

An Analysis of Finances and Services of
Local Government, Auglaize, Lake
and Monroe Counties

by

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<u>Some Definitions</u>		
(1)	Revenue receipt: a receipt which increases the assets without increasing liabilities - Examples - taxes, donations, grants-in-aid, gifts, earnings of departments.	
(2)	Non-revenue receipt: a receipt which increases the assets but also increases the liabilities; Example, borrowed money.	
(3)	Current operating expense: expenditures for salaries, wages, supplies, maintenance of facilities and other payment incidental to the functioning of a department or division of government, excepting capital outlays.	
(4)	Capital outlay(or outlay): An expenditure for goods of a permanent nature. Examples - office equipment, motor vehicles, land, building construction and improvements.	

SUMMARY

(1) At least three things have a strong influence on the organization and cost of local government: (1) Population - density, trend and composition by age groups, (2) size of the area serviced, and (3) wealth or ability to support governmental services.

(2) The material assembled in this bulletin indicates how the pattern of financing and services tends to vary with different combinations of conditions as mentioned above.

Local government financing in three counties is used to illustrate variations: Auglaize, as representative of an area with no sharp changes in population or in the economy and with a relatively good local tax base; Lake, with a rapidly growing, dense population and a relatively good local tax base; Monroe, with a small population and a relatively small tax base.

(3) In these three counties (as is often the case elsewhere) the number of political subdivisions varies more with the size of the area than with the population. In 1953 the number in each county was as follows: 39 in Monroe, 37 in Auglaize and 33 in Lake. This results in much variation in the level of expenditures and the type of service rendered. In recent years the number of school districts in all three has been reduced sharply. The number of other political subdivisions has not changed. In all, Ohio has more than 3600 subdivisions of local government, an average of over 40 per county.

(4) Taxable wealth per capita (local property tax base) is about the same in Auglaize and Lake, slightly above the state average of \$2341 per capita. Monroe has about half as much (\$1191). In Auglaize and Monroe the average tax rate approximates 20 mills or two per cent on each dollar of assessed valuation. The average rate in Lake is about 25 mills. (The average tax rate for all Ohio in 1954 was 25 mills). The tax rates in all these counties (and in the state as a whole) are sufficiently high to cause one to question the effect on property values if they go higher.

Tax rates in most areas are much higher than the 10-mill limitation.

- (5) Property taxes and special assessments provide nearly half the total revenues in Lake, over a third in Auglaize and just over a fifth in Monroe. Most of the remaining tax revenues come from the state or federal government either as shared taxes, subsidies, or as grants-in-aid.

Outside of the property tax system few taxes are suitable for exclusive local levy and collection. Devising a practical and equitable distribution of state collected taxes to local subdivisions now is a substantial responsibility of the State General Assembly. Many different formulas are used. The more important of these state collected taxes are the sales tax, part of the intangible property tax, the gasoline tax, motor vehicle licenses, and public utility taxes for certain welfare purposes.

- (6) In "normal" financing of local government, revenue receipts should at least equal expenditures for current operation.^{1/} Capital outlays for permanent structures as school buildings, drainage ditches, sewers, water supply, etc., are usually made largely or entirely with borrowed money. On the other hand, most road improvements are being financed out of current revenues. Lake County is typical of areas where a rapidly growing population calls for extensive financing of additional facilities by school districts, municipal corporations and the county. Auglaize and Monroe Counties both illustrate that a smaller and more rural population is associated with smaller outlay expenditures.

In all three counties, townships are operating practically free of debt.

- (7) In relative terms, school districts receive about the same share of the revenue receipts in the three counties, 44 to 46 per cent of the total. In Monroe, the most rural, financing of county and townships takes more money than financing municipal corporations.
1/ See page iv for definitions.

In both Auglaize and Lake, villages and cities collect about the same amount of revenues as do the counties and townships combined. But these municipal revenues include receipts of publicly operated utilities.

- (8) Expenditures. - The services performed by local governments can be grouped conveniently in about ten general classes. Even this grouping oversimplifies all the things done by different departments. As estimated for all local subdivisions of government in Ohio in 1953, the current operating cost of various services ranked as follows: (1) education, (2) public service enterprises (which are usually self-supporting), (3) the closely related group of activities - health and welfare, (4) highways and streets, (5) protection to persons and property, (6) general government, (7) sanitation and drainage, (8) miscellaneous services, (9) interest on debt, and (10) recreation.

In the more rural counties, education, highways and welfare usually rank in that order in respect to cost. Part of the road system (state highways) and part of the welfare service (aid to the aged) are financed directly by the state. It should also be emphasized that cost alone is an inadequate measure of quality of or need for a service.

- (9) Particularly when put on some standard basis of comparison the level of expenditure for some services varies substantially from one area to another. For instance, expenditures for county and township roads averaged \$13 per capita in densely settled Lake County and \$24 in sparsely settled Monroe County. On the other hand, Lake County had available and spent three times as much per mile of road. As contrasted to expenditures for roads, educational costs per pupil enrolled are about the same in all three counties, reflecting the standardization of the school foundation program. Welfare expenditures also are leveled out by statewide standards based on need. As the figures show, need varies considerably from one county to another.

In Table 6 and Charts 6 and 7 expenditures by all subdivisions of local government are combined to show the total expended for specific services as described above. Tables 7 to 10 and the accompanying charts show how the various subdivisions - counties, townships, and school districts spend their money for these different services.

- (10) Thus, there is considerable difference among the three counties with reference to population, services performed, sources of funds for operating units of local government, and purposes for which expenditures are disbursed. Each of the three counties appears to be more or less representative of other areas of Ohio. It seems probable then, that most other counties have some of the same problems and characteristics as one of the three counties discussed in this bulletin.

INTRODUCTION

The principal objective of this publication is to consider the financing and the services of local governments under three sets of situations. To explain: (1) Some rural counties have a small to medium-sized population, - relatively stationary in growth or increasing at a moderate rate and a relatively good local tax base. This is the situation in the more productive agricultural counties which are not greatly influenced by urban-industrial developments. (2) Some counties have a rapidly growing population. Even if the local tax base is good, demands for governmental services tend to increase faster than the taxable wealth of the area. (3) Some counties are losing population and have a small tax base.

There are other combinations of circumstances which affect what local governments do and how the service is financed; but one of the above three situations is typical of most Ohio counties.

The General Problem

At least three things have a fundamental influence on the organization and cost of local government: (1) density of population, (2) size of the area serviced, and (3) wealth or ability to support governmental services.

Let us pursue these ideas a little further. Generally speaking, a sparse population does not require as much policing, traffic control, or as many provisions for sanitation as a densely settled area. On the other hand, some services will cost more. Transportation of pupils is a good example. Road costs per unit of traffic is another.

Size needs to be measured in two ways: (1) number of people served by an administrative unit of government and (2) geographical area. What is the optimum size? It certainly varies with the nature of the service. Frequent adjustments in school district areas are examples of attempts to cut costs and improve service. Townships and villages may cooperate to provide fire protection.

Our third variable, wealth or tax paying ability, is of great importance to all. It is in the public interest that all the people enjoy a minimum amount of public service. This applies particularly to such services as education, public health, welfare, and highways. These no longer can be financed satisfactorily on a purely local basis by many localities. The alternative is a complicated system of state and federal taxation. This is just one manifestation that for an increasing number of purposes the state or the nation must pool resources in the common interest.

In a study such as this it is possible to describe where the money comes from and how it is used; it is not possible to satisfactorily measure adequacy or efficiency of service.

In the past generation, the trend in public finances has been toward the use of more state and federally collected taxes.

In brief, the volume of public service now demanded of local governments can no longer be financed by property taxation and other taxes adapted to local levy and administration. A part of this revenue has been allocated back to the different levels of government by various formulas, including such factors as population, local tax base, or some other device to measure need or equitable distribution.

This procedure is very complicated and involves several problems. A few follow: equality in taxation, equitable distribution of the revenues, minimum standards of service, efficiency of service, maintaining a satisfactory degree of local autonomy, and the inability of the average citizen to have enough information to understand the public business of which he is a voting stockholder.

The Specific Problem

The material assembled in this bulletin has some application to all the problems just named. But a more specific purpose is to show how the pattern of financing and the services of local governments tend to vary with the size and trend in population in the area and with the local tax base. Another specific purpose is to demonstrate how material can be organized and classified for use by people interested in local government.

Local government is administered under general state laws which provide the legal frame work for what is done by counties, townships, municipalities, school districts, and other districts organized for special purposes. Within this frame work, some important differences exist in what is done.

Three Counties For Illustration

Three counties were selected for this study. Auglaize was chosen as representative of an area with no radical recent change in the number and distribution of population, with a relatively good local tax base, and in general, with no marked changes in the economy which would affect governmental services.

Lake County was chosen as representative of an area with a relatively dense and rapidly growing population. The increase was about 50 percent from 1940 to 1950.

The third county, Monroe, has a small population which declined one-sixth from 1940 to 1950. The tax base is low.

Chart 1 and Table 1 indicate the population changes in these counties from 1930 to 1950. Chart 2 indicates the proportions of population which were classified "city and village" and "open country" in the three counties in 1930, 1940, and 1950. "Open country" population refers to all people living outside incorporated places. "City and village" population refers to all people living inside incorporated places.

Population by Age Groups

The composition of a population (as well as its size and trend) in respect to age affects what government does, the costs and the ability to pay for the service. Schools are needed for youngsters. Welfare costs are high among the elderly. The proportion of the population in the age range associated with gainful employment is important. How these matters work out in the three counties is shown in the following tabulation:

<u>Age groups</u>	Percent of population in specified age groups					
	Auglaize		Lake		Monroe	
	1940	1950	1940	1950	1940	1950
Under 5 yrs.	7.5	11.4	7.4	11.9	8.6	9.9
Under 15 yrs.	23.6	27.6	23.5	28.2	27.3	27.8
15 to 64 yrs.	65.4	61.0	68.8	64.5	61.2	57.6
65 yrs or older	11.0	11.4	7.6	7.3	11.5	14.4
Under 14 and 65 or older	34.6	39.0	31.1	35.5	38.8	42.2

Source: Comparative Population, Agricultural and Industrial Data for Ohio Counties, 1940-1950, by Wade H. Andrews and Lorenzo H. Snow, Agricultural Economics Mimeograph AD 248, Ohio Agricultural Experiment Station, 1955

In all three counties the proportion of the total population under 5 years increased from 1940 to 1950. In 1950 the proportion under 15 years was not far from 20 percent of the total in all three. The proportion 65 years old or older tends to be high in the more rural counties - being nearly twice as high in Monroe as in Lake County. Combining the under 15 and 65 or older groups indicates the trend to be toward a greater proportion of youngsters and elderly people in all three areas, but the more rural areas have the highest proportion in the age groups associated with dependency.

TABLE 1

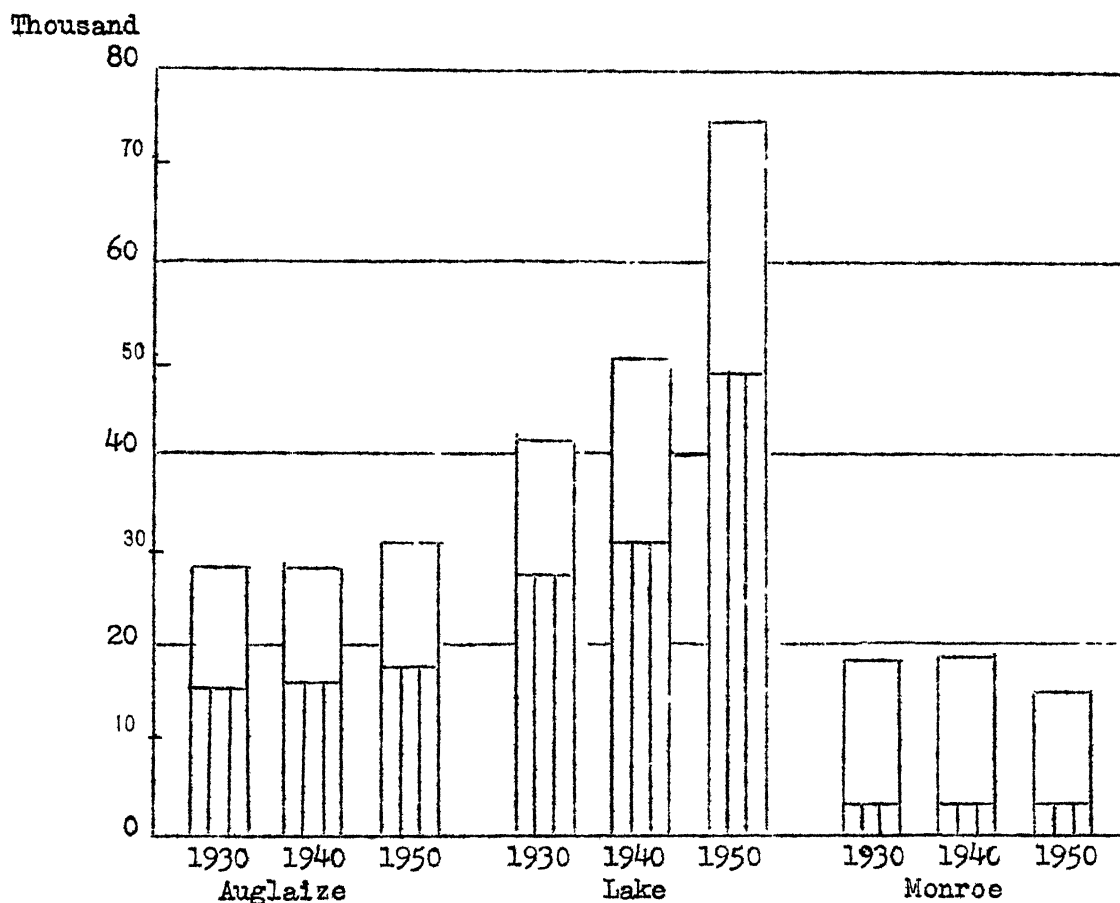
Population: Total, City and Village, and Open Country,
Auglaize, Lake, and Monroe Counties, and
Ohio, 1930, 1940, and 1950

Type of Population and County	1950	1940	1930
Total Population:			
Monroe	15,302	18,641	18,426
Auglaize	30,037	28,037	28,034
Lake	75,979	50,020	41,674
Ohio	7,946,027	6,907,612	6,046,697
City and Village:			
Monroe	3,352	3,458	3,285
Auglaize	17,903	15,982	15,704
Lake	48,183	30,412	27,822
Ohio	5,806,021	5,108,625	4,991,515
Open Country:*			
Monroe	12,010	15,183	15,141
Auglaize	12,734	12,055	12,270
Lake	27,796	19,608	13,852
Ohio	2,140,006	1,790,987	1,655,102

* Population outside of incorporated places. Because population of unincorporated villages is included, the term "Open Country" is only approximately accurate.

