been omitted from the following tables covering county finances.

In the long run, governmental costs must be paid out of revenue receipts.<sup>5</sup> Attention is particularly directed to these two items in Tables 12 to 15 inclusive.

**Noble County receipts and expenditures.**—Property taxes and assessments yielded about 45 per cent of the total revenue in 1932, 41 in 1934, and 31 in 1936.

<sup>4</sup>For a complete outline of alternative plans for county government the reader is referred to the report by the Governor's Commission on County Government, *The Reorganization of County Government in Ohio*, Columbus, 1934.

<sup>5</sup>A revenue receipt is one that increases the resources without increasing the liabilities. A nonrevenue receipt, for example borrowed funds, increases the resources and also the liabilities; or, as in the case of the sale of capital assets, increases the cash on hand but does not increase the net resources.

In the same 3 years, respectively, the gasoline tax yielded 32, 27, and 30 per cent and motor vehicle licenses 12, 19, and 21 per cent of the county revenue. Fees collected by the various departments usually represented about 7 per cent of the revenue receipts; and grants from the State, mainly for relief purposes and, therefore, temporary, better than 6 per cent in 1936 and less in previous years. Contributions to the county from the retail sales tax are relatively small, representing only 1.51 per cent of the revenues in 1936.

TABLE 11.—Expenditures for the Various Departments of General Government in Noble and Putnam Counties, 1932 to 1936

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Noble County:</b>					
County commissioners .....	3,261	3,187	4,402	4,453	4,850
Auditor .....	5,304	5,235	5,156	5,414	5,014
Treasurer .....	2,963	3,141	3,159	3,691	4,308
Surveyor .....	5,166	3,021	3,035	.....	1,720
Elections commission .....	6,364	4,321	6,870	4,759	6,176
Court of appeals .....	95	154	117	144	156
Court of common pleas .....	3,952	1,996	2,816	2,589	3,154
Probate court .....	3,583	3,669	2,946	3,224	2,860
Justices' and mayors' courts .....	36	.....	.....	.....	.....
Coroner .....	160	176	150	160	150
Prosecuting attorney .....	1,617	1,504	1,946	1,449	1,421
Clerk of courts .....	2,412	2,171	2,026	3,182	1,948
Buildings and grounds: operation and maintenance .....	4,158	4,680	6,076	5,847	6,479
Buildings and grounds: capital outlay .....	.....	4,964	43,599	14,241	64
Total .....	39,071	38,219	82,298	49,153	38,300
<b>Putnam County:</b>					
County commissioners .....	3,362	3,252	4,049	3,326	3,546
Auditor .....	9,906	8,849	8,732	8,995	8,695
Treasurer .....	5,801	5,617	5,336	6,106	5,906
Surveyor .....	5,107	4,731	4,817	4,769	4,766
Election commission .....	8,353	5,059	7,226	5,184	7,893
Court of appeals .....	138	104	97	273	156
Court of common pleas .....	4,779	5,764	5,843	5,712	6,062
Probate court .....	5,863	5,027	4,946	4,899	4,979
Justices' and mayors' courts .....	109	228	166	143	150
Coroner .....	.....	150	300	150	150
Prosecuting attorney .....	2,644	3,293	4,397	4,081	3,536
Clerk of courts .....	4,134	3,854	3,932	4,002	4,036
Buildings and grounds: operation and maintenance .....	10,393	9,161	9,744	10,485	8,891
Buildings and grounds: capital outlay .....	194	97	269	525	1,121
Total .....	60,783	55,186	59,854	58,650	59,887

The foregoing brief description indicates how county activities are dependent principally on three sources of revenue: property taxes (including special assessments), the gasoline tax, and motor vehicle licenses; the last two are intended for road finance and subject to change by the State Legislature rather than by local decision.

Operation, maintenance, and outlay expenditures totaled \$198,000 in 1932 and \$194,000 in 1936, but in the intervening years fluctuated from a low of \$137,000 in 1933 to a high of \$246,000 in 1934. Most of this variation was associated with outlay expenditures; little road was constructed in 1933 and more than the usual amount in 1934 in conjunction with various public works projects intended to aid the unemployed. A new court house was badly needed and was made possible as a works project qualifying for federal aid. The county's contribution to this purpose is represented approximately by the capital outlay expenditures recorded under general government. Construction of the court house represents an unusual and nonrecurring expense.

Three types of activity when combined account for about 90 per cent of the Noble County expenditures: general government for about 20, highways for 50 to 60, and welfare activities for from less than 10 to 15 or more during the depression. The other 10 per cent covers protection, health, education, recreation, agriculture, miscellaneous, and interest.

TABLE 12.—Noble County Receipts for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
General and classified property tax. . . . .	73,913	67,167	65,924	63,950	54,501
Special assessments. . . . .	15,833	11,983	10,379	8,241	5,928
Retail sales tax. . . . .	.....	.....	.....	199	2,926
Gasoline tax. . . . .	64,000	40,601	49,811	53,000	58,400
Motor vehicle licenses. . . . .	23,441	38,579	34,895	34,343	40,519
Cigarette licenses. . . . .	149	112	161	162	200
Dog and kennel licenses. . . . .	2,695	2,558	4,426	2,547	2,962
Other licenses and permits. . . . .	1	124	150	360	172
Fines, forfeits, etc. . . . .	198	236	867	1,603	1,391
Grants from the State. . . . .	1,076	3,380	4,566	9,168	12,443
Interest. . . . .	4,158	755	3,300	.....	.....
<b>Receipts of general departments:</b>					
Auditor. . . . .	3,591	3,164	2,984	2,488	2,675
Treasurer. . . . .	3,493	3,109	2,910	2,610	2,760
Probate judge. . . . .	1,100	1,919	1,637	1,956	1,565
Clerk of courts. . . . .	2,091	1,319	1,531	1,688	2,628
Election commission. . . . .	186	.....	245	680	238
Surveyor. . . . .	401	.....	.....	.....	179
Sheriff and jail. . . . .	908	628	690	1,312	1,460
Recorder. . . . .	1,431	864	1,006	1,878	1,813
Charities, hospitals, and correction. . . . .	1,254	404	284	2,067	1,221
County board of education. . . . .	74	.....	58	.....	.....
Subtotal receipts of general departments. . . . .	14,529	11,407	11,345	14,679	14,540
Total revenue receipts. . . . .	199,993	176,302	185,824	188,252	193,982
<b>Nonrevenue receipts:</b>					
Capital assets sold. . . . .	.....	.....	.....	.....	.....
Refunds. . . . .	2,515	780	5,269	1,220	5,053
Sale of bonds and notes. . . . .	.....	.....	46,097	20,000	1,500
From other civil divisions for road work. . . . .	33,513	21,058	130	.....	.....
Other nonrevenue receipts. . . . .	26	.....	135	178	7
Total nonrevenue receipts. . . . .	36,054	21,838	51,631	21,398	6,560
Grand total of receipts for county purposes. . . . .	236,047	198,140	237,455	209,650	200,541

In addition to the governmental cost payments the county retired a total of \$141,468 debt in the 5 years. In the same period \$67,697 were borrowed. The net outstanding debt at the beginning of 1936 was \$64,000 or \$4.28 per capita.

**Putnam County receipts and expenditures.**—The total fund transactions of Putnam County represent over \$1,000,000 annually, but only approximately \$300,000 of this amount represent revenue receipts of the county government; a similar sum represents the governmental cost payments, and the remainder is agency and trust funds belonging to other units of local government. The county finances alone will now be described.

**Revenue receipts.**—As compared with the general average of rural counties the property tax base is relatively good. Nonetheless, the trend of events has reduced the property tax collections (including special assessments) from about \$170,000 in 1932, to \$119,000 in 1936. In percentage of total collections property taxes and assessments represented 57 in 1932, 45 in 1934, and 37 in 1936;

motor vehicle licenses, 12 per cent in 1932 and 19 per cent in 1936; and the gasoline tax, 20 and 18 per cent in the same years, respectively. Grants from the state (nearly all for unemployment relief) constituted 15 per cent of the revenue in 1936 and also substantial sums in 1934 and 1935.

TABLE 13.—Noble County Expenditures for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Governmental cost payments:					
1. General government—operation and maintenance.....	39,071	32,606	37,621	34,278	37,132
General government—capital outlay.....		5,613	44,677	14,875	1,168
Subtotal....	39,071	38,219	82,298	49,153	38,300
2. Protection to person and property:					
Sheriff and jail—operation and maintenance.....	2,757	2,792	2,036	3,740	2,692
Sheriff and jail—capital outlay.....	743	969	880	1,321	609
Recorder.....	1,638	1,690	1,449	1,518	1,506
Dog warden and damages.....	2,755	2,314	4,106	3,050	3,163
Subtotal....	7,893	7,765	8,471	9,629	7,970
3. Health and sanitation:					
Vital statistics registrars.....	95	113	111	111	107
County health unit.....	2,829	3,182	2,951	2,240	3,120
Tuberculosis testing in cattle.....			396	19	
Subtotal....	2,924	3,295	3,458	2,370	3,227
4. Roads and highways:					
Current maintenance.....	50,744	48,253	24,753	200	
New construction.....	61,753	3,973	63,049	69,750	101,763
Subtotal....	112,497	52,226	87,802	69,950	101,763
5. Charities, hospitals, and correction:					
Charities—operation and maintenance....	16,804	19,804	45,816	18,291	24,501
Charities—capital outlay (county home, etc.).....	119		28		33
Patients in tuberculosis hospitals.....	949	1,944	5,974	6,400	1,125
Inmates in state institutions.....	129			2,481	2,123
Probation officer.....	363	60	78	52	146
Subtotal....	18,364	21,808	51,896	27,224	27,928
6. County board of education.....	5,695	5,699	5,931	5,825	5,998
7. Recreation (Memorial Day).....	202	225	183		
8. Agriculture:					
Agricultural extension.....	350	275	300	1,500	1,200
Agricultural societies and fairs.....	3,728	1,656	1,718	929	2,213
Subtotal....	4,078	1,931	2,018	2,429	3,413
9. Miscellaneous.....	1,752	3,321	1,359	2,929	2,415
10. Interest.....	6,221	2,932	2,885	4,472	3,484
Total governmental cost payments.....	198,697	137,421	246,301	173,981	194,498
Bonds retired.....	59,745	17,755	15,710	25,058	23,200
Grand total payments for county purposes..	258,442	155,176	262,011	199,039	217,698

Governmental cost payments.—In the year 1932, when the distribution of expenditures for the various services was nearer to normal than in succeeding years, approximately 45 per cent (\$119,788) of the county's governmental costs was for highways as compared with nearly 23 per cent (\$60,783) for general government and 13 per cent (\$34,673) for welfare, i. e., charities, hospitals, and correction. By 1934 unemployment relief had temporarily expanded welfare

expenses to 39 per cent of the total costs as compared with 23 per cent for general government and 20 per cent for highways. By 1936 the trend was turning back toward the predepression distribution of costs; 25 per cent was for general government, 26 per cent for highways, and 32 per cent for welfare.

