



## THE COST OF COUNTY GOVERNMENT IN NEBRASKA

Data for the following article were prepared before 1967 population estimates and tax reports were available. Use of the later figures, however, would not alter appreciably the detail of the supporting tables and would not change in any way the conclusions reached. The article provides background information on a proposed constitutional amendment on which Nebraskans will vote in November concerning which there has as yet been virtually no publicity and of which most voters are probably not yet even aware.

A great deal of attention has been focused on the fiscal and socio-economic problems of burgeoning metropolitan areas, but less consideration has been given to the serious financial problems of local governing units with sparse and declining population. Not peculiar to Nebraska is the dilemma faced by taxpayers in counties which have so few residents that a heavy per capita tax burden must be imposed in order to supply the kinds and quality of services demanded by modern society. In neighboring states, as here, the wide range of per capita costs of county government reflects the difficulties experienced by sparsely populated counties, usually defined as those with a 1960 population density of no more than 15 per square mile, or with a total population of less than 5,000.

In research on per capita costs of Iowa county government in relation to population, area, method of selection of the board of supervisors, and degree of urbanization, Donald E. Boles and Herbert C. Cook of Iowa State University found that population is the single most significant explanatory variable. In another study of Iowa county government covering the years 1920 to 1959, made by Robert I. Wessel, much the same pattern was found, with the highest costs in the smallest counties, and an alarming general trend toward an increasing differential between per capita costs of local government in the counties of small population and those with large population. Going a step further and comparing the per capita costs of local government in the counties of smallest population in 17 western states, including Nebraska, a USDA economist found that with marked consistency the smallest counties showed up with higher per capita costs than the larger counties. He found also that in every one of the 17 states, per capita general expenditure of the smallest counties exceeded the statewide average.<sup>1</sup>

### Changes in County Population

When the 1960 U.S. Census county population figures for Nebraska are compared with the Bureau of Business Research estimates for 1966, it is found that 68 counties (73%) lost population. Whereas in 1950 these counties constituted 40.8% of the state's population, by 1966 they accounted for only 30.7% of the total, and the numerical decrease of 76,457 (from 541,218 to 464,761) amounted to a decline of more than 14%. Counties lost population in percentages ranging from less than one percent to 36.3%; 25 of the 68

<sup>1</sup>Local Government Costs and Services under Conditions of Sparse Population," Frederick Stocker, Economic Research Service, USDA, in Proceedings of Western Farm Economic Association, July, 1963, p. 56.

counties (almost 37%) had population losses of more than 20%, while only 17 (25%) had decreases of less than 10%.

The 25 counties with growth in population from 1950 to 1966 had gains ranging from 1.4 to 241%. The numerical increase from 784,292 to 1,051,283 amounted to 34.4%. These 25 counties constituted only 59.2% of Nebraska's total population in 1950 but accounted for 69.3% in 1966. Eleven of the counties with population growth had gains of less than 10%; in 6 the increases ranged from 10 to 20%; and only 8 had increases of more than 20%.

In 11 of the counties that lost population, the decline was no more than 5%, however, and in 5 of the counties with increases the gain was no more than 5%. Thus, in 16 counties changes were not substantial and the population might be considered relatively stable. Of the 57 counties with significant losses in population the average percentage decline was 18.8, almost the same as the median (19.0%). There were 2 counties in the array with losses above 30%, 23 in the range from 20.6 to 29.9%; 26 from 10.0 to 19.6%, and 6 from 6.0 to 9.1%. Whereas the 57 counties constituted 34.4% of the state population in 1950, they accounted for only 25.2% in 1966. The numerical loss was 73,832, or 16.19%. The 20 counties with significant increases constituted 54.3% of the Nebraska population in 1950, and 65.0% in 1966, with a numerical gain of 265,060 or 35.57%.

### What of the Future?

The Bureau of Business Research makes no population projections, but projections by county for the year 1985 have been made by other agencies. Comparison of the 1960 Census figures with such county population projections to 1985 reveals that 59 Nebraska counties are expected to show decreases in population amounting to 84,794 persons, or a 22.49% decline. The 34 counties that are projected to have increases in population will gain 57.15%, an increase of 591,446 persons. In 1960, the 59 counties in which population is projected to decline constituted 26.7% of the population of the state, whereas in 1985 they are projected to constitute only 15.2%. Although the 34 counties projected to gain population from 1960 to 1985 constituted less than three-fourths (73.3%) of the state's total in 1960, they will constitute 84.9% in 1985.

According to this projection, based on the Bureau of the Census "high" series estimate of state population of 1,918,573 in 1985, the total gain in population in Nebraska will be 506,652 or 35.88%.

