

Overview and Trends of Cleveland County Finances 1999-2017

Presenter

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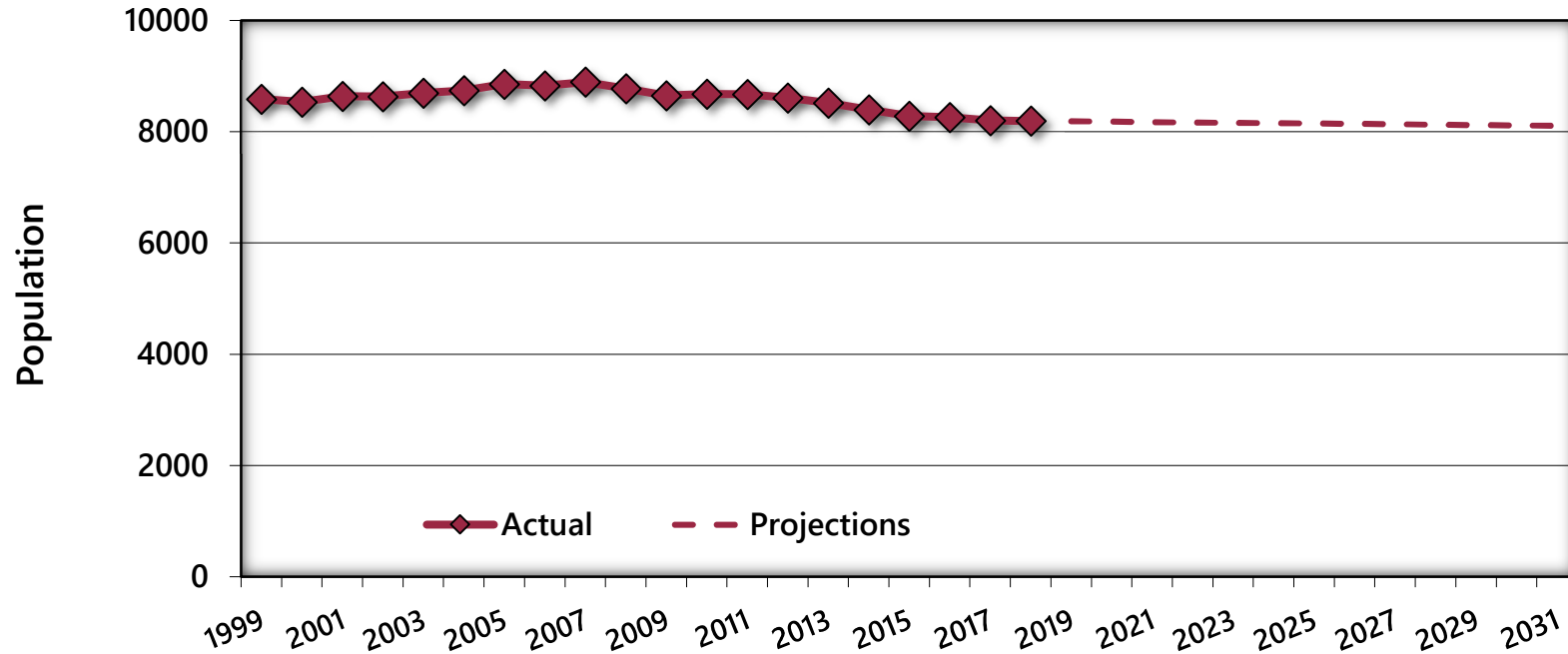
Cleveland County



How can Cleveland County continue to provide services for its citizens?

- **Understand Today's Budget:** Take stock of factors impacting county services and funding sources.
- **Look Forward:** Anticipate changes that might affect the county budget in the future.
- **Prepare and Plan:** Assess what the county might do to take advantage of anticipated changes (in the short-term and the long-term).

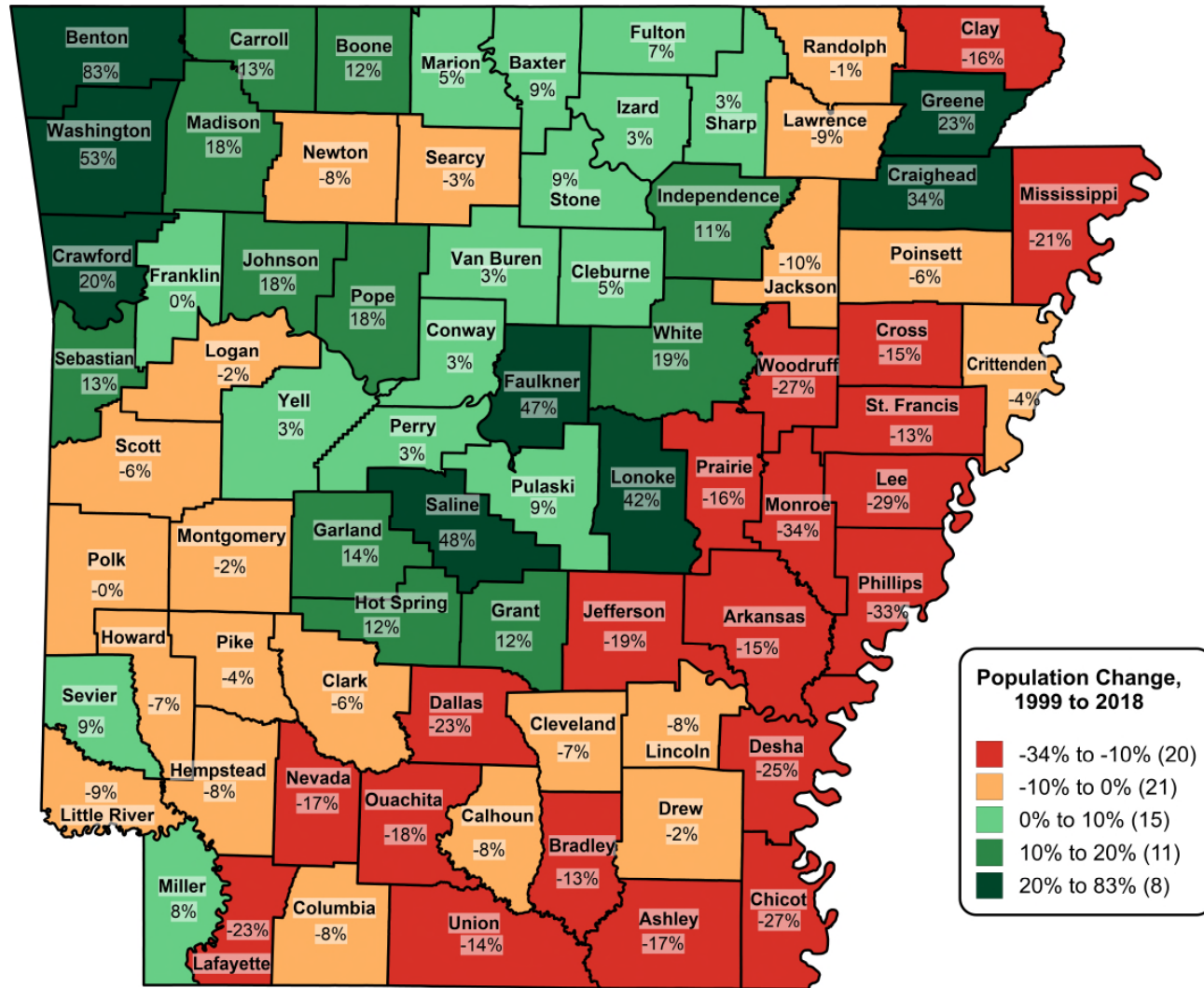
Cleveland County Population Estimates & Projections, 1999-2031



- From the start of the Great Recession in 2007 to 2018, the population in Cleveland County has gone down 8% (or by -701 people).

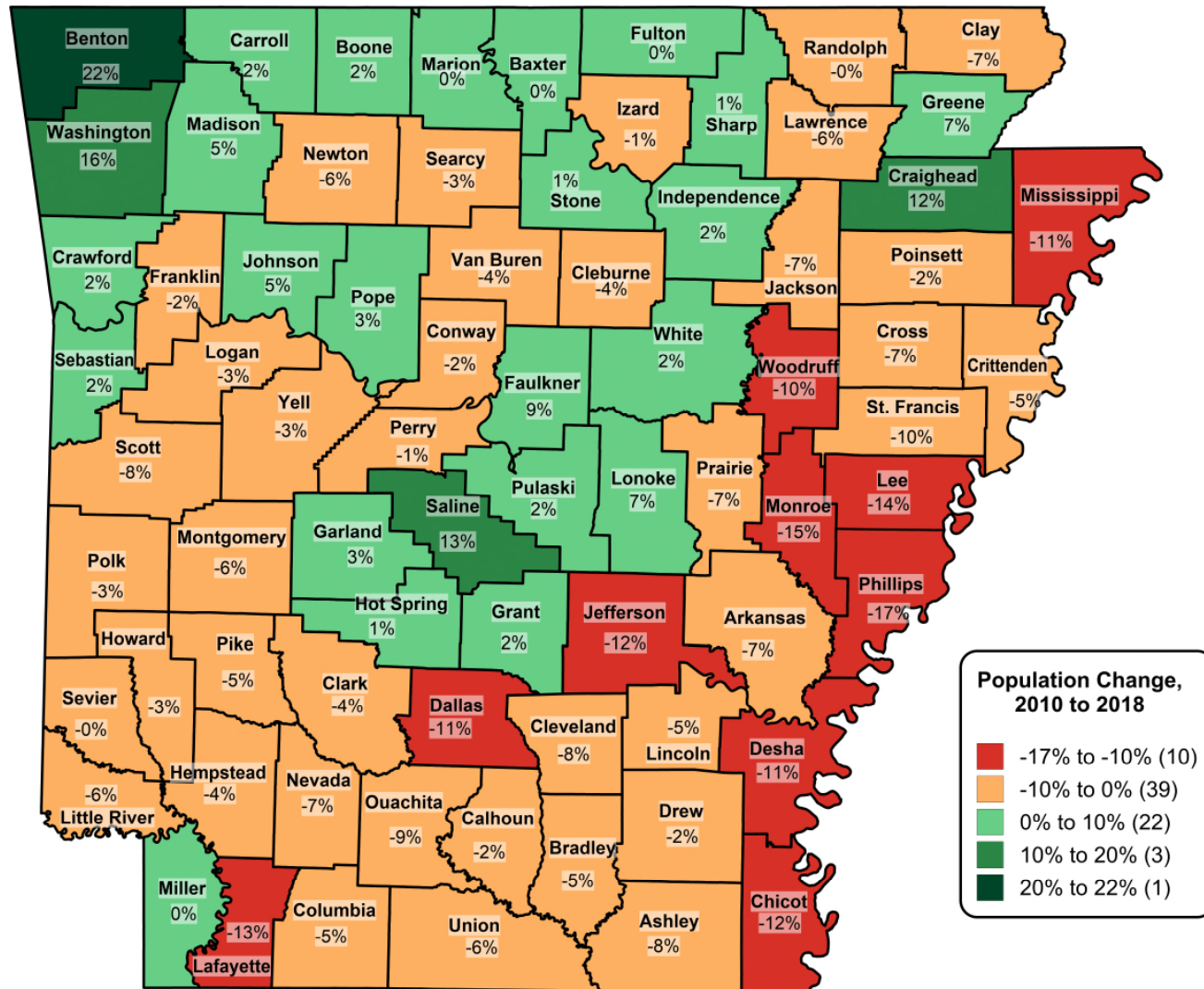
Data Source: Population Estimates, U.S. Census Bureau; Population Projections, Woods & Poole