TABLE 14.—Putnam County Receipts for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
General and classified property tax.....	139,219	131,530	110,312	104,782	106,265
Special assessments.....	30,368	31,034	20,655	14,627	12,315
Retail sales tax.....				881	372
Gasoline tax.....	60,000	50,600	53,441	53,000	58,613
Motor vehicle licenses.....	37,445	49,772	34,776	22,880	61,765
Cigarette licenses.....	334	347	358	473	488
Dog and kennel licenses.....	3,201	3,150	4,004	3,612	3,986
Other licenses and permits.....		183	520		
Fines, forfeits, etc.....	1,713	299	236	476	347
Grants from the state.....	1,300	4,034	38,812	70,978	47,986
Interest.....	4,912	2,210	4,186	894	587
<b>Receipts of general departments:</b>					
Auditor.....	5,857	5,071	4,943	5,022	4,788
Treasurer.....	5,608	4,938	4,746	5,041	4,925
Probate judge.....	3,047	3,235	3,244	2,983	3,806
Clerk of courts.....	1,494	1,827	2,005	2,717	2,516
Election commission.....	276	8	237	83	259
Dog warden.....	13				
Sheriff and jail.....	1,286	1,527	1,273	1,595	1,268
Recorder.....	1,730	1,562	3,487	2,457	3,087
Charities, hospitals, and correction...	1,779	2,231	3,194	6,181	7,447
County board of education.....	110	67	228	200	184
Subtotal receipts of general departments.....	21,200	20,466	23,357	26,279	28,280
Total revenue receipts.....	299,692	283,625	290,657	298,882	321,004
<b>Nonrevenue receipts:</b>					
Capital assets sold.....	48	83		89	10
Refunds.....	1,533	271	411	162	1,810
Sale of bonds and notes.....		28,500			29,422
Other nonrevenue receipts.....	530	1,476	464	4,260	3,761
Total nonrevenue receipts.....	2,111	30,330	875	4,511	35,003
Grand total receipts for county purposes.....	301,803	313,955	291,532	303,393	356,007

Nongovernmental cost payments in the form of debt retirements amounted to \$309,488 in the 5 years of 1932 to 1936 inclusive. In the same period about \$58,000 were borrowed. The county net debt outstanding on January 1, 1936, was \$102,000, or \$4.08 per capita.

TABLE 15.—Putnam County Expenditures for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Governmental cost payments:</b>					
1. General government—operation and maintenance.....	60,589	55,072	58,687	58,125	58,740
General government—capital outlay.....	194	114	1,167	525	1,147
Subtotal....	60,783	55,186	59,854	58,650	59,887
2. Protection to person and property:					
Sheriff and jail—operation and maintenance.....	5,336	4,811	4,432	4,674	4,454
Sheriff and jail—capital outlay.....		616	786	39	
Recorder.....	2,926	3,003	2,876	3,158	3,126
Dog warden and damages.....	2,877	1,809	3,338	2,717	3,525
Humane officer.....	260			2	7
Bounties.....	398	450			
Subtotal....	11,797	10,689	11,432	10,590	11,112
3. Health and sanitation:					
Vital statistics registrars.....	177	180	181	165	166
County health unit.....	5,218	4,361	4,910	4,978	5,419
Tuberculosis testing in cattle.....		1,668	171	18	
Hydrophobia treatment.....	40		45	3	
Subtotal....	5,435	6,209	5,307	5,164	5,585
4. Roads and highways:					
Current maintenance.....	118,781	81,241	50,395	68,033	61,830
New construction.....	1,007	410	812	195	
Subtotal....	119,788	81,651	51,207	68,228	61,830
5. Charities, hospitals, and correction:					
Charities—operation and maintenance....	33,300	33,958	98,949	74,096	70,799
Charities—capital outlay (county home, etc.).....	112	8	736	353	
Patients in tuberculosis hospitals.....	861	1,222	2,597	2,352	1,327
Inmates in state institutions.....				6,653	4,321
Probation officer.....	400	360	360	360	360
Subtotal....	34,673	35,188	102,642	83,814	76,807
6. County board of education and libraries					
Subtotal....	7,366	7,173	4,987	6,418	8,272
7. Recreation (Memorial Day) ... Subtotal....	251	288	1,272		
8. Agriculture:					
Agricultural extension.....			1,500	1,500	1,500
Agricultural societies and fair.....	3,520	3,516	3,520	1,643	3,035
Agricultural societies and fair—capital outlay.....				2,260	
Subtotal....	3,520	3,516	5,020	5,403	4,535
9. Drainage ditches..... Subtotal....	2,086	892	1,217	882	1,011
10. Miscellaneous..... Subtotal....	3,750	2,227	6,753	3,113	3,041
11. Interest..... Subtotal....	16,018	8,901	11,186	6,415	4,795
Total governmental cost payments.....	265,467	212,280	260,877	248,677	236,875
Bonds retired.....	80,440	34,166	89,931	51,416	53,525
Grand total payments for county purposes.	345,907	246,446	350,808	300,093	290,400

## TOWNSHIP GOVERNMENT

The traditional rural township is an area 5 to 6 miles square with a village trade center within its borders supplying the farm population of the countryside with the goods and services usually in everyday demand. Community institutions and activities naturally center in the village, creating a number of common interests which form a favorable background for the development of

local political democracy, which, at least in theory, is strengthened by the economic and social democracy of the ideal rural community. But these ideal conditions prevail only occasionally, so that the average township does not conform to the ideal in all respects and some townships are a distinctly misfit arrangement by no means conforming to the physical bounds of the local community. The reasons for this situation are partly historical and partly economic or geographical in character.

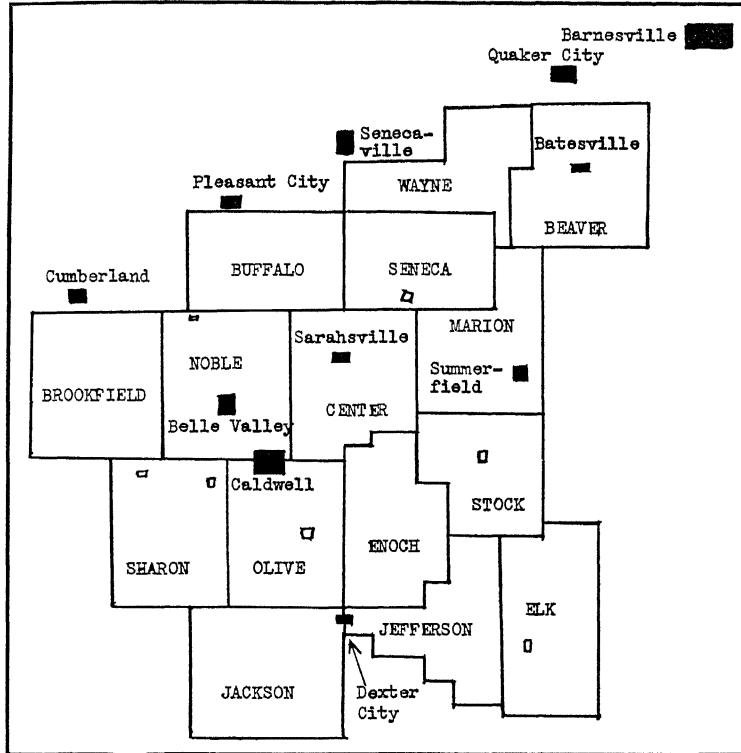


Fig. 2.—Noble County townships and villages

Seven of the fifteen townships contain incorporated villages. The broken topographical features render the square township unsatisfactory in at least part of the area. Note the irregular shape of some townships, which represents past attempts to adjust to this condition. In view of existing highway improvements some townships could be combined so as to coincide more nearly with present community developments. Five villages ranging from 500 to 5,000 population lie just north of the county. Several Noble County townships are in the trade areas of these villages.

The original layout of townships in checkerboard squares of land area may or may not have fitted the later community development, which has been shaped by hills, streams, lines of travel, centers of trade, and industry, or some combination of economic conditions which was humanly impossible to forecast. In the last twoscore years, rapid transportation and communication have upset the



rather static state when local interest was confined more nearly to the neighborhood. As an illustration of the change, Lively reports that "in Ohio, 43 out of every 100 trade centers containing one to five business establishments in 1905 had disappeared as economic centers by 1929".<sup>6</sup>

Noble and Putnam Counties each contain 15 townships. In Noble, the area per township varies from 20 to 32 square miles with an average of 27. In Putnam, the size ranges from 24 to 36 square miles with an average of 32

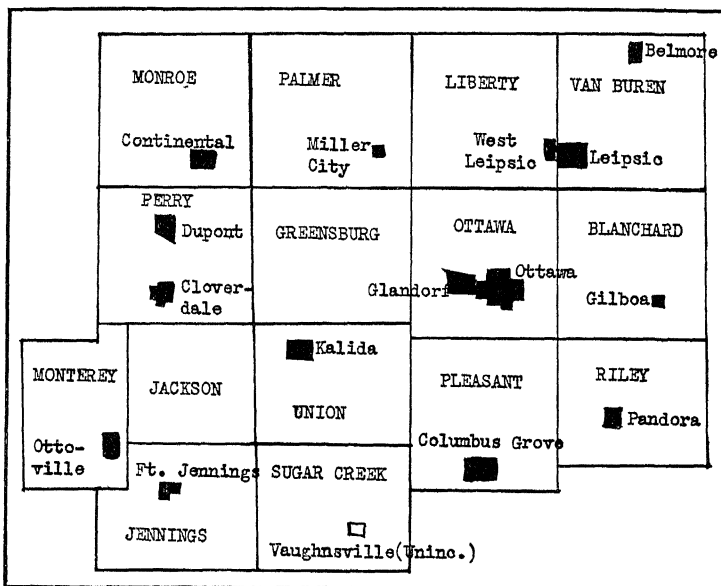


Fig. 3.—Putnam County townships and villages

Twelve of the fifteen townships contain incorporated villages. The majority of the township areas in this county coincide approximately with local community areas.

The official organization of each township is made up of a board of three trustees and one clerk elected biennially,<sup>7</sup> one or more constables elected biennially, and one or more justices of the peace elected quadrennially. Other township boards or employees may be appointed. The trustees may employ a highway superintendent, may appoint a board of three library trustees, also a board of three cemetery directors. Usually, as is the case in Noble and Putnam Counties, these optional appointments are not made, but the trustees supervise the road work and cemeteries personally. Also, a township may have a board of three park commissioners and seven trustees for a memorial building. These boards are appointed by the court of common pleas.

**Justice of the peace courts.**—In most rural communities the activities of justices of the peace and constables are very limited. Being on a fee basis the remuneration received is nearly negligible and is not accounted for in the financial records kept by the township clerk. Therefore, the following separate description is made of the activities of justice of the peace courts.

<sup>6</sup>Lively, C. E. 1932. The decline of the small trade centers. Rural America, March, 1932. Pp. 5-7.

<sup>7</sup>Trustees elected in 1937 and thereafter are to serve 4 years. (House Bill No. 12, passed April 29, 1937, amending General Code Sec. 3268).

An accounting was made of all fees and costs collected in the justice of the peace courts in 7 of the 15 townships of Noble County. According to local opinion, these covered considerably more than one-half of the cases heard. Some indication of the amount of activities is that the fees and costs accounted for totaled \$475 in 1932, \$581 in 1933, and \$178 in the first 10 months of 1934.

