Overview and Trends of Fulton County Finances 1999-2017
How can Fulton County continue to provide services for its citizens?

• What factors and trends are impacting county services and funding sources?
  – 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 Fulton County increased slightly (5%), from 11,500 in 1999 to 12,100 in 2018.

From 2019 to 2031, the county's population is projected to increase an additional 2% to 12,400.

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 Fulton County decreased from 4,700 in 1999 to 3,800 in 2017 or 19%.

How will future employment levels impact the county's fiscal situation?
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

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

- Total revenue received by Fulton County increased 38% between 1999 and 2017, from $3.7 million to $5.1 million, reaching a high of $8.3 million in 2009.
- Expenditures increased from $3.4 million in 1999 to $4.4 million in 2017, a total change of about 29%, while peaking at $9.5 million in 2009.

*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
Fulton 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 slower rate than previously discussed.
- Per capita revenue was $424 in 2017, $57 more than per capita expenditures ($367).

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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

Fulton County
The share of total revenue from intergovernmental transfers increased slightly, from 38% in 1999 to 39% in 2017.

Fulton County property tax revenue as a share of total revenue was 15% in 1999 and less in 2017 (12%).

The share of total revenue from sales tax grew from 13% to 25%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax revenue was about 25% in the county and statewide in 2017.

The share of total revenue from property tax was 12% 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 39% in 2017, far more than the statewide average (22%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
• Sales tax revenue in Fulton County increased 169% between 1999 and 2017, from $471,200 to $1.3 million.
• Property tax revenue grew 15%, from $544,500 in 1999 to $627,900 in 2017.
• Fulton County's total intergovernmental revenue increased significantly, from $1.4 million in 1999 to $2 million in 2017 or 43%, and reached a maximum of $5.4 million in 2009.

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.

Intergovernmental revenue per capita was $167 in Fulton County in 2017, more than sales tax ($105) and property tax ($52) revenue per capita.
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.
Fulton County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Fulton County (83%), from $198,100 in 1999 to $363,500 in 2017.
- Commissions and taxes apportioned declined significantly, from $647,200 to $445,500 or 31%.
- Fines, forfeitures and franchise taxes increased 21%, from $208,800 in 1999 to $252,700 in 2017.
- Other revenue was $211,800 in 1999 and $146,300 in 2017, a decline of 31%.

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.

Commissions & taxes apportioned per capita in Fulton County were $37 in 2017, more than officers, jail & 911 fees ($30), fines, forfeitures and franchise taxes ($21), and other revenue ($12).

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

Fulton County
The share of total spending for law enforcement and public safety in Fulton County increased from 21% in 1999 to 26% in 2017.

The share of total spending for highways & streets grew from 29% in 1999 to 34% in 2017.

The share of total spending for general & other expenditures decreased significantly from 37% in 1999 to 24% 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
Fulton County's share of expenditures for law enforcement and public safety (26%) was far less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 34%, greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 24%, slightly less 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 Fulton County increased 58%, from $722,000 in 1999 to $1.1 million in 2017, spiking to a high of $3.6 million in 2013.

• Highways and streets spending increased 52%, from $988,200 in 1999 to $1.5 million in 2017, while spiking to a high of $5.3 million in 2009.

• General and other spending declined slightly, from $1.3 million in 1999 to $1.1 million in 2017 or 15%, and spiked to a high of $2.3 million in 2014.

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

- 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 Fulton County was $125 in 2017, more than law enforcement & public safety ($95) and general & other ($89) 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 Fulton 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 50% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $1,800, about $1,950 less than the statewide average ($3,750).

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; Road & Street Report, Arkansas Highway and Transportation Department
Fulton County
Minor Category Expenditures, 1999-2017

- Health & social services expenditures in Fulton County fluctuated widely and increased 32%, from $91,600 in 1999 to $120,600 in 2017, peaking at a high of $652,400 in 2011.
- Recreation & culture spending in the county increased significantly (7320%), from $2,600 to $195,800.
- Capital outlay expenditures decreased from a high of $358,100 in 1999 to $0 in 2002.
- Debt service spending fluctuated between a low of $0 and a high of $1.1 million.

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

- Trends in minor expenditures per capita were similar to the overall trends on the previous slide. However, population growth in Fulton County caused the per capita measure to grow at a slower rate or decrease at a faster rate than the overall measures.
- Debt service per capita expenditures were $33 in 2017, more than recreation & culture ($16), health & social service ($10), 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

Fulton County
Fulton County
Total Property Assessments, 1999-2017

- Property assessments in Fulton County increased 34%, from $107 million in 1999 to $143.3 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 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 $11,900 in 2017, about $4,400 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
Fulton County
Total Retail Sales, 1972-2012

- Retail sales in Fulton County increased 41%, from $42 million in 1972 to $59.3 million in 2012, while reaching a low of $28.9 million in 1992.

*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
Fulton 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.
- While total retail sales grew, population growth in the county led to per capita retail sales to be about the same in 1972 and 2012.
- Per capita retail sales in the county were $4,900 in 2012, about $7,600 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.
Options for Providing Services to Fulton 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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