Population Change, 1999-2018



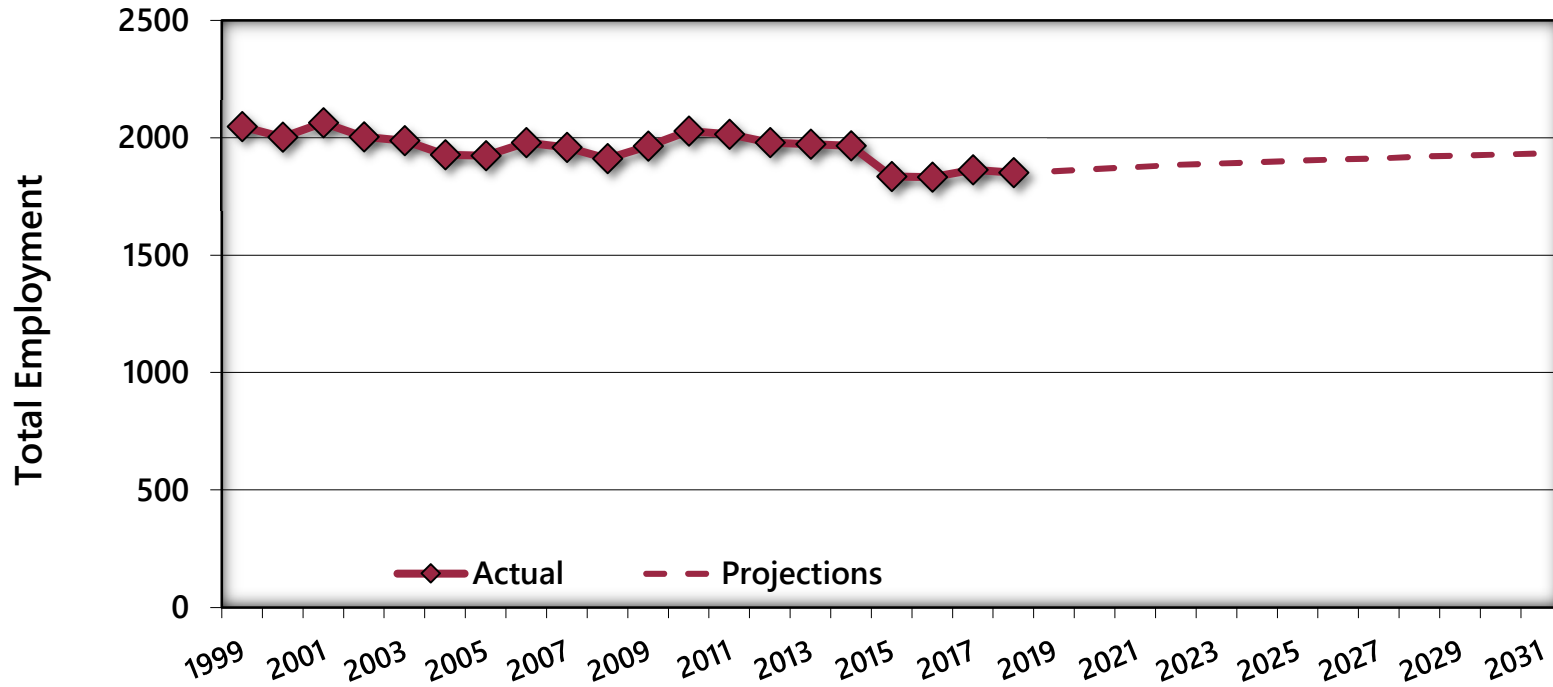
Data Source: Population Estimates, U.S. Census Bureau

Population Change, 2010-2018



Data Source: Population Estimates, U.S. Census Bureau

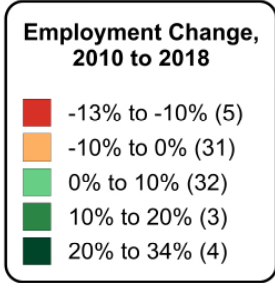
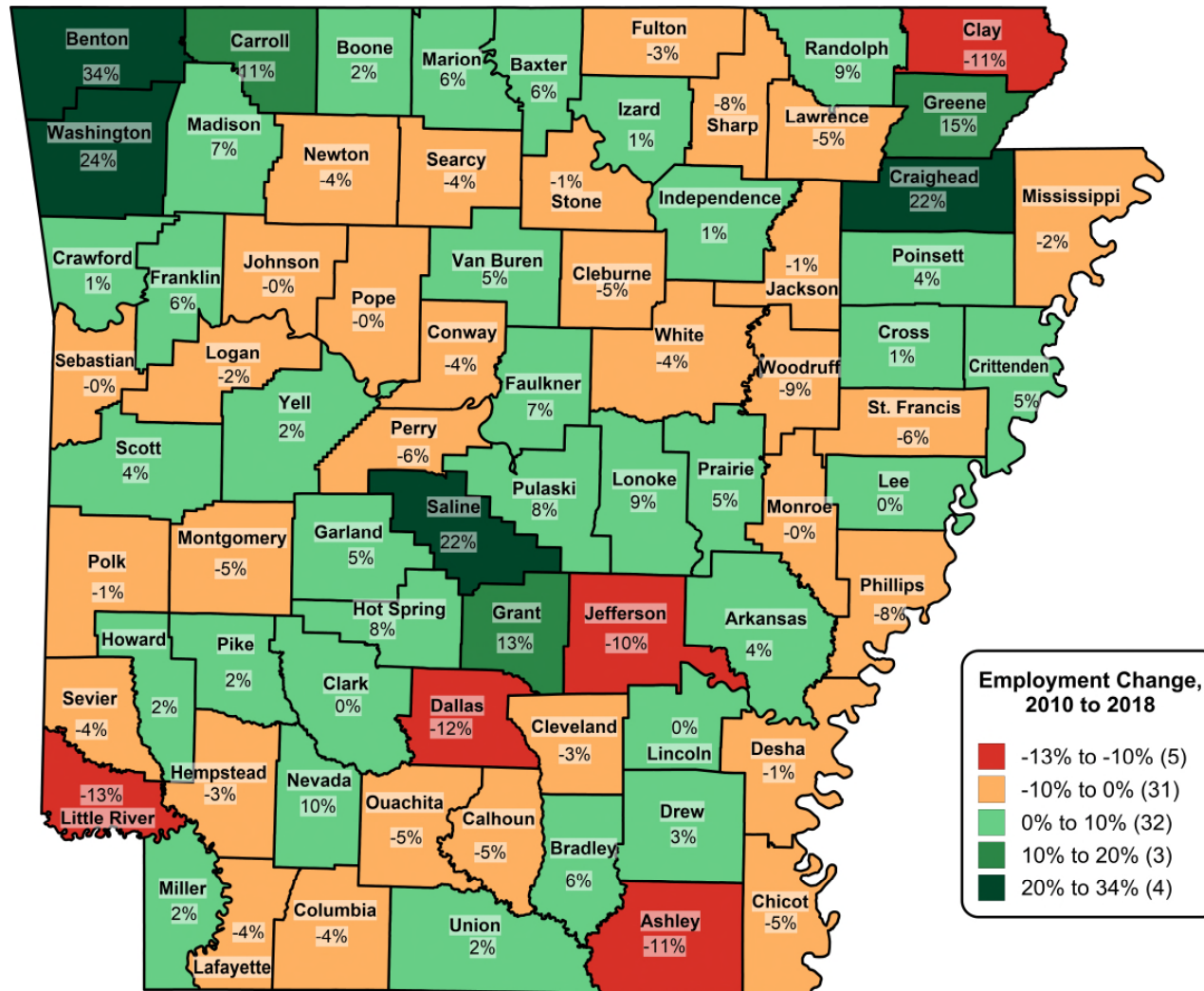
Cleveland County Total Employment Estimates, 1999-2018



- From the start of the Great Recession in 2007 to 2018, employment in Cleveland County has gone down 6% (or by -108 jobs).

