Overview and Trends of Clay County Finances 1999-2017
How can Clay 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 Clay County decreased 16% from 17,700 in 1999 to 14,900 in 2018. From 2019 to 2031, the county's population is projected to decrease an additional 5% to 14,000.

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 Clay County decreased from 8,900 in 1999 to 5,500 in 2017 or 38%.

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, 1999 to 2017
-38% to -19% (11)
-19% to -10% (15)
-10% to 0% (25)
0% to 23% (18)
23% to 79% (6)
Employment Change, 2010-2017

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

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

- Total revenue received by Clay County increased 16% between 1999 and 2017, from $5.8 million to $6.7 million.
- Expenditures increased from $5.7 million in 1999 to $6.7 million in 2017, a total change of about 18%.

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

• Although trends in per capita total revenue and spending were similar to trends in the total numbers, the per capita measures increased at a faster rate than previously discussed.
• Per capita revenue and expenditures were both about $450 in 2017.

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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
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

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

- The share of total revenue from intergovernmental transfers decreased slightly, from 32% in 1999 to 30% in 2017.
- Clay County property tax revenue as a share of total revenue was 28% in 1999 and less in 2017 (25%).
- The share of total revenue from sales tax grew from 12% to 16%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Clay County in 2017 was 16%, lower than the statewide average (25%).

The share of total revenue from property tax was 25% in the county in 2017, more than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 30% in 2017, more than the statewide average (22%).

*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 Clay County increased 51% between 1999 and 2017, from $709,800 to $1.1 million.

Property tax revenue grew 6%, from $1.6 million in 1999 to $1.7 million in 2017.

Clay County’s total intergovernmental revenue fluctuated widely but grew overall, from $1.8 million in 1999 to $2 million in 2017, or 11%.
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 at a faster rate or decrease at a slower rate than the overall measures.

Intergovernmental revenue per capita was $134 in Clay County in 2017, more than property tax ($113) and sales tax ($72) per capita 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
Clay County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Clay County (38%), from $453,100 in 1999 to $625,000 in 2017, peaking at a high of $838,400 in 2011.
- Commissions and taxes apportioned declined significantly, from $640,900 to $559,500 or 13%.
- Fines, forfeitures and franchise taxes declined 2%, from $401,600 in 1999 to $395,200 in 2017.
- Other revenue was $159,700 in 1999 and $364,900 in 2017, an increase of 129%.

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.

Officers, jail & 911 fees per capita in Clay County were $42 in 2017, more than commissions & taxes apportioned ($38), fines, forfeitures and franchise taxes ($26), and other revenue ($24).

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

Clay County
Clay County Expenditures for Services Provided 1999 and 2017

- The share of total spending for law enforcement and public safety in Clay County increased from 24% in 1999 to 34% in 2017.
- Highways & streets was the largest share of county government spending in 1999 and 2017, and grew slightly during the study period, from 35% to 36%.
- The share of total spending for general & other expenditures decreased from 28% in 1999 to 20% 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
Clay County’s share of expenditures for law enforcement and public safety (34%) was less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 36%, significantly greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 20%, less 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
Clay County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Clay County increased 64%, from $1.4 million in 1999 to $2.3 million in 2017.
- Highways and streets spending increased 20%, from $2 million in 1999 to $2.4 million in 2017, spiking to a high of $3.5 million in 2015.
- General and other spending declined slightly, from $1.6 million in 1999 to $1.3 million in 2017 or 19%.

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.

Highways & streets per capita spending in Clay County was $163 in 2017, more than law enforcement & public safety ($152) and general & other ($89) expenditures.
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 Clay 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 22% 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 Clay County increased 20%, from $161,300 in 1999 to $194,300 in 2017.

Recreation & culture spending in the county increased significantly (30%), from $353,400 to $459,800.

Capital outlay expenditures decreased from a high of $807,600 in 2000 to $0 in 2001.

Debt service spending fluctuated between a low of $0 and a high of $115,800.

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 Clay 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 $31 in 2017, more than health & social service ($13) and debt service 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

Clay County
Property assessments in Clay County increased 14%, from $189.8 million in 1999 to $216.7 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 were below 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 $14,500 in 2017, about $1,800 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 Clay County increased 30%, from $137.8 million in 1972 to $179.4 million in 2012.
Clay County
Per Capita Retail Sales, 1972-2012

- Per capita retail sales in the county were below 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 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 $11,400 in 2012, about $1,100 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.
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 Clay 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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