CHART 1

Population: Total, City and Village, and Open Country,* Auglaize, Lake and Monroe Counties, 1930, 1940 & 1950



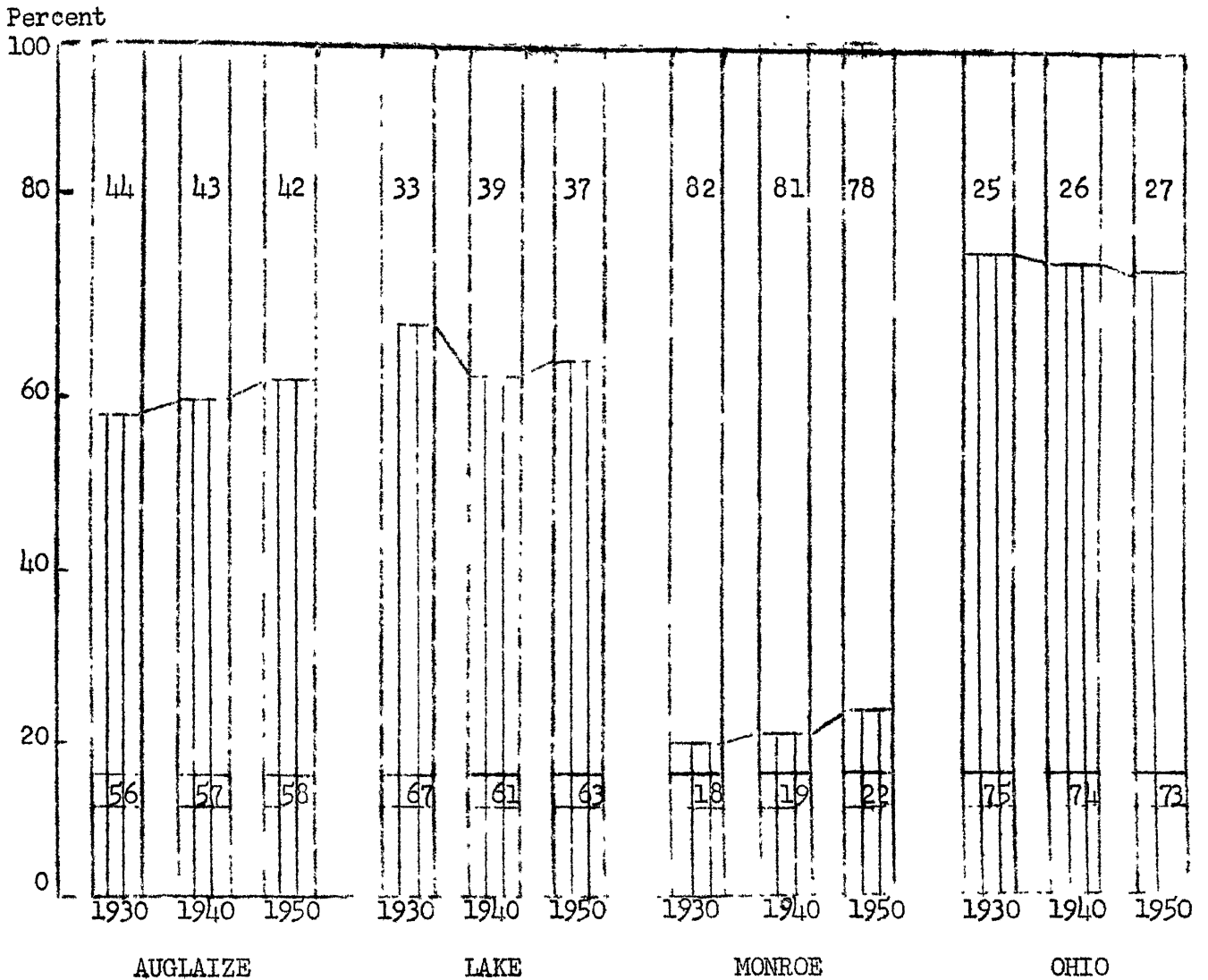
*Population outside incorporated places

Open Country
City and Village

Source: Table 1

CHART 2

POPULATION: PERCENT WHICH WAS CITY AND VILLAGE AND "OPEN COUNTRY",*
 SELECTED COUNTIES AND OHIO, 1930, 1940, AND 1950



* Population outside incorporated places
 Source: Table 1

□ Open country
 ■ City and village

Population Density

Average population per square mile in Ohio in 1950 was 193.8. (Obtained by dividing total population, 7,946,627, by area, 41,000 square miles.) Lake County with 327.5 persons per square mile is well above the state average. (Table 2). Auglaize with 76.6 persons per square mile is below average but higher than several of the more rural counties. Monroe with 33.8 persons per square mile is one of the most sparsely populated counties. (Lowest population density, Vinton County, 26.2 per square mile; highest, Cuyahoga, 3047.2 per square mile). In Lake one-third the inhabitants live outside incorporated towns, in Auglaize about two-fifths and in Monroe almost four-fifths. (Charts 1 and 2).

Number of Governmental Subdivisions Varies
More with Area Than with Population

Although the three counties have a decided difference in population, the number of governmental subdivisions in each is not greatly different. (Table 2) Lake, with the largest population has the fewest; Monroe with the least population has the **largest** number of governmental subdivisions. The number of units vary more directly with area than with population.

The number of subdivisions has declined because of consolidation of school districts the past few years. From 1945 to 1953 the number of school districts in Auglaize County has dropped from 16 to 14, in Lake County from 13 to 9, and in Monroe County from 21 to 10. The number of other political subdivisions has not changed. However, Lake County now has four cities, three villages having exceeded the 5,000 population recently. Auglaize County has two cities, Wapakoneta, the county seat, and St. Marys. All municipal corporations in Monroe are villages. In all, Ohio has more than 3600 subdivisions of local government, an average of over 40 per county.

Taxable Wealth

As valued for taxation, the real estate, public utilities, and tangible personal property per person averaged (1952 levy) \$2415 in Auglaize, \$2591 in Lake, and \$1191 in Monroe (Table 2). The first two counties are slightly above the state average, \$2341; Monroe County has less than half the taxable wealth per capita of the other counties.

Tax Base and Population

More than three-fourths of Ohio's counties are gaining population. The rate of gain, in general, is highest in rural areas adjacent to the larger centers of population. On the other hand, some counties (18 according to the 1950 census) have been losing population. Most but not all of these have a relatively small tax base per capita and a small population. The following illustrates what the general pattern is for all 88 counties.

<u>Property tax base</u> <u>per capita, 1953</u>	<u>No. of counties</u>	<u>average population</u> <u>per county (1950)</u>
(1) Less than \$1200	5	22,353
(2) \$1200 to \$1499	8	27,854
(3) 1500 to 1999	17	46,189
(4) 2000 to 2499	41	97,416
(5) 2500 to 2999	16	175,203
(6) 3000 or more	1	24,469

Of the 13 counties in classes (1) and (2), ten counties lost population from 1940 to 1950, two were practically stationary and one gained moderately. Of the 17 counties in class (3), four lost population and 13 gained. Of the 41 counties in class (4), three lost population and 38 gained. Of the 16 counties in class (5), only one lost population - a western Ohio agricultural county influenced by the enlargement of farms.

TABLE 2

MISCELLANEOUS DATA RELATING TO AUGLAIZE, LAKE, AND MONROE COUNTIES AND OHIO

ITEM	AUGLAIZE	LAKE	MONROE	OHIO
AREA, SQUARE MILES	400	232	455	41,000
POPULATION PER SQ. MI. 1950	77	327	34	194
LOCAL PROPERTY TAX BASE 1952 (000 OMITTED):				
REAL ESTATE	\$48,984	\$143,374	\$11,441	\$12,157,395
PUBLIC UTILITY PROPERTY	6,710	17,763	4,394	2,203,242
TANGIBLE PERSONAL PROPERTY	18,301	35,536	2,465	4,239,720
TOTAL	\$73,995	\$196,873	\$18,300	\$18,600,357
AVERAGE PER CAPITA TAX BASE	\$ 2,415	\$ 2,591	\$ 1,191	\$ 2,341
AVERAGE TAX RATE PER 100 IN 1952*	\$ 1.88	\$ 2.49	\$ 1.90	\$ 2.37
TANGIBLE PROPERTY TAX PER CAPITA	\$ 45.40	\$ 64.52	\$ 22.63	\$ 55.45
NUMBER OF LOCAL GOVT. SUBDIVISIONS:				
COUNTY	1	1	1	88
TOWNSHIP	14	7	18	1337
SCHOOL DISTRICT	14	9	10	1340
INCORPORATED VILLAGE	7	12	9	781
CITY	2	4	0	140
TOTAL	38	33	38	3686

* AVERAGE RATE LEVIED ON ALL REAL ESTATE, PUBLIC UTILITY AND TANGIBLE PERSONAL PROPERTY FOR ALL SUBDIVISIONS OF LOCAL GOVERNMENT. IN GENERAL, THESE AVERAGE RATES ARE HIGHER THAN THOSE LEVIED ON RURAL PROPERTY AND LOWER THAN THE RATES IN MOST MUNICIPAL CORPORATIONS.

The Property Tax Base and Tax Rates

A generation ago the general property tax was the main support of local government. This system of financing practically broke down in the early 1930's. Since then, state collected taxes and state and federal subsidies and grants have become more important. The 10 mill limitation, ratified as a constitutional amendment in 1933, was intended as an additional safeguard against too heavy property taxation. Experience in all three counties studied here is typical of other localities in Ohio. People have voted levies outside the 10 mill limitation. In Auglaize and Monroe, the average tax rate is nearer 20 than 10 mills. In Lake it is more than 20 mills (Table 2).

In addition to uniform rate levies, special assessments may be levied against real estate when benefitted by public improvements such as sewer and water district improvements found in Lake County or drainage ditches in Auglaize. Particularly in Lake County, the process of urbanization is associated with the frequent use of special assessments on real estate by the county, townships, and municipal corporations. Special assessments are used very little in Monroe County.

Revenue Receipts vs. Governmental Expenditures

Under ordinary circumstances, revenue receipts should equal expenditures for operation, maintenance and interest with something left over to apply on debt retirement. Substantial outlay expenditures for capital improvements such as school buildings, hospitals, sewers and water supply systems, etc. usually call for financing by issuing bonds.

Currently, governmental units in Auglaize County are, as a whole, making moderate outlay expenditures requiring credit financing. Revenue receipts equal total expenditures in 1953. In Monroe County, the financing of construction in two school districts accounts for the relatively large outlay expenditure per capita (Table 3). This is a temporary situation. It illustrates that even with a declining population capital outlay costs may be substantial although the total expenditure may be relatively small.

In Lake County, outlay expenditures are relatively large. School districts, municipalities, and the county all need to expand facilities to take care of the growing population. In all three counties, townships are operating practically free of debt. The per capita figures in Table 3 and Chart 3 illustrate primarily the expansion of governmental service when population density reaches the level of an area such as Lake County.