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis, Woods & Poole

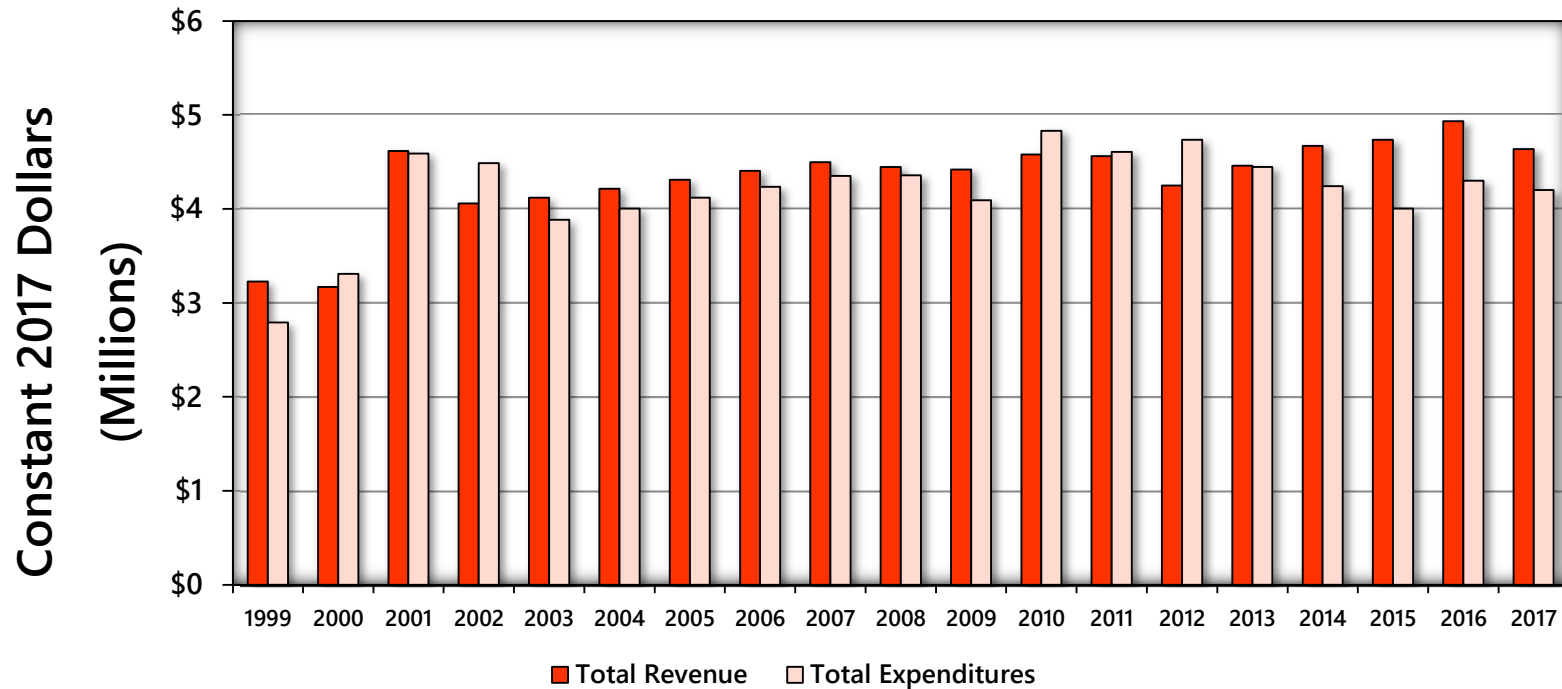
Employment Change, 2010-2018



Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis

Revenue & Expenditures

Cleveland County Total Revenue & Expenditures, 1999-2017

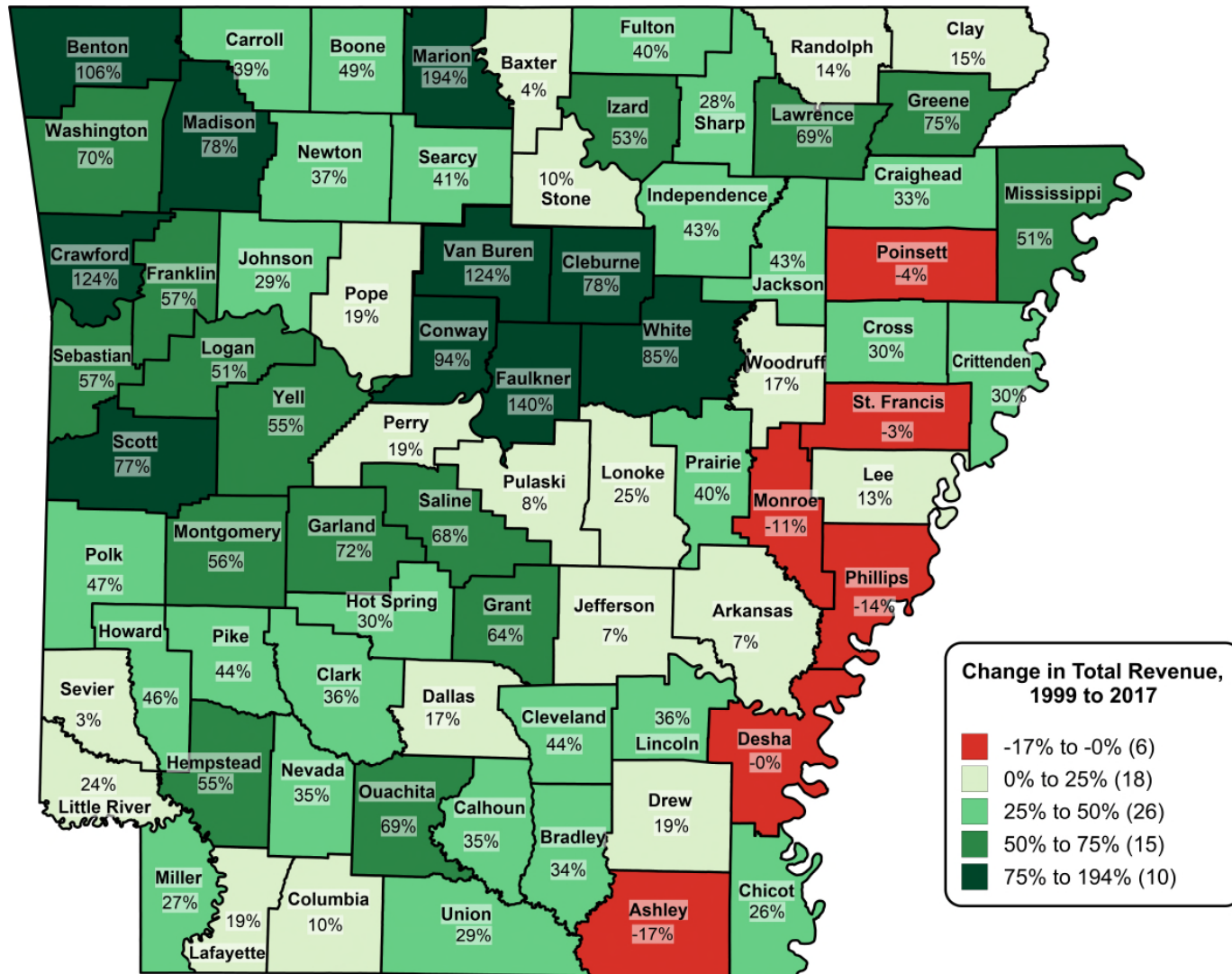


- From 2007 to 2017, the Total Revenue in Cleveland County has gone up 3% (or by \$137,417).
- From 2007 to 2017, the Total Expenditures in Cleveland County have gone down 4% (or by -\$152,307).

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

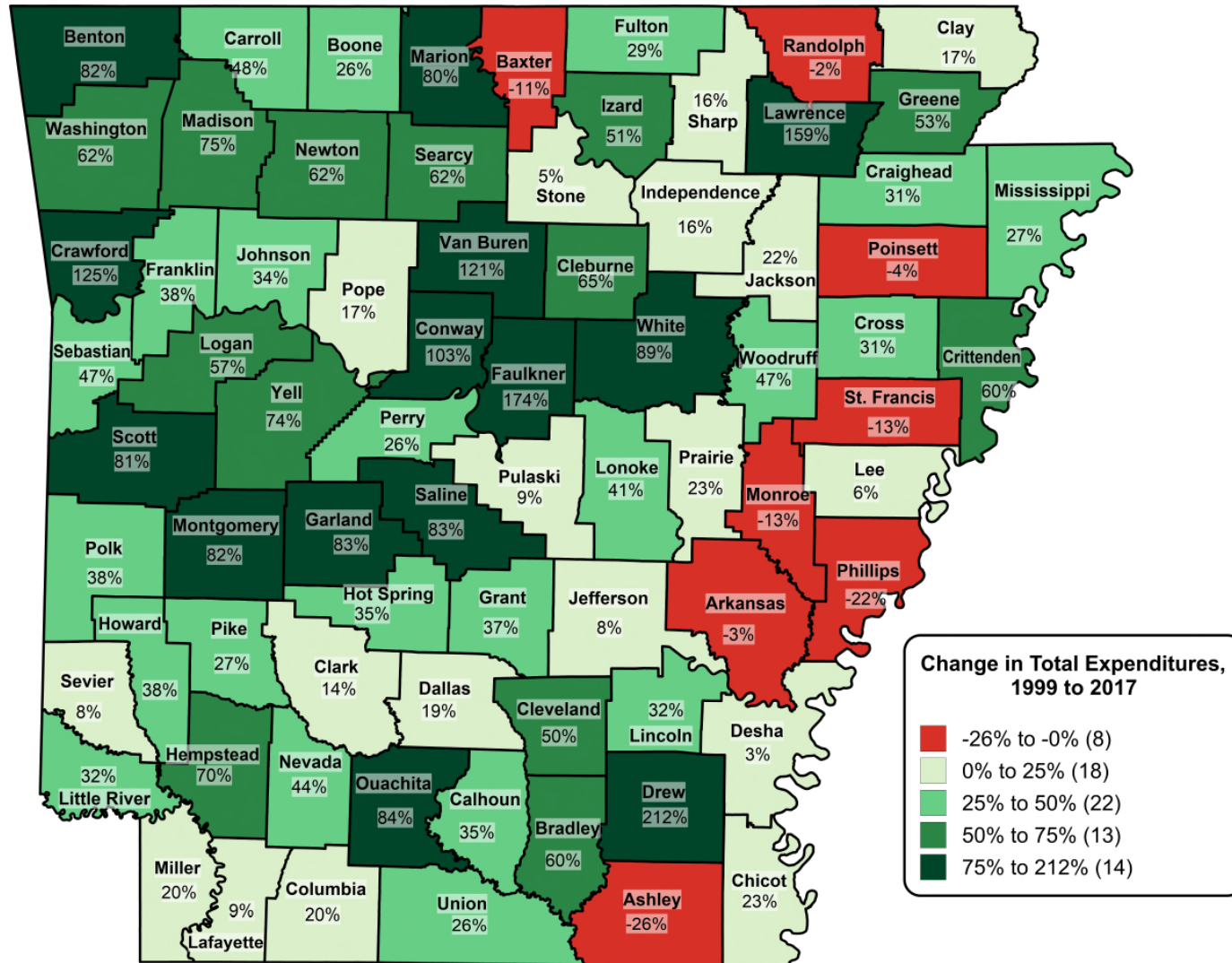
Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

