Overview and Trends of Prairie County Finances 1999-2017
How can Prairie 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 Prairie County decreased 14% from 9,600 in 1999 to 8,200 in 2018.
From 2019 to 2031, the county's population is projected to decrease an additional 5% to 7,800.

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 Prairie County decreased from 3,300 in 1999 to 3,000 in 2017 or 9%.

How will future employment levels impact the county's fiscal situation?
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

Community & Economic Development
Strengthening Arkansas Communities
Revenue & Expenditures

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

- Total revenue received by Prairie County increased 39% between 1999 and 2017, from $3.8 million to $5.3 million.
- Expenditures increased from $4 million in 1999 to $4.9 million in 2017, a total change of about 23%.
- Spending spiked to a high of $6.7 million in 2015.

*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
Prairie 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 $646 in 2017, $47 more than per capita expenditures ($599).

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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

Prairie County
The share of total revenue from intergovernmental transfers decreased from 41% in 1999 to 33% in 2017.

Prairie County property tax revenue as a share of total revenue was 24% in 1999 and less in 2017 (20%).

The share of total revenue from sales tax grew from 10% to 23%.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
The share of total revenue from sales tax in Prairie County in 2017 was 23%, slightly 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 33% in 2017, far more than the statewide average (22%).

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
Sales tax revenue in Prairie County increased 243% between 1999 and 2017, from $361,900 to $1.2 million.

Property tax revenue grew 16%, from $898,100 in 1999 to $1 million in 2017.

Prairie County's total intergovernmental revenue increased from $1.6 million in 1999 to $1.7 million in 2017, or 6%.

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.

Intergovernmental revenue per capita was $211 in Prairie County in 2017, more than sales tax ($150) and property tax ($126) 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
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 Prairie County (126%), from $161,200 in 1999 to $363,900 in 2017.

Commissions and taxes apportioned fluctuated but grew 29%, from $364,000 to $468,600.


Other revenue was $226,000 in 1999 and $271,000 in 2017, an increase of 20%, and peaked at a high of $478,300 in 2009.

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 Prairie County were $57 in 2017, more than officers, jail & 911 fees ($44), other revenue ($33), and fines, forfeitures and franchise taxes ($24).

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
The share of total spending for law enforcement and public safety in Prairie County increased from 29% in 1999 to 37% in 2017.

The share of total spending for highways & streets declined significantly from 42% in 1999 to 30% in 2017.

The share of total spending for general & other expenditures decreased from 21% in 1999 to 15% in 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Prairie County's share of expenditures for law enforcement and public safety (37%) was slightly less than the statewide share (38%) in 2017.

- The share of total county expenditures for highways and streets was 30%, greater than the statewide average (23%).
- The share of total county expenditures for general and other expenditures was 15%, far less than the statewide average (26%).

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

- Law enforcement and public safety expenditures in Prairie County increased 64%, from $1.1 million in 1999 to $1.8 million in 2017, spiking to a high of $3.4 million in 2015.
- Highways and streets spending decreased 12%, from $1.7 million in 1999 to $1.5 million in 2017.
- General and other spending declined slightly, from $836,800 in 1999 to $763,200 in 2017 or 9%.

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 Prairie County was $220 in 2017, more than highways & streets ($178) and general & other ($93) 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
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 Prairie County were less than the statewide average every year between 1999 and 2017.

During the same period, road expenditures per county road mile decreased 13% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $2,100, about $1,650 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 Prairie County increased 269%, from $27,300 in 1999 to $100,900 in 2017, peaking at $394,600 in 2007.

Recreation & culture spending in the county increased significantly (49%), from $191,300 to $284,100.

Capital outlay expenditures decreased from a high of $223,700 in 2000 to $0 in 2002.

Debt service spending grew from a low of $0 and a high of $521,800.
Trends in minor expenditures per capita were similar to the overall trends on the previous slide. However, population decline in Prairie 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 $61 in 2017, more than recreation & culture ($34), health & social service ($12), 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

Prairie County
Property assessments in Prairie County fluctuated but were about $133.4 million in 1999 and 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 6 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 $16,200 in 2017, about $100 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 Prairie County decreased 38%, from $87.1 million in 1972 to $54.3 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
**Prairie 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 decline caused the per capita measure decrease at a slower rate than the overall measure.
- Per capita retail sales in the county were $6,400 in 2012, about $6,100 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

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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 Prairie 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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Courthouse, 183 E. Prairie St. - Box 388
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