Overview and Trends of Benton County Finances 1999-2015
How can Benton 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?
Benton County Population Estimates, 1999-2016

- The population of Benton County increased 74% from 148,636 in 1999 to 258,291 in 2016.

Data Source: Population Estimates, U.S. Census Bureau
Employment in Benton County increased from 88,600 in 1999 to 153,100 in 2016 or 73%.

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

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Employment Change, 1999-2016

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Employment Change, 2010-2016

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

Community & Economic Development
Strengthening Arkansas Communities
Revenue & Expenditures

Benton County
Benton County
Total Revenue & Expenditures, 1999-2015

- Total revenue received by Benton County increased 89% between 1999 and 2015, from $33.1 million to $62.7 million.
- Expenditures increased from $35.6 million in 1999 to $62.8 million in 2015, a total change of about 76%.
- Revenue spiked to a high of $71.8 million in 2009.
- County revenue exceeded expenditures in 9 of 17 years.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Change in Total Revenue, 1999-2015

Percent Change, 1999 to 2015

-14% to 0%
0% to 25%
25% to 50%
50% to 100%
100% to 161%

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Change in Total Expenditures, 1999-2015

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
While per capita revenue and expenditures followed similar trends to the overall measures discussed previously, the per person measures increased at a slower rate than the overall measures.

Per capita revenue and expenditures were both about $250 in 2015.

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, 2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Per Capita Total Expenditures, 2015

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

Benton County
The share of total revenue from intergovernmental transfers increased slightly from 14% in 1999 to 15% in 2015.

Benton County property tax revenue as a share of total revenue was 26% in 1999, and considerably more in 2015 (42%).

The share of total revenue from sales tax shrank from 28% in 1999 to 13% in 2015.

Minor sources of revenue accounted for 32% of total revenue in 1999 and 30% in 2015.

Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Benton County in 2015 was 13%, much lower than the statewide average (24%).

The share of total revenue from property tax was 42% in the county in 2015, considerably more than the statewide average of 23%.

The share of total revenue from intergovernmental transfers in the county was 15% in 2015, less than the statewide average (22%).

_Data Source_: Revenue and Expenditure Statements, Arkansas Legislative Audit
Benton County
Major Sources of Revenue, 1999-2015

- There was a decrease in sales tax revenue in Benton County between 1999 and 2015, from $9.4 million to $8.1 million, or 14%.
- Property tax revenue grew 207%, from $8.6 million in 1999 to $26.4 million in 2015.
- Benton County's total intergovernmental revenue increased from $4.6 million in 1999 to $9.6 million in 2015, or 109%.

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/decrease at a faster rate than the overall measures.

Property revenue per capita was $105 in Benton County in 2015, more than per capita intergovernmental ($38) and sales tax ($32) revenue.
Per Capita Total Intergovernmental Revenue, 2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Total Intergovernmental Revenue, 1999-2015

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, 2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Property Tax Revenue, 1999-2015

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, 2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit.
Change in per Capita Sales Tax Revenue, 1999-2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Officer, Jail and 911 Fees increased 155% in Benton County, from $2.7 million in 1999 to $6.9 million in 2015.

Similarly, commissions and taxes apportioned grew significantly from $3.4 million to $5.6 million or 65%.

There was a significant increase in fines, forfeitures and franchise taxes (32%), from $1.9 million in 1999 to $2.5 million in 2015.

Other revenue fluctuated widely while reaching a high of $9.3 million in 2009, and grew 44% overall from $2.5 million in 1999 and $3.6 million in 2015.

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 growth, the per capita measures increased more slowly/decreased more rapidly than the overall measures.

Officers, jail & 911 fees per capita in Benton County were $27 in 2015, more than commissions & taxes apportioned ($22), other revenue ($14), and fines, forfeitures and franchise taxes ($10).

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

Benton County
Law enforcement & public safety was the largest share of Benton County government spending in 1999 and 2015, and increased during the study period, from 42% to 47%.

The share of total spending for highways & streets grew slightly from 20% in 1999 to 22% in 2015.

The share of total spending for general & other expenditures rose from 22% in 1999 to 27% in 2015.

*Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit*
Benton County's share of expenditures for law enforcement and public safety (47%) was more than the statewide share (39%) in 2015.

The share of total county expenditures for highways and streets was 22%, a little below the statewide average (24%).

The share of total county expenditures for general and other expenditures was 27%, slightly greater than the statewide average (26%).

*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
Law enforcement and public safety expenditures in Benton County increased 95%, from $15 million in 1999 to $29.2 million in 2015.

There was a significant increase (97%) in highways and streets spending in the county, from $7.1 million in 1999 to $14 million in 2015.

General and other spending grew considerably from $7.7 million in 1999 to $17.2 million in 2015 or 123%.

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

Law enforcement & public safety per capita spending in Benton County was $116 in 2015, more than general & other ($69) and highways & streets ($56) 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, 2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Public Safety Expenditures, 1999-2015

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, 2015

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Road Expenditures, 1999-2015

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 Benton County were more than the statewide average in every year between 1999 and 2015.

During the same period, road expenditures per county road mile increased 100% in the county compared to growth of only 52% statewide.

In 2015, road expenditures per county road mile in the county were $6,400, about $2,600 more than the statewide average ($3,800).

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; Road & Street Report, Arkansas Highway and Transportation Department
• Health & social services expenditures in Benton County increased significantly, from $32,106 in 1999 to $2.3 million in 2015.
• Recreation & culture spending in the county increased from $0 in 1999 to $33,331 in 2015.
• Capital outlay expenditures decreased from a high of $5.8 million in 1999 to $0 in 2004.
• Debt service spending fluctuated between a low of $0 and a high of $2.3 million during the study period.

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 Benton County cause the per capita measure to grow at a slower rate/decrease at a faster rate than the overall measures.

Health & social services per capita expenditures were $9 in 2015, more than recreation & culture, debt services 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

Benton County
Property assessments in Benton County increased 91%, from $2.5 billion in 1999 to $4.7 billion in 2015.

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 2015. 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/decrease at a quicker rate than the overall measures. Per capita property assessments in the county were $18,900 in 2015, about $3,000 more than the statewide average ($15,900).

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics; Population Estimates, U.S. Census Bureau
Retail sales in Benton County increased 389%, from $594.6 million in 1972 to $2.9 billion in 2012.

*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 1 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 $12,400 in 2012, about $100 less than the statewide average ($12,500).
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, 2015

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 Benton 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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