Change in Total Revenue, 1999-2017



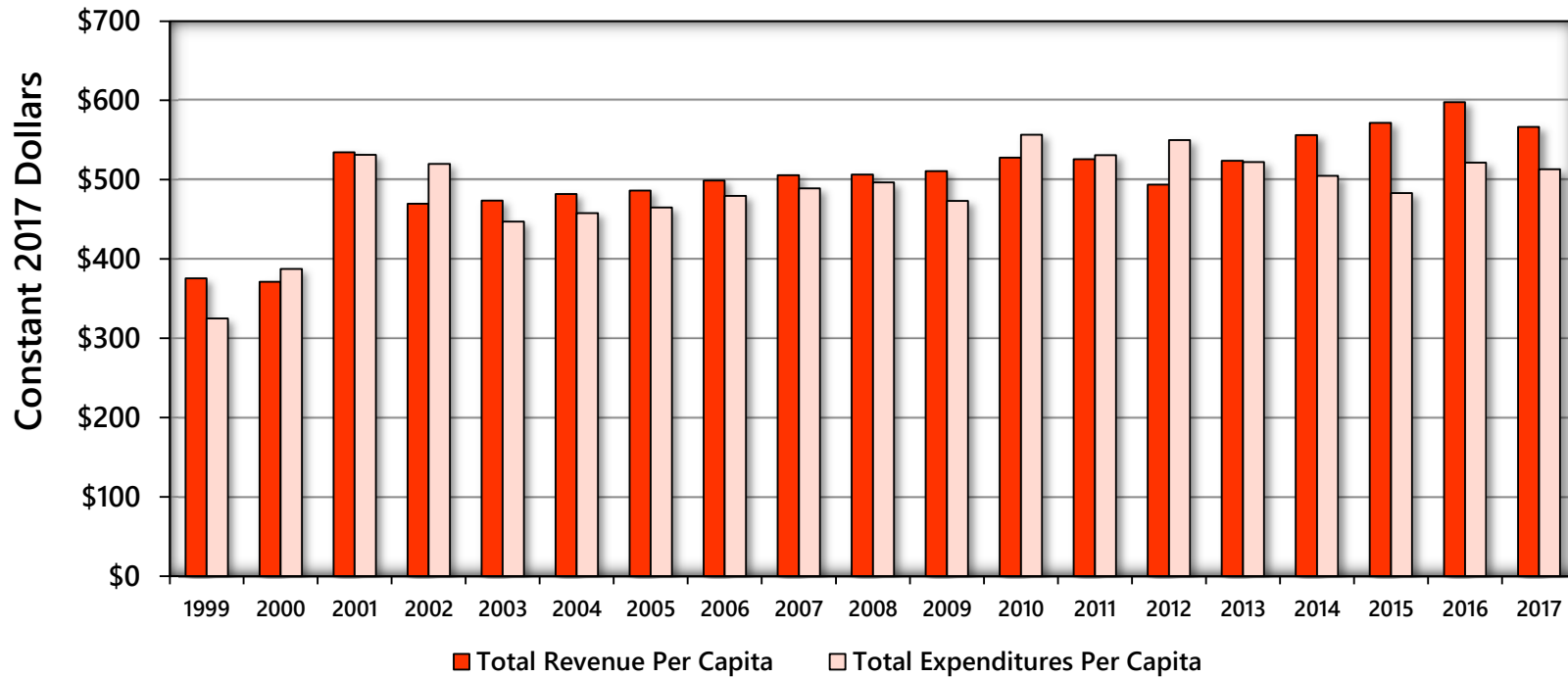
Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

Change in Total Expenditures, 1999-2017



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

Cleveland County Per Capita Revenue & Expenditures. 1999-2017

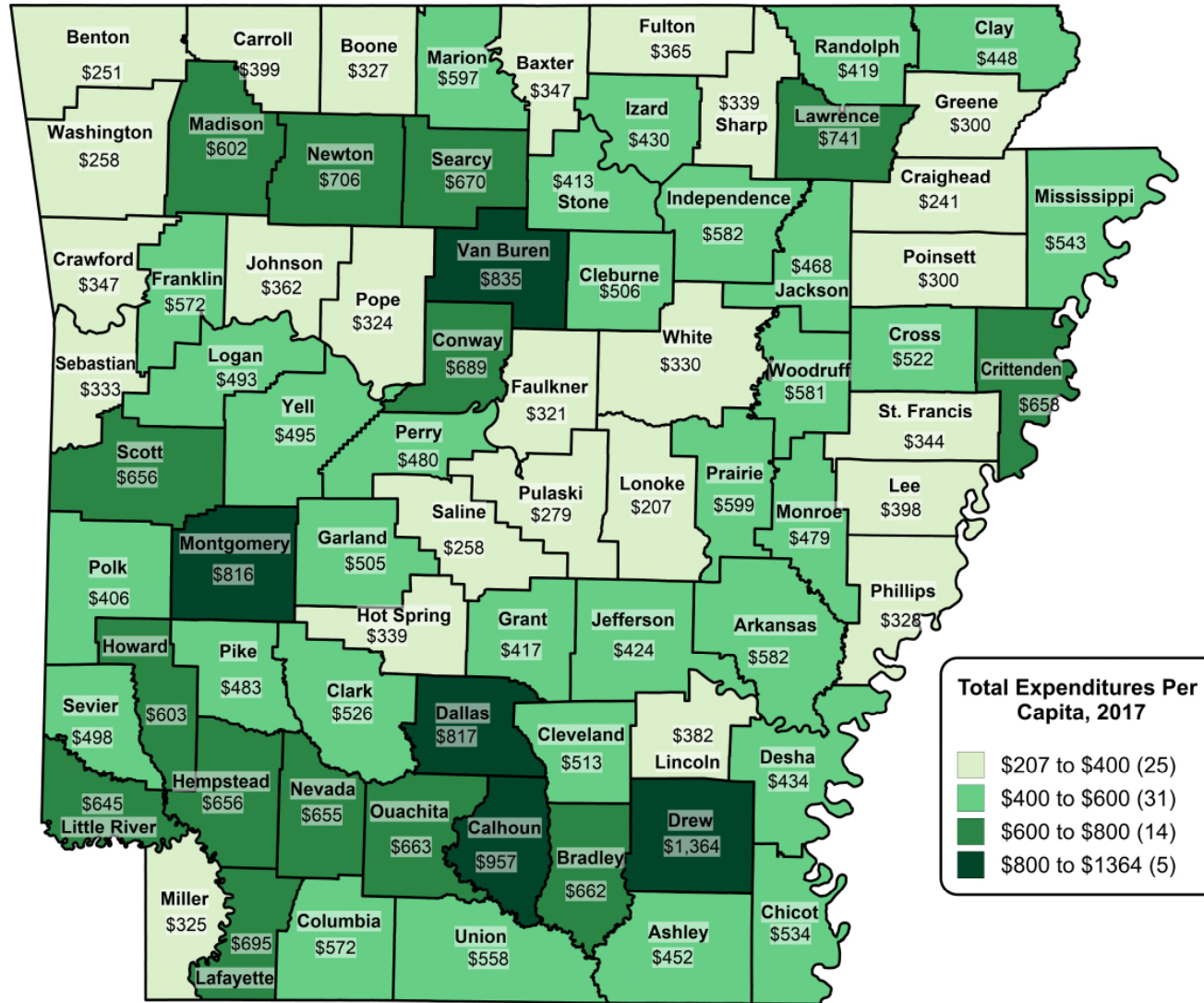


- From 2007 to 2017, the Total Revenue per capita in Cleveland County has gone up 12% (or by \$61).
- From 2007 to 2017, the Total Expenditures per capita in Cleveland County have gone up 5% (or by \$24).

