Overview and Trends of Ouachita County Finances 1999-2017
How can Ouachita 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 Ouachita County decreased 18% from 29,000 in 1999 to 23,900 in 2018. From 2019 to 2031, the county's population is projected to decrease an additional 6% to 22,300.

Data Source: Population Estimates, U.S. Census Bureau; Population Projections, Woods & Poole
Population Change, 1999-2017

Data Source: Population Estimates, U.S. Census Bureau
Employment in Ouachita County decreased from 10,500 in 1999 to 9,700 in 2017 or 7%.

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

Ouachita County
**Ouachita County**

**Total Revenue & Expenditures, 1999-2017**

- Total revenue received by Ouachita County increased 68% between 1999 and 2017, from $8.8 million to $14.8 million.
- Expenditures increased from $8.6 million in 1999 to $15.8 million in 2017, a total change of about 84%.

*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
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 $620 in 2017, $41 less than per capita expenditures ($661).

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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

Ouachita County
The share of total revenue from intergovernmental transfers decreased significantly, from 33% in 1999 to 21% in 2017.

Ouachita County property tax revenue as a share of total revenue was 23% in 1999 and considerably less in 2017 (11%).

The share of total revenue from sales tax grew from 18% to 46%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in the county (46%) 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 21% 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 Ouachita County increased 325% between 1999 and 2017, from $1.6 million to $6.8 million.

Property tax revenue declined 20%, from $2 million in 1999 to $1.6 million in 2017.

Ouachita County's total intergovernmental revenue increased from $2.9 million in 1999 to $3.1 million in 2017, or 7%, and spiked to a high of $5.9 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 $284 in Ouachita County in 2017, more than intergovernmental ($130) and property tax ($67) 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
Ouachita County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees increased greatly in Ouachita County (98%), from $704,800 in 1999 to $1.4 million in 2017, peaking at $2.2 million in 2015.
- Commissions and taxes apportioned grew significantly, from $798,200 to $1.1 million or 39%.
- Fines, forfeitures and franchise taxes declined 21%, from $433,100 in 1999 to $342,900 in 2017.
- Other revenue was $391,400 in 1999 and $469,400 in 2017, an increase of 20%.

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.

- Officers, jail & 911 fees per capita in Ouachita County were $58 in 2017, more than commissions & taxes apportioned ($46), other revenue ($20), 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

Ouachita County
The share of total spending for law enforcement and public safety in Ouachita County increased from 26% in 1999 to 34% in 2017.

The share of total spending for highways & streets declined from 26% in 1999 to 18% in 2017.

The share of total spending for general & other expenditures decreased significantly from 36% in 1999 to 22% in 2017.

*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
• Ouachita County's share of expenditures for law enforcement and public safety (34%) was less than the statewide share (38%) in 2017.
• The share of total county expenditures for highways and streets was 18%, below the statewide average (23%).
• The share of total county expenditures for general and other expenditures was 22%, less 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
Ouachita County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Ouachita County increased 135%, from $2.3 million in 1999 to $5.4 million in 2017, spiking to $8.5 million in 2010.
- Highways and streets spending increased 27%, from $2.2 million in 1999 to $2.8 million in 2017, and spiked to a high of $5.8 million in 2001.
- General and other spending grew from $3.1 million in 1999 to $3.5 million in 2017 or 13%.

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.

Law enforcement & public safety per capita spending in Ouachita County was $227 in 2017, more than general & other ($148) and highways & streets ($119) 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

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.
Road expenditures per county road mile in Ouachita County were more than the statewide average in 17 of 19 years between 1999 and 2017.

During the same period, road expenditures per county road mile increased 27% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $4,200, about $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 Ouachita County increased 1415%, from $100,700 in 1999 to $1.5 million in 2017, and spiked to a high of $8.1 million in 2016.

Recreation & culture spending in the county increased significantly (270%), from $52,500 to $194,400.

Capital outlay expenditures decreased from a high of $833,100 in 2000 to $0 in 2001.

Debt service spending in Ouachita County increased from $14,100 in 1999 to $2.3 million in 2017, and spiked to a high of $9.9 million in 2014.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Ouachita 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 decline in Ouachita 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 $95 in 2017, more than health & social service ($64), recreation & culture ($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

Ouachita County
Property assessments in Ouachita County decreased 5%, from $274.6 million in 1999 to $261.5 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 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 $11,000 in 2017, about $5,300 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 Ouachita County decreased 27%, from $305.7 million in 1972 to $222 million in 2012.

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.
**Ouachita County**

**Per Capita Retail Sales, 1972-2012**

- Per capita retail sales in the county exceeded the statewide average in 1 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 measure to decrease at a slower rate than the overall measure.
- Per capita retail sales in the county were $8,700 in 2012, about $3,800 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.
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

Sales Tax Capacity & Effort, 2012

Sales Tax Capacity & Effort, 2012
- Low Capacity & Low Effort (24)
- Low Capacity & High Effort (15)
- High Capacity & Low Effort (22)
- High Capacity & High Effort (14)
Options for Providing Services to Ouachita 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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