Of the counties projected to show a loss in population 1960-1985, only 2 are expected to show decreases under 5%, whereas of the counties showing increases, 8 are projected to have percentage gains of no more than that. Thus, the number of counties projected to show significant declines in population by 1985 is precisely the same number, 57, and 49 of these are the same counties, that had substantial decreases from 1950 to

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## Business Summary

Nebraska's June, 1968, dollar volume of business was up 10% from June, 1967, accompanied by a 7.1% increase in the physical volume of business. Following this same pattern, the U.S. dollar volume rose 7.1% from June, 1967, and the physical volume rose 3.9% in the same period. The May, 1968, to June, 1968, changes for both the U.S. and Nebraska show slightly larger increase for the physical volume than for the dollar volume. Of the ten business indicators, Nebraska registered an increase in each one and in only one case, employment other than manufacturing, did

Nebraska fail to show an increase greater than the U.S. averages.

July, 1968, retail sales indicate that Nebraska is continuing its upswing of sales activity in comparison to last year. Total sales for the state were up 9.7% from July, 1967, with an increase of 20.0% for hard goods and a 5.0% increase for soft goods. Nineteen of the twenty-two cities reporting showed increases over year-ago levels. July, 1967, to July, 1968, changes for the cities ranged from +26.6% for North Platte to -8.3% for Beatrice.

July, 1968, indexes of city business indicators increased from year-ago levels in all 21 reporting cities. The state index was 15.3% above July, 1967.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month. E. L. BURGESS

### I. NEBRASKA and the UNITED STATES

### II. PHYSICAL VOLUME OF BUSINESS Percentage of 1948 Average

JUN Business Indicators	Percent of 1948 Average		Percent of Same Month a Year Ago		Percent of Preceding Month	
	Nebraska	U.S.	Nebraska	U.S.	Nebraska	U.S.
	Dollar Volume of Business	315.4	359.4	110.0	107.1	102.7
Physical Volume of Business	212.8	228.1	107.1	103.9	104.3	100.3
Bank debits (checks, etc.)	238.1	366.5	103.9	112.8	97.5	102.1
Construction activity	274.9	165.3	117.2	93.7	124.4	97.3
Retail sales	153.3	186.8	108.6	102.2	102.7	100.9
Life insurance sales	358.1	457.5	103.5	95.9	89.4	94.5
Cash farm marketings	265.0	178.8	123.2	104.6	107.1	106.6
Electricity produced	435.0	468.9	125.5	107.4	129.3	102.6
Newspaper advertising	155.6	144.1	103.0	100.1	96.8	99.8
Manufacturing employment	167.2	129.0	106.2	103.0	100.3	100.5
Other employment	142.8	166.0	102.4	103.8	100.8	100.4
Gasoline sales	192.5	222.8	104.8	104.7	107.7	110.0

Month	Nebraska	U.S.
	1967-68	1967-68
June	198.7	219.5
July	196.9	217.6
August	203.2	219.5
September	202.8	216.5
October	203.0	216.8
November	190.8	219.1
December	199.3	218.6
January	210.0	224.4
February	214.5	228.5
March	197.6	225.6
April	201.1	225.7
May	204.0	227.4
June	212.8	228.1

### III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

JUL City	No. of Reports*	Percent of Same Month a Year Ago			Percent of Preceding Month	JUL City	No. of Reports*	Percent of Same Month a Year Ago			Percent of Preceding Month
		Total	Hard Goods	Soft Goods				Total	Hard Goods	Soft Goods	
THE STATE	783	109.7	120.0	105.0	98.4	Fremont	29	110.1	120.0	101.2	99.9
Omaha	80	117.8	122.7	113.8	96.4	Fairbury	23	102.9	104.8	100.9	107.8
Lincoln	71	122.5	133.0	114.0	93.1	Norfolk	30	110.3	111.6	109.1	100.2
Grand Island	31	108.5	122.4	96.1	101.6	Scottsbluff	32	115.8	130.0	103.5	99.7
Hastings	29	111.2	126.4	98.2	98.6	Columbus	28	105.2	108.8	101.9	95.8
North Platte	21	126.6	139.6	117.4	104.2	McCook	19	109.2	117.6	100.3	100.9
						York	28	111.2	131.7	98.2	101.6

