Overview and Trends of Garland County Finances 1999-2017
How can Garland 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 Garland County increased 13% from 87,200 in 1999 to 98,700 in 2018. From 2019 to 2031, the county's population is projected to increase an additional 5% to 104,800.

**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 Garland County increased from 46,300 in 1999 to 52,500 in 2017 or 13%.

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (Millions)</th>
<th>Total Expenditures (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$29.3</td>
<td>$27.2</td>
</tr>
<tr>
<td>2001</td>
<td>$29.7</td>
<td>$28.5</td>
</tr>
<tr>
<td>2003</td>
<td>$30.3</td>
<td>$30.8</td>
</tr>
<tr>
<td>2005</td>
<td>$37.6</td>
<td>$38.0</td>
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<tr>
<td>2007</td>
<td>$44.5</td>
<td>$46.3</td>
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<tr>
<td>2013</td>
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<tr>
<td>2015</td>
<td>$59.7</td>
<td>$62.0</td>
</tr>
<tr>
<td>2017</td>
<td>$50.3</td>
<td>$49.7</td>
</tr>
</tbody>
</table>

- Total revenue received by Garland County increased 72% between 1999 and 2017, from $29.3 million to $50.3 million.
- Expenditures increased from $27.2 million in 1999 to $49.7 million in 2017, a total change of about 83%.
- Spending spiked to a high of $73.2 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
Garland 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 $510 in 2017, $6 more than per capita expenditures ($504).

*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
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

Garland County
The share of total revenue from intergovernmental transfers decreased slightly, from 13% in 1999 to 12% in 2017.

Garland County property tax revenue as a share of total revenue was 10% in 1999 and slightly more in 2017 (11%).

The share of total revenue from sales tax grew from 27% to 35%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in the county (35%) was much higher than the statewide average (25%).

The share of total revenue from property tax was 11% 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 12% in 2017, less than the statewide average (22%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
• Sales tax revenue in Garland County increased 123% between 1999 and 2017, from $8 million to $17.8 million, and peaked at $25 million in 2016.
• Property tax revenue grew 77%, from $3 million in 1999 to $5.3 million in 2017.
• Garland County's total intergovernmental revenue increased significantly, from $3.8 million in 1999 to $6.3 million in 2017, or 66%, and spiked to $8.8 million in 2001.

**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 $180 in Garland County in 2017, more than intergovernmental ($64) and property tax ($54) 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
Garland County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased 58% in Garland County, from $3.1 million in 1999 to $4.9 million in 2017.
- Commissions and taxes apportioned declined from $2.5 million to $2.3 million or 8%.
- Fines, forfeitures and franchise taxes increased 6%, from $1.7 million in 1999 to $1.8 million in 2017.
- Other revenue was $7.2 million in 1999 and $12 million in 2017, an increase of 67%.

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 Garland County was $121 in 2017, more than officers, jail & 911 fees ($50), commissions & taxes apportioned ($23), and fines, forfeitures and franchise taxes ($18).

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

Garland County
The share of total spending for law enforcement and public safety in Garland County increased slightly from 35% in 1999 to 35% in 2017.

The share of total spending for highways & streets grew from 11% in 1999 to 20% in 2017.

General & other expenditures were the largest share of county government spending in 1999 and 2017, but decreased slightly during the study period, from 37% to 36%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
• Garland 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 20%, below the statewide average (23%).
• The share of total county expenditures for general and other expenditures was 36%, greater 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
Garland County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Garland County increased 84%, from $9.4 million in 1999 to $17.3 million in 2017, and spiked to $38.2 million in 2014.
- Highways and streets spending increased 223%, from $3 million in 1999 to $9.7 million in 2017.
- General and other spending grew considerably, from $10 million in 1999 to $17.7 million in 2017 or 77%.

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.

General & other per capita spending in Garland County was $180 in 2017, more than law enforcement & public safety ($175) and highways & streets ($99) 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
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
Garland County Road Expenditures Per County Road Mile, 1999-2017

- Road expenditures per county road mile in Garland County were more than the statewide average in 16 of 19 years between 1999 and 2017.
- During the same period, road expenditures per county road mile increased 228% in the county compared to growth of 45% statewide.
- In 2017, road expenditures per county road mile in the county were $8,200, about $4,450 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 Garland County increased 259%, from $94,600 in 1999 to $339,000 in 2017.

Recreation & culture spending in the county increased significantly (182%), from $1.1 million to $3.1 million.

Capital outlay expenditures decreased from a high of $3.1 million in 2000 to $0 in 2001.

Debt service spending in Garland County increased 154%, from $628,800 in 1999 to $1.6 million in 2017, and spiked to a high of $17.9 million in 2016.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Garland 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 Garland 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 $31 in 2017, more than debt service ($16), health & social service ($3), 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
Garland County
Property assessments in Garland County increased 55%, from $1.2 billion in 1999 to $1.9 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 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 than the overall measures.

Per capita property assessments in the county were $19,200 in 2017, about $2,900 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 Garland County increased 92%, from $816.6 million in 1972 to $1.6 billion in 2012.
Retail sales reached a high of $1.6 billion 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 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 than the overall measures.
Per capita retail sales in the county were $16,100 in 2012, about $3,600 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.
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 Garland 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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236 Woodbine
Hot Springs, AR 71901
Tel: 501-623-6841, Fax: 501-623-5756

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