In Putnam, a complete accounting was made of all fees and costs collected in justice of the peace courts in the county for nearly 2 years, \$1,718.24 in 1933 and \$484.72 to November 1, 1934. This represented the actual remuneration received by 30 justices and the constables. It may be observed that customarily two justices are elected in each township of Putnam County and that the office in most cases is considered honorary rather than remunerative. There is no doubt that a number of justices in this county consider it their first duty to conciliate differences between neighbors, acting officially only as a matter of last resort. Therefore, the amount of service rendered their communities cannot be measured by the financial remuneration recorded.

TOWNSHIP RECEIPTS AND EXPENDITURES IN NOBLE COUNTY

**Revenue receipts.**—The combined finances of all townships in the county will be discussed as a unit; however, individual variations will be mentioned from time to time. The townships in this county expend about one-fourth as much money annually as the county. The aggregate township revenues were \$77,627 in 1932 and were less each succeeding year until 1936, when the total was \$47,036. The principal change was in property taxes, which were \$37,811 in 1932 and \$12,987 in 1936. When the classified property tax was adopted the townships were temporarily granted a share of the motor vehicle license money to replace the loss of personal property tax. In 1935, the last year in which they received receipts from this source, the \$5,997 received represented 12 per cent of the township revenues.

Property taxes yielded 49 per cent of the revenues in 1932, 39 per cent in 1934, and 28 per cent in 1936; the gasoline tax, 43 per cent in 1932, 50 per cent in 1934, and 64 per cent in 1936.

TABLE 16.—Noble County Township Receipts for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
General property tax.....	37,811	28,874	20,314	14,115	12,987
Inheritance tax.....	379		30		
Cigarette, beer, and liquor licenses....	25	356	317	631	1,210
Motor vehicle tax.....	4,571	4,496	4,433	5,997	
Gasoline tax.....	33,750	30,451	26,087	28,800	30,354
Sales tax.....				675	1,825
Special assessments.....					
Fines.....					
Cemeteries: lot sales.....	67		61	89	113
Cemeteries: other receipts.....	38	10	3		189
Interest on deposits.....	658	341	404	94	83
Miscellaneous.....	328	159	98	269	275
Total revenue receipts.....	77,627	64,687	51,747	50,670	47,036
<b>Nonrevenue receipts:</b>					
Bonds sold.....					
Notes sold.....					
Refunds and transfers from other units of government.....	1,156	17	1,053	3	132
Sale of capital assets.....	16		38	75	242
Other nonrevenue.....					
Total nonrevenue receipts.....	1,172	17	1,091	78	374
Grand total receipts.....	78,799	64,704	52,838	50,748	47,410

Between 5 and 10 per cent of the annual township revenues comes from some minor sources, including: the township's share of the inheritance tax, which naturally yields small sums and those irregularly in an area of limited wealth and population; cigarette, beer, and liquor licenses, which are more regular and of increasing volume but likely to be concentrated in just a few townships; receipts from sale of cemetery lots, which in this county equal about one-tenth of the expenditures for cemeteries; interest on township funds deposited in banks; lastly, small sums classified in the financial records as miscellaneous owing either to their irregular nature or to a lack of accounting information.

No special assessments are being levied by the townships of Noble County.

TABLE 17.—Noble County Township Expenditures

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Governmental cost payments:</b>					
<b>General government:</b>					
Compensation of trustees and clerk .....	10,291	10,726	10,643	11,100	12,316
Miscellaneous supplies .....	629	777	429	244	212
Town hall: capital expense .....	.....	225	.....	.....	.....
Town hall: maintenance or rent .....	380	402	255	336	281
Subtotal.....	11,300	12,130	11,327	11,680	12,809
<b>Protection to person and property:</b>					
Police.....	.....	.....	.....	.....	.....
Bounties (ground hog, sparrow, hawk) .....	514	406	67	.....	.....
Subtotal.....	514	406	67	.....	.....
<b>Highways:</b>					
New construction.....	25,914	21,534	16,476	13,563	14,997
Current maintenance .....	31,913	27,832	20,094	20,031	15,873
New equipment .....	2,000	828	791	494	4,241
Subtotal.....	59,827	50,194	37,361	34,088	35,111
<b>Charities:</b>					
Medical service .....	1,099	986	751	873	548
Burial expenses .....	275	355	253	395	173
Other poor relief .....	3,379	1,336	1,466	334	382
Subtotal.....	4,753	2,677	2,470	1,602	1,103
<b>Recreation.....</b>	41	25	25	.....	50
<b>Cemeteries:</b>					
Capital outlay .....	.....	.....	9	100	37
Current maintenance .....	671	682	431	616	499
Subtotal.....	671	682	440	716	536
<b>Interest.....</b>	989	867	738	454	725
<b>Miscellaneous and unclassified expenses.....</b>	120	74	64	864	330
<b>Total governmental cost payments.....</b>	78,215	67,055	52,492	49,404	50,664
<b>Nongovernmental cost payments:</b>					
Reduction of debts.....	1,958	1,150	1,000	1,250	1,600
Cash transfers .....	.....	.....	1,010	.....	.....
Other.....	.....	.....	.....	.....	.....
<b>Total nongovernmental cost payments.....</b>	1,958	1,150	2,010	1,250	1,600
<b>Grand total disbursements .....</b>	80,173	68,205	54,502	50,654	52,264

**Expenditures.**—The expenditures for general government in the township are practically all confined to the salaries of the township board, clerical supplies, and maintenance of the township hall, i. e., to purely administrative expenses. Some occasional court costs or legal service may arise but the usual

cost is small. In the 5 years beginning with 1932, the cost of general township government in the entire county remained practically constant at \$11,000 to \$12,000 annually; but relatively the amount increased from 14.60 per cent of all cost payments in 1932 to 21.83 in 1934 and 25.28 in 1936.

The following series shows how individual townships varied in respect to the ratio of costs of management to total expense in 1934:

Percentage of total expenditures used to pay trustees, clerk, and maintain hall	Number of townships
10-14 .....	4
15-19 .....	2
20-24 .....	3
25-29 .....	5
30-34 .....	0
35 or more .....	1
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As a general rule the ratio of administrative costs to total expenditures tends to be high in the small townships with little money to spend (Table 18). But this does not necessarily follow in all cases, for in some townships the trustees draw much less than the maximum salary. In 10 Noble County townships the population living in unincorporated territory ranged between 500 and 800. In four of these, during 1934, administrative costs ranged between 10 and 14 per cent of the total expenditure; in one, between 15 and 20 per cent; and in five between 25 and 30 per cent. The one township with the highest administrative cost (35.57 per cent) had an open country population of 821 and a total of 1,035.

Protection to person and property is of practically negligible cost to townships in this county, being confined entirely to payments of bounties on ground hogs, hawks, and the like.

**Township roads.**—Legal provision exists in the state statutes for close cooperation between the townships and the county, in part through financial cooperation between the county commissioners and township trustees for road construction, and partly through supervision by the county surveyor's office. Trustees are required to make an annual report to the county surveyor in relation to the roads, bridges, and culverts (G. C. 3374). The county surveyor also has general supervision over and direction of maintenance and repair work (G. C. 3371-1), a power strengthened by the fact that all township expenditures of gasoline tax money, and expenditures exceeding \$50 of any other road money must be approved by the surveyor before payment is made. This power also covers expenditures by the trustees for road machinery. Under these provisions it is possible to shape a reasonably consistent program of road building and maintenance for all township roads. County commissioners have the power to include any township roads in the county system (G. C. Sec. 6966). Obviously the county commissioners and surveyor have considerable latitude of control over much of the money expended on the roads by the township trustees.

Highway construction and maintenance represent the chief function of townships in all Ohio counties. The expenditure (including equipment costs) by Noble County townships was nearly \$60,000 in 1932 and \$35,000 in 1936; this was 76.49 per cent of all expenses in 1932 and 69.30 in 1936. Construction and maintenance expenditures are poorly distinguished in the financial records, although a little over one-half are designated as maintenance.

The number of miles of road under the jurisdiction of individual townships in 1934 varied from 16.9 with an expenditure per mile of \$149 to 44 miles with an expenditure per mile of \$54. This difference in expenditure is due to the relative availability of funds for road work and can be directly related to the existing method of equal distribution of gasoline tax funds to individual townships.

**Road machinery and miles of road.**—The policy in Noble County has been to transfer township roads to the county system and county management as funds became available for improvement. This has resulted in a reduction in the amount of road under township management. The question can be raised whether some townships will eventually be left with so few miles of road that further township road maintenance will be impracticable because of the high cost of machinery adequate to construct and maintain even secondary roads satisfactorily. At the time each township was visited in 1934, the 15 townships owned 21 tractors with the accompanying road grading or maintaining equipment. But these were unevenly distributed; one township with 39 miles of road had no tractor; the other 14 townships had from one to three tractors each. These ranged in size from 5-ton caterpillar-type tractors to small tractors suitable only for light grading or maintenance work. One township with 16.9 miles of road had two tractors. In one township a trustee stated that the 20 miles of road could be graded in 3.5 days with the available equipment and that this is done usually twice each year. This means that the equipment would be idle most of the time. Usually estimates were that the tractor equipment was operated by the various townships from 12 to 50 days each year with one estimate of 80 days. Through visiting one or more of the board members in each township the opinion was established that in the majority of townships the road equipment available is inadequately utilized and in several instances too light in type to do the best work. It would seem desirable, in such cases, for two or more townships to have a cooperative arrangement whereby better equipment could be afforded and utilized over a little longer period each year. This should enable several townships with a reduced road mileage to continue performing the principal township function with a reduction in overhead.

Under existing conditions the finances available either to the townships as a whole or to the county are inadequate to bring all roads up to a satisfactory level of improvement at least for a number of years. This produces an unfortunate situation by increasing the intensity of competition between neighborhoods for the available road funds and has a tendency to make a political issue out of the distribution of road funds, something which from the standpoint of a permanent program can best be organized on a nonpolitical basis.

**Poor relief.**—The township unit of government in Ohio is responsible for temporary poor relief outside of cities. Payments by townships for poor relief in Noble County continued small and actually declined from \$4,753 in 1932 to \$1,103 in 1936, because the county relief organization took up the load as it developed during the depression. However, much of the road money was expended with the intention of giving employment to the needy, and this would expand the actual importance of the townships in the relief picture beyond that indicated by the figures.

**Recreation.**—In two townships it is customary to appropriate a small sum (\$25 is the legal maximum per township) for Memorial Day expenses.

**Cemeteries.**—Maintenance of one or more cemeteries represents a type of public service enterprise managed by most Ohio townships. At least 31 township cemeteries exist in Noble County. The distribution ranges from two townships with none to one township with eight. In four townships some financial support for the enterprise came from sale of lots and service charges to individuals; in nine no income of any kind was recorded, as the lots were given away. In the few cases of lot sales, charges were a nominal sum ranging up to \$10. Capital expenditures were practically negligible in the period; maintenance, usually mowing once or twice a year and fence repairs, represented approximately 1 per cent of the total township expenses.

**Interest.**—Only one township in the county had much debt, \$12,500, at the end of 1936, and the total debt of all townships at that time was less than \$14,000. The tendency since 1932 has been toward a slight reduction in debt. A little road machinery has been purchased on time, and this accounts for small debt charges reported by three townships only. The total interest paid by all townships was \$989 in 1932 and \$725 in 1936, or less than 2 per cent of all costs.