### IV. RETAIL SALES, Other Cities and Rural Counties

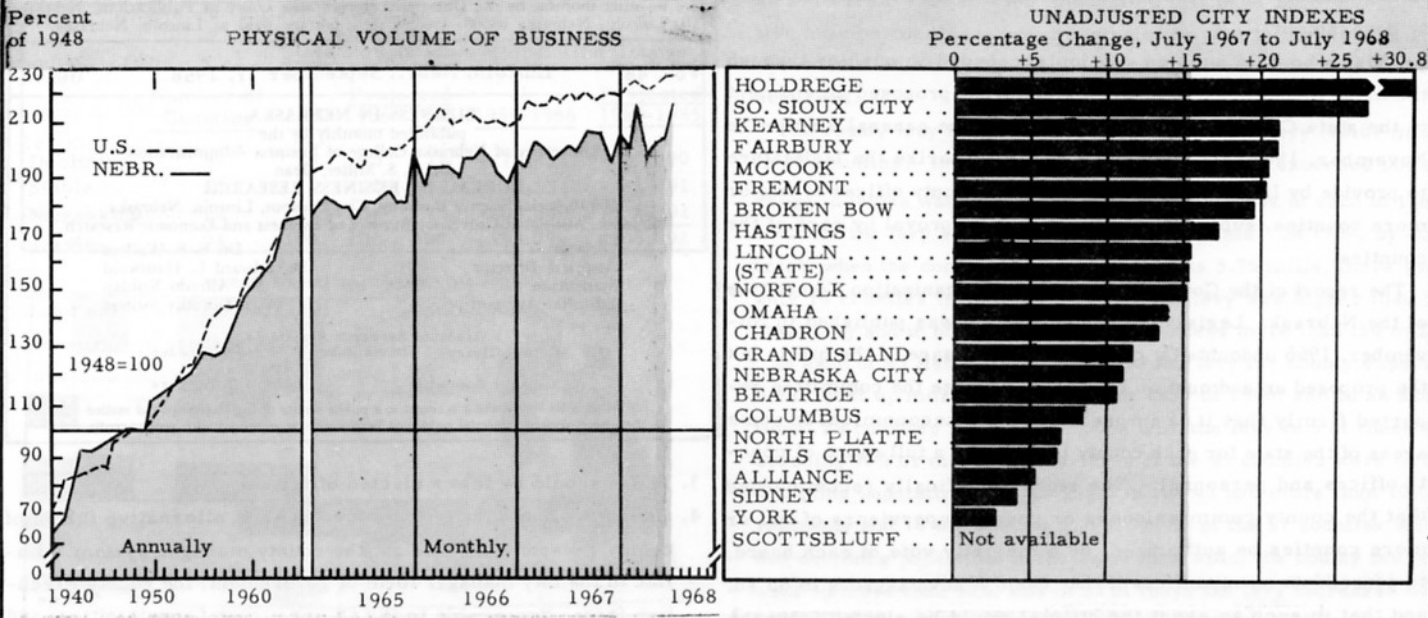
### V. RETAIL SALES, by Subgroups, for the State and Major Divisions

JUL Locality	No. of Reports*	Percent of Same Month A Year Ago	Percent of Preceding Month
Kearney	19	105.8	100.1
Alliance	28	112.1	114.0
Nebraska City	21	100.6	75.9
Broken Bow	13	117.8	127.1
Falls City	17	115.5	105.0
Holdrege	14	108.5	100.7
Chadron	19	102.3	102.5
Beatrice	19	91.7	103.8
Sidney	22	97.4	102.1
So. Sioux City	10	94.0	123.7
Antelope	10	119.1	100.1
Cass	21	114.0	99.3
Cuming	13	106.5	96.2
Sand Hills**	24	113.5	99.9
Dodge***	11	96.5	94.0
Franklin	10	105.0	109.9
Holt	14	95.9	98.2
Saunders	61	151.5	101.9
Thayer	9	95.8	95.5
Misc. Counties	55	102.0	97.1

JUL Type of Store	Percent of Same Month a Year Ago			
	Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	109.7	113.0	104.3	111.6
Selected Services	108.9	116.6	112.6	97.2
Food stores	105.1	111.9	95.4	108.0
Groceries and meats	104.7	116.0	94.2	104.0
Eating and drinking pl.	101.2	103.7	91.6	108.4
Dairies and other foods	118.7	111.5	113.6	131.0
Equipment	118.5	113.3	114.9	127.3
Building material	134.5	136.9	119.4	147.1
Hardware dealers	108.0	119.7	112.3	92.1
Farm equipment	97.9	66.8	98.9	127.9
Home equipment	116.8	109.7	119.7	121.1
Automotive stores	114.9	125.2	120.1	99.3
Automotive dealers	121.8	126.5	123.3	115.6
Service stations	103.4	120.0	107.3	83.0
Miscellaneous stores	105.2	107.4	102.0	106.2
General merchandise	106.2	102.2	104.5	111.9
Variety stores	90.9	81.7	96.9	94.2
Apparel stores	114.5	124.9	109.3	109.4
Luxury goods stores	111.3	115.0	99.5	119.3
Drug stores	102.6	98.3	103.6	105.8
Other stores	94.2	114.9	86.1	81.6

\*\*Hooker, Grant, Dawes, Cherry, and Sheridan Counties

\*\*\*\*Not including Selected Services



Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. E. L. B.