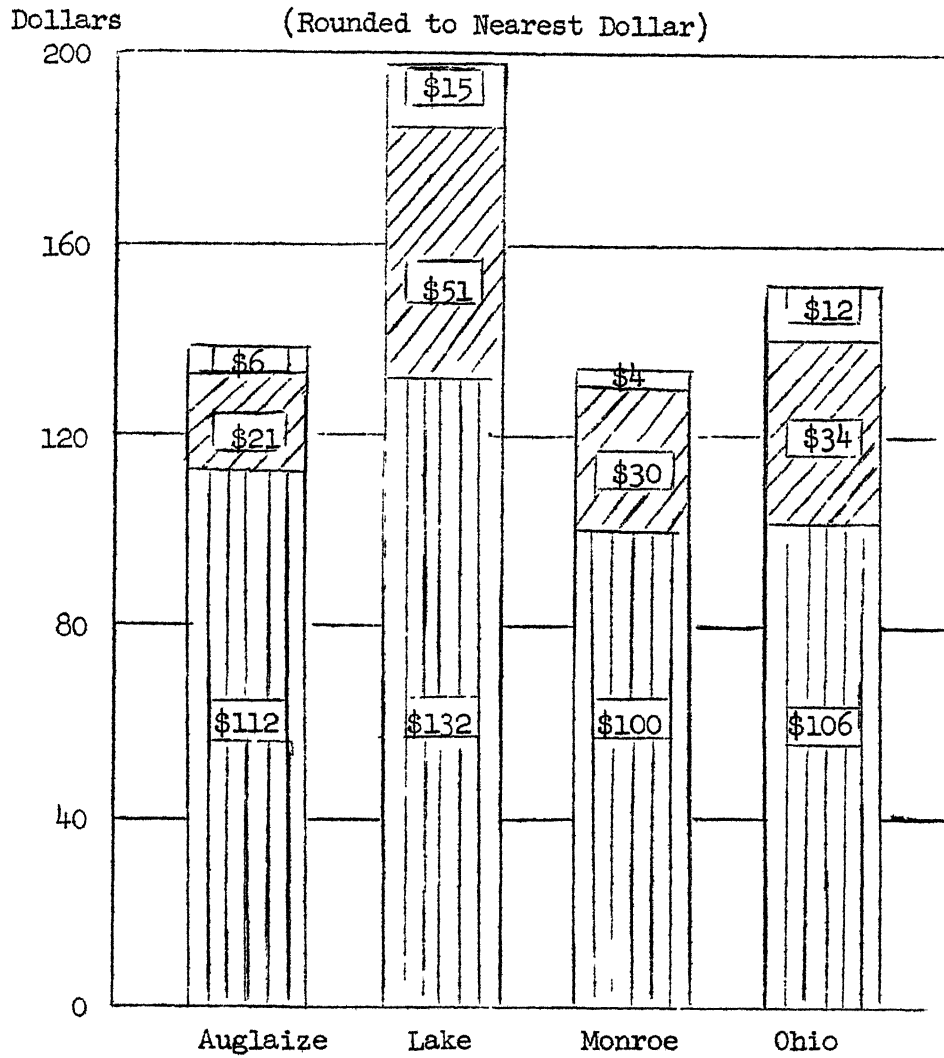
TABLE 3

Receipts and Expenditures: Total and Per Capita, by all Units
of Local Government Combined, Auglaize, Lake and
Monroe Counties, 1953




Item	Auglaize		Lake		Monroe	
	Total	Per Capita	Total	Per Capita	Total	Per Capita
	(thousands)		(thousands)		(thousands)	
Revenue						
Receipts	\$4,234	\$138	\$12,184	\$160	\$1,618	\$105
Expenditures:						
Current						
Operation	3,419	112	10,018	132	1,531	100
Outlay	639	21	3,878	51	465	30
Debt Payments	188	6	1,109	15	63	4
Total	\$4,246	\$139	\$15,005	\$198	\$2,059	\$134

CHART 3

EXPENDITURES PER CAPITA: CURRENT OPERATION, OUTLAY AND DEBT, --- ALL SUBDIVISIONS OF LOCAL GOVERNMENT, SELECTED COUNTIES AND OHIO, 1953



Source: Tables 3 and 6

-  Debt Payment
-  Outlay
-  Current operation

The Sources of Public Revenue

As a matter of perspective, let us now look at the principal sources of revenue receipts of all subdivisions of local government in the three counties and in the 88 counties as a whole. The proportion of revenues coming from various sources is summarized in Table 4 and Chart 4.

Property taxes and special assessments provide nearly half the total revenues in Lake (which is near the state average), over a third in Auglaize, and a little over a fifth in Monroe County. The largest share of the remaining tax revenues come from the state or federal government either as shared taxes or as grants-in-aid. In other words, authorization of the taxes, their collection and distribution is largely determined on the state and national level rather than on the local level. Following are a few details of how this works.

Local government fund - One purpose for the enactment of the retail sales tax in the 1930's was to obtain a partial substitute for the general property tax. Each biennium the general assembly appropriates a specific amount of general sales tax money to be distributed to local subdivisions of government. For the fiscal year 1952-53, the total so distributed was \$18 million, for 1953-54 the total was \$20 million. Also in 1948 the general assembly authorized the distribution of the intangible tax on financial institutions and dealers in intangibles to local governments. This added another \$17.4 million to the local government fund in 1952-53 for the entire state. The formula for allocation of the local government fund is based on property valuations and population with the exception that no county's share shall be less than \$30,000.

TABLE 4

PRINCIPAL SOURCES OF REVENUE, ALL UNITS OF LOCAL GOVERNMENT, AUGLAIZE,
LAKE, AND MONROE COUNTIES, AND OHIO, 1953

SOURCE OF REVENUE	AMOUNT AND PERCENT OF REVENUE FROM VARIOUS SOURCES							
	AUGLAIZE		LAKE		MONROE		OHIO	
	THOUSAND\$	PCT.	THOUSAND\$	PCT.	THOUSAND\$	PCT.	THOUSAND\$	PCT.
GENERAL AND CLASSIFIED PROPERTY TAX	\$1,333	31.6	\$5,543	45.4	\$351	21.7	\$464,951	46.4
SPECIAL ASSESSMENTS	21	.5	327	2.7	1	*	14,066	1.4
LOCAL GOVERNMENT FUND	171	4.0	198	1.6	37	2.3	35,454	**3.5
GASOLINE TAX	322	7.6	410	3.4	290	18.0	40,870	**4.1
MOTOR VEHICLE LICENSES	195	4.6	404	3.3	46	2.8	31,579	**3.1
GRANTS, STATE AND FEDERAL	585	13.7	1238	10.2	615	38.0	167,256	**16.7
EARNINGS, DEPARTMENTS AND PUBLIC SERVICE ENTERPRISES	341	31.8	2757	22.6	168	10.4	197,946	19.7
MISC. LICENSES, FINES ETC.	54	1.2	457	3.8	15	.9	14,531	1.4
ALL OTHER REVENUE RECEIPTS	212	5.0	850	7.0	95	5.9	36,895	3.7
TOTAL	\$3,234	100.0	\$12,184	100.0	\$1,618	100.0	\$1,003,548	100.0

* LESS THAN .1 PER CENT

** AMOUNT DISTRIBUTED FOR FISCAL YEAR ENDING JUNE 30, 1953.

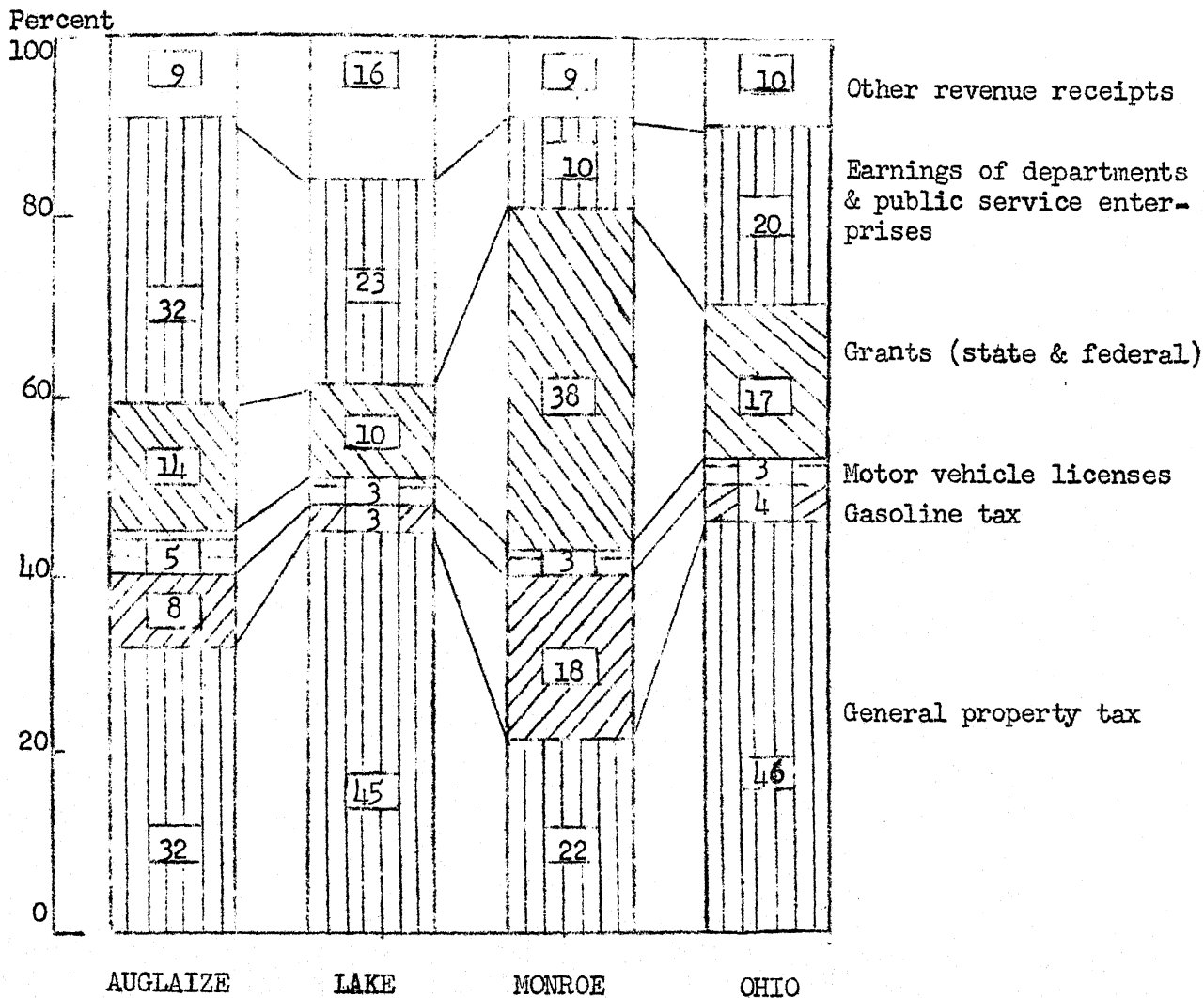
*** GRANTS TO COUNTIES AND CITIES FOR WELFARE, COUNTY BOARDS OF EDUCATION, COUNTY BOARDS OF HEALTH, STATE AND FEDERAL AID TO EDUCATION, AND MISCELLANEOUS.

**** THIS TOTAL IS ONLY APPROXIMATE BECAUSE A FULL ACCOUNTING OF TOWNSHIP AND VILLAGE FINANCES IS NOT AVAILABLE. A FULL ACCOUNTING WAS MADE FOR ALL SUBDIVISIONS IN THE THREE COUNTIES AS REPORTED TO THE AUDITOR OF STATE.

SOURCE: FINANCIAL REPORTS OF SUBDIVISIONS OF LOCAL GOVERNMENT TO STATE AUDITOR, STATE AUDITOR'S REPORT, 1953; FINANCIAL STATISTICS OF COUNTIES AND OF CITIES, 1953.

CHART 4

PERCENTAGE OF REVENUES COMING FROM VARIOUS SOURCES,
ALL SUBDIVISIONS OF LOCAL GOVERNMENT, SELECTED
COUNTIES AND OHIO, 1953



Source: Table 4

Seventy-five percent of the local government fund is distributed according to the ratio which the total tax valuation of real, public utility, and tangible personal property in the municipal corporations of a county is to the total of such property in all municipalities in the state. Twenty-five percent is distributed according to population in the various counties. Distribution to subdivisions within a county is in proportion to receipts from property taxation as determined by the county budget commission.

The gasoline tax and motor vehicle license tax - Several formulas are used to distribute these taxes to the State, counties, townships, and municipalities for highway and street purposes. In general, the distribution is (1) in proportion to motor vehicle registrations, (2) road mileage, and (3) equal division. As a whole, the local subdivisions now receive all the motor vehicle license money after payment of the expenses of the Bureau of Motor Vehicles and Highway Patrol and excepting an allocation of 23% of the receipts to the State Highway maintenance and repair fund. Approximately 56% of the state gasoline tax is used for state highways and 44% is returned to counties, townships, and municipalities for highway and street maintenance, repair, and construction.