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

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

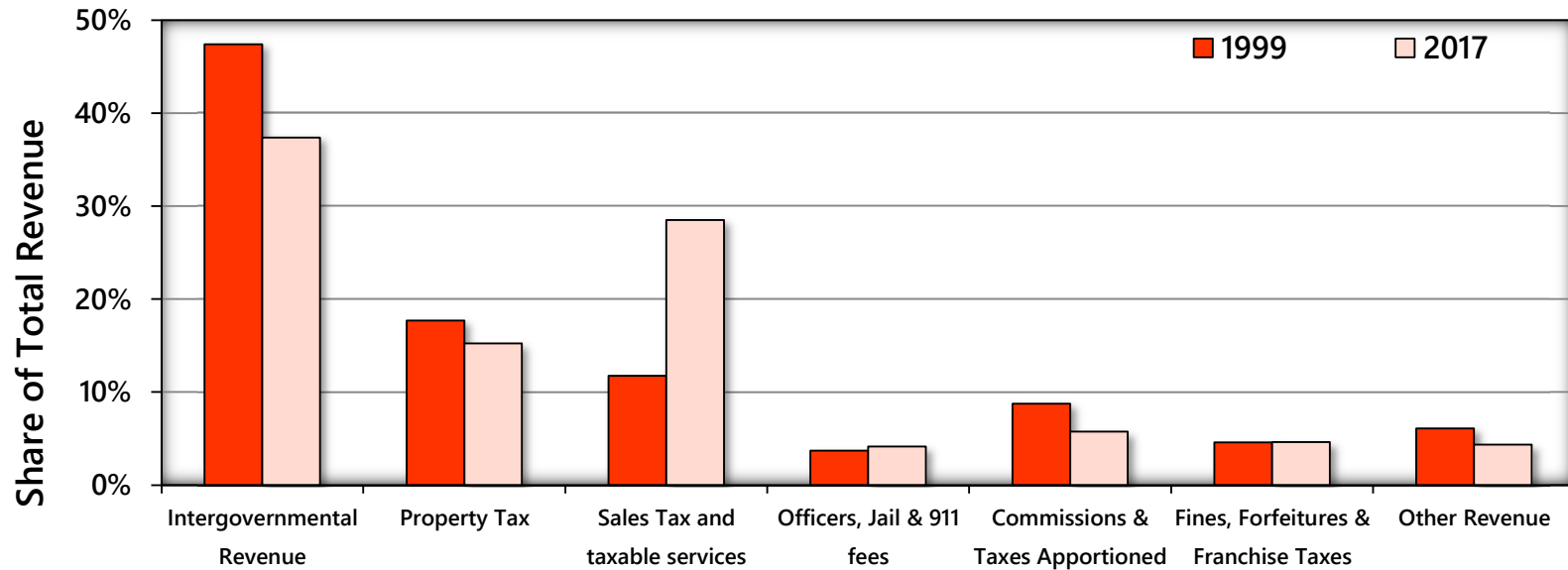
Per Capita Total Expenditures, 2017



Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit

Revenue

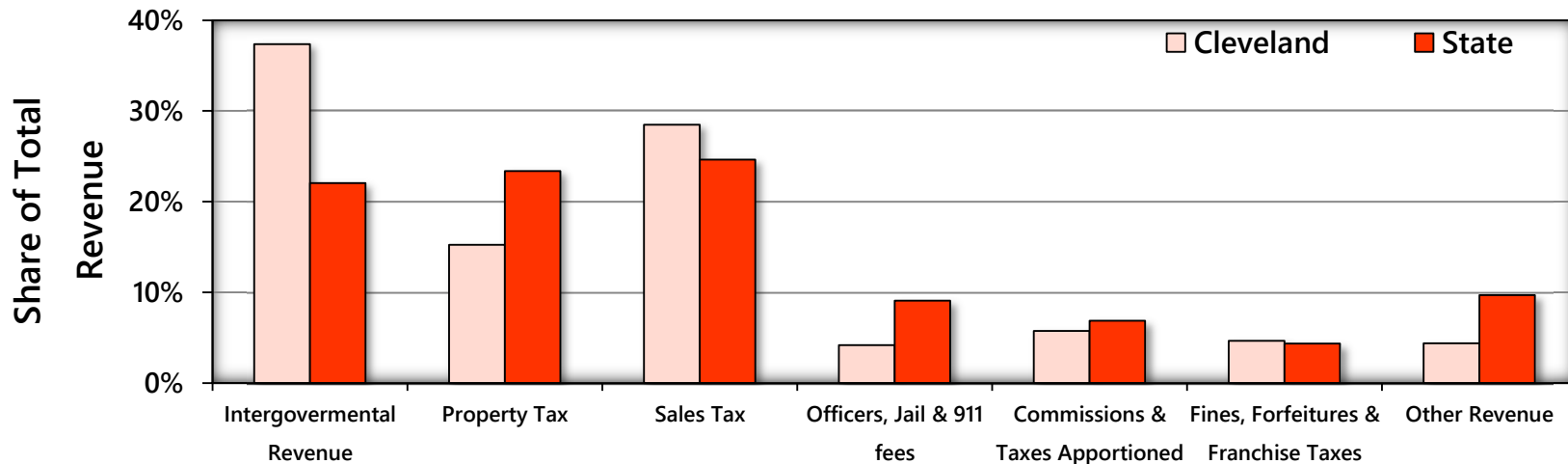
Cleveland County Revenue Source as a Percent of Total Revenue, 1999-2017



- The share of revenue coming from Intergovernmental Revenue, although declining between 1999 and 2017, remains the largest source of revenue for the county.
- This suggests that the county is heavily dependent on revenue from state and federal governments for county operations.

*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

Cleveland County Revenue Sources Compared to State Average Share, 2017

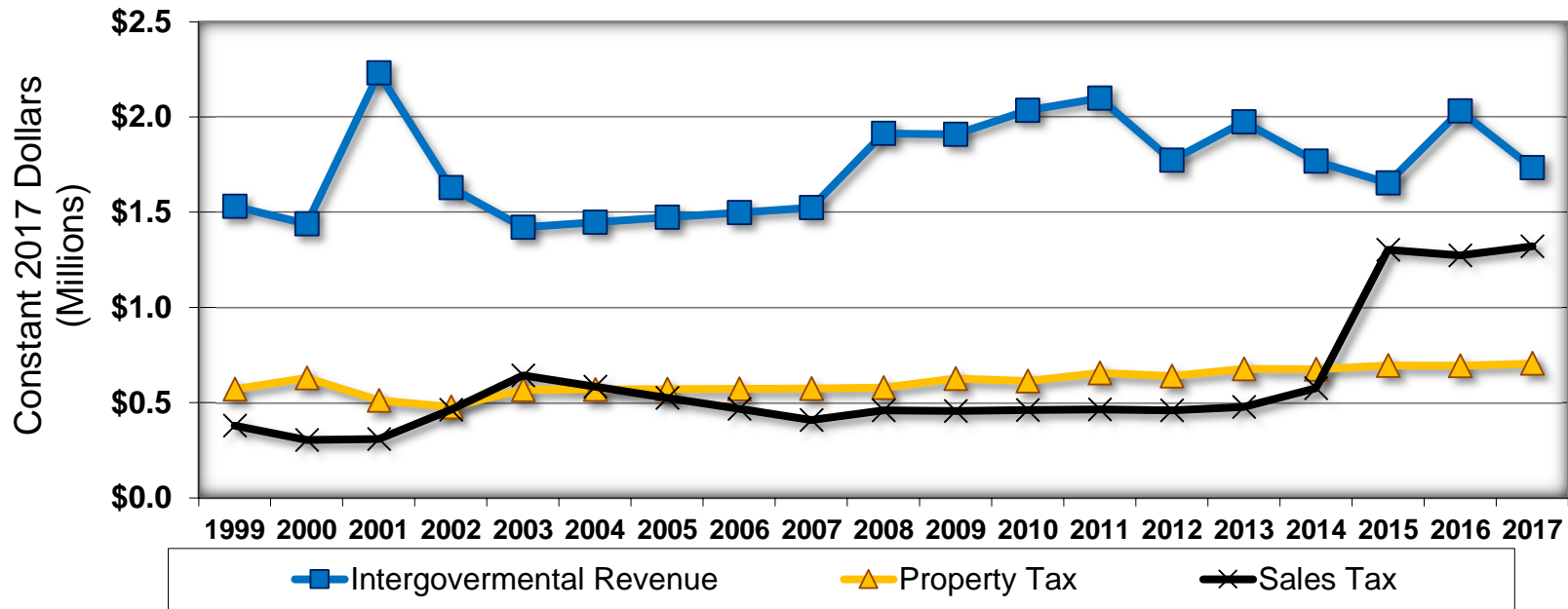


- Cleveland County has a higher share of revenue that comes from Intergovernmental Revenues compared to other counties in Arkansas (37% compared to 22% for the state average).
- Cleveland County has a similar share of revenue that comes from Property Taxes compared to other counties in Arkansas (15% compared to 23% for the state average).
- Cleveland County has a higher share of revenue that comes from Sales Taxes compared to other counties in Arkansas (28% compared to 25% for the state average).

*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

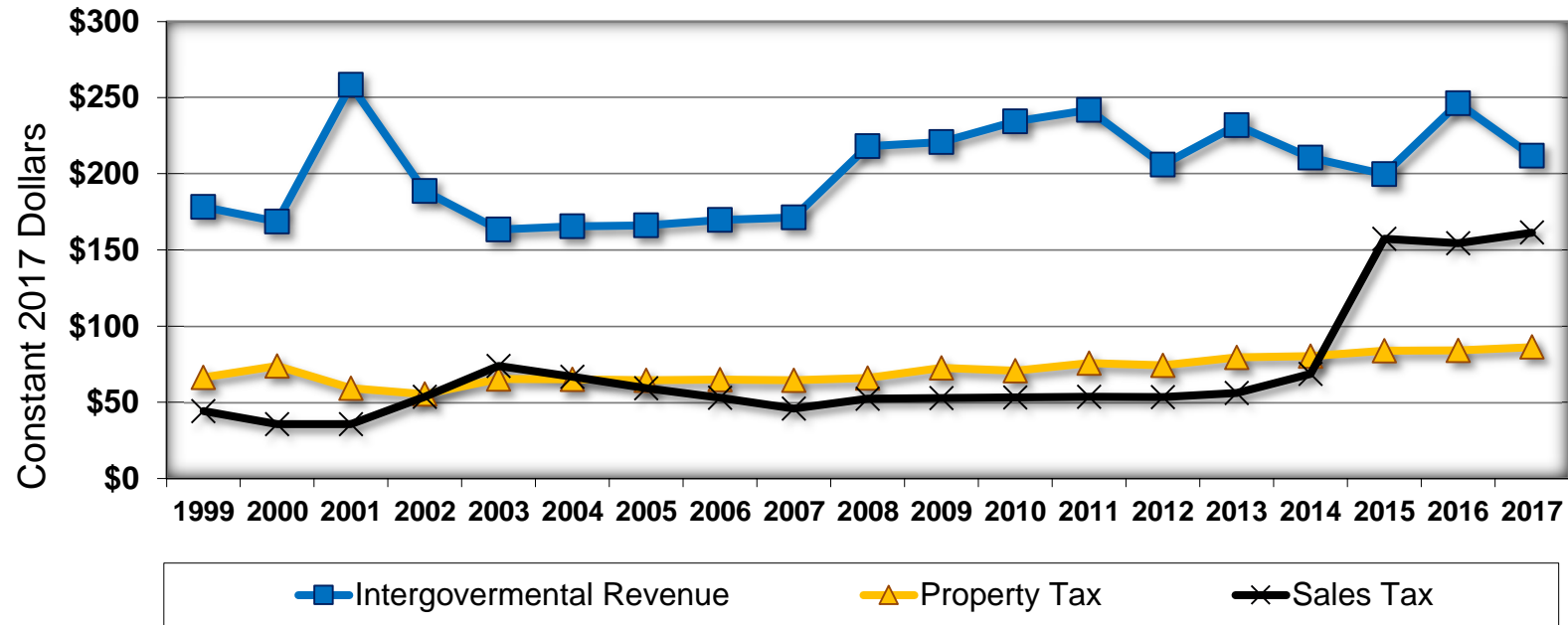
Cleveland County Major Sources of Revenue, 1999-2017