VI. CITY BUSINESS INDICATORS

Percent of Same Month a Year Ago										
JUL	State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
	The State	115.3	119.8	125.0	109.7	115.2	106.9	118.4	117.1	110.6
	Beatrice	110.6	112.6	101.1	91.7	153.0	101.3	NA	117.9	139.6
	Omaha	114.0	117.3	92.7	117.8	114.8	106.0	118.4	132.7	104.7
	Lincoln	115.5	135.0	98.2	122.5	124.3	116.6	125.6	91.3	98.6
	Grand Island	111.6	123.0	150.1	108.5	110.4	106.2	102.1	121.5	- -
	Hastings	117.2	116.6	329.4	111.2	128.2	111.2	118.2	122.8	99.2
	Fremont	120.3	122.6	221.3	110.1	108.9	NA	131.0	117.6	NA
	North Platte	107.0	123.3	49.3	126.6	78.0	95.2	124.4	96.0	113.4
	Kearney	121.2	123.9	336.0	105.8	126.1	104.7	124.6	115.2	NA
	Scottsbluff	NA	NA	NA	115.8	NA	84.1	NA	NA	159.2
	Norfolk	115.2	94.9	181.5	110.3	122.6	100.4	106.1	121.7	135.6
	Columbus	108.4	116.5	NA	105.2	123.0	103.4	101.5	101.6	125.0
	McCook	120.5	134.7	138.5	109.2	121.1	90.5	NA	128.9	111.4
	Sidney	104.2	115.0	26.9	97.4	112.7	89.7	236.5	102.5	NA
	Alliance	105.3	113.2	94.6	112.1	105.1	90.4	121.4	85.6	109.3
	Nebraska City	111.0	111.0	43.0	100.6	121.5	131.7	138.5	92.3	NA
	So. Sioux City	126.9	120.8	145.2	94.0	127.8	NA	NA	132.0	NA
	York	102.8	113.7	86.1	111.2	86.0	100.3	85.6	119.8	120.1
	Falls City	106.8	98.4	106.3	115.5	42.7	118.4	107.0	120.1	86.1
	Fairbury	121.1	121.9	205.3	102.9	109.4	NA	110.5	130.8	139.0
	Holdrege	130.8	126.5	158.9	108.5	150.6	107.8	220.2	115.4	NA
	Chadron	113.4	103.8	129.4	102.3	107.0	101.7	154.0	159.6	NA
	Broken Bow	119.6	139.6	568.4	117.8	116.6	106.3	102.4	137.9	102.3

Percent of Preceding Month (Unadjusted)

JUL	State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
	The State	104.1	108.8	108.7	96.8	111.4	90.4	119.8	88.6	102.2
	Beatrice	110.2	120.4	109.1	101.0	121.6	86.3	NA	77.7	149.7
	Omaha	101.6	116.9	99.1	95.0	108.7	94.4	127.0	103.7	87.9
	Lincoln	107.3	98.8	119.3	91.8	128.7	99.4	127.3	NA	103.3
	Grand Island	101.5	103.7	127.9	100.2	114.8	64.1	106.0	85.8	- -
	Hastings	105.5	108.0	102.9	97.5	118.7	104.0	117.8	94.0	107.2
	Fremont	105.6	109.3	105.4	98.4	109.4	NA	137.1	82.7	NA
	North Platte	94.7	115.0	74.8	102.7	79.6	58.4	89.3	109.0	107.2
	Kearney	93.2	95.1	132.9	98.7	88.3	68.6	96.2	80.5	NA
	Scottsbluff	NA	NA	NA	98.6	NA	58.0	NA	NA	99.6
	Norfolk	111.4	113.2	147.4	98.8	135.4	93.5	116.9	84.3	116.7
	Columbus	104.2	108.5	99.6	94.3	127.5	99.4	109.3	73.5	120.1
	McCook	100.3	120.8	93.7	98.9	117.8	90.5	NA	87.5	108.3
	Sidney	91.9	103.0	72.8	99.6	110.7	57.1	185.2	73.0	NA
	Alliance	105.7	101.9	116.8	111.7	103.5	52.1	150.9	89.5	NA
	Nebraska City	96.3	98.8	117.6	75.1	113.5	85.1	105.1	79.5	NA
	So. Sioux City	117.4	117.4	72.9	121.1	117.0	NA	NA	117.8	NA
	York	105.3	110.2	82.0	100.3	119.9	115.8	97.6	79.8	113.0
	Falls City	96.3	102.8	92.1	103.5	46.4	87.9	119.3	89.5	100.7
	Fairbury	111.1	117.7	75.7	105.9	119.6	NA	127.6	90.9	109.8
	Holdrege	101.2	83.2	133.6	99.9	110.7	70.1	166.2	102.7	91.6
	Chadron	99.8	99.0	111.0	101.2	97.5	57.7	268.6	99.3	NA
	Broken Bow	105.2	113.7	105.8	124.4	110.5	91.8	73.3	90.0	112.5

(Continued from first page) 1966. For the periods 1950 to 1966 and 1960 to 1985 (projected), therefore, an identical 49 counties, i.e. 52.7% of Nebraska's 93 counties, are expected to have significant population losses. Only 26 counties, or 27.9% of the state's total, are projected to have increases of more than 5% from 1960 to 1985.

