Overview and Trends of Stone County Finances 1999-2017
How can Stone 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 Stone County increased 10% from 11,400 in 1999 to 12,500 in 2018. From 2019 to 2031, the county's population is projected to increase an additional 4% to 13,200.

**Data Source:** Population Estimates, U.S. Census Bureau; Population Projections, Woods & Poole
Population Change, 2010-2017

Data Source: Population Estimates, U.S. Census Bureau
Employment in Stone County decreased from 5,300 in 1999 to 5,000 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
Revenue & Expenditures

Stone County
Total revenue received by Stone County increased 9% between 1999 and 2017, from $5.3 million to $5.8 million.

Expenditures increased from $4.9 million in 1999 to $5.2 million in 2017, a total change of about 6%.

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

Per capita revenue was $461 in 2017, $48 more than per capita expenditures ($413).

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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

Stone County
The share of total revenue from intergovernmental transfers decreased significantly, from 47% in 1999 to 37% in 2017.

Stone County property tax revenue as a share of total revenue was 10% in 1999 and more in 2017 (15%).

The share of total revenue from sales tax grew slightly, from 16% to 18%.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
- The share of total revenue from sales tax in Stone County in 2017 was 18%, lower than the statewide average (25%).
- The share of total revenue from property tax was 15% in the county in 2017, less than the statewide average of 24%.
- The share of total revenue from intergovernmental transfers in the county was 37% 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 Stone County increased 26% between 1999 and 2017, from $818,900 to $1 million.

Property tax revenue grew 66%, from $523,700 in 1999 to $867,800 in 2017.

Stone County's total intergovernmental revenue decreased significantly, from $2.5 million in 1999 to $2.1 million in 2017, or 16%, and peaked at a high of $3.5 million in 2009.

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.

Intergovernmental revenue per capita was $170 in Stone County in 2017, more than sales tax ($82) and property tax ($69) 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
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 Stone County (127%), from $202,800 in 1999 to $460,800 in 2017.

Commissions and taxes apportioned declined significantly, from $352,900 to $299,600 or 15%.

Fines, forfeitures and franchise taxes declined 10%, from $249,400 in 1999 to $224,900 in 2017.

Other revenue was $653,200 in 1999 and $757,900 in 2017, an increase of 16%, peaking at a high of $2 million in 2007.

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.

Other revenue per capita in Stone County was $60 in 2017, more than officers, jail & 911 fees ($37), commissions & taxes apportioned ($24), and fines, forfeitures and franchise taxes ($18).
Expenditures

Stone County
The share of total spending for law enforcement and public safety in Stone County increased significantly from 22% in 1999 to 33% in 2017.

The share of total spending for highways & streets grew from 29% in 1999 to 33% in 2017.

The share of total spending for general & other expenditures rose slightly from 25% in 1999 to 27% in 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
• Stone County’s share of expenditures for law enforcement and public safety (33%) was less than the statewide share (38%) in 2017.
• The share of total county expenditures for highways and streets was 33%, greater than the statewide average (23%).
• The share of total county expenditures for general and other expenditures was 27%, slightly 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 Stone County increased 55%, from $1.1 million in 1999 to $1.7 million in 2017.

Highways and streets spending increased 21%, from $1.4 million in 1999 to $1.7 million in 2017, spiking to $2.5 million in 2010 and $2.6 million in 2013.

General and other spending grew from $1.2 million in 1999 to $1.4 million in 2017 or 17%, peaking at a high of $2.2 million in 2009.

**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.

Highways & streets per capita spending in Stone County was $138 in 2017, more than law enforcement & public safety ($137) and general & other ($110) 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 Stone County were less than the statewide average in 18 of 19 years between 1999 and 2017.

During the same period, road expenditures per county road mile increased 21% 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 Stone County decreased 10%, from $90,500 in 1999 to $81,600 in 2017, spiking to $475,500 in 2011.

Recreation & culture spending in the county increased significantly (597%), from $25,700 to $178,900.

Capital outlay expenditures decreased from a high of $1.1 million in 1999 to $0 in 2002.

Debt service spending in Stone County increased 131%, from $42,100 in 1999 to $97,200 in 2017 and spiked to about $400,000 in 2013 and 2015.

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 Stone 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 $14 in 2017, more than debt service ($8), 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

Stone County
Property assessments in Stone County increased 48%, from $108.8 million in 1999 to $160.9 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 $12,800 in 2017, about $3,500 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 Stone County increased 128%, from $47.1 million in 1972 to $107.5 million in 2012.

Retail sales reached a high of $120.8 million prior to the Great Recession in 2007.

*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
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 measure to increase at a slower rate than the overall measure.

Per capita retail sales in the county were $8,600 in 2012, about $3,900 less than the statewide average ($12,500).

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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

Community & Economic Development
Strengthening Arkansas Communities
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 Stone 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:

Tyler Caston, CEA - Staff Chair
205 Martin St.
Mountain View, AR 72560
Tel: 870-269-3336, Fax: 870-269-3295

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