Overview and Trends of Pulaski County Finances 1999-2017
How can Pulaski 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 Pulaski County increased 9% from 360,300 in 1999 to 394,000 in 2018. From 2019 to 2031, the county's population is projected to increase an additional 4% to 414,500.

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 Pulaski County increased from 294,500 in 1999 to 327,800 in 2017 or 11%. 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

Pulaski County
Total revenue received by Pulaski County increased 8% between 1999 and 2017, from $109 million to $117.2 million.

Expenditures increased from $100.6 million in 1999 to $109.9 million in 2017, a total change of about 9%.

*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
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 total revenue and spending increased, population growth in Pulaski County led to a decrease in the per capita measures between 1999 and 2017.

Per capita revenue was $297 in 2017, $18 more than per capita expenditures ($279).

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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

Pulaski County
The share of total revenue from intergovernmental transfers decreased significantly, from 27% in 1999 to 15% in 2017.

Pulaski County property tax revenue as a share of total revenue was 39% in 1999 and slightly more in 2017 (41%).

The share of total revenue from sales tax declined from 13% to 9%.

*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.
Pulaski County Revenue Sources Compared to State Revenue Sources, 2017

- The share of total revenue from sales tax in Pulaski County in 2017 was 9%, much lower than the statewide average (25%).
- The share of total revenue from property tax was 41% in the county in 2017, considerably more than the statewide average of 24%.
- The share of total revenue from intergovernmental transfers in the county was 15% in 2017, less than the statewide average (22%).

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

- Sales tax revenue in Pulaski County decreased 24% between 1999 and 2017, from $13.8 million to $10.5 million.
- Property tax revenue grew 14%, from $42.1 million in 1999 to $48.1 million in 2017.
- Pulaski County's total intergovernmental revenue decreased significantly, from $29 million in 1999 to $18.2 million in 2017, or 37%.

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 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 $122 in Pulaski County in 2017, more than per capita intergovernmental ($46) and sales tax ($27) revenue.
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 Pulaski County (204%), from $4.6 million in 1999 to $14 million in 2017.

Commissions and taxes apportioned grew significantly, from $7.5 million to $11.5 million or 53%.

Fines, forfeitures and franchise taxes declined 8%, from $6.1 million in 1999 to $5.6 million in 2017.

Other revenue was $5.9 million in 1999 and $9.2 million in 2017, an increase of 56%, and reached a high of $18 million in 2008.

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 Pulaski County were $36 in 2017, more than commissions & taxes apportioned ($29), 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

Pulaski County
Pulaski County Expenditures for Services Provided 1999 and 2017

- Law enforcement & public safety was the largest share of Pulaski County government spending in 1999 and 2017, and increased slightly during the study period, from 48% to 48%.
- The share of total spending for highways & streets declined slightly from 14% in 1999 to 12% in 2017.
- The share of total spending for general & other expenditures rose significantly from 23% in 1999 to 35% 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
Pulaski County's share of expenditures for law enforcement and public safety (48%) was more than the statewide share (38%) in 2017.

- The share of total county expenditures for highways and streets was 12%, significantly below the statewide average (23%).
- The share of total county expenditures for general and other expenditures was 35%, greater 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 Pulaski County increased 9%, from $48.6 million in 1999 to $53 million in 2017.

Highways and streets spending decreased 10%, from $14.6 million in 1999 to $13.1 million in 2017.

General and other spending grew considerably, from $23.6 million in 1999 to $37.9 million in 2017 or 61%.

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 Pulaski County was $135 in 2017, more than general & other ($96) and highways & streets ($33) 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 Pulaski County were more than the statewide average in every year between 1999 and 2017.

During the same period, road expenditures per county road mile decreased 10% in the county compared to growth of 45% statewide.

In 2017, road expenditures per county road mile in the county were $8,500, about $4,750 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 Pulaski County increased 230%, from $980,700 in 1999 to $3.2 million in 2017.

Recreation & culture spending in the county decreased significantly (67%), from $7.8 million to $2.6 million.

Capital outlay expenditures decreased from a high of $4.8 million in 2001 to $0 in 2004.

Debt service spending in Pulaski County decreased 100%, from $993,800 in 1999 to $0 in 2017, while reaching a high of $2.3 million in 2009.

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 Pulaski County caused the per capita measure to grow at a slower rate or decrease at a faster rate than the overall measures.

Health & social service per capita expenditures were $8 in 2017, more than recreation & culture ($7) and debt service and capital outlays ($0).
Tax Base

Pulaski County
Property assessments in Pulaski County increased 39%, from $5.3 billion in 1999 to $7.4 billion 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 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 $18,800 in 2017, about $2,500 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 Pulaski County increased 64%, from $4.4 billion in 1972 to $7.2 billion in 2012.

Data Sources: Census of Retail Sales, U.S. Census Bureau; South Urban CPI, Bureau of Labor Statistics.
• Per capita retail sales in the county exceeded 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 measure to increase at a slower rate than the total measure.
• Per capita retail sales in the county were $18,600 in 2012, about $6,100 more 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 Pulaski 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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