Overview and Trends of Arkansas County Finances 1999-2017
How can Arkansas County continue to provide services for its citizens?

- What factors and trends are impacting county services and funding sources?
- Which of these can the county control or influence
  - In the short-run?
  - In the long-run?
- What are anticipated changes that might affect the county’s fiscal health?
- What might the county do to eliminate or minimize the impact of anticipated changes?
The population of Arkansas County decreased 14% from 21,000 in 1999 to 18,000 in 2018.

From 2019 to 2031, the county's population is projected to decrease an additional 6% to 16,700.

Data Source: Population Estimates, U.S. Census Bureau; Population Projections, Woods & Poole
Population Change, 1999-2017

Data Source: Population Estimates, U.S. Census Bureau

Community & Economic Development
University of Arkansas System
Strategizing Arkansas Communities

Population Change, 1999 to 2017
-32% to -20% (8)
-20% to -10% (12)
-10% to 0% (20)
0% to 15% (23)
15% to 80% (12)
Population Change, 2010-2017

Data Source: Population Estimates, U.S. Census Bureau
Employment in Arkansas County decreased slightly, from 13,200 in 1999 to 13,000 in 2017, or 1%.

How will future employment levels impact the county's fiscal situation?

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Employment Change, 1999-2017

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Employment Change, 2010-2017

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Revenue & Expenditures

Arkansas County
Arkansas County Total Revenue & Expenditures, 1999-2017

- Total revenue received by Arkansas County increased 7% between 1999 and 2017, from $10.9 million to $11.7 million.
- Expenditures decreased from $10.8 million in 1999 to $10.4 million in 2017, a total change of about -4%.

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Change in Total Revenue, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Change in Total Expenditures, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Although trends in per capita total revenue were similar to trends in the total numbers, total revenue per capita increased at a faster rate than previously discussed.

While total spending decreased, population decline in Arkansas County led to growth in per capita spending between 1999 and 2017.

Per capita revenue was $649 in 2017, $69 more than per capita expenditures ($580).

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Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Per Capita Total Revenue, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit.
Per Capita Total Expenditures, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Revenue

Arkansas County
Arkansas County Revenue Sources as a Percent of Total Revenue, 1999 and 2017

- The share of total revenue from intergovernmental transfers decreased slightly, from 23% in 1999 to 22% in 2017.
- Arkansas County property tax revenue as a share of total revenue was 23% in 1999 and slightly less in 2017 (22%).
- The share of total revenue from sales tax grew slightly, from 30% to 31%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in the county (31%) was higher than the statewide average (25%).

The share of total revenue from property tax was 22% in the county in 2017, less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers was about 22% in the county and statewide in 2017.

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Sales tax revenue in Arkansas County increased 6% between 1999 and 2017, from $3.3 million to $3.6 million.

Despite fluctuating, property tax revenue was $2.6 million in 1999 and 2017.

Arkansas County's intergovernmental revenue fluctuated but was about $2.5 million in 1999 and 2017.

**Note:** the difference in values of property tax and intergovernmental revenues is a result of rounding. Although the difference is not clear in the graph, the stated values are correct.

**Data Sources:** Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in per capita major revenue sources were similar to the overall trends discussed in the previous slide. However, population decline caused the per capita measures to increase more quickly or decrease more slowly than the overall measures.

Sales tax revenue per capita was $200 in Arkansas County in 2017, more than property tax ($144) and intergovernmental ($142) revenue.

**Data Sources:** Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Per Capita Intergovernmental Revenue, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Intergovernmental Revenue, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Per Capita Property Tax Revenue, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Property Tax Revenue, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics.
Per Capita Sales Tax Revenue, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Sales Tax Revenue, 1999-2017

Note: Crawford County had sales tax revenue in only the 4th quarter of 1999, because this skews the percent change value for Crawford County is treated as 0 for this map.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Arkansas County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased slightly in Arkansas County (7%), from $643,900 in 1999 to $687,400 in 2017.
- Commissions and taxes apportioned grew from $643,800 to $680,500 or 6%.
- Fines, forfeitures and franchise taxes declined 34%, from $541,000 in 1999 to $356,200 in 2017.
- Other revenue was $652,700 in 1999 and $1.2 million in 2017, an increase of 82%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in per capita minor revenue sources were similar to the overall trends discussed on the previous slide. However, as a result of population decline, the per capita measures increased at a faster rate or decreased at a slower rate than the overall measures.

Other revenue per capita in Arkansas County was $66 in 2017, more than officers, jail & 911 fees ($38), commissions & taxes apportioned ($38), and fines, forfeitures and franchise taxes ($20).

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Expenditures

Arkansas County
Arkansas County Expenditures for Services Provided 1999 and 2017

- Law enforcement & public safety was the largest share of Arkansas County government spending in 1999 and 2017, and increased significantly, during the study period, from 24% to 35%.
- The share of total spending for highways & streets grew from 23% in 1999 to 26% in 2017.
- The share of total spending for general & other expenditures rose from 18% in 1999 to 22% in 2017.

