Overview and Trends of Craighead County Finances 1999-2017
How can Craighead 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 Craighead County increased 32% from 81,000 in 1999 to 107,100 in 2018.

From 2019 to 2031, the county's population is projected to increase an additional 10% to 120,600.

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 Craighead County increased from 50,600 in 1999 to 67,800 in 2017 or 34%.

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
Revenue & Expenditures

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

- Total revenue received by Craighead County increased 33% between 1999 and 2017, from $20.1 million to $26.7 million.
- Expenditures increased from $19.7 million in 1999 to $25.8 million in 2017, a total change of about 31%.

*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
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 were similar to trends in the total numbers, total revenue per capita increased at a slower rate than previously discussed.

While total spending increased, population growth in Craighead County led to a decrease in per capita spending between 1999 and 2017.

Per capita revenue was $249 in 2017, $8 more than per capita expenditures ($241).

*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

Craighead County
The share of total revenue from intergovernmental transfers increased slightly, from 18% in 1999 to 19% in 2017.

Craighead County property tax revenue as a share of total revenue was 26% in 1999 and more in 2017 (32%).

The share of total revenue from sales tax declined slightly, from 16% to 14%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Craighead County in 2017 was 14%, much lower than the statewide average (25%).

The share of total revenue from property tax was 32% in the county in 2017, more than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 19% in 2017, less 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 Craighead County increased 12% between 1999 and 2017, from $3.3 million to $3.7 million.
• Property tax revenue grew 62%, from $5.3 million in 1999 to $8.6 million in 2017.
• Craighead County's total intergovernmental revenue increased significantly, from $3.6 million in 1999 to $5 million in 2017, or 39%.

**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.

Property revenue per capita was $80 in Craighead County in 2017, more than per capita intergovernmental ($47) and sales tax ($34) 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

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.
### Craighead County
#### Minor Sources of Revenue, 1999-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Officers, Jail &amp; 911 Fees</th>
<th>Commissions &amp; Taxes Apportioned</th>
<th>Fines, Forfeitures &amp; Franchise Taxes</th>
<th>Other Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$2.9 million</td>
<td>$2.2 million</td>
<td>$942,400</td>
<td>$1.8 million</td>
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<tr>
<td>2000</td>
<td>$3.0 million</td>
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<td>$2.0 million</td>
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<tr>
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<tr>
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<td>$1.8 million</td>
<td>$1,020,700</td>
<td>$2.2 million</td>
</tr>
<tr>
<td>2004</td>
<td>$3.4 million</td>
<td>$1.7 million</td>
<td>$1,041,200</td>
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</tr>
<tr>
<td>2005</td>
<td>$3.5 million</td>
<td>$1.6 million</td>
<td>$1,061,700</td>
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</tr>
<tr>
<td>2006</td>
<td>$3.6 million</td>
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<td>$1,082,200</td>
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<tr>
<td>2007</td>
<td>$3.7 million</td>
<td>$1.4 million</td>
<td>$1,102,700</td>
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<tr>
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<tr>
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<tr>
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<td>$1,307,700</td>
<td>$3.6 million</td>
</tr>
</tbody>
</table>

- Officers, Jail and 911 Fees increased greatly in Craighead County (38%), from $2.9 million in 1999 to $4 million in 2017.
- Commissions and taxes apportioned declined from $2.2 million to $1.9 million or 14%.
- Fines, forfeitures and franchise taxes increased 45%, from $942,400 in 1999 to $1.4 million in 2017, peaking at $2.5 million in 2012.
- Other revenue was $1.8 million in 1999 and $2.2 million in 2017, an increase 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.

Officers, jail & 911 fees per capita in Craighead County were $37 in 2017, more than other revenue ($21), commissions & taxes apportioned ($17), and fines, forfeitures and franchise taxes ($13).

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

Craighead County
Craighead County Expenditures for Services Provided 1999 and 2017

- Law enforcement & public safety was the largest share of Craighead County government spending in 1999 and 2017, and increased significantly during the study period, from 31% to 48%.
- The share of total spending for highways & streets grew from 21% in 1999 to 26% in 2017.
- The share of total spending for general & other expenditures decreased slightly from 22% in 1999 to 21% 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
Craighead County's share of expenditures for law enforcement and public safety (48%) was more than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 26%, a little greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 21%, 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
Craighead County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Craighead County increased 103%, from $6.1 million in 1999 to $12.4 million in 2017.
- Highways and streets spending increased 63%, from $4.1 million in 1999 to $6.7 million in 2017.
- General and other spending grew considerably, from $4.3 million in 1999 to $5.3 million in 2017 or 23%.

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 Craighead County was $115 in 2017, more than highways & streets ($63) and general & other ($50) 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
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 Craighead County were more than the statewide average in 19 of 19 years between 1999 and 2017.

During the same period, road expenditures per county road mile increased 66% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $6,300, about $2,550 more 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 Craighead County decreased 31%, from $869,900 in 1999 to $602,300 in 2017.

Recreation & culture spending in the county increased significantly (73%), from $485,500 to $838,500.

Capital outlay expenditures decreased from a high of $3.9 million in 1999 to $0 in 2001.

Debt service spending fluctuated between a low of $0 and a high of $4,400.

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 Craighead 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 $8 in 2017, more than health & social service ($6) 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

Craighead County
Property assessments in Craighead County increased 70%, from $1.1 billion in 1999 to $1.8 billion 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 10 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 $16,700 in 2017, about $400 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 Craighead County increased 160%, from $646.3 million in 1972 to $1.7 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 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 $16,800 in 2012, about $4,300 more 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.
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 Craighead 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:

Branon Thiesse, CEA - Staff Chair
611 E Washington Ave.
Jonesboro, AR 72401
Tel: 870-933-4565, Fax: 870-933-4568

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