- From 2007 to 2017, Intergovernmental Revenue in Cleveland County has gone up 14% (or by \$208,891).
- From 2007 to 2017, Property Tax Revenue in Cleveland County has gone up 23% (or by \$132,223).
- From 2007 to 2017, Sales Tax Revenue in Cleveland County has gone up 223%

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

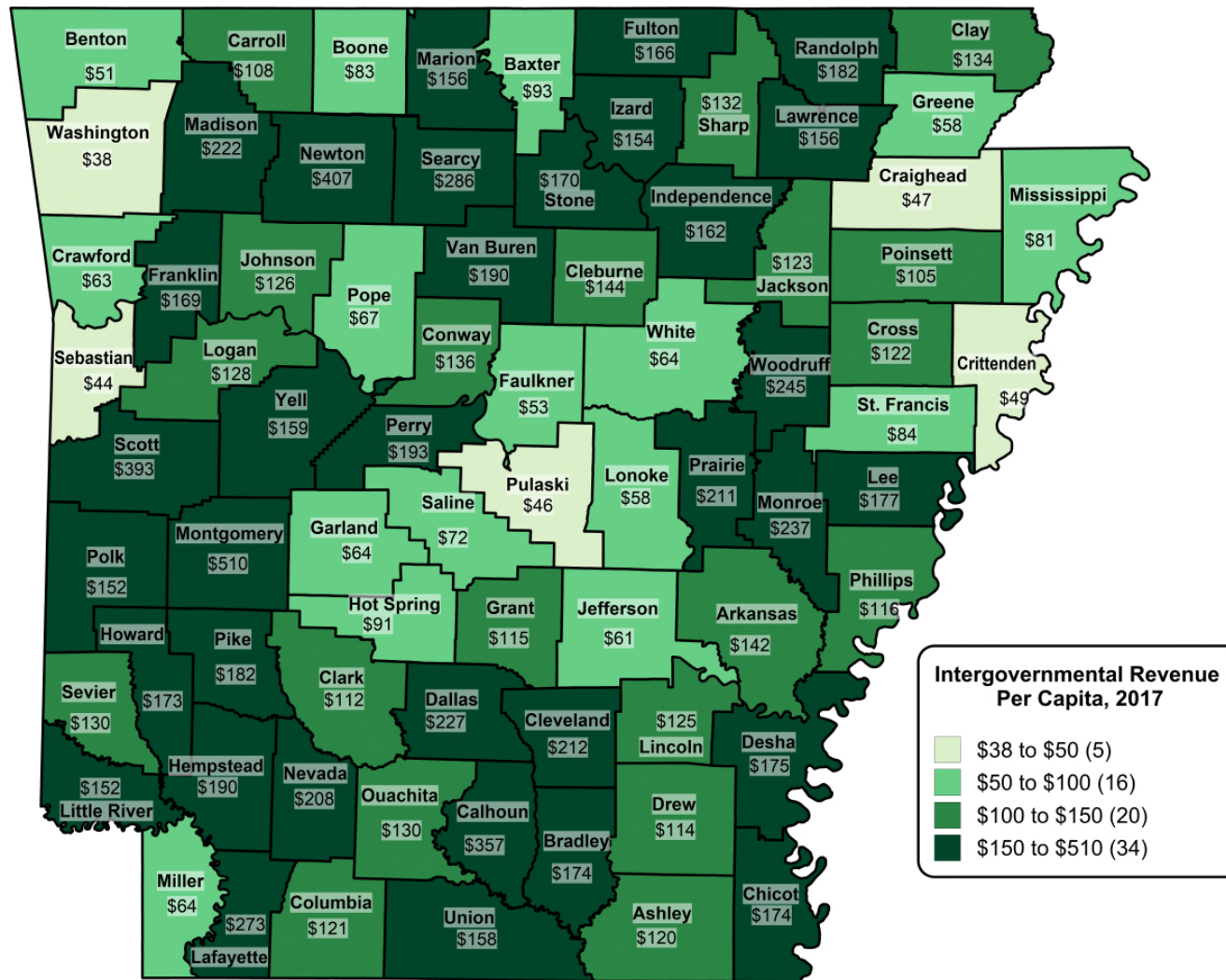
Cleveland County Per Capita Major Sources of Revenue, 1999-2017



- From 2007 to 2017, Intergovernmental Revenue per capita in Cleveland County has gone up 24% (or by \$41).
- During that time, Property Tax revenue per capita has gone up 34% (or by \$22).
- During that time, Sales Tax revenue per capita has gone up 252% (or by \$116).

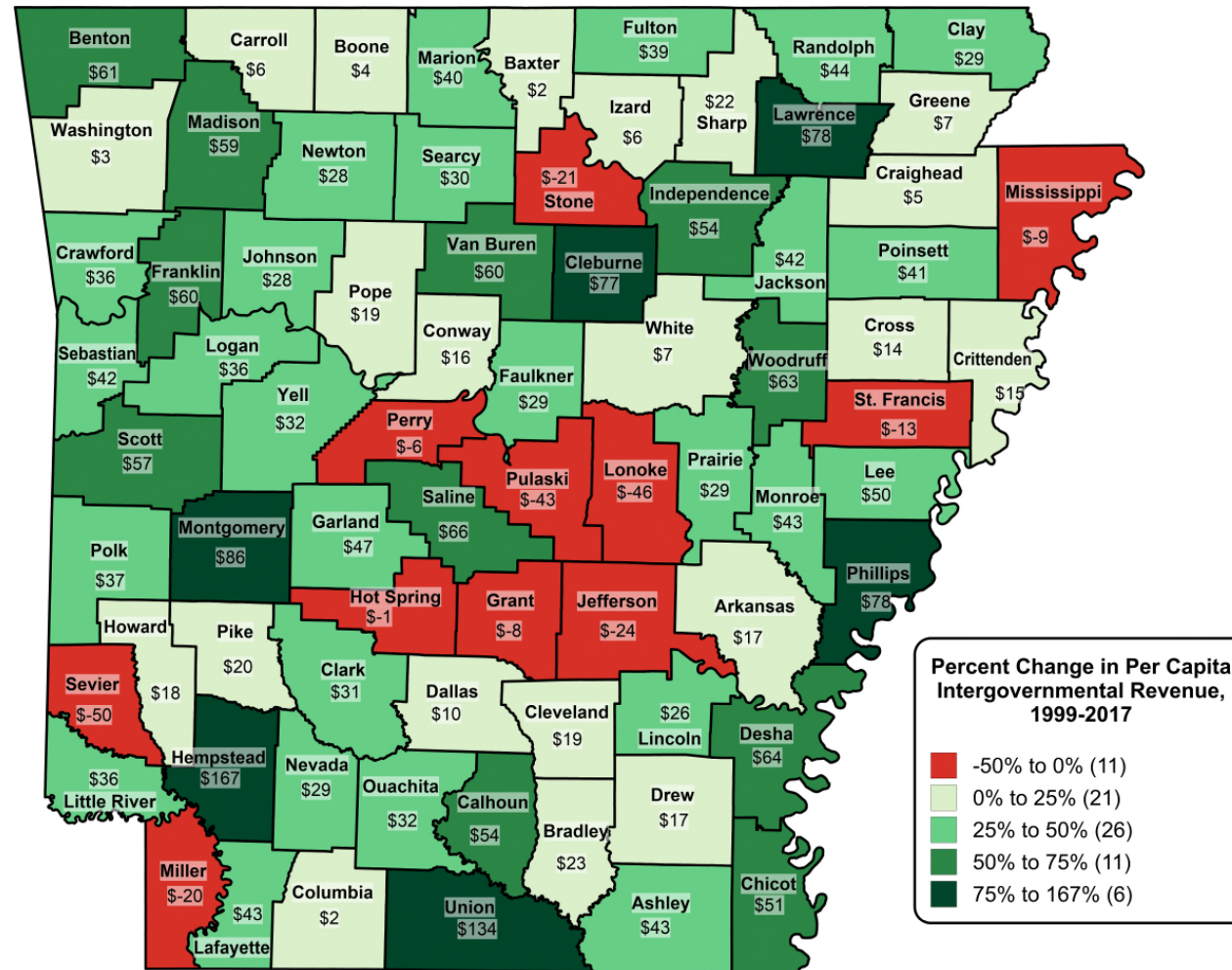
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