Grants, - State and Federal - These are for specific purposes, primarily welfare, health, and education. Being earmarked for specific purposes let us consider these revenues by purpose of expenditure as well as by source.

Charities and welfare are for the most part currently supported by state and federal taxes. Part of the welfare payments, as old age assistance, is paid directly from the state treasury to the recipients. Other parts are paid through the county treasury out of specific funds. These latter are: (1) poor relief fund, (2) aid for dependent children fund, (3) dependent crippled children fund, (4) aid for needy blind fund, (5) aid for disabled.

The county poor relief fund is largely (often entirely) supported by state collected taxes: (1) a one percent excise tax levied on the gross receipts of public utilities: (2) a special (temporary) levy of .65 percent on the gross receipts of public utilities: (3) a distribution through the state department of public welfare of some money from the state general revenue fund. From all these sources about \$21 million of state collected money was returned to the 88 counties in 1952-53.

Depending on need, additional federal and state grants are distributed to county welfare departments. For the fiscal year 1952-53, the state so contributed \$4.5 million - the federal government \$12.6 million to the 88 counties.

Health - Local health districts receive some subsidy from the state and some federal grants-in-aid. For the 88 counties, the state aid amounted to \$309,000 and federal aid \$629,000 in 1952-53.

School foundation program - The distribution of State aid to local school districts is primarily based on need. The entire formula has been made rather complicated in the attempt to meet conditions which vary from one district to another.

In general, all local school districts receive a basic amount of State aid. (\$53.25, per pupil in average daily attendance, grades 1 to 8; \$26.60, kindergarten; \$64.00, grades 9 - 12.)* Then, if a school district levies a stated minimum or higher tax rate on the taxable property of the district (for current operation) it is entitled to enough additional aid, if necessary, to finance the minimum state standards of the foundation program. This minimum tax rate has been changed from time to time. From 1948 to 1950 it was four and one-half mills on each dollar of tax valuation; for

1951-52, six mills; for 1953, eight mills.**

* G. C. Sec. 4848-1 as amended June 25, 1947. The General Assembly in 1955 made the teacher-class room the base for aid.

** G. C. Sec. 4848-3 (Revised code sec. 3317.04)

Nearly all the foundation program money is earmarked for current operation. In 1952-53, Ohio's school districts received \$1.6 million for school rehabilitation, \$1.1 million for purchase of school buses, and \$1.7 million for school construction.

Other aids to education - In addition to the school foundation program some other state and federal funds are made available to local school districts. Nearly all these funds are earmarked for special purposes as indicated by the following list showing the amount distributed in Ohio, 1952-53

School foundation program (state)	\$ 109,523,000
Special education, handicapped children (state)	1,528,000
Vocational education (state)	577,000
Vocational education (federal)	809,000
Interest on irreducible debt (state)	256,000
School trust and land rental (state)	22,000
School lunch program (federal)	2,268,000
Public libraries (state)	98,000
	\$ 115,081,000

Earnings of departments of government and public service enterprises are substantial. Many departments (good examples are county auditor, recorder, probate judge) earn fees for special services to individuals. Water and sewer districts, as in Lake, may be organized under the county to service closely settled areas. More often such service is by municipal corporations which usually provide the water supply and often may manufacture or distribute electric power. Schools operate cafeterias. Townships and municipalities manage cemeteries. The point is that local governments do numerous things for which a price (usually cost) is charged directly for the service. The foregoing is by no means a complete description of all local revenues.

Townships and municipalities receive half of the State inheritance tax and estate tax. The local share yields about \$5 million a year in all Ohio.

Cigarette dealers' licenses are divided 50% to the state, 25% to the county, and 25% to the municipality or township where the business is located. The local share is about \$650,000 a year.

Liquor license money all goes to the municipality or township where the business is located. The yield in 1952-53 was \$7.7 million.

Dog and kennel licenses, as issued by counties, yield about \$1.5 million a year.

The tax on house trailers yields about \$.5 million a year. These receipts are distributed in the same proportion as tangible property tax levies of the various subdivisions of government.

Particularly, municipalities are searching for additional sources of revenue. In 1953 eleven Ohio cities were levying a local income tax and collected \$21.8 million from it.

Other local licenses and taxes could be enumerated. Those already mentioned provided \$35 million in 1953 and are included in Table 4 either as "miscellaneous licenses" or as "other revenue receipts" (Chart 4).

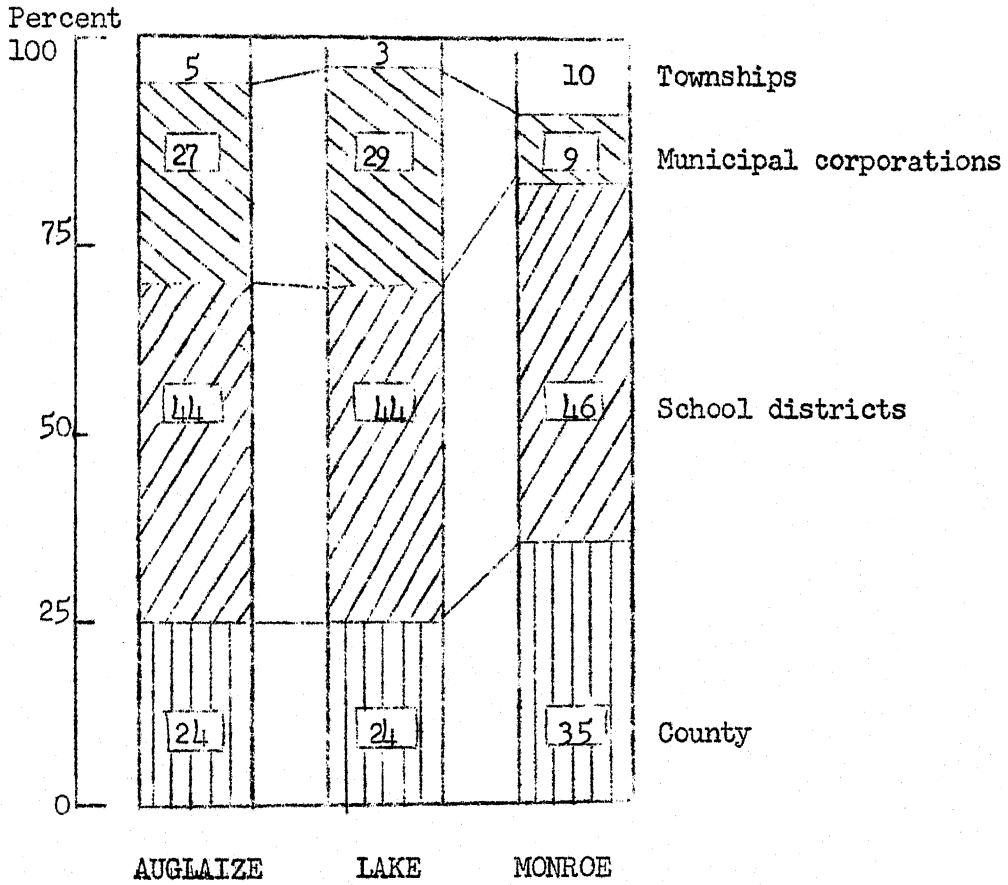
TABLE 5

Proportion of Revenues Allocated to the Various Units
of Local Government, Auglaize, Lake, and
Monroe Counties, 1953

Unit of Government	Auglaize (percent)	Lake (percent)	Monroe (percent)
County	20.3	24.3	34.6
Townships	4.6	3.1	10.0
School Districts	36.9	43.2	46.5
Municipal Corporations	38.2	29.4	8.9
Total	100.0	100.0	100.0

CHART 5

PROPORTION OF REVENUE ALLOCATED TO THE DIFFERENT
SUBDIVISIONS OF LOCAL GOVERNMENT
SELECTED COUNTIES, 1953



Source: Table 5

The percentage figures in Table 5 (and Chart 5) are intended to provide a general picture of how the revenue receipts in the three counties are divided between the various classes of political subdivisions. The county and township are relatively more important in a very rural area such as Monroe County.

The revenues of municipal corporations are expanded greatly by the operation of public services, the receipts from which about equal cost of operation. Or in some instances, as in Lake, a sanitary district may provide sewers or water supply.

It was not possible in this study to make a complete accounting for all subdivisions of local government within the State. But it is estimated that State averages would fall between the percentage distribution of Auglaize and Lake counties, i.e. counties (and special districts organized on the county level) account for a little more than 20% of all revenue receipts: townships about 4%; school districts, 40%, and municipal corporations between 30 and 35%.

Explanation of Expenditures

Let us first take a look at the combined expenditure of all subdivisions of local government. This composite picture is provided in Table 6 and Chart 6. (Tables 7,8,9, and 10 provide details of expenditures by counties, townships, school districts, and municipalities).

So far as possible, expenditures need be identified by purpose. Current operation (including maintenance costs and interest) accounted for about two-thirds of the total payments, as indicated in Table 6, for all subdivisions of local government in Ohio. Capital outlay payments, - which include purchase of lands, building construction and improvements, and purchase of equipment, - accounted for almost a fourth; and, debt payments for less than a tenth of the total payments.

TABLE 6

PRINCIPAL EXPENDITURES, ALL SUBDIVISIONS OF LOCAL GOVERNMENT, AUGLAIZE, LAKE, AND MONROE COUNTIES, AND OHIO, 1953

SERVICE	AUGLAIZE*		LAKE*		MONROE*		OHIO**	
	THOUSAND	PCT.	THOUSAND	PCT.	THOUSAND	PCT.	THOUSAND	PCT.
CURRENT OPERATION:								
GENERAL GOVERNMENT	\$ 198	5.8	\$ 623	6.2	\$ 104	6.8	\$ 54,466	6.5
PROTECTION TO PERSONS AND PROPERTY	160	4.7	757	7.6	33	2.1	76,509	9.1
HEALTH AND WELFARE	149	4.4	1,201	12.0	228	14.7	108,691	12.9
SANITATION AND DRAINAGE	59	1.7	137	1.4	5	.4	30,951	3.7
PUBLIC SERVICE ENTERPRISES AND SPECIAL SERVICES	785	23.0	1,284	12.8	60	3.9	123,106	14.6
HIGHWAYS AND STREETS	543	15.9	955	9.5	375	24.0	76,989	9.2
EDUCATION	1,340	39.1	4,179	41.8	704	45.5	321,273	38.2
RECREATION	7	0.2	94	.9	0	---	10,107	1.2
INTEREST PAYMENTS	61	1.8	297	2.9	17	1.1	13,543	1.6
MISCELLANEOUS	117	3.4	491	4.9	23	1.5	25,592	3.0
TOTAL CURRENT OPERATION	3,419	100.0	10,018	100.0	1,549	100.0	841,227	100.0
EXPENDITURES FOR CURRENT OPERATION, OUTLAY AND DEBT PAYMENTS:								
CURRENT OPERATION	3,419	80.5	10,018	66.8	\$ 1,549	74.4	841,227	69.7
CAPITAL OUTLAY	639	15.0	3,878	25.8	465	22.6	271,047	22.5
DEBT RETIREMENT	188	4.5	1,109	7.4	63	3.0	94,687	7.8
TOTAL	4,246	100.0	15,005	100.0	2,077	100.0	1,206,961	100.0
NEW DEBT ISSUED	138		4,880		299		235,486	