TABLE 18.—Expenditures for Various Purposes by the Individual Townships of Noble County, 1934

Township	Township board	Roads	Relief	All other	Total
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Buffalo .....	385.38	1,703.39	128.04	3.00	2,219.81
Beaver .....	952.42	1,548.61	49.00	92.50	2,642.53
Jefferson .....	677.50	1,925.36	45.28	19.50	2,667.64
Sharon .....	351.10	2,350.86	17.72	5.00	2,724.68
Jackson .....	815.49	1,913.64	9.35	35.58	2,774.06
Stock .....	865.89	2,085.62	39.64	.....	2,991.15
Enoch .....	868.95	2,054.06	142.94	11.30	3,077.25
Center .....	474.38	2,543.87	65.38	130.88	3,214.51
Elk .....	809.48	2,386.82	106.49	.....	3,302.79
Wayne .....	779.88	2,523.10	81.34	30.10	3,414.42
Marion .....	1,041.30	2,459.51	123.64	45.00	3,669.45
Seneca .....	442.37	3,278.35	108.78	18.50	3,848.00
Olive .....	1,068.38	3,498.91	196.14	108.60	4,872.03
Brookfield .....	707.95	4,666.87	22.49	64.39	5,461.70
Noble .....	1,066.04	3,248.02	1,333.71	189.56	5,837.33

**Variation between townships.**—Individual townships have decided differences in the volume of revenues and consequent activity, illustrated by the following comparisons of finances in 1934. The largest expenditure by any one township was \$5,837, the smallest \$2,220 (Table 18). This variation is associated with 20 per cent more area in the township with the largest expenditure; but a more significant difference is density of population, for according to the census of 1930 the populations were 2,517 (1,914 in unincorporated territory) and 587. In the smaller township receipts from the gasoline tax (\$1,750) were larger than the total expenditure for highways and were equal to 79 per cent of the total township expenditures. In the larger township the gasoline tax was equal to 54 per cent of the expenditure for roads and 30 per cent of the total expenditure for all purposes. These figures indicate how some townships are able to obtain a large share of their finances out of the gasoline tax; whereas more populous townships must rely to a larger extent on property taxation and other sources of revenue.

## TOWNSHIP RECEIPTS AND EXPENDITURES IN PUTNAM COUNTY

The volume of business done by Putnam County townships is relatively large for a rural area. Nearly all the land is favorable to agriculture and this results in fairly adequate tax resources. An additional factor adding to the volume of township business is the method of cooperation with the county for the construction and maintenance of roads; no strict division is made between the county and township road systems and a high mileage in each township is under the supervision of the trustees. Also, the tendency has been to maintain poor relief on a township basis whenever possible rather than to shift the administration to the county.

**Receipts.**—Revenue receipts of all townships totaled \$134,000 in 1932 and \$117,000 in 1936. Of this sum property taxes yielded 66.27 per cent in 1932 and 61.74 in 1936 and the gasoline tax 22.99 and 31.10 per cent in the same years, respectively; motor vehicle license money (6.61 per cent in 1932) has been partially replaced by the sales tax, which yielded 2.52 per cent of the revenues in 1936. Briefly, the property and gasoline taxes have supplied about 90 per cent of the township revenues. There has been a slight decline in property taxation, which, however, remains the principal tax resource. About one-third of the current maintenance of cemeteries is offset by sale of lots and other cemetery receipts. Interest on deposits is of some size because of the custom in most townships of maintaining a substantial cash balance. Special assessments are not in general use, although one township uses them to defray the cost of street lighting in an unincorporated village. Receipts from fines are almost negligible. The inheritance tax produces little revenue in the townships. The same is true of cigarette, beer, and liquor licenses.

TABLE 19.—Putnam County Township Receipts for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
General property tax.....	89,089	81,692	77,919	72,053	72,360
Inheritance tax.....	47	13	463	151	1,244
Cigarette, beer, and liquor licenses.....	29	164	1,222	781	325
Motor vehicle tax.....	8,885	8,885	8,885	8,885	36,450
Gasoline tax.....	30,900	39,000	18,750	32,300	2,959
Sales tax.....				4,938	343
Special assessments.....	435	371	1,846	312	20
Fines.....	111		3		
Cemeteries: lot sales.....	1,189	1,187	1,183	1,046	1,311
Cemeteries: other receipts.....	1,318	984	1,117	1,478	980
Interest on deposits.....	2,220	2,005	1,675	591	546
Miscellaneous.....	214	346	100	327	658
<b>Total revenue receipts.....</b>	<b>134,436</b>	<b>134,647</b>	<b>113,163</b>	<b>122,861</b>	<b>117,195</b>
<b>Nonrevenue receipts:</b>					
Bonds sold.....					
Notes.....			600		
Refunds and transfers.....	369	378	562	487	54
Sale of capital assets.....	300	80	883	12	88
Gasoline tax from county for poor relief.....	4,000	4,400	1,000		
Other nonrevenue.....	1,180	131		1,220*	330
<b>Total nonrevenue receipts.....</b>	<b>5,849</b>	<b>4,989</b>	<b>3,045</b>	<b>1,719</b>	<b>472</b>
<b>Grand total receipts.....</b>	<b>140,285</b>	<b>139,636</b>	<b>116,208</b>	<b>124,580</b>	<b>117,667</b>

\*\$1,194 dividends from closed banks.

**Expenditures.**—The cost payments of Putnam County townships totaled \$134,000 in 1932 and \$116,000 in 1936 with some variation both above and below these figures in the intervening years. This is an average of nearly \$9,000 per township in 1932 and a little less than \$8,000 in 1936. A classification of expenditures is made in Table 20. Some additional comment follows.

TABLE 20.—Putnam County Township Expenditures for 5 Years

	1932	1933	1934	1935	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Governmental cost payments:</b>					
<b>General government:</b>					
Compensation of trustees and clerk .....	13,348	14,468	13,856	13,407	13,768
Miscellaneous supplies .....	1,345	1,871	1,175	725	420
Town hall: capital expense .....	728	372	.....	325	.....
Town hall: maintenance or rent .....	148	379	569	549	989
Subtotal.....	15,569	17,290	15,600	15,006	15,177
<b>Protection to person and property:</b>					
Police .....	898	806	54	43	25
Bounties (ground hog, sparrow, hawk) .....	.....	.....	.....	.....	.....
Subtotal.....	898	806	54	43	25
<b>Highways:</b>					
New construction .....	16,408	27,321	7,206	2,118	.....
Current maintenance .....	69,781	69,780	66,194	62,495	64,039
New equipment .....	5,174	9,950	7,926	8,855	11,447
Subtotal.....	91,363	107,051	81,326	73,468	75,486
<b>Charities:</b>					
Medical service .....	8,537	12,166	13,298	12,576	10,417
Burial expenses .....	646	1,394	1,303	770	1,158
Other poor relief .....	10,217	18,504	16,026	4,420	5,884
Subtotal.....	19,400	32,064	30,627	17,766	17,459
Recreation .....	137	171	40	95	83
<b>Cemeteries:</b>					
Capital outlay .....	1,609	2,080	747	2,158	754
Current maintenance .....	5,085	5,898	4,118	3,652	3,795
Subtotal.....	6,694	7,978	4,865	5,810	4,549
Interest .....	.....	.....	.....	75	.....
Miscellaneous and unclassified expenses .....	.....	.....	.....	.....	.....
Subtotal.....	8	3	460	841	3,589
<b>Total governmental cost payments.....</b>	<b>134,069</b>	<b>165,363</b>	<b>132,972</b>	<b>113,104</b>	<b>116,368</b>
<b>Nongovernmental cost payments:</b>					
Reduction in debts .....	.....	.....	.....	600	.....
Cash transfers .....	.....	.....	.....	100	.....
Other .....	1,353	378	.....	.....	.....
<b>Total nongovernmental cost payments...</b>	<b>1,353</b>	<b>378</b>	<b>.....</b>	<b>700</b>	<b>.....</b>
<b>Grand total disbursements .....</b>	<b>135,422</b>	<b>165,741</b>	<b>132,972</b>	<b>113,704</b>	<b>116,368</b>

**General government.**—The overhead cost of management is limited by the state law controlling salaries. For example, in 1934 the township with the highest total expenditures (\$18,158) paid \$1,260, or 6.9 per cent, for salaries of the township board, miscellaneous supplies, and town hall; the township with the smallest total expenditure (\$3,817) spent \$1,121, or 29.4 per cent, for the same purpose (Table 21). The townships of this county well illustrate how the relative cost of management increases as the size of population and expenditure decreases.



**Protection.**—Putnam County townships spent nearly \$900 on ground hog, sparrow, and hawk bounties in 1932 and only \$25 in 1936. This was the only type of expenditure for protection and the decline represents the attempt to economize in a relatively unessential activity

**Highways.**—The highway system of all townships has reached a stage of fair improvement. Expenditures on highways represented 68 per cent of all township cost payments in 1932, 61 per cent in 1934, and 64.87 per cent in 1936. No very definite distinction can be drawn between maintenance costs and new construction. Since practically all roads in the county now are surfaced at least with loose stone, construction is principally a process of further improvement.

Putnam County represents an excellent example of a decentralized system of road maintenance; the township trustees have much of the responsibility over all the roads in their respective townships, state roads excepted. This cooperative arrangement between the county commissioners and county surveyor on the one hand and the trustees on the other, leaves more than the usual amount of direct supervision to the trustees. As a result, the trustees of each township have the responsibility of sufficient road mileage to justify the ownership of efficient road maintainers. Road mileage ranges from 80 down to 48 with an average of 65 miles per township. Nearly all townships have motor road maintainers, although at least one township uses a grader attachment on the truck used for hauling stone. Nearly all the townships own such a truck, usually of 3- to 4-ton capacity. Another article of equipment owned by most townships is a snowplow attachment for either the maintainer or truck. Horse-drawn equipment is no longer in general use, although a number of drags and graders are still possessed.

TABLE 21.—Expenditures for Various Purposes by the Individual Townships of Putnam County, 1934

Township	Township board	Roads	Relief	All other	Total
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Greensburg.....	1,121.18	2,247.41	442.94	5.50	3,817.03
Jackson.....	1,077.46	3,023.28	665.35	.....	4,766.09
Perry.....	1,160.56	3,106.02	1,407.69	172.52	5,846.79
Palmer.....	1,040.99	3,763.48	1,458.34	109.47	6,372.28
Union.....	1,007.76	4,421.70	907.32	115.42	6,452.20
Sugar Creek.....	954.17	3,787.12	2,044.94	517.15	7,303.38
Monterey.....	1,044.45	5,082.57	1,427.21	.....	7,554.23
Riley.....	836.34	6,878.68	816.95	95.00	8,626.97
Blanchard.....	945.95	6,264.45	1,428.43	538.70	9,177.53
Ottawa.....	1,093.00	4,972.33	3,467.52	.....	9,532.85
Liberty.....	1,058.30	6,161.32	2,223.45	139.85	9,582.92
Monroe.....	850.52	6,431.75	3,187.03	837.98	11,307.28
Jennings.....	1,455.61	9,586.96	1,309.46	529.92	12,881.95
Pleasant.....	915.40	8,496.23	3,436.23	1,064.06	13,911.92
Van Buren.....	1,260.24	8,918.21	6,403.31	1,576.97	18,158.73

Heavy equipment owned by the county is used for road construction. Also, the county builds the bridges. This leaves the lighter type of maintenance work to the townships. Now that the program of surfacing all roads with crushed stone is practically completed, activities are being directed toward further improvement through application of a tar binder to the loose stone. Of course, some application must be made currently as a matter of maintenance and repair.

