Overview and Trends of Lonoke County Finances 1999-2017
How can Lonoke 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 Lonoke County increased 41% from 51,800 in 1999 to 72,900 in 2018. From 2019 to 2031, the county's population is projected to increase an additional 14% to 85,100.

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
Lonoke County
Total Employment Estimates, 1999-2017

- Employment in Lonoke County increased from 17,000 in 1999 to 22,700 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

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

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

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

- Total revenue received by Lonoke County increased 24% between 1999 and 2017, from $14.2 million to $17.6 million.
- Expenditures increased from $10.7 million in 1999 to $15.1 million in 2017, a total change of about 41%.

*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
Lonoke County
Per Capita Revenue & Expenditures, 1999-2017

- Although total revenue and spending each increased, population growth in Lonoke County led to a decrease in per capita revenue and spending between 1999 and 2017.
- Per capita revenue was $242 in 2017, $35 more than per capita expenditures ($207).

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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

Lonoke County
The share of total revenue from intergovernmental transfers decreased significantly, from 39% in 1999 to 24% in 2017.

Lonoke County property tax revenue as a share of total revenue was 20% in 1999 and considerably more in 2017 (30%).

The share of total revenue from sales tax grew slightly, from 17% to 19%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Lonoke County in 2017 was 19%, lower than the statewide average (25%).

The share of total revenue from property tax was 30% in the county in 2017, more than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 24% in 2017, more than the statewide average (22%).

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
• Sales tax revenue in Lonoke County increased 32% between 1999 and 2017, from $2.5 million to $3.3 million, and spiked to a high of $9.5 million in 2009.
• Property tax revenue grew 86%, from $2.8 million in 1999 to $5.2 million in 2017.
• Lonoke County’s total intergovernmental revenue decreased significantly, from $5.6 million in 1999 to $4.2 million in 2017, or 25%.

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

- 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 $72 in Lonoke County in 2017, more than per capita intergovernmental ($58) and sales tax ($45) 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
Officers, Jail and 911 Fees increased greatly in Lonoke County (110%), from $962,300 in 1999 to $2 million in 2017.

Commissions and taxes apportioned grew significantly, from $987,800 to $1.3 million or 31%.

Fines, forfeitures and franchise taxes increased 36%, from $618,700 in 1999 to $839,200 in 2017.

Other revenue was $772,900 in 1999 and $778,500 in 2017, an increase of 1%.

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 Lonoke County were $28 in 2017, more than commissions & taxes apportioned ($18), fines, forfeitures and franchise taxes ($12), and other revenue ($11).

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

Lonoke County
The share of total spending for law enforcement and public safety in Lonoke County increased significantly from 28% in 1999 to 40% in 2017.

The share of total spending for highways & streets declined from 30% in 1999 to 25% in 2017.

The share of total spending for general & other expenditures rose from 21% in 1999 to 25% in 2017.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
Lonoke County’s share of expenditures for law enforcement and public safety (40%) was slightly more than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 25%, a little greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 25%, slightly less than the statewide average (26%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Lonoke County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Lonoke County increased 100%, from $3 million in 1999 to $6 million in 2017, and spiked to a high of $10 million in 2010.
- Highways and streets spending increased 19%, from $3.2 million in 1999 to $3.8 million in 2017.
- General and other spending grew considerably, from $2.3 million in 1999 to $3.8 million in 2017 or 65%.

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 Lonoke County was $83 in 2017, more than highways & streets ($52) and general & other ($52) 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 Lonoke 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 19% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $3,700, about $50 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 Lonoke County fluctuated widely, from as low as $49,500 to a high as $1.7 million.

Recreation & culture spending in the county increased significantly (96%), from $637,700 to $1.3 million, peaking at a high of $1.7 million in 2015.

Capital outlay expenditures decreased from a high of $1.1 million in 1999 to $0 in 2001.

Debt service spending in Lonoke County decreased 83%, from $341,800 in 1999 to $58,000 in 2017, while reaching a high of $823,900 in 2006.

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 Lonoke 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 $17 in 2017, more than health & social service ($3), debt service ($0.8), 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

Lonoke County
Property assessments in Lonoke County increased 87%, from $533.8 million in 1999 to $997 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 $13,700 in 2017, about $2,600 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 Lonoke County increased 184%, from $216 million in 1972 to $613.4 million in 2012.
Lonoke 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.
- 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 or decrease at a quicker rate than the overall measures.
- Per capita retail sales in the county were $8,800 in 2012, about $3,700 less than the statewide average ($12,500).

Data Sources: Census of Retail Sales, U.S. Census Bureau; South Urban CPI, Bureau of Labor Statistics; Population Estimates, U.S. Census Bureau

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.*
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 Lonoke 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:

Keith Perkins, CEA - Staff Chair
2001 Hwy. 70 E - Box 357
Lonoke, AR 72086
Tel: 501-676-3124, Fax: 501-676-7847

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