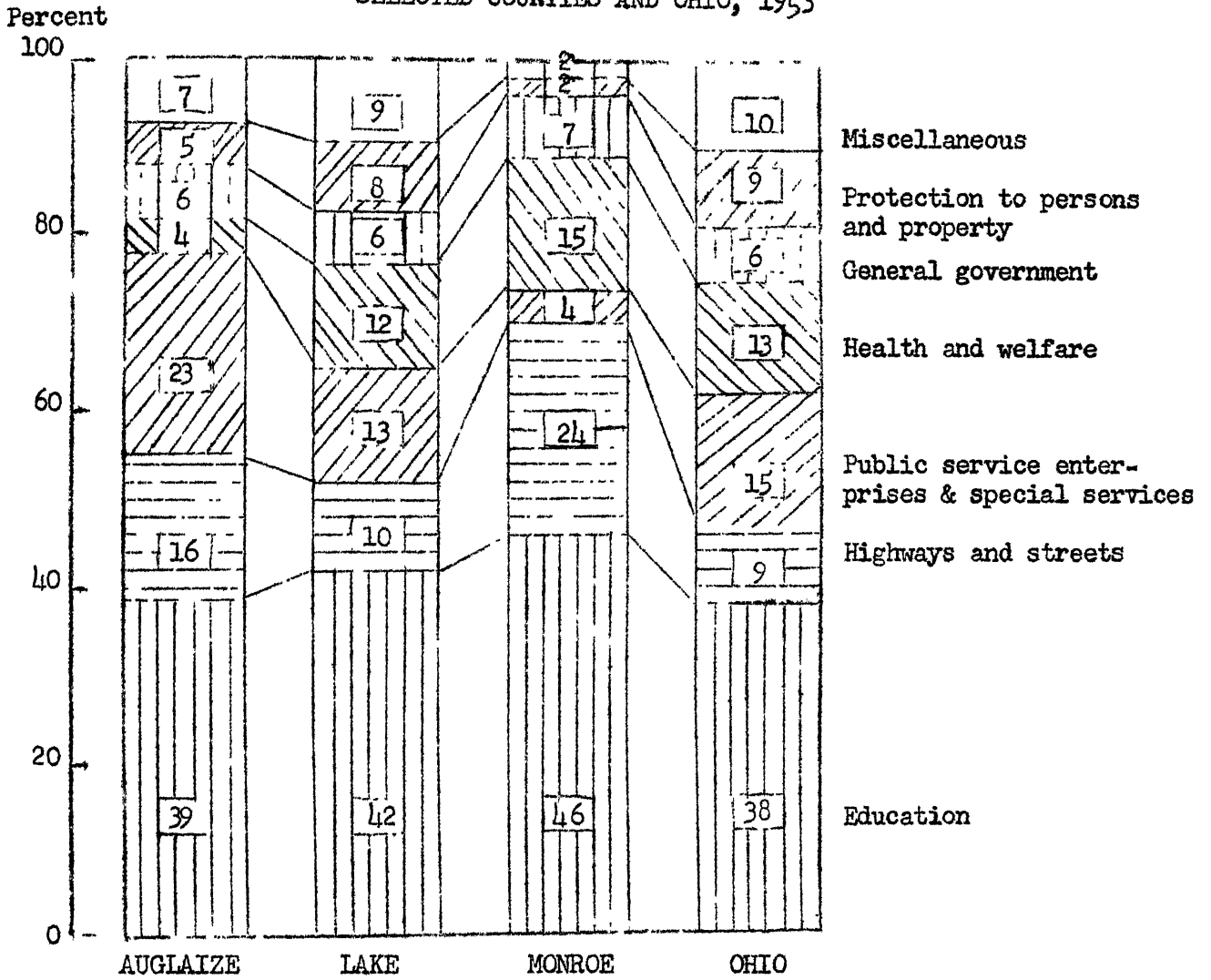
SOURCE OF DATA:

* CONSOLIDATION OF FINANCIAL REPORTS 1953, OF INDIVIDUAL SUBDIVISIONS OF GOVERNMENT IN THE THREE COUNTIES AS MADE TO THE AUDITOR OF STATE.

** ESTIMATED FROM VARIOUS REPORTS OF THE AUDITOR OF STATE AND STATE DEPARTMENT OF EDUCATION: (1) COMPARATIVE STATISTICS, COUNTIES OF OHIO 1953, AUDITOR OF STATE; (2) COMPARATIVE STATISTICS, CITIES OF OHIO 1953, AUDITOR OF STATE; (3) ANNUAL REPORT, STATE SUPERINTENDENT OF PUBLIC INSTRUCTION, JULY 1, 1953 TO JUNE 30, 1954; (4) STATE AUDITOR'S REPORT, 1952-53; (5) LOCAL GOVERNMENT, 1. TAXATION, 2. PUBLIC DEBT, CITIES - VILLAGES - TOWNSHIPS - COUNTIES - SCHOOLS, 1953, AUDITOR OF STATE.

CHART 6

PERCENTAGE OF CURRENT OPERATING EXPENDITURES USED FOR SPECIFIC PURPOSES, ALL SUBDIVISIONS OF LOCAL GOVERNMENT, SELECTED COUNTIES AND OHIO, 1953



Source: Table 6

These proportions, however vary considerably in the three counties. Outlay and debt payments account for 26% of the total in Monroe, 20% in Auglaize, and 33% in Lake.

New debt exceeded debt retirement for the State as a whole and in Lake and Monroe counties. This is the dominant current trend.

As mentioned before, capital outlays and debt payments should not both be considered costs to be paid out of revenue. But we need look at both to see how the public money is being spent in a particular year.

Expenditures for Specific Services

In Table 6, a classification is made of expenditures for specific purposes. Following is a brief description of what each item includes.

General government - This includes the general executive offices of the various subdivisions, the court system, elections, and the necessary physical facilities associated with these things. In all three counties and in the state as a whole the cost of general government is 6 to 7 percent of total expenditures for current purposes. To some extent, we can think of the cost of general government as being the general overhead necessary to organize and conduct the complicated business that we call government.

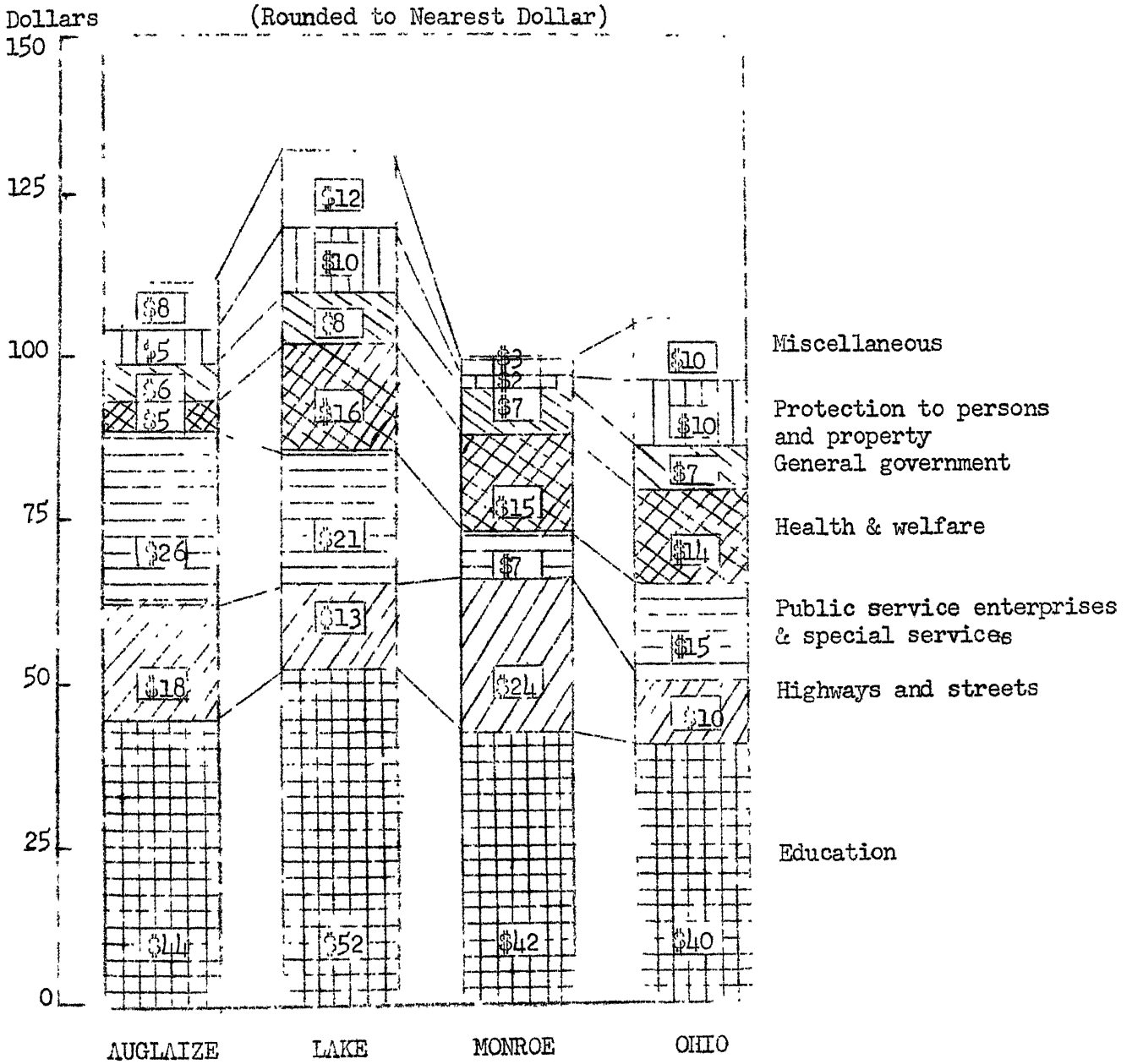
Protection to persons and property -- This includes the county offices of recorder and sheriff, municipal police, fire protection, building inspection for various purposes, and zoning. Cost of protection tends to increase with density of population. An example is highway traffic control.

Health and welfare - Public health activities in townships and villages are, in the main, administered by county boards of health. Each city has a separate board.

Most welfare activities are now centered in the county. It is optional with the board of county commissioners to establish a county department of welfare.

CHART 7

CURRENT OPERATING EXPENDITURES PER CAPITA FOR SPECIFIC PURPOSES,
ALL SUBDIVISIONS OF LOCAL GOVERNMENT, SELECTED
COUNTIES AND OHIO, 1953



Source: Table 6

Welfare expenditures include operation of county homes, children's homes, blind relief, soldiers' relief, aid for dependent and crippled children, poor relief, and miscellaneous welfare purposes. Aid to the aged is not included because payments are made directly to recipients from the state treasury.

As estimated in Table 6, about 13 percent of current operating expenses of local governments in Ohio is used for health and welfare. Of the three individual counties, Monroe spends the most percentage wise (14.9%). On a per capita basis, slightly more is spent in Lake. (Chart 7) Lake County operates a general hospital which is nearly self-supporting.

Sanitation and drainage - This is largely a municipal activity although a sewer or water district may be established under county government as has been done in Lake County. Other items under sanitation are: street cleaning, sewage disposal, garbage and refuse disposal.

Public service enterprises - The most frequent are municipal water works and electric plants. As presented in Table 6, cemeteries operated by townships (or municipalities) are included.

Highways and streets - This is largely self-explanatory. Also included are bridges, viaducts, and street lighting. Current operating and maintenance expenditures for highways and streets by no means provide a complete picture. Outlay expenditures for roads by Ohio counties in 1953 totaled \$14,858,000., by cities, \$24,820,000.

Education - This is thought of primarily as the function of school districts. However the county board of education expenses are accounted for under county government; also, county libraries. Some municipalities have libraries. A few of our larger cities operate municipal universities.

Recreation - Parks and playgrounds are provided by most of our cities, and some villages. Some townships have parks. Metropolitan park districts may be established on the county level.

Interest payments - Interest on funded debt and short-term borrowings is included as a current operating expense.

Miscellaneous*- Many expenses are included in miscellaneous. The largest are insurance and pensions paid by counties and cities. These totaled more than \$19 million in 1953. School districts paid more than \$12 million for teachers' and employees' retirement (included in cost of education).

Some comparisons - Chart 6 portrays the relative size of expenditures for various services performed by local government in each of three counties and in the State as a whole. Chart 7 puts these comparisons on a per capita basis. What important differences stand out that can be related to size of county area, size of population, or other characteristic?

Percentage-wise, expenditures for general government are about equal in the three counties. Protection to persons and property increase in cost with size of population. Health and welfare expenditures are not so consistent. Relative to total current costs welfare expense is high in Monroe County; but on a per capita basis Lake is high. Sanitation and drainage are minor costs in all three counties. Public service enterprises are of least importance in Monroe because most of the population lives in the open country. Municipalities in Auglaize County operate more public service enterprises - water works and electric plants - than in Lake County. There the county district, Painesville, and Willoughby supply water; and Painesville is the only municipality operating a gas plant and electric plant.

* It was not possible to verify the nature of all miscellaneous expenditures from the financial reports of some political subdivisions. Some are thought to include the withholding of income tax on salaries of public employees.

Both percentage-wise and per capita, highway and street costs are the largest in Monroe County and least in Lake. This is a cost which is affected both by size of area and density of population and traffic. (See Tables 6 and 7 for further description)

Education stands out as the most important single function in all three counties. Relative to total current governmental payments Monroe spends the most on schools (42%) followed by Lake and Auglaize in that order. On the basis of number of pupils enrolled current payments were the same in Auglaize and Monroe and highest in Lake.

Expenditures for recreational purposes were relatively substantial in Lake (\$94,000), much less in Auglaize (\$7,000), and none in Monroe.

Interest payments are relatively high in Lake because of the substantial capital improvements by municipalities and school districts caused by the rapid increase in population. Auglaize and Monroe follow in that order.

Expenditures by Counties, Townships, School
Districts, and Municipalities

Now, let us consider counties, townships, school districts, and municipalities separately. The explanation already given of the various services performed by local governments serves to describe what counties and the smaller subdivisions do, as presented in Tables 7 to 10 inclusive.

Counties - In 1953, the 88 counties spent over \$200 million for current operation and capital outlay purposes or about \$26 for each person resident in Ohio. When put on a per capita basis, expenditures in Auglaize, Lake, and Monroe counties show some interesting variations (Table 7 and Chart 8). Taking the counties in the order just named, health and welfare expenditures were \$5, \$16, and \$15; highway expenditures (maintenance and capital outlay) were \$10, \$11, and \$14; total current purposes and capital outlay were \$23, \$41, and \$38; as compared with a state average of \$26. Many things cause these differences in expenditure.

