Overview and Trends of Baxter County Finances 1999-2017
How can Baxter 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 Baxter County increased 9% from 38,100 in 1999 to 41,400 in 2018.

From 2019 to 2031, the county's population is projected to increase an additional 6% to 44,300.

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

Data Source: Population Estimates, U.S. Census Bureau
Population Change, 2010-2017

Data Source: Population Estimates, U.S. Census Bureau
Employment in Baxter County increased from 19,800 in 1999 to 21,600 in 2017 or 9%.

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

Community & Economic Development
Strengthening Arkansas Communities
Revenue & Expenditures

Baxter County
**Baxter County**

**Total Revenue & Expenditures, 1999-2017**

- Total revenue received by Baxter County increased 4% between 1999 and 2017, from $13.6 million to $14.2 million.
- Expenditures decreased from $16.1 million in 1999 to $14.3 million in 2017, a total change of about -11%.
- Revenue and spending spiked to a highs of $22.1 million and $21.5 million, respectively, in 2009.

*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
Baxter County Per Capita Revenue & Expenditures, 1999-2017

- Although total revenue increased, population growth in Baxter County led to a decrease in per capita revenue between 1999 and 2017.
- While trends in per capita total spending were similar to trends in the total numbers, total spending per capita decreased at a faster rate than previously discussed.
- Per capita revenue was $344 in 2017, $3 less than per capita expenditures ($347).

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

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

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

- The share of total revenue from intergovernmental transfers increased slightly, from 25% in 1999 to 27% in 2017.
- Baxter County property tax revenue as a share of total revenue was 13% in 1999 and more in 2017 (17%).
- The share of total revenue from sales tax was 26% in 1999 and 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Baxter County in 2017 was 26%, slightly higher than the statewide average (25%).

The share of total revenue from property tax was 17% in the county in 2017, less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 27% in 2017, more than the statewide average (22%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Sales tax revenue in Baxter County increased 17% between 1999 and 2017, from $3.5 million to $3.7 million.

Property tax revenue grew 33%, from $1.8 million in 1999 to $2.4 million in 2017.

Baxter County's total intergovernmental revenue increased from $3.5 million in 1999 to $3.8 million in 2017, or 9%, and spiked to a high of $9.9 million in 2009.

**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 growth caused the per capita measures to increase at a slower rate or decrease at a faster rate than the overall measures.

Intergovernmental revenue per capita was $93 in Baxter County in 2017, more than sales tax ($89) and property tax ($59) revenue per capita.

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

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.
Baxter County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Baxter County (107%), from $537,200 in 1999 to $1.1 million in 2017.
- Commissions and taxes apportioned grew significantly, from $923,000 to $1.2 million or 28%.
- Fines, forfeitures and franchise taxes declined 8%, from $620,800 in 1999 to $569,000 in 2017.
- Other revenue was $2.8 million in 1999 and $1.4 million in 2017, a decline of 50%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Baxter County Per Capita Minor Sources of Revenue, 1999-2017

- Trends in per capita minor revenue sources were similar to the overall trends discussed on the previous slide. However, as a result of population growth, the per capita measures increased at a slower rate or decreased at a faster rate than the overall measures.
- Other revenue per capita in Baxter County was $33 in 2017, more than commissions & taxes apportioned ($29), officers, jail & 911 fees ($27), and fines, forfeitures and franchise taxes ($14).

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

Baxter County
Baxter County Expenditures for Services Provided 1999 and 2017

- Law enforcement & public safety was the largest share of Baxter County government spending in 1999 and 2017, and increased significantly during the study period, from 29% to 41%.
- The share of total spending for highways & streets grew from 21% in 1999 to 26% in 2017.
- The share of total spending for general & other expenditures was about 23% in 1999 and 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Baxter County's share of expenditures for law enforcement and public safety (41%) was slightly more 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 23%, less than the statewide average (26%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Law enforcement and public safety expenditures in Baxter County increased 28%, from $4.6 million in 1999 to $5.9 million in 2017, and spiked to a high of $11 million in 2009.

Highways and streets spending increased 9%, from $3.4 million in 1999 to $3.7 million in 2017.

General and other spending declined slightly, from $3.7 million in 1999 to $3.2 million in 2017 or 14%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Baxter County Per Capita Major Category Expenditures 1999-2017

- Trends in per capita major category expenditures were similar to the overall trends discussed on the previous slide. However, population growth caused the per capita measures to decrease at a slower rate or increase at a faster rate than the overall measures.
- Law enforcement & public safety per capita spending in Baxter County was $143 in 2017, more than highways & streets ($89) and general & other ($78) 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
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 Baxter County were less than the statewide average in 18 of 19 years between 1999 and 2017.

During the same period, road expenditures per county road mile increased 8% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $2,800, about $950 less than the statewide average ($3,750).

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; Road & Street Report, Arkansas Highway and Transportation Department
Health & social services expenditures in Baxter County decreased 41%, from $173,000 in 1999 to $102,700 in 2017.

Recreation & culture spending in the county increased significantly during the same period, from $10,700 to $1.1 million.

Capital outlay expenditures decreased from a high of $3.8 million in 1999 to $0 in 2004.

Debt service spending in Baxter County decreased 34%, from $475,400 in 1999 to $312,300 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 growth in Baxter County caused the per capita measure to grow at a slower rate or decrease at a faster rate than the overall measures.

Recreation & culture per capita expenditures were $27 in 2017, more than debt service ($8), health & social service ($2), 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

Baxter County
Property assessments in Baxter County increased 43%, from $521.5 million in 1999 to $747.4 million in 2017.

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics
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 growth caused the per capita measures to increase at a slower rate or decrease at a faster rate than the overall measures. Per capita property assessments in the county were $18,100 in 2017, about $1,800 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 Baxter County increased 129%, from $208.3 million in 1972 to $476.6 million in 2012.

Retail sales reached a high of $542.4 million prior to the Great Recession in 2007.

*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 5 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 growth caused the per capita measures to increase at a slower rate/decrease at a quicker rate than the overall measures.

Per capita retail sales in the county were $11,600 in 2012, about $900 less 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 Baxter 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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