Overview and Trends of Marion County Finances 1999-2017
How can Marion 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 Marion County increased slightly (3%), from 16,000 in 1999 to 16,400 in 2018.

From 2019 to 2031, the county's population is projected to increase an additional 3% to 17,000.

**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 Marion County decreased slightly, from 6,400 in 1999 to 6,200 in 2017, or 3%.

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

Marion County
Total revenue received by Marion County increased 41% between 1999 and 2017, from $5.4 million to $7.6 million.

Expenditures increased from $5.5 million in 1999 to $6.9 million in 2017, a total change of about 25%.

*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
Marion 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 $466 in 2017, $132 less 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

Marion County
The share of total revenue from intergovernmental transfers increased from 33% in 1999 to 40% in 2017.
Marion County property tax revenue as a share of total revenue was 28% in 1999 and less in 2017 (20%).
The share of total revenue from sales tax grew slightly, from 15% to 16%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Marion County in 2017 was 16%, lower than the statewide average (25%).

The share of total revenue from property tax was 20% in the county in 2017, less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 40% in 2017, far more than the statewide average (22%).

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**Data Source**: Revenue and Expenditure Statements, Arkansas Legislative Audit
Marion County Major Sources of Revenue, 1999-2017

- Sales tax revenue in Marion County increased 49% between 1999 and 2017, from $792,900 to $1.2 million.
- Despite fluctuating, property tax revenue was $1.5 million in 1999 and 2017.
- Marion County's total intergovernmental revenue fluctuated widely while growing from $1.8 million in 1999 to $3.1 million in 2017, or 72%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Marion 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.

- Intergovernmental revenue per capita was $156 in Marion County in 2017, more than sales tax ($117) and property tax ($94) 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
Officers, Jail and 911 Fees increased greatly in Marion County (190%), from $175,400 in 1999 to $508,300 in 2017.

Commissions and taxes apportioned grew significantly, from $441,900 to $544,200 or 23%.

Fines, forfeitures and franchise taxes declined 15%, from $261,400 in 1999 to $222,700 in 2017.

Other revenue was $453,800 in 1999 and $535,000 in 2017, an increase of 18%, peaking at a high of $998,300 in 2007.

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

- 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 Marion County were $34 in 2017, more than officers, jail & 911 fees ($28), other revenue ($23), and fines, forfeitures and franchise taxes ($14).

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

Marion County
The share of total spending for law enforcement and public safety in Marion County increased from 25% in 1999 to 32% in 2017.

Highways & streets was the largest share of county government spending in 1999 and 2017, and grew during the study period, from 29% to 36%.

The share of total spending for general & other expenditures rose slightly from 20% in 1999 to 21% in 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Marion County’s share of expenditures for law enforcement and public safety (32%) was less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 36%, significantly greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 21%, 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 Marion County increased from $1.3 million in 1999 to $2.2 million in 2016, while spiking to $4.8 million in 2009 and 2017.

Highways and streets spending increased 56%, from $1.6 million in 1999 to $2.5 million in 2017.

General and other spending grew considerably, from $1.1 million in 1999 to $1.5 million in 2017 or 36%, and spiked to a high of $4.2 million in 2014.

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 Marion County was $294 in 2017, more than highways & streets ($150) and general & other ($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 LegislativeAudit; 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
Road expenditures per county road mile in Marion County were less than the statewide average every year between 1999 and 2017.

During the same period, road expenditures per county road mile increased 64% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $2,300, about $1,450 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 Marion County increased 397%, from $44,200 in 1999 to $219,400 in 2017.

Recreation & culture spending in the county increased significantly (107%), from $143,800 to $296,900.

Capital outlay expenditures decreased from a high of $709,100 in 1999 to $0 in 2002.

Debt service spending in Marion County decreased 63%, from $559,400 in 1999 to $209,600 in 2017.

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

- Trends in minor expenditures per capita were similar to the overall trends on the previous slide. However, population growth in Marion 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 $25 in 2017, more than debt service ($23), health & social service ($7), 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

Marion County
Property assessments in Marion County increased 30%, from $178 million in 1999 to $232.2 million in 2017.

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics
Marion County Per Capita Property Assessments, 1999-2017

- 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 $14,100 in 2017, about $2,200 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 Marion County increased 122%, from $42.6 million in 1972 to $94.8 million in 2012.

Retail sales reached a high of $97.9 million prior to the Great Recession in 2007.
Marion 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 $5,700 in 2012, about $6,800 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 Marion 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:

Brian See, CEA - Staff Chair
313 West 7th St. - Box 386
Yellville, AR 72687
Tel: 870-449-6349, Fax: 870-449-4049

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