In the projections to 1985, most of the counties with declining populations are expected to have large losses both numerically and relatively. It is anticipated that 19 counties will lose more than 30% of their 1960 population by 1985 and that in 10 of these counties the losses will be more than 40%.

The changes described above are shown in the accompanying table and map, from which the following facts may be noted:

1. In all but four of the counties that have declined since 1950 (Johnson, Saline, Colfax, and Merrick) the decline is projected

to continue, and in all but seven the projected decline for 1960-1985 is a larger percentage than that for 1950-1966.

2. All but one of the declining counties (Saline) had net out-migration from 1960 to 1966.

3. Of the 57 declining counties only one (Gage) has a city above 10,000; three others have cities from 5,000 to 10,000 in population; six others have a town above 2,500; thus 47 of the 57 declining counties have no town as large as 2,500.

4. There were 30 counties (nearly one-third of the total) with 1966 population below 5,000. Of these only one (Hooker) is growing; only one (Grant) is stable; the rest are declining.

5. There were 62 counties in the state (two-thirds of the total) with 1966 population below 10,000. Only 4 of these are growing, while 49 are declining. In all but 4 of the 49 the decline is projected to continue.

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TABLE I  
POPULATION AND TAX LEVY IN NEBRASKA

County	Population			Taxes			County	Population			Taxes				
	% Change 1950-66	% Proj-ected 1960-85	Migra-tion Per-centage 1960-66	County Tax Levy (mills) 1950	County Tax Levy 1966	% Change Tax Levy 1950-66		Per Capita Local Taxes 1966	% Change 1950-66	% Proj-ected 1960-85	Migra-tion Per-centage 1960-66	County Tax Levy (mills) 1950	County Tax Levy 1966	% Change Tax Levy 1950-66	Per Capita Local Taxes 1966
Counties with Declining Population, 1950-1966							Counties with Declining Population, 1950-1966								
Harlan*	-36	-37	-12	5.00	12.05	+141	\$299	Saline	-9	+5	+1	5.00	11.42	+128	\$217
Hayes*	-35	-48	-23	5.00	13.20	+164	452	Holt	-9	-17	-9	4.22	4.768	+13	193
Franklin*	-30	-39	-9	5.30	6.99	+32	262	Knox	-8	-2	-2	5.00	11.70	+134	200
Thomas*	-29	-51	-24	3.94	8.20	+108	388	Gage	-7	-17	-5	5.00	9.59	+92	208
Pawnee*	-29	-47	-9	4.62	13.20	+186	209	Colfax**	-6	+3	-5	4.50	10.23	+127	200
Richardson	-28	-41	-15	6.00	10.60	+77	186	Merrick**	-6	+3	-7	4.08	4.432	+9	212
Frontier*	-28	-33	-15	5.22	13.85	+165	291	Median	-19	-26	-10	5.00	10.40	+111	232
Keya Paha*	-27	-54	-12	6.00	8.95	+49	279	Counties with Stable Population, 1950-1966							
Sherman*	-26	-40	-17	4.97	10.56	+112	226	Cuming	-5	+5	-1	4.14	6.65	+61	\$186
Sioux*	-26	-48	-14	5.00	8.11	+62	344	Filmore**	-5	-11	-5	3.59	5.25	+46	257
Nemaha**	-25	-27	-11	5.00	15.88	+218	234	Wayne**	-4	+4	-8	5.00	10.62	+112	213
Logan*	-25	-54	-10	4.90	9.70	+98	405	Grant*	-4	-25	-11	5.00	5.727	+15	428
Dundy*	-24	-25	-9	5.00	10.60	+112	254	Cherry**	-4	-17	-10	4.905	7.50	+53	311
Loup*	-23	-41	-9	5.00	10.70	+114	300	Dawes**	-4	+3	-6	5.00	7.71	+54	175
Greeley*	-23	-38	-12	5.50	14.25	+159	217	Pierce**	-3	+0.4	-1	5.00	9.86	+97	196
Hitchcock*	-23	-17	-10	5.00	14.00	+180	260	York	-3	+12	-2	5.00	5.51	+10	213
Perkins*	-23	-28	-16	4.13	11.95	+189	411	Otoe	-3	+6	-3	5.00	7.69	+54	201
Rock*	-22	-40	-14	5.00	9.43	+89	305	Cedar	-2	+3	-8	5.00	12.815	+156	153
Furnas**	-21	-14	-5	6.00	7.25	+21	196	Clay**	-1	-6	-3	4.96	9.74	+96	246
Boone**	-21	-27	-13	5.47	11.222	+105	188	Kearney**	+1	-1	-3	4.60	10.54	+129	288