TABLE 7

COUNTY EXPENDITURES FOR VARIOUS PURPOSES, AUGLAIZE, LAKE,
MONROE, AND 88 OHIO COUNTIES, 1953

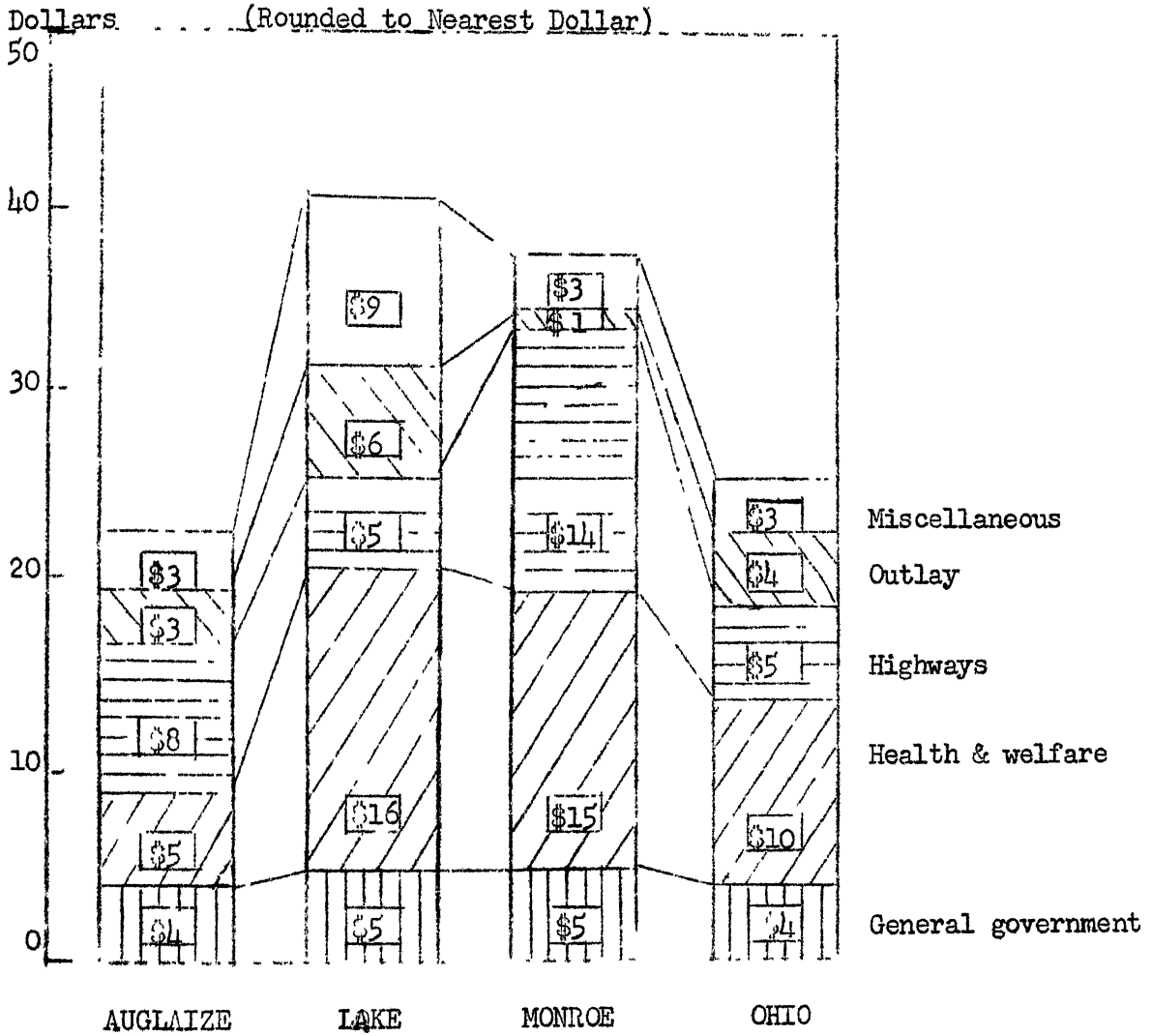
ITEMS	AUGLAIZE		LAKE		MONROE		88 COUNTIES	
	TOTAL	PER CAPITA	TOTAL	PER CAPITA	TOTAL	PER CAPITA	TOTAL	PER CAPITA
	THOUSANDS		THOUSANDS		THOUSANDS		THOUSANDS	
CURRENT PURPOSES:								
GENERAL GOVERNMENT	\$125.1	\$4	\$347.0	\$5	\$71.1	\$5	\$34,664.6	\$4
PROTECTION TO PERSONS AND PROPERTY	25.7	(1)	168.9	2	21.9	1	8,607.6	(1)
HEALTH AND WELFARE:								
HOSPITALS, CARE, ETC.	9.2	(1)	779.4	10	7.6	(1)	15,151.6	2
PUBLIC HEALTH BOARD	7.2	(1)	41.7	(1)	5.5	(1)	2,771.3	(1)
CHARITIES AND RELIEF	122.9	4	349.6	5	209.9	14	56,644.3	7
MISCELLANEOUS WELFARE AND CORRECTIONS	2.3	(1)	12.3	(1)	2.3	(1)	3,469.9	(1)
TOTAL HEALTH AND WELFARE	141.6	5	1,183.0	16	225.3	15	78,037.1	10
SANITATION AND DRAINAGE	1.2	(1)	0.8	(1)	---	--	1,964.0	(1)
PUBLIC SERVICE ENTERPRISES	-	-	235.6	3	---	--	1,265.7	(1)
HIGHWAYS	241.8	8	355.7	5	219.7	14	38,385.2	5
EDUCATION (GO-BOARD)	10.4	(1)	21.9	(1)	13.2	(1)	1,661.0	(1)
AGRICULTURE	14.2	(1)	14.4	(1)	11.9	(1)	756.3	(1)
INSURANCE AND PENSIONS	37.6	1	77.5	1	9.4	(1)	4,993.9	(1)
MISCELLANEOUS	27.4	1	250.4	3	3	(1)	1,409.3	(1)
INTEREST	---	-	.4	(1)	---	-	1,498.1	(1)
TOTAL, CURRENT PURPOSES	625.0	20	2,655.7	35	572.8	37	173,242.8	22
OUTLAY:								
HIGHWAYS	72.3	2	358.0	5	3.7	(1)	14,858.4	2
OTHER	31.6	1	73.3	1	5.2	(1)	13,803.9	2
TOTAL, OUTLAY	103.9	3	431.3	6	8.9	(1)	28,662.3	4
TOTAL CURRENT PURPOSES AND CAPITAL OUTLAY	728.9	23	308.7	41	581.7	38	201,905.1	26

(1) SUBSTANTIALLY LESS THAN ONE DOLLAR

SOURCE: COMPARATIVE STATISTICS, COUNTIES OF OHIO, 1953, AUDITOR OF STATE

CHART 8

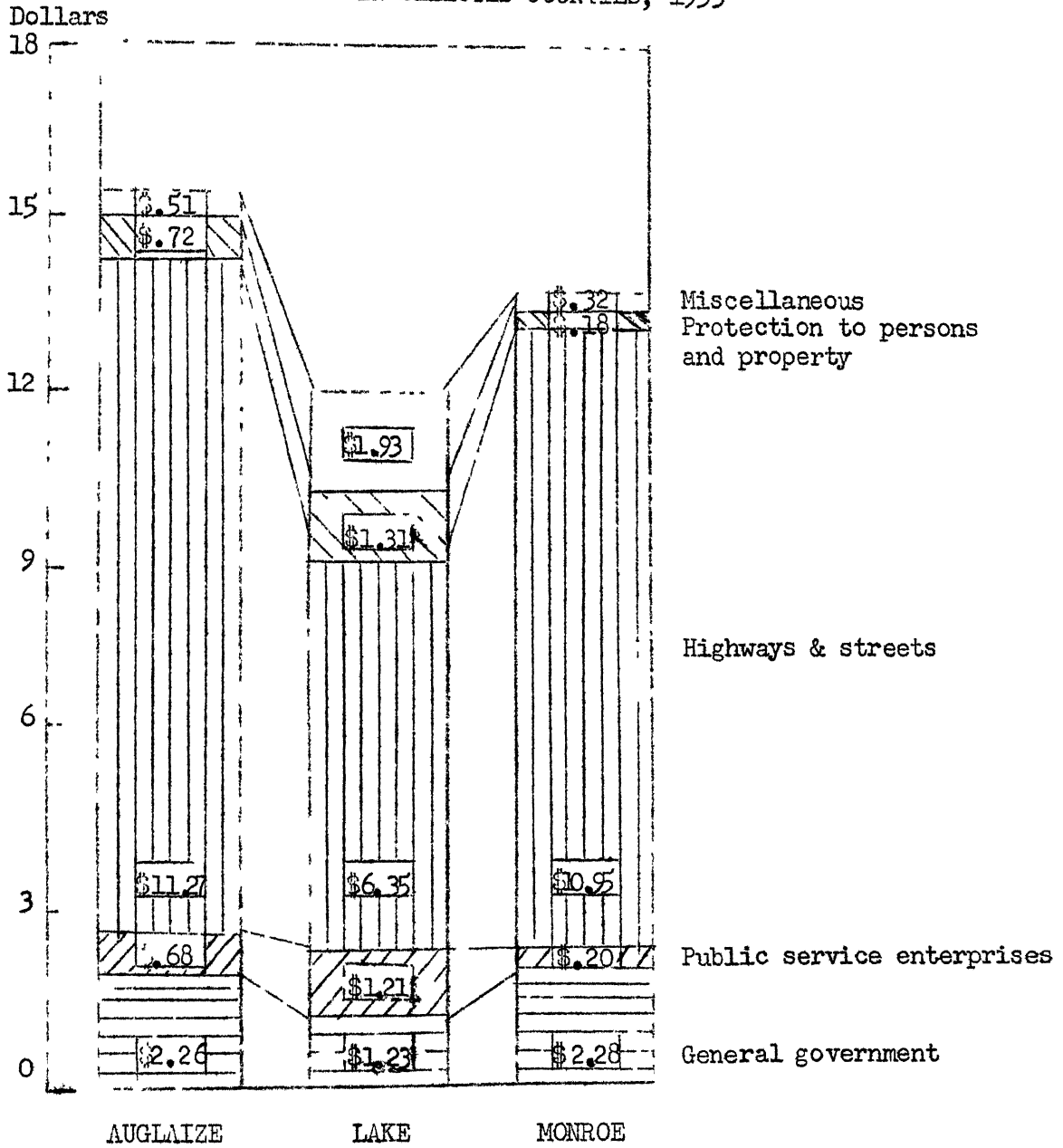
PER CAPITA EXPENDITURES FOR SPECIFIC SERVICES,
BY COUNTY GOVERNMENTS, SELECTED
COUNTIES AND OHIO, 1953



Source: Table 7

CHART 9

PER CAPITA EXPENDITURES FOR SPECIFIC SERVICES
BY TOWNSHIPS IN SELECTED COUNTIES, 1953



Source: Table 8

TABLE 8

TOWNSHIP EXPENDITURES, AUGLAIZE, LAKE, AND MONROE COUNTIES, 1953

ITEM	AUGLAIZE		LAKE		MONROE	
	TOTAL	PER (1) CAPITA	TOTAL	PER (1) CAPITA	TOTAL	PER (1) CAPITA
CURRENT OPERATIONS:						
GENERAL GOVERNMENT	\$ 28,798	\$ 2.26	\$ 34,088	\$ 1.23	\$ 27,323	\$ 2.28
PROTECTION TO PERSONS AND PROPERTY	9,195	.72	36,543	1.31	2,181	.18
CHARITIES	---	---	794	.03	183	.02
PUBLIC HEALTH BOARD	(1,843) ^{xx}	--	---	--	(2,492) ^{xx}	--
PUBLIC SERVICE ENTERPRISES	8,635	.68	33,771	1.21	2,360	.20
HIGHWAYS AND STREETS	143,468	11.27	176,463	6.35	131,556	10.95
RECREATION	---	--	28,773	1.04	---	--
MISCELLANEOUS	6,302	.49	19,728	.71	1,480	.12
INTEREST	234	.02	29	--	1,813	.15
TOTAL CURRENT OPERATION	196,632	15.44	330,189	11.88	166,896	13.95
OUTLAY	(4,873) ^x	(.38) ^x	4,290	.15	388	.03
TOTAL EXPENDITURE	196,632	15.44	334,479	12.03	167,284	13.93

(1) ON BASIS OF POPULATION LIVING IN UNINCORPORATED TERRITORY.

x ESTIMATED AS OUTLAY BUT INCLUDED IN CURRENT OPERATING EXPENSES AS STATED ABOVE.

xx TOWNSHIP'S CONTRIBUTION TO SUPPORT OF COUNTY DISTRICT BOARD OF HEALTH. NOT INCLUDED IN TOWNSHIP EXPENDITURES BECAUSE PREVIOUSLY ACCOUNTED FOR IN COUNTY FINANCES.