**Charities.**—From estimates made by officials, poor relief was given by the townships to 260 families in 1932, to 462 in 1933, and to 120 in the autumn of 1934, at which time the county had taken over most of the relief load in five townships and was giving aid to an unknown number in the other ten, although these still carried most of the expense. As a whole the townships continued to meet the need for medical service and burial; the county assumed the cost of other relief when the volume exceeded the townships' resources. In terms of the total township cost payments, poor relief represented 14 per cent in 1932, rose to 19 per cent in 1933, to 23 per cent in 1934, and by 1936 had declined to 15 per cent.

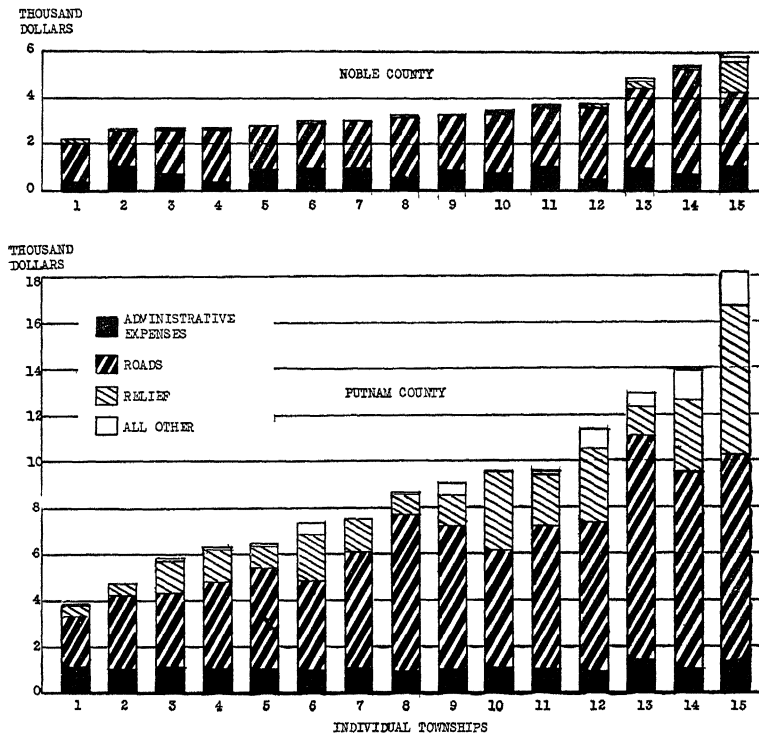


Fig. 4.—Expenditure for various purposes by individual townships in Noble and Putnam Counties, 1934

**Recreation.**—In 1932, six townships appropriated \$136.83 for Memorial Day, in 1933, \$170.79. Two townships so spent \$40 in 1934. In the 2 succeeding years recreational expenditures for all townships totaled \$95 and \$83. One township, in cooperation with the village, has fitted the town hall as a community center; the attending capital expense and upkeep represent in part the support of a recreational activity the cost of which cannot be separated from other town hall expense.

**Cemeteries.**—Putnam County townships maintain 33 cemeteries, although a few are unused at the present time. The distribution is rather unequal: one

township has five; one, four; six, three; two, two; two, one each; and four townships maintain no cemeteries. Income from sale of lots, digging graves, monument construction, and the like was equal to more than one-third of the expense. Expenses were about one-fourth for capital outlay purposes, such as land purchase, buildings, fences, and driveways, and three-fourths for current maintenance. Annual expenditures per township in 1934 ranged from \$5.50 up to \$1,547.97. Four townships reported the employment of regular caretakers, although with one exception this would possibly be considered as part-time employment.

**Interest.**—With the exception of 1935 no interest was reported paid in the 5 years 1932 to 1936. This was on a \$600 short-time note issued in 1934 and paid the following year.

### SCHOOL DISTRICTS

The service of education has been greatly modified in the past generation by the development of good roads and motorized transportation. Another important circumstance is the development of a system of state aid which has reached such proportions that local administration must be definitely correlated and unified by a central department in the county and State. The status of the present Ohio school system can be understood more definitely if its development over a period is traced.

Prior to 1892 rural school administration in Ohio was on the basis of districts about 2 miles square, i. e., containing 4 square miles each. This meant that the one-room schoolhouses were usually about 2 miles from each other so as to be within walking distance of all pupils. The law of 1892 provided for one board to administer all schools within each township area, but many sub-districts continued to function on the old basis until about 1904. The next administrative change was the establishment of the county school district in 1914 when a new school code was enacted which gave the county district general oversight of all schools in the county exclusive of city and exempted village districts (3,000 to 5,000 population). At the same time the township school district was replaced by rural and village districts, a designation still used.

The purpose of school district organization is to furnish the youth of an area educational facilities of at least a minimum standard of adequacy, with a reasonable degree of convenience and at a cost as low as the attending circumstances will permit. The changes from time to time in school district boundaries, centralization and consolidation of school facilities, and changes in administrative organization have been to achieve these purposes.

#### SOME FACTORS AFFECTING SCHOOL DISTRICT EXPENSES

**Board expenses.**—Under the present law (G. C. Sec. 4715) local school districts may compensate each of the five board members to the extent of \$2 per meeting for not more than 10 meetings per year. Clerks receive a salary fixed by the board. The clerk may or may not be a board member. It is evident that the administrative expense of a rural or village school district cannot be a very important factor affecting costs.

**Size of school.**—Comparison of costs on this basis may be affected by the quality of instruction and type of school facilities. These quality factors will not be considered in this study. Most evidence would support the contention that as a general rule better educational opportunities exist in the larger

schools. On the other hand, some local sentiment often favors the one-room school from the belief that costs are lower. The evidence gathered in this study indicates that as a general rule the smaller schools have higher current operating costs per pupil than the larger schools. The fact that capital outlay for school buildings is often associated with plans for consolidation usually creates the impression that large schools are more expensive.

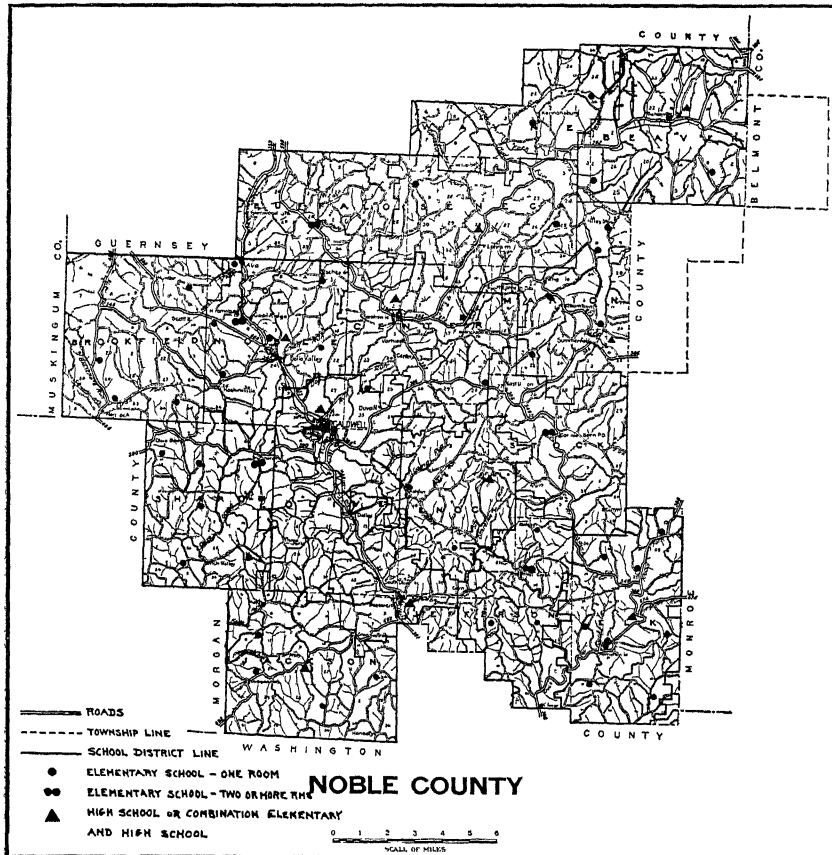


Fig. 5.—Noble County roads and school districts

Since the land surface is broken, the roads follow the valleys and ridge tops whenever possible. In this county the physical features of the land are of primary importance in shaping community areas, as is illustrated by the irregular school district boundaries and by the location of elementary schools, high schools, and villages.

The most obvious reason why costs of instruction are lower in the larger schools is that they can be so organized that every teacher has a full teaching load. When all schools in both counties were classified on the basis of the number of pupils per teacher the average cost per pupil was as follows:

	Average current expense per pupil
10 pupils or less .....	\$190.09
11 to 15 pupils .....	112.75
16 to 20 pupils .....	80.06
21 to 25 pupils .....	67.06
26 or more pupils .....	55.99

**Transportation.**—The broken topography and relative frequency of unimproved roads add to the difficulties and cost of pupil transportation in Noble County. Some one-room schools must be maintained on this account for some years to come. In Putnam County, transportation of all pupils would be practical at the present time if all school facilities were centralized.

**Available school facilities.**—In view of the decline in population of both Noble and Putnam Counties, the available school facilities usually are adequate in size. The poor physical condition of a large proportion of the one-room buildings is a circumstance encouraging centralization.

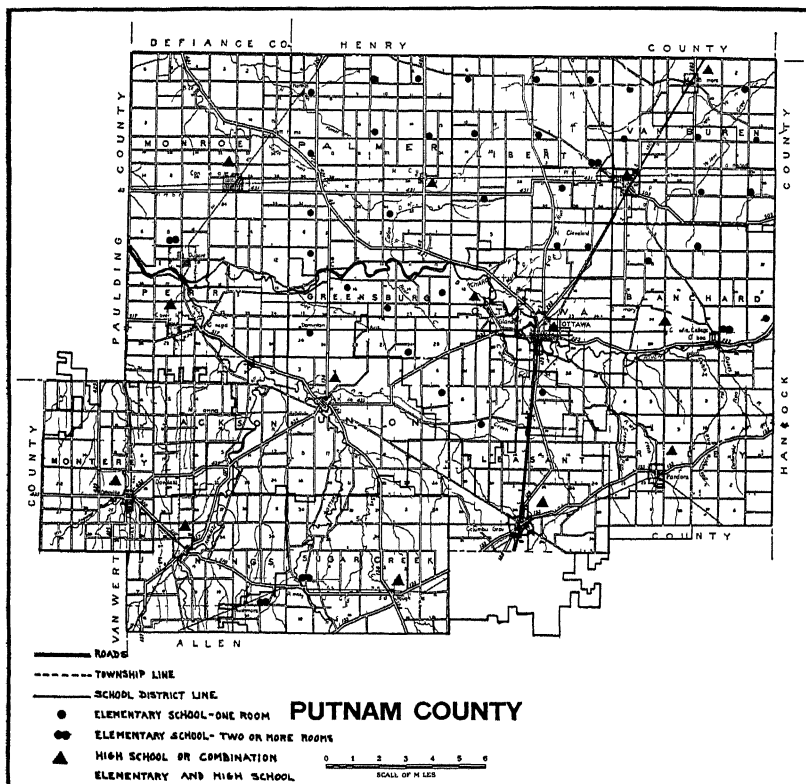


Fig. 6.—Putnam County roads and school districts

Since the land surface is nearly level, most roads follow section lines dividing the land into checkerboard squares. Note that school district boundaries, even under these favorable conditions, do not coincide with township lines in numerous instances.