Chase*	-21	-10	-9	5.25	10.56	+101	309	Red Willow	+3	+19	-5	6.00	3.90	-35	198
Antelope**	-21	-26	-14	4.45	12.77	+187	224	Dawson	+3	+22	-5	5.00	7.56	+51	231
Webster**	-21	-22	-6	5.00	9.50	+90	218	Hamilton**	+3	+7	0	4.80	5.88	+22	263
McPherson*	-21	-41	-16	5.00	6.74	+35	426	Saunders	+4	+10	-3	5.24	11.37	+117	208
Garden*	-21	-25	-10	2.71	10.06	+271	361	Median	-3	+3	-5	5.00	7.64	+54	213
Arthur*	-20	-37	-12	4.35	6.887	+58	375	Counties with Growing Population, 1950-1966							
Morrill**	-19	-31	-11	5.00	8.75	+75	261	Adams	+7	+36	+2	4.30	4.16	-3	\$187
Boyd*	-19	-37	-16	5.00	13.28	+166	232	Lincoln	+8	+26	-4	4.83	8.26	+71	309
Custer	-19	-30	-9	5.00	9.27	+85	252	Phelps**	+8	+25	-5	4.00	6.53	+63	251
Wheeler*	-19	-41	-12	5.00	8.52	+70	296	Seward	+8	+16	0	5.03	9.83	+95	193
Dixon**	-18	-23	-11	4.996	12.85	+157	232	Scotts Bluff	+8	+37	-1	3.40	10.42	+206	207
Nance**	-18	-25	-9	4.31	10.41	+142	216	Cheyenne	+9	+14	-19	4.10	10.50	+156	254
Thayer**	-18	-30	-5	5.00	9.73	+95	224	Case	+10	+16	-7	5.00	7.96	+59	184
Stanton**	-18	-16	-14	5.92	8.66	+46	206	Keith**	+11	+7	-7	3.94	9.36	+138	264
Burt**	-17	-25	-9	4.00	5.80	+45	237	Buffalo	+12	+33	+1	3.95	8.40	+113	185
Nuckolls**	-17	-13	-6	5.00	13.40	+168	241	Washington	+13	+25	+2	5.00	7.82	+56	181
Thurston**	-16	-22	-11	5.29	11.63	+120	201	Hooker*	+15	+0.3	+2	3.814	7.798	+105	322
Gosper*	-15	-26	-10	6.00	13.10	+118	335	Madison	+17	+34	+4	4.847	6.40	+32	149
Johnson**	-15	+14	-5	5.00	12.46	+149	205	Hall	+25	+53	+5	2.75	6.95	+153	203
Jefferson	-15	-25	-10	5.00	10.56	+111	209	Dakota	+29	+43	0	6.30	11.57	+84	169
Butler**	-15	-18	-9	2.95	7.92	+168	217	Platte	+36	+51	+2	4.7464	6.818	+44	164
Garfield*	-14	-27	-12	4.73	7.65	+62	209	Dodge	+36	+58	+2	3.84	6.07	+58	176
Box Butte	-13	-27	-14	5.10	5.93	+17	201	Douglas	+43	+74	+5	4.14	6.10	+47	191
Valley**	-13	-13	-7	4.00	12.44	+211	186	Lancaster	+47	+74	+2	3.81	5.69	+49	204
Sheridan**	-12	-22	-13	4.50	8.08	+80	227	Kimball*	+77	+48	-17	6.00	6.90	+15	278
Banner*	-12	-27	-14	6.00	11.66	+94	492	Sarpy	+241	+276	+47	4.64	6.126	+32	126
Polk**	-12	-15	-5	3.94	8.61	+119	246	Median	+14	+35	+2	4.00	6.95	+58	192
Brown*	-12	-26	-2	4.90	10.09	+106	227	State Median	-15	-17	-9	5.00	9.50	+96	224
Blaine*	-12	-21	-3	6.00	11.90	+98	413								
Deuel*	-11	-13	-8	4.40	10.09	+129	279								
Howard**	-10	-12	-6	4.75	9.97	+110	224								

\*Below 5,000 population; \*\*5,000-10,000; unmarked, over 10,000. (Bureau of Business Research 1966 population estimates.)

Sources: Tax levies from reports of State Tax Commissioner. Per capita state and local taxes, percent change in county tax levies, and population changes computed by Bureau of Business Research. Migration percentages computed from table in March, 1968, issue of Business in Nebraska.

**TABLE II**  
Percent of  
State Population      Population Change

	Number of Counties	Projected			1950-1966	Projected 1960-1985
		1950	1966	1985		
Declining	57	35	25	11	- 73,832	- 81,000
Stable	16	11	10	14	+ 1,931	+ 11,391
Increasing	20	54	65	75	+265,000	+576,301
Total	93	100	100	100	+193,099	+506,692

COUNTY POPULATION TRENDS, 1950-1966



County Tax Levies

Because counties with small population encounter diseconomies of scale, citizens of these counties tend not to receive quality of services equal to those provided in more populous counties, and the counties find it necessary to levy high per capita taxes to provide even minimal services. Political economists suggest that county governments in counties of low population, which must levy high per capita taxes, should consider consolidation of some county offices, or even consolidation of county governments.