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.  
**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
Arkansas County's share of expenditures for law enforcement and public safety (35%) was less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 26%, a little greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 22%, less than the statewide average (26%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Arkansas County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Arkansas County increased 38%, from $2.6 million in 1999 to $3.6 million in 2017.
- Highways and streets spending increased 13%, from $2.4 million in 1999 to $2.7 million in 2017.
- General and other spending fluctuated widely but grew overall, from $2 million in 1999 to $2.2 million in 2017 or 10%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in per capita major category expenditures were similar to the overall trends discussed on the previous slide. However, population decline caused the per capita measures to grow at a faster rate or decrease at a slower rate than the overall measures.

Law enforcement & public safety per capita spending in Arkansas County was $202 in 2017, more than highways & streets ($149) and general & other ($125) expenditures.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Per Capita Public Safety Expenditures, 2017

**Note:** 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

**Data Sources:** Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Public Safety Expenditures, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Per Capita Road Expenditures, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Road Expenditures, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Road expenditures per county road mile in Arkansas County were less than the statewide average every year between 1999 and 2017.

During the same period, road expenditures per county road mile grew 10% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $2,200, about $1,550 less than the statewide average ($3,750).

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; Road & Street Report, Arkansas Highway and Transportation Department
Arkansas County
Minor Category Expenditures, 1999-2017

- Health & social services expenditures in Arkansas County increased 93%, from $101,700 in 1999 to $195,800 in 2017.
- Recreation & culture spending in the county decreased 20%, from $2 million to $1.6 million.
- Capital outlay expenditures decreased from a high of $1.5 million in 1999 to $0 in 2002.
- Debt service spending in Arkansas County decreased 56%, from $128,900 in 1999 to $57,300 in 2017.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in minor expenditures per capita were similar to the overall trends on the previous slide. However, population decline in Arkansas County caused the per capita measure to grow at a faster rate or decrease at a slower rate than the overall measures.

Recreation & culture per capita expenditures were $90 in 2017, more than health & social service ($11), debt service ($3), and capital outlays ($0).

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Tax Base

Arkansas County
Property assessments in Arkansas County increased 15%, from $321.5 million in 1999 to $368.9 million in 2017.

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics
Arkansas County
Per Capita Property Assessments, 1999-2017

• Per capita property assessments in the county exceeded the statewide average every year between 1999 and 2017.
• Trends in per capita property assessments were similar to the overall trends discussed on the previous slide, but population decline caused the per capita measures to increase at a faster rate or decrease at a slower rate than the overall measures.
• Per capita property assessments in the county were $20,500 in 2017, about $4,200 more than the statewide average ($16,300).

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics; Population Estimates, U.S. Census Bureau
Retail sales in Arkansas County increased 33%, from $253.1 million in 1972 to $336 million in 2012, while decreasing to a low of $198.2 million in 1987.

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

**Data Sources:** Census of Retail Sales, U.S. Census Bureau; South Urban CPI, Bureau of Labor Statistics
Per capita retail sales in the county exceeded the statewide average in 7 of 9 years between 1972 and 2012.

Trends in per capita retail sales were similar to the overall trends discussed on the previous slide, but population decline caused the per capita measures to increase at a quicker rate/decrease at a slower rate than the overall measures.

Per capita retail sales in the county were $17,700 in 2012, about $5,200 more than the statewide average ($12,500).

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

Data Sources: Census of Retail Sales, U.S. Census Bureau; South Urban CPI, Bureau of Labor Statistics; Population Estimates, U.S. Census Bureau
Capacity and Effort

Capacity:
- The maximum amount that can be produced when all the resources in an economy are employed as fully as possible.
- Capacity constraints can be caused by lack of investment and skills shortages.
- Spare capacity can be caused by lack of demand.

Effort:
- The amount to which a county utilizes its ability to generate revenue through taxation.
Property Tax Capacity and Effort

Capacity:
• High capacity = County’s per capita property assessments were above the state average.
• Low capacity = County’s per capita property assessments were below the state average.

Effort:
• High effort = County’s millage rate was above the average of Arkansas counties.
• Low effort = County’s millage rate was below the average of Arkansas counties.
Property Tax Capacity & Effort, 2017

Data Sources: Population Estimates, U.S. Census Bureau; Property Assessments and Millage Rates, the Arkansas Assessment Coordination Department
Sales Tax Capacity and Effort

Capacity:
• High capacity = County’s per capita retail sales were above the state average.
• Low capacity = County’s per capita retail sales were below the state average.

Effort:
• High effort = County’s sales tax rate was above the average of Arkansas counties.
• Low effort = County’s sales tax rate was below the average of Arkansas counties.
Sales Tax Capacity & Effort, 2012

Data Sources: Census of Retail Sales and Population Estimates, U.S. Census Bureau; South Urban CPI, Bureau of Labor Statistics; Sales Tax Rates, Arkansas Department of Finance and Administration
Options for Providing Services to Arkansas County Residents

• Increase cost effectiveness
  – Improve management and productivity
  – Explore possibility of privatizing services
  – Consider intergovernmental agreements to offer shared services

• Increase revenue
  – Alternative (new) revenue sources
    • User charges,
    • shift tax burden to non-residents
  – Expand the tax base
  – Increase tax rates

• Reduce Services
Contact

For more information and assistance on county government finance options, contact:

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