The continued use of some one-room schools is largely dependent on two conditions: first, the relative isolation of some rural communities because of poor roads necessitates the operation of some one-room schools; second, popular sentiment in some areas does not favor centralization, mainly on the grounds of increased cost. In Noble County, both reasons operate; in Putnam, the latter only. On the other hand, the process of centralization of school facilities and consolidation of districts is favored by state school policy, and in view of the substantial state contribution to school district finance the process of centralization and consolidation will probably continue at an accelerated rate.

For the school year of 1935-36 the physical plant of the Noble County school system consisted of 48 one-room buildings, 2 consolidated and centralized schools, 14 other elementary schools of more than one room. Five high schools were operated in the elementary buildings, and four other high schools were housed separately, a total of 68 school buildings. The 1935-36 report of the county school board covered 45 one-room buildings of which 3 were considered to be in good physical condition, 17 in fair, and 25 in poor condition. Only three two-room school buildings were classified as poor; all other buildings of two or more rooms were in either fair or good condition. Similar information on condition of buildings was not assembled for Putnam County. However, for the year 1935-36 the schools consisted of 41 one-room buildings, 16 centralized and one other grade school of more than one room, and two other separately housed high schools, a total of 60 school buildings. Noble County is organized into 16 local districts; 15 are included in the county school district and Caldwell village is an exempted village district. Putnam County had 22 school districts until 1935 when the number was reduced to 21, and the proposed reorganization in 1936 would reduce the number to 17.

In the school year of 1935-36 a total of 41 one-room schools was operated in Putnam County, in the year of 1936-37, a total of 31. In addition to the county school system a total of five parochial schools is operated in the county, a fact which has a substantial effect on the number of pupils and costs of the county school system.

#### SCHOOL FINANCE, NOBLE COUNTY

**Receipts and expenditures.**—In Tables 22 and 23 are given the receipts and expenditures of all Noble County school districts combined. Of the revenue receipts in 1931-32 approximately one-third came from local tax levies on property and two-thirds from state-collected taxes and direct state aid. By 1935-36 local property taxes had dropped to approximately one-fourth of the school revenues, partially because Federal W. P. A. project money represented 6 per cent of the school district revenues in that year. The state foundation school program now in operation has not radically changed the relative amount of state aid in this county as compared with the previous plan of aid. Total revenue receipts have fluctuated during the past 5 years from a low of \$145,000 in 1932-33 to a high of \$366,000 in 1935-36 with an annual average of \$281,000.

Nonrevenue receipts are mainly borrowed funds, small sums realized from sale of property, textbooks, and the like, and money received from other districts. Borrowed funds can be subdivided into bond issues, usually used to finance building construction, and short-time notes issued in anticipation of revenue receipts, a practice used extensively in 1932-33 when revenue collections were particularly low. As pointed out elsewhere, a number of school buildings have been rated as being in poor condition. This fact coupled with the trend toward consolidation makes some capital outlay desirable or even necessary.

A few points related to school finance in Noble County can be best illustrated by combining the figures for the entire 5-year period. The total current expenses of all districts in 5 years totaled \$1,376,342, or \$27,552 less than the total revenue receipts. Briefly, revenue receipts approximated the expenditures for current school purposes with a small surplus left over for debt retirement and capital outlay. The latter in the 5 years amounted to \$69,279. Borrowing during the period was in the form of bond issues aggregating \$76,500 and short-time notes \$110,620. Debt payments amounted to \$101,613, leaving a surplus of borrowing over payments of \$82,507. Total receipts, both revenue and non-revenue, during the 5 years amounted to \$1,627,679 and total payments to \$1,571,462, leaving a surplus of \$56,217 to which may be added \$10,458 cash on hand at the beginning of the period to give a total of \$66,675 cash on hand at the end of the period. (The actual cash balance of all school accounts combined was slightly less, \$65,543. This difference can be associated with unaccounted-for changes in cash balances in a few school districts.)

TABLE 22.—Receipts of Noble County School Districts for 5 Years\*

Data assembled from annual financial reports submitted to the State Department of Education

	1931-32	1932-33	1933-34	1934-35	1935-36
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>					
Local property taxes .....	102,348	51,236	98,855	89,430	89,655
Share of state taxes .....	33,085	19,055	49,887	33,080	106,983
Interest on irreducible debt and rent .....	1,188		2,190	957	699
<b>State aid:</b>					
Educational equalization .....	160,004	71,765	167,398	143,029	143,244
Vocational classes .....	2,200	1,850	1,568	1,612	1,632
Handicapped children .....	1,063	1,200	1,333	359	526
Subtotal .....	163,267	74,815	170,299	145,000	145,402
Federal aid (W. P. A. projects) .....					22,750
Tuition from patrons .....	108			76	
Interest .....	959	444	354	187	167
Miscellaneous .....	63	268	207	374	506
Total revenue receipts .....	301,018	145,818	321,792	269,104	366,162
<b>Nonrevenue receipts:</b>					
Sale of bonds .....			5,403	18,677	52,420
Money borrowed otherwise .....	2,064	81,692		1,500	25,364
Sale of textbooks .....	913	928	713	856	525
Sale of capital assets .....	399	152	116	497	1,093
Insurance revenue .....	5	68	7,503	16	61
Money received from other districts .....	985	1,332	1,977	11,304	6,877
Other nonrevenue receipts .....	100	108	24	64	49
Total nonrevenue receipts .....	4,466	84,280	15,736	32,914	86,389
Grand total receipts .....	305,484	230,098	337,528	302,018	452,551

\*Fiscal year July 1 to June 30.

In conclusion it may be pointed out that although more money has been borrowed and the debt of the school districts increased, this is partially offset by the increase of cash on hand; i. e., \$82,507 increase in debt less \$56,217 increase in cash on hand leaves a net difference of \$26,290.

TABLE 23.—Expenditures of Noble County School Districts for 5 Years

	1931-32	1932-33	1933-34	1934-35	1935-36
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
School cost payments:					
Current expenses:					
Administration:					
Personnel.....	12,728	6,198	7,356	7,396	7,449
Other.....	505	584	358	812	627
Subtotal....	13,233	6,782	7,714	8,218	8,076
Instruction:					
Elementary teachers.....	100,862	83,115	112,765	93,125	122,421
High school teachers.....	67,412	59,148	76,889	72,855	99,529
Textbooks.....	2,316	1,656	1,594	1,628	4,926
Other supplies.....	5,673	2,328	2,812	2,438	3,122
Teachers institute.....	460	178	106	78	68
Teachers retirement fund.....	6,665	6,668	6,613	6,318	6,432
Subtotal....	183,388	153,093	200,779	176,442	236,498
Current operation and maintenance:					
Personnel.....	13,604	9,936	11,192	11,296	10,589
Fuel, utilities, and supplies.....	9,069	7,570	9,328	10,267	9,795
Materials and repairs.....	4,570	2,589	3,524	9,174	4,401
Insurance.....	2,139	2,209	2,271	2,844	2,159
Subtotal....	29,382	22,304	26,315	33,581	26,944
Transportation of pupils..Subtotal....	37,210	25,619	31,679	32,040	49,793
Auxiliary activities:					
Health service.....	65	.....	66	.....	10
Library.....	550	143	314	214	112
Playground.....	.....	.....	.....	.....	35
Lectures—commencements.....	128	63	80	95	75
Other.....	156	122	97	114	83
Subtotal....	899	328	557	423	315
Miscellaneous fixed charges					
Subtotal....	21	254	279	1,216	.....
Interest.....	12,818	8,067	14,970	12,489	14,616
Total current expenses.....	276,951	216,447	282,293	264,409	336,242
Capital outlay:					
Land.....	414	25	25	34	314
Buildings.....	4,769	.....	2,940	7,029	40,353
Equipment.....	1,880	1,648	5,812	2,001	1,896
Other.....	153	69	.....	.....	.....
Total capital outlay expenses.....	7,216	1,742	8,797	9,064	42,563
Total cost payments.....	284,167	218,189	291,090	273,474	378,805
Noncost payments:					
Debt reduction—bonds.....	18,810	16,784	26,404	17,225	19,937
Debt reduction—notes.....	.....	.....	.....	.....	2,453
Subtotal....	18,810	16,784	26,404	17,225	22,390
Transfer of tuition to other districts ..	.....	.....	943	14,657	8,525
Total noncost payments.....	18,810	16,784	27,347	31,882	30,915
Grand total disbursements.....	302,977	234,973	318,437	305,356	409,720

The outstanding school debt in the county was \$347,000 in 1930 and \$260,000 in 1935.

A brief comparison of the current expenditures with the number of pupils and teachers in the individual school districts of Noble County is given in Table 24.



TABLE 24.—Current Expenditures per Pupil and per Teacher in the School Districts of Noble County, 1933-34

School district	Total current expenses	Total enrollment of pupils	Total number of teachers	Number of pupils per teacher	Average expenditure per pupil	Average expenditure per teacher
	<i>Dollars</i>				<i>Dollars</i>	<i>Dollars</i>
Beaver Rural.....	16,697.64	213	11	19.4	78.39	1,517.97
Brookfield Rural.....	10,528.40	90	6	15.0	116.98	1,754.73
Buffalo Rural.....	8,378.35	104	6	17.3	80.56	1,396.39
Center Rural.....	15,306.04	211	10	21.1	72.54	1,530.60
Elk Rural.....	19,167.12	257	13	19.8	74.58	1,474.39
Fulda Rural.....	11,555.36	128	6	21.3	90.28	1,925.89
Jackson Rural.....	11,116.26	123	8	15.4	90.38	1,389.53
Middleburg Rural....	7,533.80	82	5	16.4	91.88	1,506.76
Seneca Rural.....	13,759.50	119	8	14.9	115.63	1,719.94
Sharon Rural.....	13,209.87	183	10	18.3	72.19	1,320.99
Stock Rural.....	13,841.16	135	7	19.3	102.53	1,977.31
Wayne Rural.....	7,327.10	68	4	17.0	107.75	1,831.82
Belle Valley Village..	33,201.75	620	23	26.9	53.55	1,443.56
Dexter City Village..	17,188.98	210	9	23.3	81.85	1,909.89
Summerfield Village..	19,862.20	300	14	21.4	66.21	1,418.73
Caldwell Village.....	49,592.65	721	27	26.7	68.78	1,836.77
Total or average....	268,266.08	3,564	167	21.3	75.27	1,606.38

TABLE 25.—Receipts of Putnam County School Districts for 5 Years\*

Data assembled from annual financial reports of school districts submitted to the State Department of Education

	1931-32	1932-33	1933-34	1934-35	1935-36
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Revenue receipts:					
Local property taxes.....	232,104	201,788	204,320	255,590	214,678
Share of state taxes.....	105,014	109,918	116,255	56,440	17,962
Interest on irreducible debt and rents..	2,939	2,763	2,558	3,151	3,177
State aid:					
Educational equalization.....	2,500	.....	.....	70	146,467
Vocational classes.....	2,150	1,911	1,578	1,550	1,952
Handicapped children.....	806	639	991	592	151
Subtotal.....	5,456	2,550	2,569	2,212	148,570
Federal aid (W. P. A. projects).....	.....	.....	.....	.....	14,500
Tuition from patrons.....	391	111	226	293	638
Interest.....	2,904	1,622	1,937	459	426
Miscellaneous.....	3,310	642	924	711	1,709
Total revenue receipts.....	352,118	319,394	328,789	318,856	401,660
Nonrevenue receipts:					
Sale of bonds.....	.....	.....	62,000	6,289	32,427
Money borrowed otherwise.....	5,000	67,513	2,392	6,345	9,691
Sale of textbooks.....	2,645	2,145	2,340	2,688	1,530
Sale of capital assets.....	332	382	39	16	27
Insurance revenue.....	598	752	97	217	60
Money received from other districts....	19,364	15,923	11,878	11,043	8,275
Other nonrevenue receipts.....	992	5,015	10,925	2,890	2,650
Total nonrevenue receipts.....	28,831	91,730	89,671	29,488	54,660
Grand total receipts.....	380,949	411,125	418,460	348,344	456,320
Balance July 1†.....	89,370	66,462	56,593	40,263	39,643

\*Fiscal year July 1 to June 30.

