Overview and Trends of Little River County Finances 1999-2017
How can Little River 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 Little River County decreased 9% from 13,600 in 1999 to 12,400 in 2018. From 2019 to 2031, the county's population is projected to decrease an additional 3% to 12,000.

**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 Little River County decreased from 6,500 in 1999 to 4,900 in 2017 or 24%.

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

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

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Revenue & Expenditures

Little River County
Total revenue received by Little River County increased 23% between 1999 and 2017, from $6.6 million to $8.1 million.

Expenditures increased from $6 million in 1999 to $7 million in 2017, a total change of about 17%.

Spending spiked to a high of $9.7 million in 2001.
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 $658 in 2017, $93 more than per capita expenditures ($565).

*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

Little River County
The share of total revenue from intergovernmental transfers was about 23% in 1999 and 2017.
Little River County property tax revenue as a share of total revenue was 20% in 1999 and less in 2017 (17%).
The share of total revenue from sales tax declined slightly, from 31% to 30%.

*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
The share of total revenue from sales tax in the county (30%) was higher than the statewide average (25%).

The share of total revenue from property tax was 17% in the county in 2017, less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 23% in 2017, more 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 Little River County increased 20% between 1999 and 2017, from $2 million to $2.4 million.
Despite fluctuating, property tax revenue was $1.3 million in 1999 and 2017.
Little River County's total intergovernmental revenue increased significantly, from $1.5 million in 1999 to $1.9 million in 2017, or 27%, and spiked to nearly $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 $195 in Little River County in 2017, more than intergovernmental ($152) and property tax ($109) 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

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.
Little River County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Little River County (116%), from $183,200 in 1999 to $395,200 in 2017.
- Commissions and taxes apportioned grew significantly, from $508,700 to $702,000 or 38%.
- Fines, forfeitures and franchise taxes declined 29%, from $445,800 in 1999 to $316,800 in 2017.
- Other revenue fluctuated between a low of $418,900 and a high of $1.1 million.

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.

Other revenue per capita in Little River County was $88 in 2017, more than commissions & taxes apportioned ($57), officers, jail & 911 fees ($32), and fines, forfeitures and franchise taxes ($26).

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

Little River County
The share of total spending for law enforcement and public safety in Little River County increased from 23% in 1999 to 31% in 2017.

The share of total spending for highways & streets declined from 26% in 1999 to 23% in 2017.

General & other expenditures were the largest share of county government spending in 1999 and 2017, and rose slightly during the study period, from 38% to 40%.

*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
Little River County's share of expenditures for law enforcement and public safety (31%) was less than the statewide share (38%) in 2017.

Highways and streets spending in the county accounted for about the same size share of total spending as the statewide average (23%).

The share of total county expenditures for general and other expenditures was 40%, far 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
Law enforcement and public safety expenditures in Little River County increased 50%, from $1.4 million in 1999 to $2.1 million in 2017, and spiked to $3.2 million in 2013.

Highways and streets spending increased 7%, from $1.5 million in 1999 to $1.6 million in 2017, and spiked to $4.5 million in 2001.

General and other spending grew considerably, from $2.3 million in 1999 to $2.8 million in 2017 or 22%.

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.

General & other per capita spending in Little River County was $226 in 2017, more than law enforcement & public safety ($173) and highways & streets ($132) 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 Little River County were less than the statewide average in 14 of 19 years between 1999 and 2017.

During the same period, road expenditures per county road mile increased 7% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $3,200, about $550 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 Little River County increased 340%, from $13,100 in 1999 to $57,700 in 2017, and spiked to $205,700 in 2008.
• Recreation & culture spending in the county decreased (18%), from $121,718 to $99,600.
• Capital outlay expenditures decreased from a high of $447,800 in 2000 to $0 in 2001.
• Debt service spending in Little River County decreased 27% while fluctuating widely, from a low of $132,000 to a high of $658,700.

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 Little River 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 $20 in 2017, more than recreation & culture ($8), health & social 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

Little River County
Property assessments in Little River County decreased 5%, from $308.6 million in 1999 to $292.8 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 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 $23,700 in 2017, about $7,400 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 Little River County increased 6%, from $98.8 million in 1972 to $104.2 million in 2012.

Retail sales reached a high of $110.1 million prior to the Great Recession in 1997.

*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 or decrease at a slower rate than the overall measures.

Per capita retail sales in the county were $8,100 in 2012, about $4,400 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:
- 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.
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 Little River 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:

Beth Barney, CEA - Staff Chair
1411 N Constitution Ave.
Ashdown, AR 71822
Tel: 870-898-7224, Fax: 870-898-7226

Visit Our Website:
https://uaex.edu/localgov

The University of Arkansas System Division of Agriculture offers all its Extension and Research programs and services without regard to race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.