What, then, is the situation in Nebraska?

For purposes of comparison in connection with this study, 1966 levies are probably preferable to the current levies due to the special circumstance that put the counties in a difficult situation this year when what had been a state property tax levy in each county for support of patients in state hospitals was shifted to county government. The state constitution provides that county authorities may not levy property taxes which exceed 50¢ on \$100 of actual valuation, which works out to 14.28 mills under the present assessment. When the cost of caring for patients in state hospitals was added to the county levies, 11 Nebraska counties had to raise the levy to the maximum, and an additional 15 counties are approaching that level. (See Table III.)

Of the 11 counties that have set levies at the lawful limit, all except one, Dakota County, have shown heavy losses of population from 1950 to 1960. Dakota County has shown a marked rise, 28.6%, which has put increased demands for services on the county government, but the other 10 counties have shown population losses ranging from 12.6% in Valley to 34.5% in Hayes. Of the 15 counties that are less than a mill below the maximum county levy, all had sharp declines in population, 1950 to 1966, except Saunders, which had a gain of 4.4%. Losses in population in the other 14 counties ranged from 2.2% in Cedar to 28.5% in Pawnee.

Because county population changes have been computed for the years 1950 to 1966, changes in county tax levies over the same span of time are relevant, and therefore the two sets of data are shown in the same table (Table I) which accompanies this article.

Although changes in county tax levies are most significant when considered in relation to changes in property valuations and to changes in services provided by the respective counties, increases

in county levies by percentages ranging from over 100% to as much as 271% from 1950 to 1966 in counties that have declining population may be considered of meaningful import to taxpayers, quite apart from whatever changes in valuations and services may have occurred.

The county levy in 1966 exceeded the state tax levy (10.67 mills) in 25 counties. In 14 counties, the rate was not exceeded but the range in levies was from 10.06 to 10.62 mills; thus in each of these counties the levy approximated that of the state. In 1950, by contrast, when the consolidated state levy was 5.76 mills, there were only 10 counties in which the county tax levy was higher than the state levy and in none of them was the excess more than .54 mills.

In each of 43 Nebraska counties the tax levy for county expenditures went up more than 100% from 1950 to 1966, and in an additional 29 counties it rose over 50%, with the levy in 9 of these increasing 90% or more. Thirty-three of the 43 counties were in the declining population group. Eight of the 43 had more than 10,000 residents and 18 were below 5,000. In 48 of the 57 counties which had declining population in the same time span, the county tax levy went up more than 50%, and in 33 of these the levy increased over 100%. In 3 counties the levies rose more than 200%. In the 20 counties with significant gains in population from 1950 to 1966, demands for county services were presumably considerably increased. In only 6 of these counties, however, did levies rise more than 100%. In an additional 7 counties, there were increases over 50% but under 100%.

Per Capita Taxation

It is recognized that the figures in Table I showing per capita state and local taxation by counties may be somewhat misleading, since some taxes collected in one county may actually be shifted elsewhere. Nevertheless, they do have some validity in showing the comparative tax load on the citizens of the different counties.

It will be noted from these figures that the median per capita taxation in 1966 for the counties declining in population was \$232; for the counties in the stable population group the figure was \$213; for the growing counties it was \$192. In the declining group there were 14 counties with a per capita tax load of \$300 or more, while in the growing group there were only two, and both of these had populations below 30,000.

Constitutional Amendment

The facts cited above clearly indicate that there is an inverse relationship between county size and tax burden and between coun-

**TABLE III**  
NEBRASKA COUNTIES WITH HIGH COUNTY TAX LEVIES,  
1967-68

County Levy at Legal Limit (14.28 mills)		County Levy within less than One Mill of Legal Limit		
County	Population Change 1950-1966	County	Levy (mills)	Population Change 1950-1966
Dakota	+28.6	Blaine	14.10	-11.9
Dixon	-17.8	Boone	14.183	-21.3
Frontier	-27.8	Box Butte	14.15	-13.0
Greeley	-23.3	Boyd	14.272	-18.7
Hayes	-34.5	Brown	14.073	-12.1
Loup	-23.4	Cedar	14.27	- 2.2
Nemaha	-24.9	Chase	13.89	-21.3
Richardson	-28.2	Howard	14.22	-10.0
Sherman	-26.2	Johnson	14.08	-15.0
Thurston	-16.4	Knox	14.22	- 7.8
Valley	-12.6	Morrill	13.45	-19.0
		Nuckolls	13.83	-16.7
		Pawnee	13.80	-28.5
		Saunders	14.22	+ 4.4
		Thayer	14.25	-17.7

Source: County tax levies from office of the State Auditor

growth and tax burden. They suggest that Nebraskans may be taxing themselves severely to support an obsolete system of county government.