Per Capita Intergovernmental Revenue, 2017



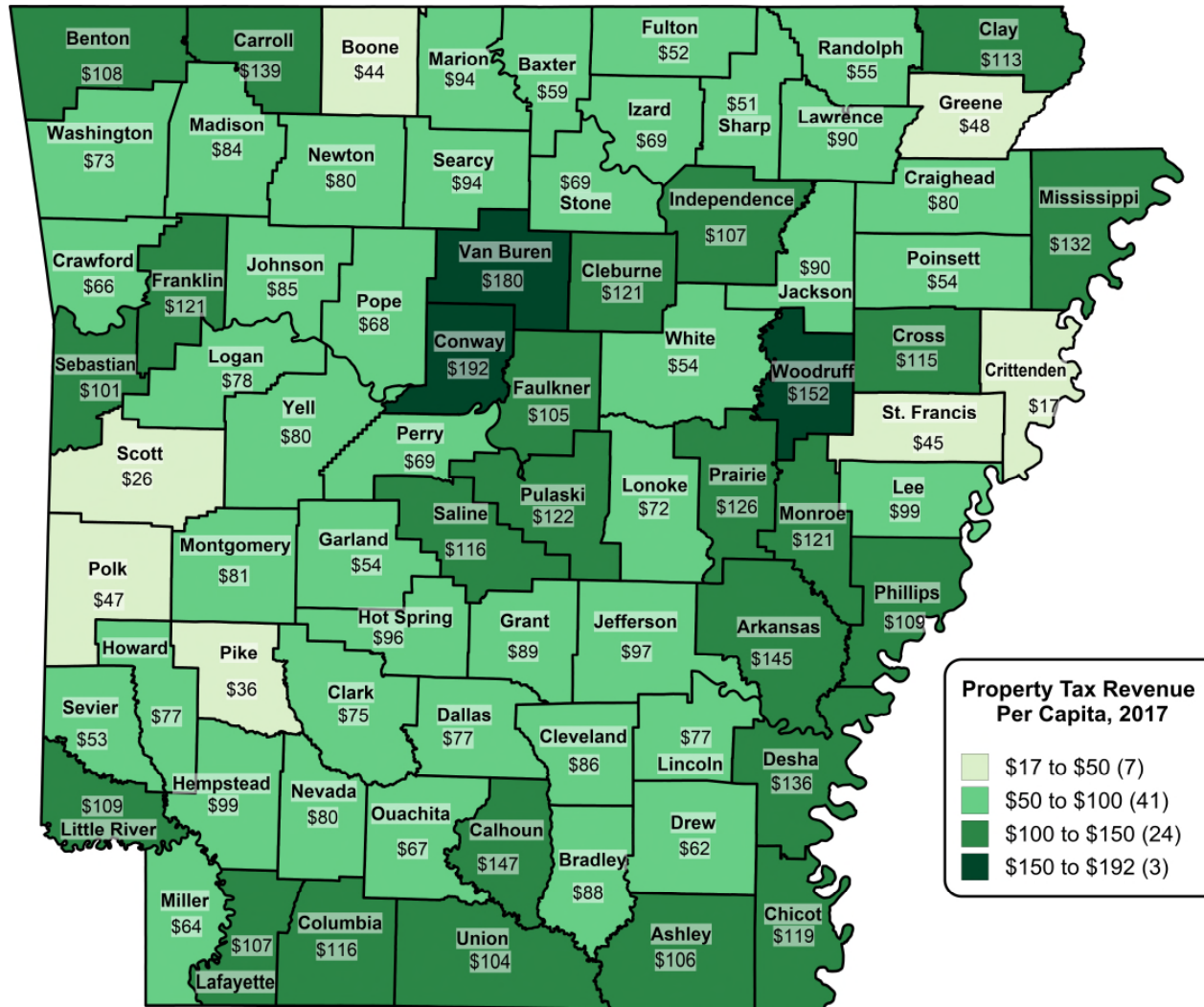
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit

Change in Per Capita Intergovernmental Revenue, 1999-2017



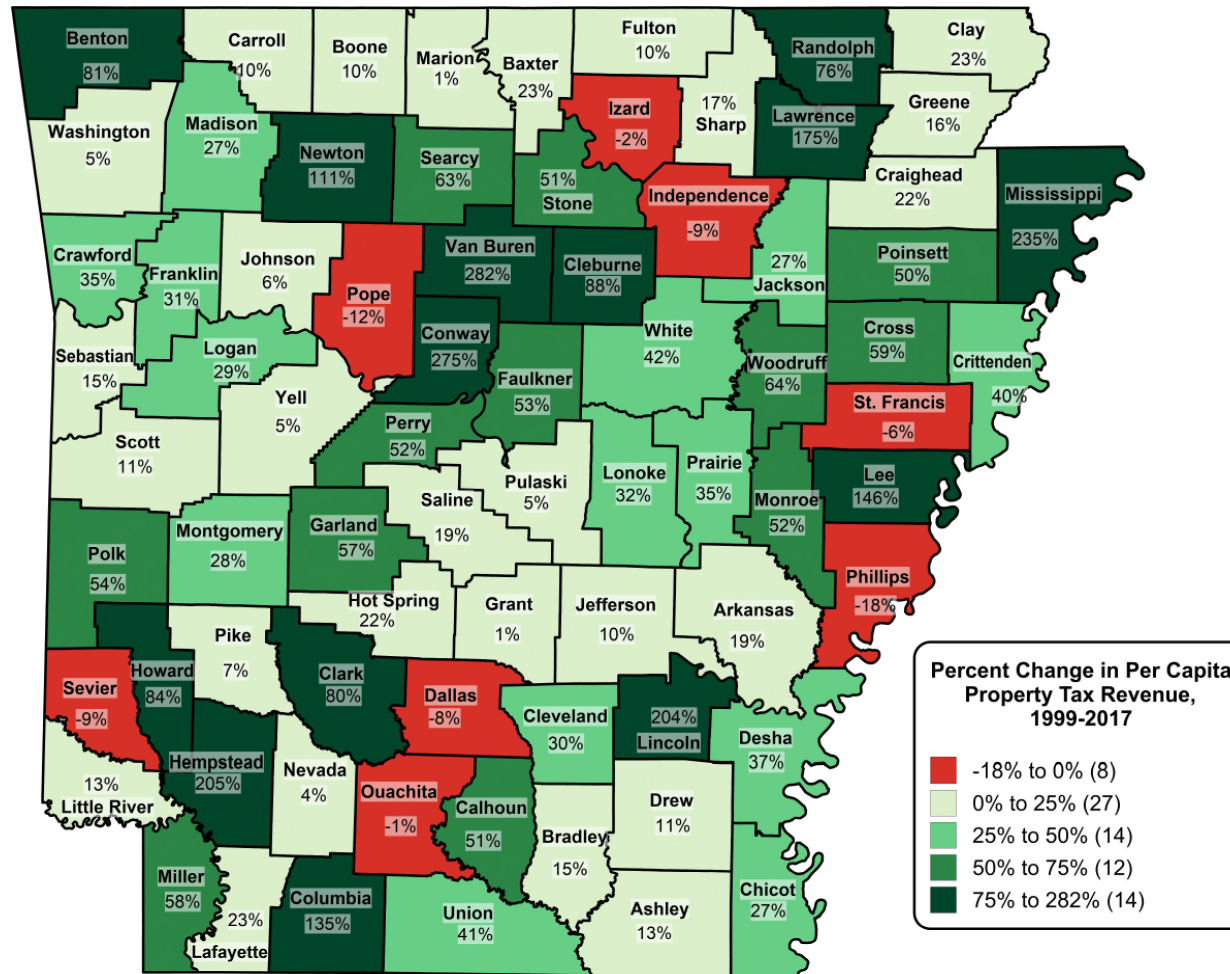
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

Per Capita Property Tax Revenue, 2017



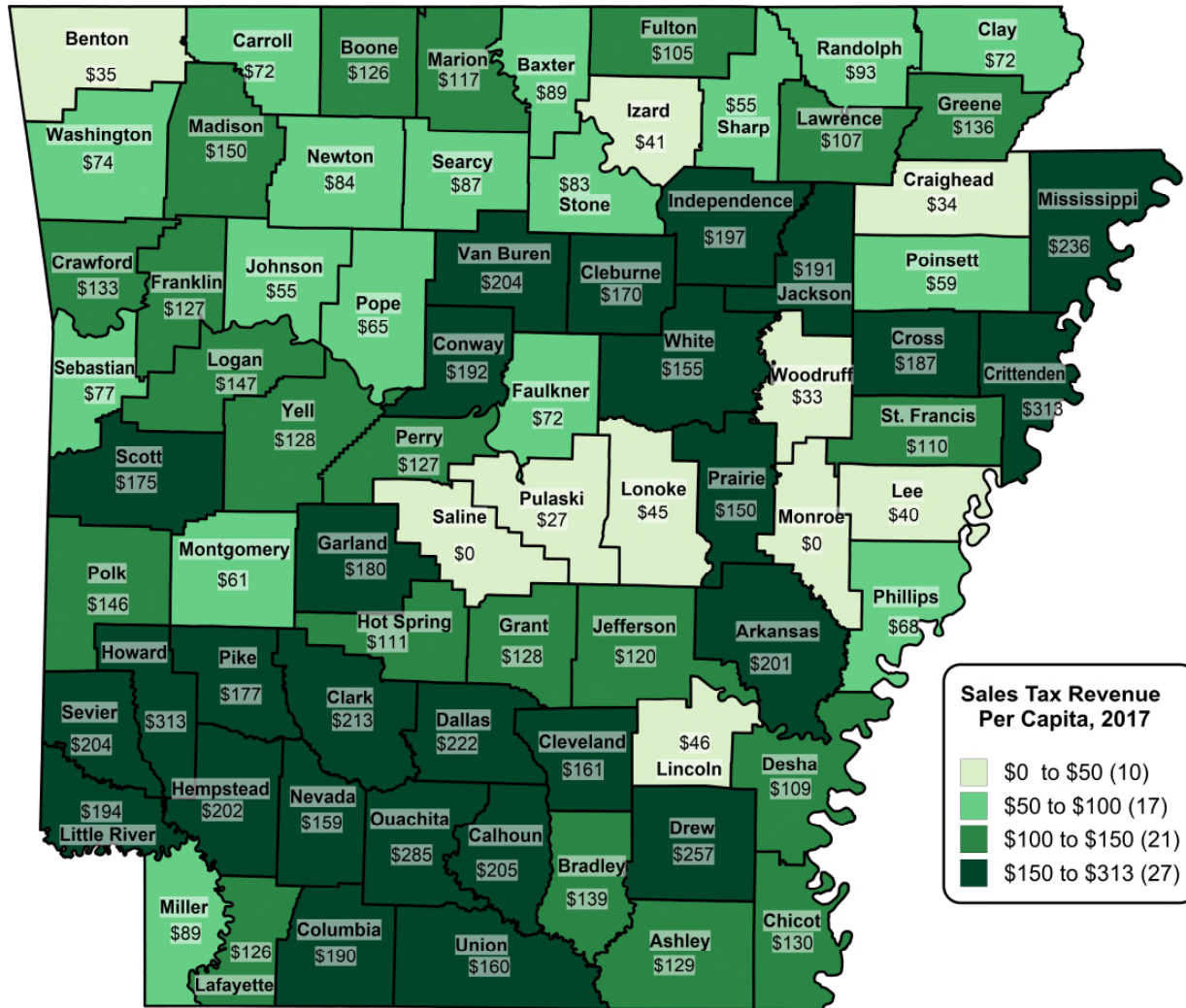
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit

