Overview and Trends of Howard County Finances 1999-2017
How can Howard 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?
Howard County
Population Estimates & Projections, 1999-2031

- The population of Howard County decreased 6% from 14,400 in 1999 to 13,500 in 2018.
- From 2019 to 2031, the county's population is projected to decrease an additional 1% to 13,300.

Data Source: Population Estimates, U.S. Census Bureau; Population Projections, Woods & Poole
Population Change, 2010-2017

Data Source: Population Estimates, U.S. Census Bureau
• Employment in Howard County decreased from 10,700 in 1999 to 8,900 in 2017 or 16%.
• 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

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

- Total revenue received by Howard County increased 45% between 1999 and 2017, from $6.4 million to $9.3 million.
- Expenditures increased from $5.9 million in 1999 to $8.1 million in 2017, a total change of about 37%.
- Spending spiked to a high of $24.4 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
Howard 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 faster rate than previously discussed.
- Per capita revenue was $688 in 2017, $90 more than per capita expenditures ($598).

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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

Howard County
The share of total revenue from intergovernmental transfers decreased from 33% in 1999 to 25% in 2017.

Howard County property tax revenue as a share of total revenue was 9% in 1999 and slightly more in 2017 (11%).

The share of total revenue from sales tax grew from 33% to 45%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in the county (45%) 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 25% in 2017, more than the statewide average (22%).
Sales tax revenue in Howard County increased 100% between 1999 and 2017, from $2.1 million to $4.2 million.

Property tax revenue grew 71%, from $601,200 in 1999 to $1 million in 2017.

Howard County's total intergovernmental revenue increased from $2.1 million in 1999 to $2.3 million in 2017, or 10%, and spiked to a high of $14.5 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 decline caused the per capita measures to increase at a faster rate or decrease at a slower rate than the overall measures.

Sales tax revenue per capita was $311 in Howard County in 2017, more than intergovernmental ($172) and property tax ($76) 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
Howard County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased slightly in Howard County (11%), from $405,200 in 1999 to $450,100 in 2017, reaching a high of $666,700 in 2015.
- Commissions and taxes apportioned grew significantly, from $394,100 to $590,800 or 50%.
- Fines, forfeitures and franchise taxes declined 35%, from $427,200 in 1999 to $275,800 in 2017.
- Other revenue was $343,500 in 1999 and $425,100 in 2017, an increase of 24%, and peaked at a high of $1.1 million in 2007.

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 decline, the per capita measures increased at a faster rate or decreased at a slower rate than the overall measures.

Commissions & taxes apportioned per capita in Howard County were $44 in 2017, more than officers, jail & 911 fees ($33), other revenue ($32), and fines, forfeitures and franchise taxes ($20).

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

Howard County
The share of total spending for law enforcement and public safety in Howard County increased slightly from 24% in 1999 to 25% in 2017.

The share of total spending for highways & streets grew slightly from 24% in 1999 to 26% in 2017.

General & other expenditures were the largest share of county government spending in 1999 and 2017, but decreased during the study period, from 36% to 29%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
Howard County's share of expenditures for law enforcement and public safety (25%) was far less 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 29%, 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 Howard County increased 43%, from $1.4 million in 1999 to $2 million in 2017.

• Highways and streets spending increased 50%, from $1.4 million in 1999 to $2.1 million in 2017.

• General and other spending grew from $2.1 million in 1999 to $2.3 million in 2017 or 10%, and spiked to $14.3 million in 2001.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Howard 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 decline caused the per capita measures to grow at a faster rate or decrease at a slower rate than the overall measures.
- General & other per capita spending in Howard County was $171 in 2017, more than highways & streets ($156) and law enforcement & public safety ($149) 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 Howard County were less than the statewide average every year 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 $3,000, about $750 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 Howard County increased 762%, from $33,200 in 1999 to $286,200 in 2017, and spiked to $16.6 million in 2009.

Recreation & culture spending in the county increased significantly (44%), from $171,600 to $247,600.

Capital outlay expenditures decreased from a high of $782,000 in 2001 to $0 in 2002.

Debt service spending in Howard County increased 1200%, from $86,400 in 1999 to $1.1 million 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 decline in Howard County caused the per capita measure to grow at a faster rate or decrease at a slower rate than the overall measures.

Debt service per capita expenditures were $83 in 2017, more than health & social service ($21), recreation & culture ($18), and capital outlays ($0).
Tax Base

Howard County
Property assessments in Howard County increased 12%, from $179.8 million in 1999 to $200.8 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 in 7 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 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 $14,900 in 2017, about $1,400 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
Retail sales in Howard County increased 18%, from $137.2 million in 1972 to $162.5 million in 2012.

Retail sales reached a high of $179.2 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 3 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 decline caused the per capita measures to increase at a quicker rate or decrease at a slower rate than the overall measures.

Per capita retail sales in the county were $11,900 in 2012, about $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.
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 Howard 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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