Those who hold such an opinion succeeded in pushing through the most recent session of the legislature a proposed amendment to the state Constitution to be voted on at the general election in November, 1968. If adopted, it would authorize the legislature to provide by law for the consolidation of county offices of two or more counties, subject to the right of disapproval by each of the counties.

The report of the County Government Reorganization Committee of the Nebraska Legislative Council which was published in November, 1966 undoubtedly contributed to passage of the bill to put the proposed amendment on the ballot, because the committee reported firmly that it is impractical and uneconomical in some areas of the state for each county to maintain a full range of county offices and personnel. The study specifically recommended that the county commissioners or county supervisors of two or more counties be authorized, by a majority vote of each board, to consolidate county offices if they deem it advantageous to do so, and that in such an event the official would be elected from the consolidated area. This recommendation, if adopted, would merely authorize counties to effect functional consolidations where they felt it would result in more efficiency or economy.<sup>2</sup>

#### Opinions Supporting Such an Amendment

There is evidence that the trends in local government have not yet reflected the full impact of social and economic changes in the state, nor the concurrent developments in technology, transportation, and communication. The slowness of county governmental change is not due to lack of study of the problems involved, or much painstaking research has been done.<sup>3</sup>

In a study of Iowa local government, Russell M. Ross found that the status and problems of county government are similar in virtually all of the agriculturally oriented states of the midwest, and counseled that sparsely populated counties should consider consolidation, and if this should prove impossible then some greater degree of consolidation of functions by adjacent counties might accomplish many of the desired improvements. Dr. Bert Evans, rural extension economist at the University of Nebraska, in a recent address suggested that businesses, churches, schools, and the general citizenry in many areas have been remiss in not admitting that due to a loss in population it is time for cooperation and joint effort in county government.

Recommendations of county government studies have been generally that:

- The workload in some county offices in sparsely populated counties is low enough so that consolidation of two or more offices would result in greater economy and efficiency.
- The minimum density of population should be greater and the minimum area for county government should be larger than prevails at present.

Report of the Committee on County Government Reorganization, Nebraska Legislative Council Report No. 149, Nov., 1966, p. 33. As long ago as 1934, the College of Business Administration of the University of Nebraska published a research study County Consolidation, Relation of Size of Counties to the cost of County Government in Nebraska, by Dr. Edward B. Schmidt. Two recent studies strongly supporting county consolidation have been published under the same title (Modernizing Local Government), one by the Committee for Economic Development (CED) in July, 1966, and the other by the Chamber of Commerce of the U.S. in 1967. Today's Taxes, Nebraska Tax Research Council, Nov. 24, 1967, analyzed the proposed constitutional amendment and compared sharp rises in county government costs to slower rising per capita valuations.

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3. There should be fewer elected officials.
4. Citizens should have a choice between alternative forms of county government, such as: the county manager system, similar to the city manager form of government; the county executive form, comparable to the strong mayor form in cities; and modifications of the present form of county government to effect consolidations of offices and improved personnel plans.

#### Distances to Be Traveled

That long distances would have to be traveled to transact county business if offices of two or more Nebraska counties were combined was an objection voiced at public hearings held by the County Reorganization Committee of the Legislature. In parts of the state where the counties are large and the population is sparse, validity of the argument may be recognized. Analysis of the geographic distribution of counties that lost population 1950 to 1966 (depicted in the map which accompanies this article) indicates, however, that the situation is quite different in some areas of the state and that it might, indeed, be feasible to combine county offices in a number of potential groupings of two or more counties.

Retail trade studies have shown that Nebraskans are extremely mobile and that they are quite willing to travel considerable distances in order to have a wide selection of merchandise from which to choose or in order to buy at discount prices. It seems reasonable, then, to assume that if a reduced county levy and subsequently substantial savings in tax dollars were involved, people would be willing to travel somewhat longer distances than at present to transact occasional county business.

#### Conclusion

The basic patterns of Nebraska local government were set and firmly fixed in the nineteenth century and have not reflected the extensive changes in the socio-economic structure that have taken place in recent decades. It appears that the Nebraska Legislature, following the recommendations of its committee on county reorganization, was fully cognizant of these relevant considerations when it acted to put on the ballot the proposition to permit Nebraska counties to combine county offices. Perhaps it should be emphasized that the operative phrase is "to permit," and perhaps also the reader should be reminded that despite passage six years ago of such permissive legislation with respect to County Superintendents of Education, Nebraska still has 90 of them.<sup>4</sup>

DOROTHY SWITZER  
E. S. WALLACE

<sup>4</sup>Only Dixon and Dakota Counties have consolidated the office of County Superintendent. In Hooker and Banner Counties the position has been abolished and in each case information is provided by the superintendent of a city school system in the county.