Overview and Trends of Cleveland County Finances 1999-2017
Cleveland County
How can Cleveland 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 Cleveland County decreased slightly (5%), from 8,600 in 1999 to 8,200 in 2018.

From 2019 to 2031, the county's population is projected to decrease an additional 1% to 8,100.

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

Data Source: Population Estimates, U.S. Census Bureau

Community & Economic Development
Strengthening Arkansas Communities
Population Change, 2010-2017

Data Source: Population Estimates, U.S. Census Bureau
Employment in Cleveland County decreased from 2,000 in 1999 to 1,800 in 2017 or 10%.

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

Cleveland County
Total revenue received by Cleveland County increased 44% between 1999 and 2017, from $3.2 million to $4.6 million.

Expenditures increased from $2.8 million in 1999 to $4.2 million in 2017, a total change of about 50%.

*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
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 was $565 in 2017, $53 more than per capita expenditures ($512).

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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

Cleveland County
The share of total revenue from intergovernmental transfers decreased significantly, from 47% in 1999 to 37% in 2017.

Cleveland County property tax revenue as a share of total revenue was 18% in 1999 and less in 2017 (15%).

The share of total revenue from sales tax grew from 12% to 28%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Cleveland County in 2017 was 28%, slightly higher than the statewide average (25%).

The share of total revenue from property tax was 15% in the county in 2017, less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 37% in 2017, far more than the statewide average (22%).

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
Cleveland County
Major Sources of Revenue, 1999-2017

- Sales tax revenue in Cleveland County increased 248% between 1999 and 2017, from $379,600 to $1.3 million.
- Property tax revenue grew 24%, from $570,500 in 1999 to $706,000 in 2017.
- Cleveland County's total intergovernmental revenue fluctuated but grew 13% overall, from $1.5 million in 1999 to $1.7 million in 2017.

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 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 $211 in Cleveland County in 2017, more than sales tax ($161) and property tax ($86) 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
Cleveland County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Cleveland County (60%), from $119,900 in 1999 to $192,400 in 2017.
- Commissions and taxes apportioned declined from $282,600 to $266,200 or 6%.
- Fines, forfeitures and franchise taxes increased 45%, from $148,300 in 1999 to $215,300 in 2017.
- Other revenue fluctuated significantly but grew 3% overall, from $196,200 in 1999 to $202,200 in 2017.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Cleveland 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 decline, the per capita measures increased at a faster rate or decreased at a slower rate than the overall measures.
- Commissions and Taxes Apportioned in Cleveland County were $32 in 2017, more than Fines, Forfeitures & Franchise Taxes ($26), Other Revenue ($25), and Officers, Jail & 911 Fees ($23).

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

Cleveland County
The share of total spending for law enforcement and public safety in Cleveland County decreased from 28% in 1999 to 23% in 2017.

Highways & streets was the largest share of county government spending in 1999 and 2017, and grew slightly during the study period, from 36% to 38%.

The share of total spending for general & other expenditures rose from 24% in 1999 to 33% in 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Cleveland County’s share of expenditures for law enforcement and public safety (23%) was far less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 38%, significantly greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 33%, greater 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 Cleveland County increased 27%, from $772,700 in 1999 to $981,000 in 2017, peaking at a high of $1.3 million in 2008.

Highways and streets spending increased 59%, from $998,400 in 1999 to $1.6 million in 2017.

General and other spending grew considerably, from $666,300 in 1999 to $1.4 million in 2017 or 105%.

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 Cleveland County was $194 in 2017, more than general & other ($167) and law enforcement & public safety ($120) expenditures.

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 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 Cleveland County were less than the statewide average every year between 1999 and 2017.

During the same period, road expenditures per county road mile increased 61% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $2,900, about $850 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 Cleveland County increased 509%, from $19,200 in 1999 to $117,100 in 2017.

Recreation & culture spending in the county increased slightly (3%), from $99,009 to $101,800.

Capital outlay expenditures decreased from a high of $298,900 in 2000 to $0 in 2001.

Debt service spending fluctuated between a low of $0 and a high of $576,700.

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

- Trends in minor expenditures per capita were similar to the overall trends on the previous slide. However, population decline in Cleveland County caused the per capita measure to grow at a faster rate or decrease at a slower rate than the overall measures.

- Health & social service per capita expenditures were $14 in 2017, more than recreation & culture ($12), debt service ($5), 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

Cleveland County
Property assessments in Cleveland County increased 19%, from $81.4 million in 1999 to $96.9 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 $11,800 in 2017, about $4,500 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 Cleveland County decreased 26%, from $18.2 million in 1972 to $13.4 million 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 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 $1,600 in 2012, about $10,900 less 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.
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 Cleveland 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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