†Accounts were off balance in some local school districts because of adjustments to cover funds in closed banks.

## SCHOOL FINANCE, PUTNAM COUNTY

Receipts and expenditures.—In Tables 22 and 23 are given the receipts and expenditures of Putnam County school districts combined. Prior to the recent adoption of a system of universal state aid about two-thirds of the revenue receipts came from local property taxes, one-third from state-collected taxes,

TABLE 26.—Expenditures of Putnam County School Districts for 5 Years

	1931-32	1932-33	1933-34	1934-35	1935-36
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>School cost payments:</b>					
<b>Administration:</b>					
Personnel .....	8,271	6,759	4,936	4,473	3,930
Other .....	3,183	480	382	462	288
Subtotal .....	11,454	7,239	5,318	4,935	4,218
<b>Instruction:</b>					
Elementary teachers .....	115,748	102,295	106,879	102,293	106,428
High school teachers .....	98,450	78,655	90,371	86,189	100,014
Textbooks .....	4,096	3,387	3,559	4,310	8,908
Other supplies .....	3,648	2,306	2,714	2,911	4,914
Teachers institute .....	402	857	824	822	769
Teachers retirement fund .....	6,226	4,827	6,547	7,088	5,444
Subtotal .....	228,570	192,327	210,894	203,613	226,477
<b>Current operation and maintenance:</b>					
Personnel .....	19,389	13,334	16,916	12,118	13,360
Fuel, utilities, and supplies .....	20,358	16,544	18,928	18,159	21,335
Materials and repairs .....	10,869	4,181	6,119	10,317	11,808
Insurance .....	3,104	3,713	2,752	3,187	3,525
Subtotal .....	53,720	37,772	44,715	43,781	50,078
Transportation of pupils .. Subtotal .....	39,936	30,755	34,963	31,293	35,836
<b>Auxiliary activities:</b>					
Health service .....	1,090	.....	15	.....	15
Library .....	270	140	180	1,061	687
Playground .....	38	174	537	306	94
Lectures—commencements .....	104	20	.....	.....	20
Other .....	248	190	441	490	203
Subtotal .....	1,750	524	1,173	1,857	1,018
Miscellaneous fixed charges .. Subtotal .....	2,129	2,380	2,420	2,400	3,000
Interest .....	12,109	9,966	17,452	10,912	10,581
Total current expenses .....	349,668	280,964	316,935	298,791	331,208
<b>Capital outlay:</b>					
Land .....	.....	.....	.....	150	900
Buildings .....	1,818	67,513	139	111	18,948
Equipment .....	3,751	287	3,304	996	4,972
Other .....	5,891	1,927	2,322	1,142	.....
Total capital outlay expense .....	11,460	69,727	5,764	2,399	24,820
Total cost payments .....	361,128	350,691	322,700	301,190	356,028
<b>Noncost payments:</b>					
Debt reduction: bonds .....	28,634	24,045	39,292	26,649	32,639
Debt reduction: notes .....	.....	2,500	60,000	8,260	4,366
Subtotal .....	28,634	26,545	99,292	34,909	37,005
Transfer of tuition to other districts .. Subtotal .....	13,985	10,815	12,686	8,612	4,374
Paving assessments paid to other units .. Subtotal .....	111	106	112	.....	.....
Total noncost payments .....	42,730	37,466	112,090	43,521	41,379
Grand total disbursements .....	443,858	388,157	434,791	344,711	397,407

and an almost negligible amount from direct state aid. Property taxes now produce a little over one-half of the total revenue. Taken as a whole, this area has been able to finance its schools satisfactorily in years past, but has felt the pinch of financial stringency since 1930. Current expenses were cut from about \$350,000 in 1931-32 to an average of about \$300,000 in the 3 succeeding years, but rose to \$331,000 in 1935-36. Current expenses for the entire 5 years totaled \$1,577,566, or \$143,251 less than the total revenue receipts. In the same period capital outlay expenditures amounted to \$114,169. Bonds sold aggregated \$100,716 and notes \$90,941, making \$191,657 in new debt obligations as compared with \$226,385 in debt payments. The grand total receipts in the 5 years amounted to \$2,015,198, which is \$6,274 more than the grand total payments, \$2,008,924. Actually the aggregate cash balance June 30, 1936, was \$98,243, or \$8,873 more than the balance July 1, 1931. The outstanding school debt in the county was \$244,000 in 1930 and \$209,000 in 1935.

TABLE 27.—Current Expenditures per Pupil and per Teacher in the School Districts of Putnam County, 1933-34

School district	Total current expenses	Total enrollment of pupils	Total number of teachers	Number of pupils per teacher	Average expenditure per pupil	Average expenditure per teacher
	<i>Dollars</i>				<i>Dollars</i>	<i>Dollars</i>
Belmore .....	4,305.81	65	4	16.2	66.24	1,076.45
Blanchard Township..	15,660.35	293	12	24.4	53.45	1,305.03
Cloverdale Consoli- dated .....	7,045.40	150	5	30.0	46.97	1,409.08
Columbus Grove.....	30,745.76	596	20	29.8	51.59	1,537.29
Glandorf.....	16,069.75	318	12	26.5	50.53	1,339.14
Greensburg Township.	4,540.87	71	4	17.7	63.96	1,135.22
Jennings Consolidated.	18,600.11	320	12	26.6	58.13	1,300.10
Kalida Rural .....	12,939.51	166	7	23.7	77.95	1,848.50
Leipsic .....	23,489.93	378	16	23.6	62.14	1,468.12
Liberty Special.....	4,403.12	121	3	43.3	36.39	1,467.71
Liberty Township....	11,589.93	185	8	23.1	62.65	1,448.74
Monroe Township .....	29,496.13	505	15	33.7	58.41	1,966.41
New England Special.	1,517.64	24	1	24.0	63.24	1,517.64
Ottawa Township.....	3,801.83	20	2	10.0	190.09	1,900.91
Ottawa Village .....	18,601.26	261	12	21.7	71.27	1,550.11
Ottoville.....	21,047.57	511	11	46.5	41.19	1,913.42
Palmer Township.....	15,305.26	305	12	25.4	50.18	1,275.44
Perry Township.....	3,102.24	61	2	30.5	50.86	1,551.12
Riley Township.....	29,848.43	420	15	28.0	71.07	1,989.89
Rushmore Special .....	3,834.87	25	2	12.5	153.40	1,917.43
Sugar Creek Township	24,837.60	324	14	23.1	76.66	1,774.11
Van Buren Township..	11,498.68	93	7	13.3	123.64	1,499.81
Total or average....	312,282.05	5,212	196	26.6	59.92	1,593.28

In 1933-34 current expenditure per pupil averaged \$49.92 in Putnam as compared with \$75.27 in Noble; the difference in cost probably should be associated with differences in population distribution and topography and the consequent influences on school district organization.

#### VILLAGE GOVERNMENT

Village government supplements but does not entirely replace township government in incorporated areas of less than 5,000 population. Justification for the incorporation of the village area rests on the assumption that special needs for governmental service exist in the closely settled village area which cannot be satisfactorily met by the township government serving the open country surrounding the village. Some incorporated villages have a very small

population, a small amount of revenue for municipal purposes, and perform a limited amount of service. In some such cases the actual performance of service is very little if at all in excess of the legal powers possessed by the township and, therefore, the village may represent an unnecessary division of government. Some villages have lost population since they were incorporated; or perhaps the desire for prestige, the hope of future growth, or some real or presumed variation of interest between the village and open country has encouraged small settlements to incorporate and to continue incorporated longer than necessary. Local people should study their situation to determine whether the corporate powers used by a village of two or three hundred population justify the extra expense associated with a village government separate from that of the township.

TABLE 28.—The Receipts of Noble County Villages in 1932, 1933, 1934, and 1936

	1932	1933	1934	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>				
Property tax .....	7,458	6,747	6,491	7,775
Special assessments .....	8,211	6,740	5,927	2,547
Retail sales tax .....				200
Inheritance tax .....	59	131	253	223
Cigarette and beer licenses .....	91	721	1,065	1,634
Motor vehicle licenses .....	3,024	2,759	3,282	3,158
Gasoline tax .....	5,735	5,635	4,181	5,632
Local licenses and permits .....	40	21	12	22
Fines and costs .....	339	57	412	438
Interest and rent .....	232	141	161	102
Fee office receipts .....	337	17	186	397
Miscellaneous .....	5,039	116		
Public service enterprises: water and light .....	28,227	27,126	29,501	26,704
Public service enterprises: cemeteries .....	997	1,100	1,159	1,419
<b>Total revenue receipts .....</b>	<b>59,789</b>	<b>51,311</b>	<b>52,629</b>	<b>50,251</b>
<b>Nonrevenue receipts:</b>				
Municipal bonds and notes .....	5,600			2,250
Public service bonds and notes .....			12,826	
Other loans .....				
<b>Subtotal .....</b>	<b>5,600</b>		<b>12,826</b>	<b>2,250</b>
Refunds .....	57		130	3
Sale of capital assets .....	710		23	
Transfers .....		63	6,346	2,161
Trust funds .....			6	
Other nonrevenue receipts .....				
<b>Total nonrevenue receipts .....</b>	<b>6,367</b>	<b>63</b>	<b>19,331</b>	<b>4,414</b>
<b>Grand total receipts .....</b>	<b>66,156</b>	<b>51,374</b>	<b>71,960</b>	<b>54,665</b>

Noble County contains six incorporated villages; five range in size from 198 to 603 inhabitants; one, the county seat, had a population of 1,778 at the 1930 census.

Putnam County contains 15 incorporated villages, twelve ranging in size from 184 to 897 inhabitants, the other three from 1,571 to 2,169, at the 1930 census. Two of the small villages lie adjacent to two of the larger; so in reality there are 13 village centers in the county.

Tables 28 to 31 inclusive cover the combined finances of these villages in each county for the years of 1932, 1933, 1934, and 1936. The following discussion of expenditures indicates the more significant features of village service.

