Overview and Trends of Cleburne County Finances 1999-2017
How can Cleburne 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 Cleburne County increased slightly (5%), from 23,800 in 1999 to 25,000 in 2018.

From 2019 to 2031, the county's population is projected to increase an additional 4% to 26,200.

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 Cleburne County decreased slightly, from 11,500 in 1999 to 11,400 in 2017, or 2%.

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

Cleburne County
Total revenue received by Cleburne County increased 77% between 1999 and 2017, from $7.9 million to $14 million, reaching a high of $16.8 million in 2010.

Expenditures increased from $7.7 million in 1999 to $10.9 million in 2017, a total change of about 42%, reaching a high of $15.1 million in 2014.

*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
Despite trends in per capita total revenue and spending being similar to trends in the total numbers, the per capita measures increased at a slower rate than previously discussed.

- Per capita revenue was $560 in 2017, $124 more than per capita expenditures ($436).

*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
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

Cleburne County
The share of total revenue from intergovernmental transfers increased slightly, from 25% in 1999 to 26% in 2017.

Cleburne County property tax revenue as a share of total revenue was 19% in 1999 and more in 2017 (22%).

The share of total revenue from sales tax grew from 23% to 30%.

*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
The share of total revenue from sales tax in the county (30%) 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 in the county was 26% 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 Cleburne County increased 139% between 1999 and 2017, from $1.8 million to $4.3 million.

Property tax revenue grew 100%, from $1.5 million in 1999 to $3 million in 2017.

Cleburne County's total intergovernmental revenue fluctuated widely and increased significantly, from $1.9 million in 1999 to $3.6 million in 2017, or 89%.

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.

Sales tax revenue per capita was $170 in Cleburne County in 2017, more than intergovernmental ($144) and property tax ($121) 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
- Officers, Jail and 911 Fees increased greatly in Cleburne County (49%), from $505,900 in 1999 to $755,400 in 2017.
- Commissions and taxes apportioned grew significantly, from $751,800 to $899,600 or 20%.
- Fines, forfeitures and franchise taxes declined 12%, from $594,100 in 1999 to $524,700 in 2017.
- Other revenue grew from $772,000 in 1999 to $2.8 million in 2011 then decreased to $939,700 in 2017, resulting in overall growth of 22%.

**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 Cleburne County was $38 in 2017, more than commissions & taxes apportioned ($36), officers, jail & 911 fees ($30), and fines, forfeitures and franchise taxes ($21).

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

Cleburne County
Cleburne County Expenditures for Services Provided 1999 and 2017

- The share of total spending for law enforcement and public safety in Cleburne County increased from 29% in 1999 to 35% in 2017.
- The share of total spending for highways & streets grew slightly from 34% in 1999 to 35% in 2017.
- The share of total spending for general & other expenditures rose from 20% in 1999 to 26% 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
Cleburne 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 35%, significantly greater than the statewide average (23%).

General & other spending in the county accounted for about the same size share of total spending as 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 Cleburne County increased 73%, from $2.2 million in 1999 to $3.8 million in 2017, spiking to $5.1 million in 2005 and $6.1 million in 2012. Highways and streets spending increased 46%, from $2.6 million in 1999 to $3.8 million in 2017, while spiking to $6.3 million in 2010 and $6.9 million in 2014. General and other spending grew considerably, from $1.5 million in 1999 to $2.8 million in 2017 or 87%, peaking at a high of $4.6 million in 2008.

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.
- Highways & streets per capita spending in Cleburne County was $152 in 2017, more than law enforcement & public safety ($151) and general & other ($112) 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 Cleburne County were more than the statewide average in 15 of 17 years between 1999 and 2017.

During the same period, road expenditures per county road mile increased 44% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $3,600, about $150 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 Cleburne County decreased 96%, from $186,500 in 1999 to $7,500 in 2017.

Recruitment & culture spending in the county increased significantly (104%), from $258,400 to $527,600, and spiked to a high of $2.3 million in 2013.

Capital outlay expenditures decreased from a high of $1 million in 2000 to $0 in 2002.

Debt service spending in Cleburne County decreased 100%, from $2,500 in 1999 to $0 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 Cleburne 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 $21 in 2017, more than health & social service, 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

Cleburne County
Property assessments in Cleburne County increased 94%, from $348.9 million in 1999 to $676.5 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 $27,000 in 2017, about $10,700 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 Cleburne County increased 120%, from $142.2 million in 1972 to $313.1 million in 2012.

Retail sales reached a high of $314.6 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 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 $12,100 in 2012, about $400 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.
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 Cleburne 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:

Michelle Mobley, CEA - Staff Chair
2319 Hwy 110 West, Suite D
Heber Springs, AR 72543
Tel: 501-362-2524, Fax: 501-362-0888

Visit Our Website:
https://uaex.edu/localgov

The University of Arkansas System Division of Agriculture offers all its Extension and Research programs and services without regard to race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.