SOURCES: FINANCIAL REPORTS OF INDIVIDUAL TOWNSHIPS AS SUBMITTED ANNUALLY TO THE BUREAU OF INSPECTION AND SUPERVISION OF PUBLIC OFFICES, STATE AUDITOR.

Townships - Lake County has only seven townships as compared with fourteen in Auglaize and eighteen in Monroe. Because of the relatively dense rural population, townships in Lake expend twice the money available to Monroe County townships and about 70% more than Auglaize County townships (Table 8). However the total per capita expenditures (based on population living in unincorporated territory) is smaller in Lake than in the other counties. Conditions found in Lake illustrate the possibilities of townships providing more service at less cost per person when more people are resident in an area.

Townships in all three counties are operating practically free of bonded debt. This is likewise true of most townships in Ohio; the total outstanding debt being only \$2,610,000 for all 1337 townships at the end of 1953.*

School districts - School district expenditures for current purposes tend to be standardized by the state school foundation program. Current cost per pupil enrolled in Auglaize and Monroe County schools was practically at the state average (\$228) in 1953. In Lake County, relatively more local tax money is expended for current school operation. The cost per pupil was \$244 in 1953.

One outstanding feature of school district expenditures is the substantial capital outlays necessary to improve and in frequent cases expand school facilities. Capital outlays in particular districts or counties vary widely from year to year. Also, the payments for debt retirement vary with the scale of past capital expenditures as illustrated by the size of these items for the various counties in Table 9 and Chart 10. Monroe County school districts have small annual debt payments as contrasted with Lake County districts at the ~~other~~ extreme. Population trends in the two counties account for this.

At the end of 1953, Ohio's school districts had \$472 million in outstanding debt. The annual interest charges amounted to nearly \$11 million. Also, during the year \$63 million more debt was issued than was retired. This increase in debt is associated with the increase in school enrollment. But it

is partly a reflection of higher prices.

* Local Government (1) Taxation, (2) Debt, 1953, Auditor of State.

TABLE 9

SCHOOL DISTRICT EXPENDITURES, AUGLAIZE, LAKE, AND MONROE COUNTIES, 1953, AND OHIO 1953-54

ITEM	AUGLAIZE		LAKE		MONROE		OHIO	
	TOTAL THOUSAND	PER PUPIL (2)	TOTAL THOUSAND	PER PUPIL (2)	TOTAL THOUSAND	PER PUPIL (2)	TOTAL THOUSAND	PER PUPIL (2)
GENERAL CONTROL	\$ 46.4	\$ 8	\$ 131.6	\$ 8	\$ 19.2	\$ 7	\$ 8,703.0	6
INSTRUCTION	699.4	120	2,559.6	150	366.9	125	228,561.6	155
TRANSPORTATION OF PUPILS	93.8	16	218.1	13	110.9	38		
OPERATION OF PLANT	131.4	23	568.8	33	54.9	19	38,522.1	26
MAINTENANCE OF PLANT	81.2	14	153.9	9	15.4	5	17,676.4	12
OTHER ACTIVITIES:								
SCHOOL LUNCHES	113.5	19	298.6	18	41.6	14	----	---
SCHOOL LIBRARIES	7.8	(1)	27.8	2	2.2	(1)	----	---
COMMUNITY CENTERS	4.7	(1)	1	(1)	2.0	(1)	----	---
PLAY GROUNDS	3.0	(1)	2.9	(1)	3.8	(1)	----	---
AUXILIARY AND CO- ORDINATE ACTIVITIES	113.2	19	192.9	11	54.4	19	----	---
TOTAL, OTHER ACTIVITIES	242.2	41	522.3	31	104.0	35	40,068.4	27
TUITION PAID BY BOARDS	----	--	----	--	----	--	511.4	(1)
OTHER CHARGES	45.5	8	1.1	(1)	1.0	(1)	2,497.7	2
TOTAL, CURRENT PAYMENTS	1,339.9	229	4,155.4	244	672.3	229	386,482.6	228
CAPITAL OUTLAY	300.5	51	2,137.0	125	448.3	152	123,447.2	84
INTEREST AND DEBT RETIRE- MENT	131.5	23	687.0	40	38.7	13	41,285.7	28
OTHER PAYMENTS	----	--	----	--	----	--	33,952.5 ^{xx}	---
TOTAL	1,771.9	303	6,979.4	409	1,159.3	394	501,215.5	340

(1) LESS THAN \$1.00.

* INCLUDED IN TOTAL OF *OTHER ACTIVITIES*.

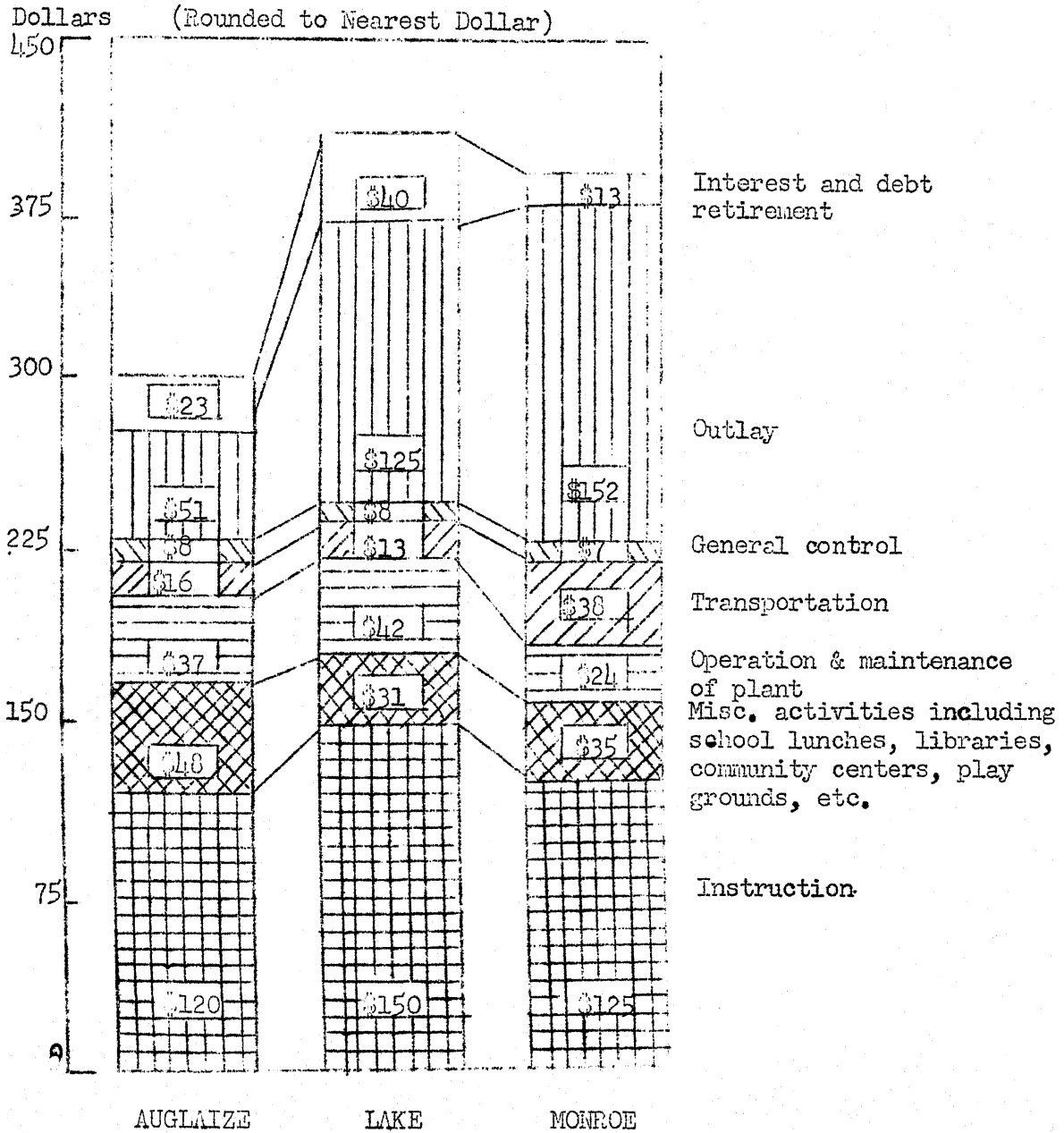
XX PRINCIPALLY PURCHASE OF GOVERNMENT BONDS. NOT INCLUDED IN TOTAL PAYMENTS.

(2) SCHOOL ENROLLMENT: 5842 17062 2940 1,474,046

SOURCE: FINANCIAL REPORTS OF INDIVIDUAL SCHOOL DISTRICTS AND OF STATE SUPERINTENDENT OF PUBLIC INSTRUCTION.

CHART 10

CLASSIFICATION OF EXPENDITURES PER PUPIL ENROLLED,
SCHOOL DISTRICTS IN SELECTED COUNTIES, 1953



Source: Table 9

Note: See table 9 for available state averages of costs included in this chart.

Municipalities - As has been mentioned, in Auglaize County over half the population lives in incorporated places; in Lake, about two-thirds; in Monroe, one-fifth. In order to round out the picture of local government, let us look at the expenditures made by municipal corporations in the three counties as given in Table 10 and Chart 11. It is not possible to provide a comparison of finances with all municipalities in Ohio because no summary of village finances is available on a state basis.

The operation of utilities (public service enterprises) stands out as the largest class of expenditure by municipalities in all three counties. Because most utilities provide service at about cost, the operations do not involve revenues from general taxation and debt obligations for plant construction are self-liquidating.

How well do municipal corporations in the three counties conform to the tendency for expenditures to be on a higher level when population density and size increases? Only in Monroe County are all the corporations of village size (less than 5000 population). These spend less (on a per capita basis) for several items as listed in Table 10, but not always. For general administration (general government), Auglaize and Monroe municipalities spend at the same rate (about \$2 per capita), Lake spends more. For protection-police and fire- Lake is high (\$12), Auglaize intermediate (\$7), Monroe is low (\$3). For sanitation, Auglaize and Lake are the same (\$3), Monroe a little less (\$2). For public services enterprises, Auglaize is high (\$43), Lake is intermediate (\$21), and Monroe only moderately less (\$17). For highways and streets Auglaize and Lake are the same (\$9), Monroe only a little less (\$7). For recreation, Lake is high (\$1), Auglaize spends a little; Monroe, none. Interest payments are highest in Lake (\$2), a little less in Auglaize, and least in Monroe.

TABLE 10
EXPENDITURES OF MUNICIPAL CORPORATIONS, AUGLAIZE, LAKE, AND MONROE COUNTIES, 1953

ITEM	17,903 AUGLAIZE		48,183 LAKE		3,352 MONROE	
	TOTAL	PER (2) CAPITA	TOTAL	PER (2) CAPITA	TOTAL	PER (2) CAPITA
	THOUSAND		THOUSAND		THOUSAND	
CURRENT PURPOSES:						
GENERAL GOVERNMENT	\$ 43.7	\$ 2	\$ 242.2	\$ 5	\$ 5.3	\$ 2
PROTECTION TO PERSONS AND PROPERTY	125.2	7	555.9	12	8.4	3
HEALTH AND WELFARE:						
HOSPITALS, CARE, ETC.	.3	(1)	1.4	(1)	---	-
PUBLIC HEALTH BOARD	4.3	(1)	15.2	(1)	---	-
WELFARE AND CORRECTIONS	4.6	(1)	16.6	(1)	---	-
SANITATION AND DRAINAGE	58.8	3	135.9	3	5.5	2
PUBLIC SERVICE ENTERPRISES	776.8	43	1,015.4	21	58.4	17
HIGHWAYS AND STREETS	158.4	9	422.3	9	23.9	7
EDUCATION	---	-	2.7	(1)	---	-
RECREATION	6.8	(1)	64.8	1	---	-
MISCELLANEOUS	44.7	2	143.3	3	0.5	(1)
INTEREST	26.0	1	102.3	2	1.2	(1)
TOTAL CURRENT PURPOSES	1,245.0	70	2,701.4	56	103.2	31
OUTLAY EXPENDITURES	229.6	13	1,308.8	27	96.9	29
TOTAL	1,474.6	83	4,010.2	83	200.1	60