TABLE 29.—The Expenditures of Noble County Villages  
in 1932, 1933, 1934, and 1936

	1932	1933	1934	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Governmental cost payments:				
General government:				
Compensation of officials .....	1,739	1,669	2,389	2,467
Miscellaneous .....	341	100	87	.....
Village hall: capital outlay .....	21	.....	.....	.....
Village hall: current maintenance .....	247	290	291	344
Subtotal .....	2,348	2,059	2,767	2,811
Protection to person and property:				
Police .....	459	501	560	698
Fire .....	811	1,088	710	40
Subtotal .....	1,270	1,589	1,270	738
Health and sanitation .....	227	438	414	1,310
Roads and streets:				
New construction .....	6,761	1,370	674	.....
New equipment .....	.....	.....	.....	.....
Current maintenance .....	4,045	3,597	4,765	5,166
Commissioner's salary .....	260	.....	.....	.....
Subtotal .....	11,066	4,967	5,439	5,166
Charities, hospitals, and correction .....	42	20	.....	.....
Public service enterprises:				
Water and light plant: capital outlay .....	6,464	1,960	17,067	6,221
Water and light plant: current maintenance .....	21,001	23,545	19,680	20,910
Cemeteries: outlay and maintenance .....	590	719	1,102	1,436
Subtotal .....	28,054	26,223	37,850	28,557
Miscellaneous:				
Library books and equipment .....	33	.....	.....	154
Parks: capital outlay .....	25	.....	.....	630
Parks: maintenance .....	.....	.....	.....	.....
Other .....	32	.....	441	180
Subtotal .....	90	.....	441	964
Interest .....	4,943	2,733	2,429	2,582
Total governmental cost payments .....	48,041	38,029	50,609	42,128
Nongovernmental cost payments:				
Reduction of debt .....	.....	12,992	12,187	10,999
Cash transfers .....	16,016	.....	6,346	2,155
Other .....	.....	63	.....	.....
Total nongovernmental cost payments .....	16,016	13,055	18,532	13,154
Grand total expenditures .....	64,057	51,084	69,141	55,282

Revenue expenditures.—A distinctive type of service which villages can perform is the management of some type of public service enterprise, such as water and light systems. One-third of the 21 villages located in the two counties report some type of public service enterprise. Four of the 21 villages have a population ranging between 1,500 and 2,200 people, and all four supply utility services. Three villages fall within the 500 to 1,000 group in population size. One of these villages reports some public service enterprise income and expenditure. Fourteen villages have a population of less than 500 each. Of these fourteen villages, one only has a municipally managed lighting service, and one other village reports a small sum spent in one year on a public market. The evidence of these villages indicates that a population of 1,500 or more is sufficiently adequate to cause the village to engage in the supply of one or more

utility services and that less than 1,000 population seems to discourage the performance of such service. (No village in the two counties had a population of 1,000 to 1,500 in 1930.) The importance of the publicly managed utility services where present is evident, for they account for more than one-fourth of the total money handled by all 21 villages and more than one-half of the money in the villages with public service enterprises.

TABLE 30.—The Receipts of Putnam County Villages in 1932, 1933, 1934, and 1936

	1932	1933	1934	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Revenue receipts:</b>				
Property tax .....	40,673	30,258	29,394	32,701
Special assessments .....	12,046	14,019	9,257	9,507
Retail sales tax .....				5,352
Inheritance tax .....	1,498	90	315	530
Cigarette and beer licenses .....	305	3,953	4,390	7,705
Motor vehicle licenses .....	5,202	7,811	7,517	8,452
Gasoline tax .....	14,836	14,297	11,438	13,805
Local licenses and permits .....	110	68	133	262
Fines and costs .....	233	287	537	455
Interest and rent .....	1,773	836	1,259	654
Fee office receipts .....	243	434	15	
Miscellaneous .....		128	1,265	34,711*
Public service enterprises: water and light .....	53,394	46,896	51,805	61,761
Public service enterprises: cemeteries .....				
<b>Total revenue receipts .....</b>	<b>130,313</b>	<b>119,076</b>	<b>117,324</b>	<b>175,898</b>
<b>Nonrevenue receipts:</b>				
Municipal bonds and notes .....			5,000	3,000
Public service bonds and notes .....				8,064
Other loans .....			28	4,000
<b>Subtotal .....</b>			<b>5,028</b>	<b>15,064</b>
Refunds .....	46		4	
Sale of capital assets .....	8	42		
Transfers .....	20,346	15,022	16,587	8,938
Trust funds .....				
Other nonrevenue receipts .....	766	63	1	
<b>Total nonrevenue receipts .....</b>	<b>21,166</b>	<b>15,077</b>	<b>21,620</b>	<b>24,002</b>
<b>Grand total receipts .....</b>	<b>151,479</b>	<b>134,153</b>	<b>138,944</b>	<b>199,903</b>

\*Includes federal grant of \$33,250 for part cost of sewage disposal system.

**Other services.**—Excepting utilities, the service supplied by small villages can be classified about the same as the township services, although more emphasis must be placed on some functions and less on others. In the matter of protection to person and property the item of fire protection is slightly larger than the cost of police protection for all villages combined. It should be added that the fire-fighting equipment located in a half dozen villages supplies a fair degree of protection to the farm buildings of the greater part of Putnam County. The chief objection to existing arrangements is the delay which often occurs after a call for help. A more definite understanding between village fire departments on the one hand, and insurance companies and township trustees on the other, would have prevented losses of property in the past.

Expenses for health and sanitation are relatively small, for less than a third of the villages have sufficient population to make a sewer system a necessity.

Road and street construction and maintenance stand as the most expensive service performed by these villages, if utility service is excepted. Charities, hospitals, and correction are nominal in cost because the townships perform the function of outdoor relief in village areas.

**TABLE 31.—The Expenditures of Putnam County Villages  
in 1932, 1933, 1934, and 1936**

	1932	1933	1934	1936
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Governmental cost payments:</b>				
<b>General government:</b>				
Compensation of officials .....	7,208	7,226	8,795	8,846
Miscellaneous .....	337	433	360	89
Village hall: capital outlay .....	269	175	15,715	5,072
Village hall: current maintenance.....	865	1,744	990	993
Subtotal....	8,679	9,578	25,861	15,000
<b>Protection to person and property:</b>				
Police .....	4,721	4,647	4,790	4,655
Fire .....	5,200	5,865	2,810	6,798
Subtotal....	9,921	10,512	7,600	11,453
Health and sanitation .....	1,093	2,142	4,588	100,263
<b>Roads and streets:</b>				
New construction .....	.....	.....	.....	.....
New equipment .....	.....	655	.....	1,201
Current maintenance .....	32,253	27,900	29,486	22,712
Commissioner's salary .....	1,738	1,347	162	.....
Subtotal....	33,991	29,902	29,648	23,913
Charities, hospitals, and correction .....	2,747	3,109	102	11
<b>Public service enterprises:</b>				
Water and light plant: capital outlay.....	2,358	11,471	6,453	8,504
Water and light plant: current maintenance.....	40,442	33,683	40,669	44,252
Cemeteries: outlay and maintenance.....	.....	.....	.....	.....
Subtotal....	42,800	45,154	47,122	52,756
<b>Miscellaneous:</b>				
Library books and equipment .....	.....	.....	.....	.....
Parks: capital outlay .....	.....	495	.....	.....
Parks: maintenance .....	133	298	140	189
Other.....	123	126	1,069	8,824
Subtotal....	256	892	1,074	9,013
Interest .....	8,487	5,594	4,285	5,729
<b>Total governmental cost payments.....</b>	<b>107,974</b>	<b>106,911</b>	<b>120,415</b>	<b>218,138</b>
<b>Nongovernmental cost payments:</b>				
Reduction of debt.....	33,927	18,726	17,976	15,718
Cash transfers .....	20,577	15,022	16,587	8,938
Other.....	.....	.....	20	.....
<b>Total nongovernmental cost payments .....</b>	<b>54,504</b>	<b>33,748</b>	<b>34,584</b>	<b>24,656</b>
<b>Grand total expenditures .....</b>	<b>162,478</b>	<b>140,659</b>	<b>154,999</b>	<b>242,794</b>

## SUMMARY AND CONCLUSIONS

The principal purpose of this bulletin is the presentation of certain information related to local governmental finance in rural areas. Two sample areas were studied: Noble County, selected as typical of southeastern Ohio, and Putnam County, as typical of the western half of the State. The more important inferences supported by this information are:

1. Local sources of revenue have become increasingly inadequate to finance the public services commonly supplied by local governments. Naturally, an area of higher per capita wealth where nearly all the land is favorable to agriculture, is less dependent on state-collected taxes and grants in aid than is an area of smaller wealth. Nonetheless, both sample areas studied in this bulletin illustrate how 50 per cent or more of the finances of local governments in rural Ohio are now collected through the state. This does not necessarily mean that rural areas are being subsidized to this extent, for the people in these areas contribute a share of the state taxes; but the point to be made is that state administration is replacing local administration both in the revenue system and in services.

2. The attempts to economize since 1930 have proved to be a weaker influence than the demands for public service. The experience demonstrates the practical impossibility of achieving any important and permanent economy below present levels if the pattern of the existing administrative organization is maintained.

3. The higher total expenditure per capita in Noble as compared with Putnam probably should be associated with more factors than those actually studied in this bulletin. Fundamentally, some of the difference is due to the broken topography and the lower density of population in Noble. For example, these factors have some bearing on the fact that the number of pupils per teacher in Noble averaged 21 as compared with 26 in Putnam in 1934. Public services at a given standard cannot be held at the same dead level of costs in all areas, but some variations probably can be reduced by adjusting the administration of each service to fit more nearly local conditions. This involves more flexibility than now exists in local government, with the possible exception of school district organization.

4. Opinions of farmers relative to local government tend to be conservative. The general tendency is to favor a decentralized system of local government in the belief that costs are lower and the service more responsive to local needs when administrative units are small. On the other hand, the financial records indicate that some small townships have unduly high overhead costs because of the small volume of business and that small school districts have high costs per pupil because of the small number of pupils per teacher.

The reorganization of school districts is proceeding under the present plan of administration. No corresponding place exists for the reorganization or combination of townships. Some factors unfavorable to reorganization are: (a) unfavorable local sentiment, which is partially due to the lack of information concerning local affairs; (b) the small total expenditure per township in those instances where reorganization is most needed; (c) the equal distribution of the townships' share of the gasoline tax. A more equitable plan would be to apportion the gasoline tax on the basis of road mileage in each township.



Contacts made with rural people indicate that a majority favor the maintenance in rural areas of an administrative unit of government smaller than the county. In accordance with this view, townships in some areas need to be consolidated in order to obtain: (a) sufficient resources and population to support a fair volume of business at a low overhead cost; (b) sufficient area so chosen as to coincide approximately with the bounds of local social and economic interests.

Counties with small populations tend to have high costs per capita or per unit of service and high tax rates, partially at least because the law specifies practically the same administrative organization for all counties regardless of size. Combining counties would lower the unit cost of some services but would increase the social cost to the people served, owing to the extra mileage the population would travel to contact officials and departments of government. A more workable plan is to combine functions in small counties under fewer officials and departments. To make this possible it is necessary to provide by state law for alternative forms of county government adapted to the needs of rural counties.