Overview and Trends of Boone County Finances 1999-2017
How can Boone 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 Boone County increased 12% from 33,400 in 1999 to 37,400 in 2018.

From 2019 to 2031, the county's population is projected to increase an additional 6% to 40,100.
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 Boone County increased slightly, from 20,000 in 1999 to 20,300 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, 2010-2017

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

Boone County
Total revenue received by Boone County increased 49% between 1999 and 2017, from $10 million to $14.9 million. Expenditures increased from $9.7 million in 1999 to $12.3 million in 2017, a total change of about 27%. Spending spiked to a high of $19.3 million in 2008.

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

- Although trends in per capita total revenue were similar to trends in the total numbers, total revenue per capita increased at a slower rate than previously discussed.
- While trends in per capita total spending were similar to trends in the total numbers, total spending per capita increased at a slower rate than previously discussed.
- Per capita revenue was $399 in 2017, $71 more than per capita expenditures ($328).

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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

Boone County
The share of total revenue from intergovernmental transfers decreased from 27% in 1999 to 21% in 2017.

Boone County property tax revenue as a share of total revenue was 13% in 1999 and slightly less in 2017 (11%).

The share of total revenue from sales tax grew slightly, from 30% to 32%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in the county (32%) was higher than the statewide average (25%).

The share of total revenue from property tax was 11% in the county in 2017, considerably less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 21% in 2017, less than the statewide average (22%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
- Sales tax revenue in Boone County increased 57% between 1999 and 2017, from $3 million to $4.7 million.
- Property tax revenue grew 31%, from $1.3 million in 1999 to $1.7 million in 2017.
- Boone County's total intergovernmental revenue fluctuated widely but increased overall, from $2.7 million in 1999 to $3.1 million in 2017, or 15%.

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

- 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.
- Sales tax revenue per capita was $126 in Boone County in 2017, more than intergovernmental ($83) and property tax ($44) 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.
Boone County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Boone County (33%), from $682,400 in 1999 to $908,300 in 2017.
- Commissions and taxes apportioned grew significantly, from $826,700 to $1.1 million or 34%.
- Fines, forfeitures and franchise taxes increased 27%, from $562,700 in 1999 to $716,200 in 2017.
- Other revenue decreased 30% from $939,700 in 1999 to $661,900 in 2015, then spiked to a high of $2.7 million in 2017.

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 at a slower rate or decreased at a faster rate than the overall measures.

Other revenue per capita in Boone County was $73 in 2017, more than commissions & taxes apportioned ($30), officers, jail & 911 fees ($24), and fines, forfeitures and franchise taxes ($19).

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

Boone County
The share of total spending for law enforcement and public safety in Boone County increased significantly from 28% in 1999 to 40% in 2017.
The share of total spending for highways & streets declined from 32% in 1999 to 27% in 2017.
The share of total spending for general & other expenditures rose from 22% in 1999 to 25% in 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Boone County's share of expenditures for law enforcement and public safety (40%) was slightly more than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 27%, greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 25%, slightly less than the statewide average (26%).

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

- Law enforcement and public safety expenditures in Boone County increased 81%, from $2.7 million in 1999 to $4.9 million in 2017, and spiked to a high of $9.1 million in 2008.
- Highways and streets spending increased 6%, from $3.1 million in 1999 to $3.3 million in 2017.
- General and other spending grew considerably, from $2.2 million in 1999 to $3 million in 2017 or 36%.

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 or increase at a faster rate than the overall measures.

Law enforcement & public safety per capita spending in Boone County was $131 in 2017, more than highways & streets ($89) and general & other ($81) 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
Boone County Road Expenditures Per County Road Mile, 1999-2017

- Road expenditures per county road mile in Boone County were less than the statewide average in 13 of 19 years between 1999 and 2017.
- During the same period, road expenditures per county road mile increased 10% in the county compared to growth of 45% statewide.
- In 2017, road expenditures per county road mile in the county were $3,200, about $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
Boone County
Minor Category Expenditures, 1999-2017

- Health & social services expenditures in Boone County increased 141%, from $123,000 in 1999 to $296,600 in 2017.
- Recreation & culture spending in the county increased significantly (57%), from $400,800 to $630,600.
- Capital outlay expenditures decreased from a high of $3.8 million in 2001 to $0 in 2002.
- Debt service spending in Boone County increased from $7,700 in 1999 to $2.6 million in 2011 then decreased to $75,900 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 Boone 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 $17 in 2017, more than health & social service ($8), debt 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

Boone County
Property assessments in Boone County increased 37%, from $388.9 million in 1999 to $534.1 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 in 1 of 19 years 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 $14,300 in 2017, about $2,000 less 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 Boone County increased 71%, from $287.7 million in 1972 to $493.3 million in 2012.

Retail sales reached a high of $565.6 million prior to the Great Recession in 2002.

*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 every year 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 $13,200 in 2012, about $700 more than the statewide average ($12,500).

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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 Boone 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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