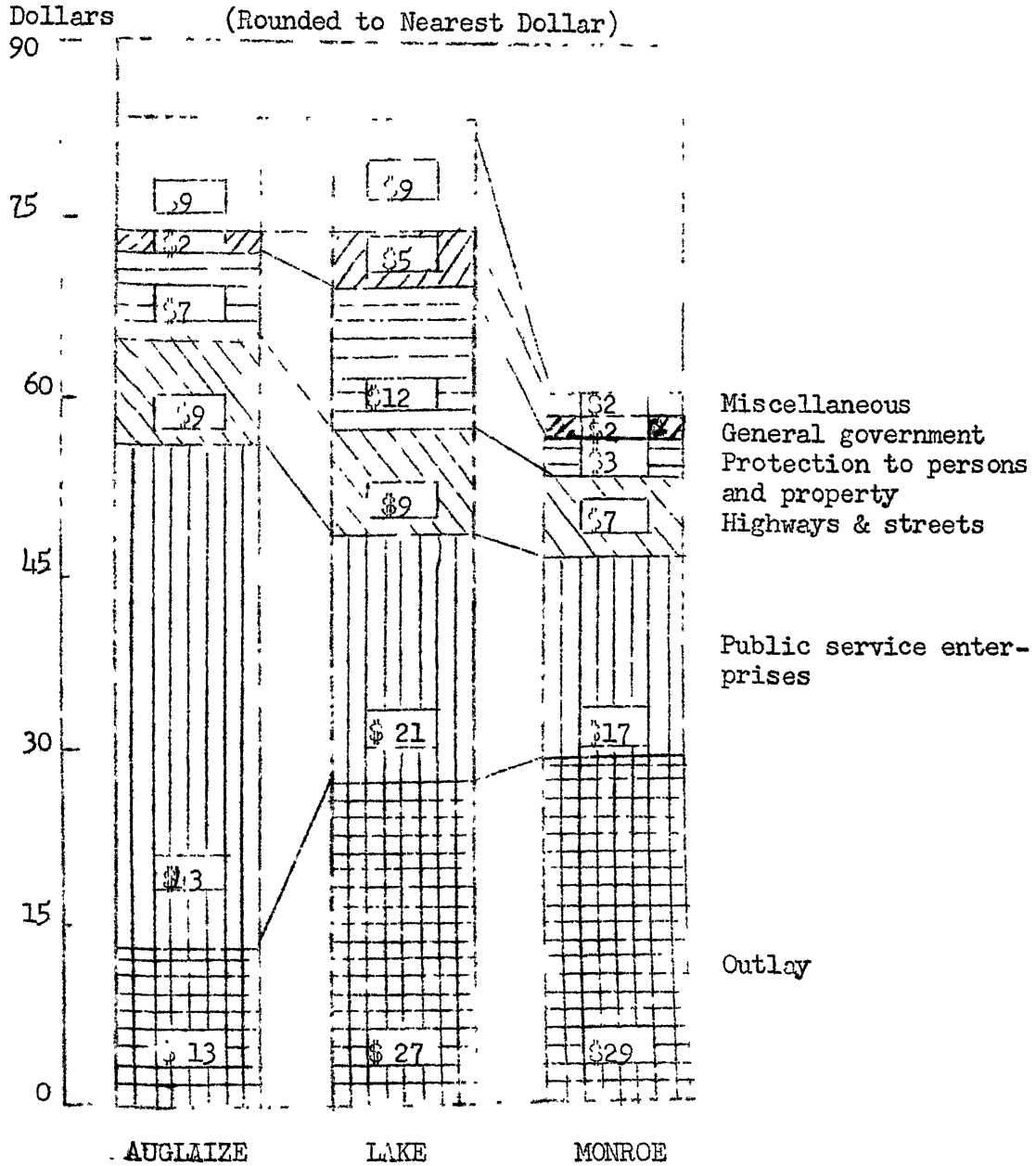
(1) SUBSTANTIALLY LESS THAN ONE DOLLAR.

(2) PER PERSON LIVING IN MUNICIPAL CORPORATIONS (1958 CENSUS)

SOURCE: (1) ANNUAL FINANCIAL REPORTS OF INDIVIDUAL VILLAGES AND CITIES AS SUBMITTED TO THE BUREAU OF INSPECTION AND SUPERVISION OF PUBLIC OFFICES, STATE AUDITOR. ALSO, COMPARATIVE STATISTICS, CITIES OF OHIO, 1953, STATE AUDITOR OF OHIO.

CHART 11

PER CAPITA EXPENDITURES FOR SPECIFIC SERVICES IN MUNICIPAL CORPORATIONS LOCATED IN SELECTED COUNTIES, 1953



Source: Table 10

For total current purposes (public utilities excepted), payments were highest in Lake (\$35), a little less in Auglaize (\$27), and least in Monroe (\$14). When outlay expenditures are added (mainly for public utility purposes), Auglaize and Lake municipalities spent at the same rate (\$83 per capita). Monroe county villages however, were only moderately less (\$60).

Highways and Streets

Particularly to rural residents, two public services are of primary interest - education and roads. Other services may be equally essential but do not influence day to day living in quite the manner of these two.

A perspective of education has been provided in the discussion of school districts. Let us now bring together some additional facts that relate to roads.

Lake County has 450 miles of roads and streets, Monroe has 1945 miles. As indicated in Table 11, part of this is in the State highway system. Looking at two extremes, Lake County being a densely settled area has a relatively low cost per capita for road and street maintenance, approximately \$13 as compared with about \$24 in Monroe County for county and township roads combined. (Chart 12)

Table 12 shows the picture of the amount of money spent per mile for maintenance of county and township roads in the three counties, 1953.

A substantial governmental problem in Monroe County has been to up-grade the road system to provide all the inhabitants with all-weather roads. Although the expenditure per capita, as has been indicated, is relatively high; the money available per mile of road is low. In both Auglaize and Lake counties practically all roads are all-weather or higher-typed surfacing.

TABLE 11

Miles of Various Types of State, County and Township Roads in Auglaize, Lake and Monroe Counties, 1953

County and Type of Road	State	County	Township	Total
Auglaize				
Unimproved Earth	---	---	---	---
Graded and Drained Earth	---	---	4	4
Gravel or Stone	1	2	256	259
Smooth Surface	187	285	105	577
Total	188	287	365	840
Lake				
Unimproved Earth	---	---	*	*
Graded and Drained Earth	---	---	5	5
Gravel or Stone	1	37	109	147
Smooth Surface	108	138	52	298
Total	109	175	166	450
Monroe				
Unimproved Earth	---	---	9	9
Graded and Drained Earth	---	1	46	47
Gravel or Stone	78	334	393	805
Smooth Surface	132	28	24	184
Total	210	363	472	1045

Source: Statistics supplied by State Department of Highways
 * Less than .5

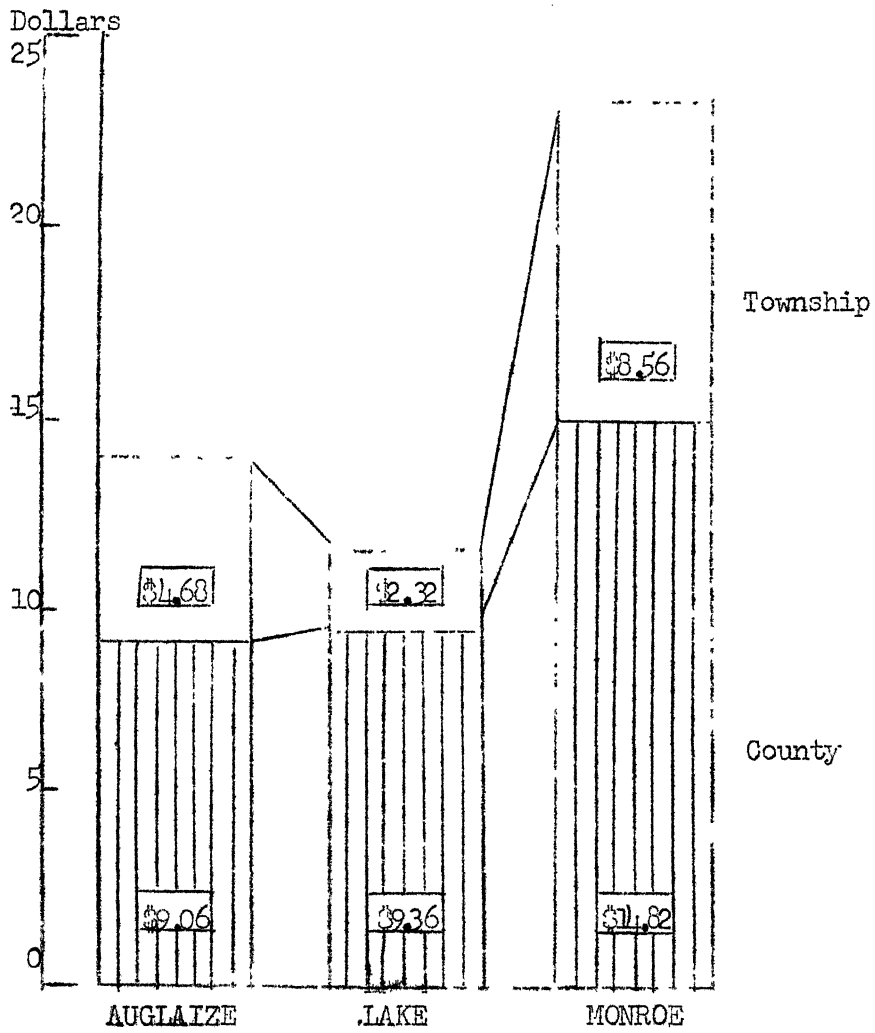
TABLE 12

Total Expenditures Per Mile for Maintenance of County and Township Roads, in Auglaize, Lake and Monroe Counties, 1953

County	County roads	Township roads
Auglaize	\$ 843	\$ 393
Lake	2033	1063
Monroe	605	279

CHART 12

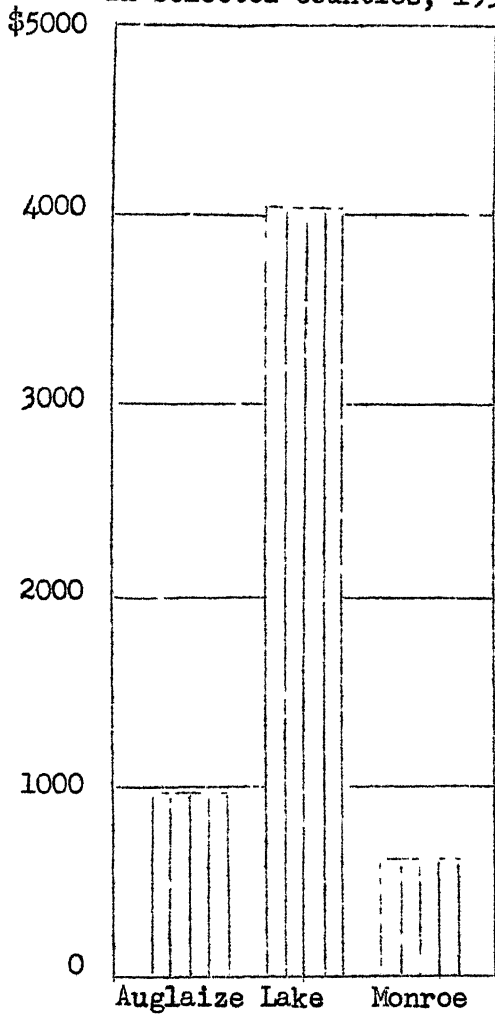
PER CAPITA EXPENDITURES PER MILE FOR MAINTENANCE OF TOWNSHIP
AND COUNTY ROADS IN SELECTED COUNTIES, 1953



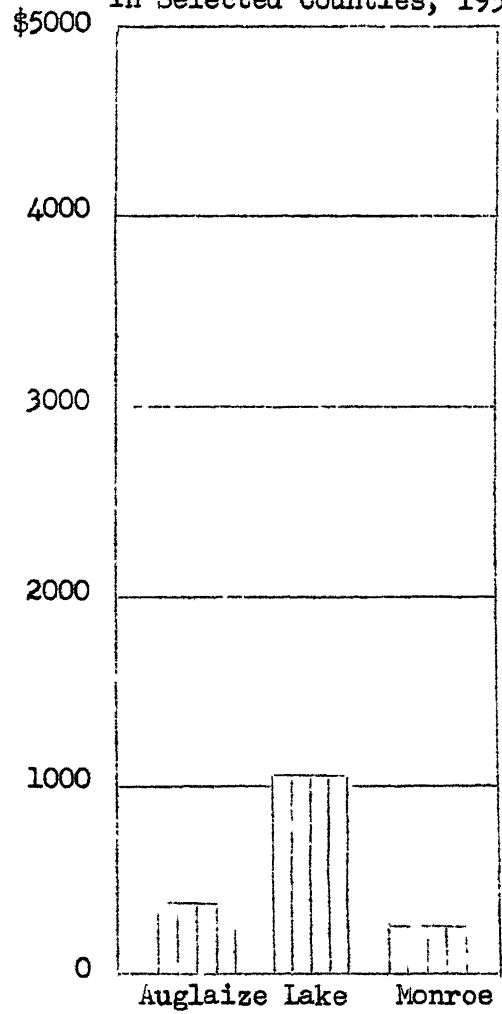
Source: Table 13

CHART 13

Total Expenditures per Mile for
Maintenance of County Roads
in Selected Counties, 1953



Total Expenditures per Mile for
Maintenance of Township Roads
in Selected Counties, 1953



Source: Table 13