Change in Per Capita Property Tax Revenue, 1999-2017



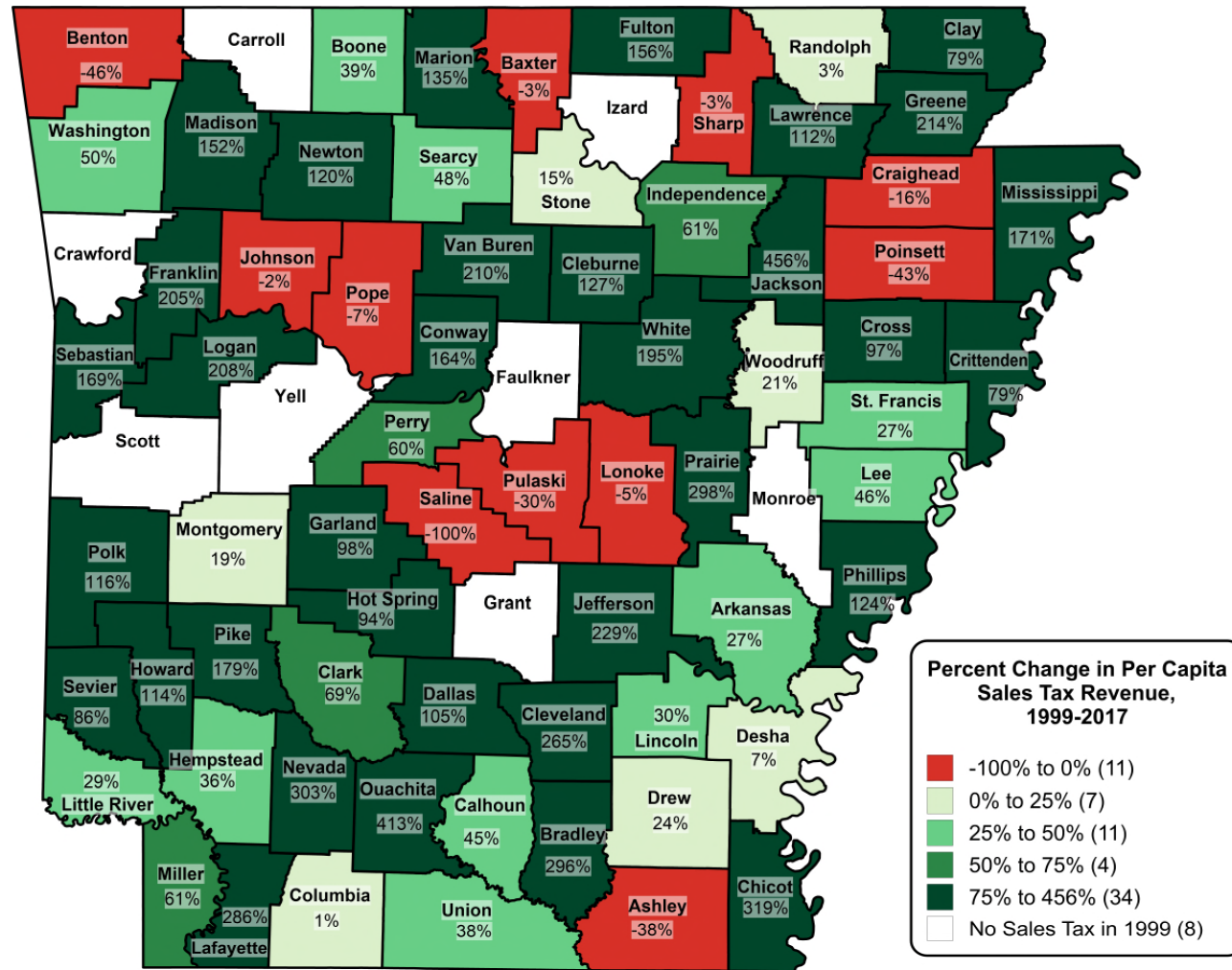
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

Per Capita Sales Tax Revenue, 2017



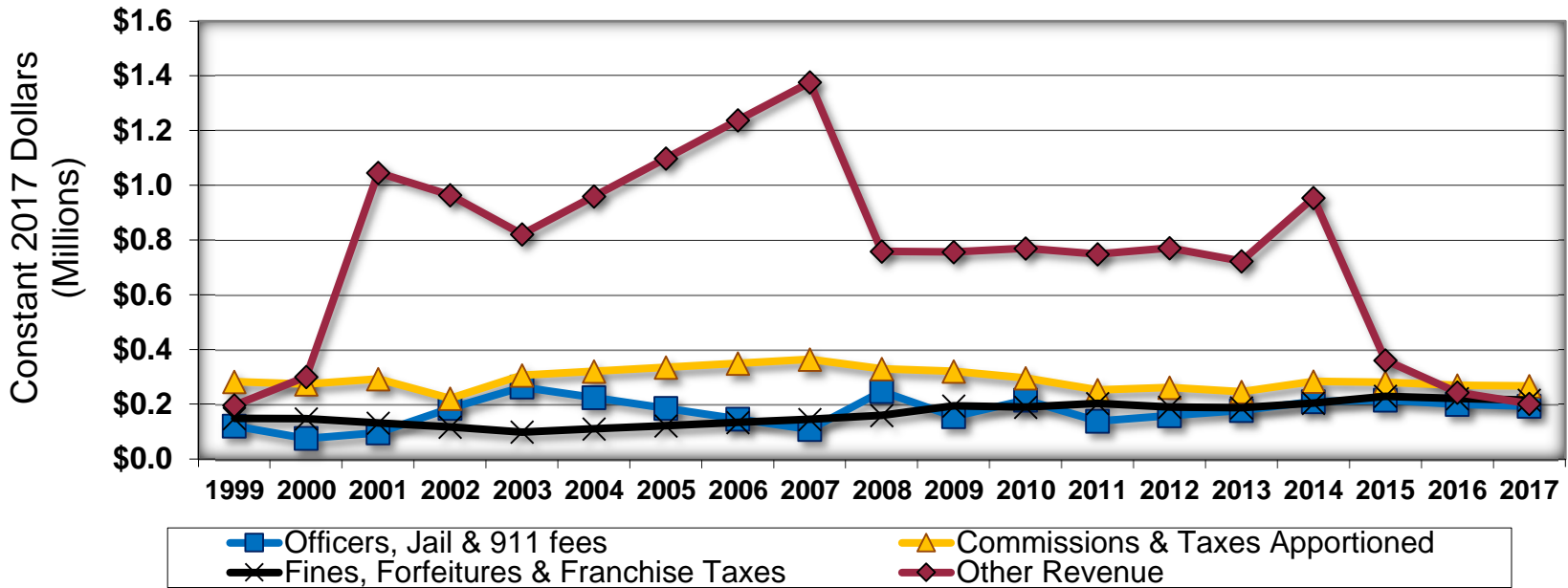
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit

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

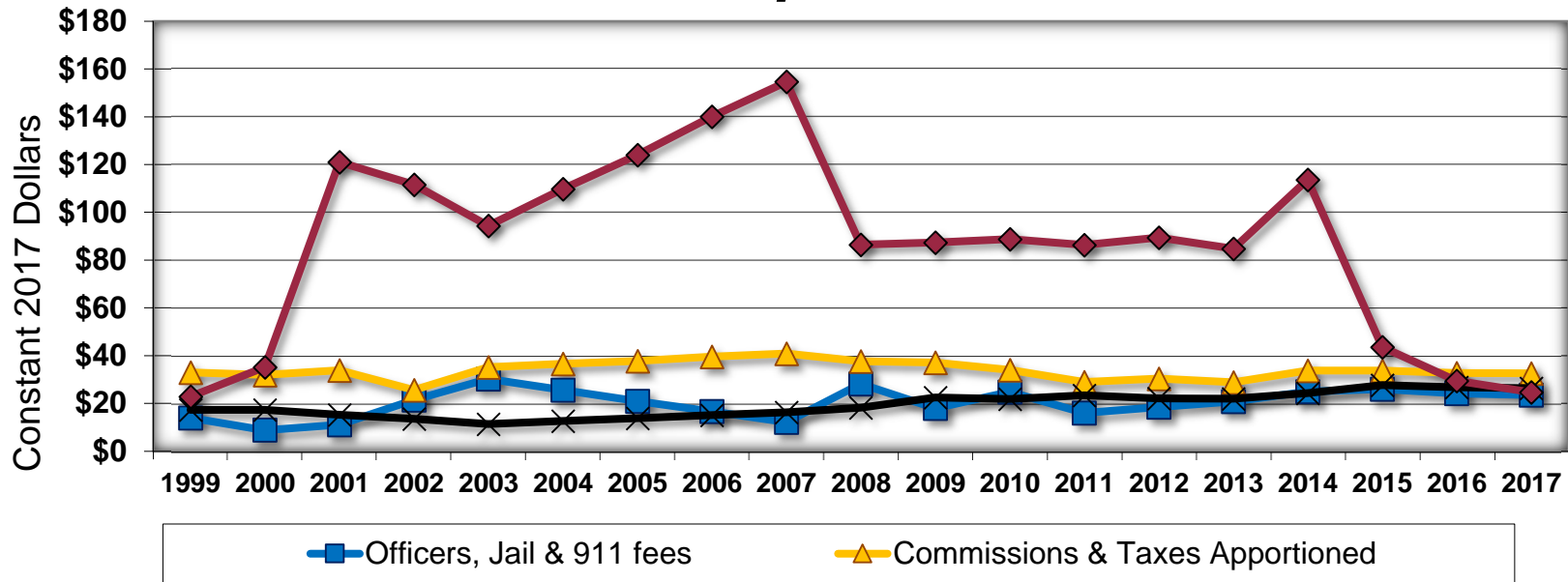
Cleveland County Minor Sources of Revenue, 1999-2017



- From 2007 to 2017, revenue from Officers, Jail and 911 fees Cleveland County has gone up 79% (or by \$85,142).
- During that time, revenue from Commissions and Taxes Apportioned has gone down 27% (or by -\$97,742).
- During that time, revenue from Fines, Forfeitures & Franchise Taxes has gone up 49% (or by \$70,697).
- During that time, Other revenue has gone down 85% (or by -\$1,174,207).

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

Cleveland County Per Capita Minor Sources of Revenue, 1999-2017

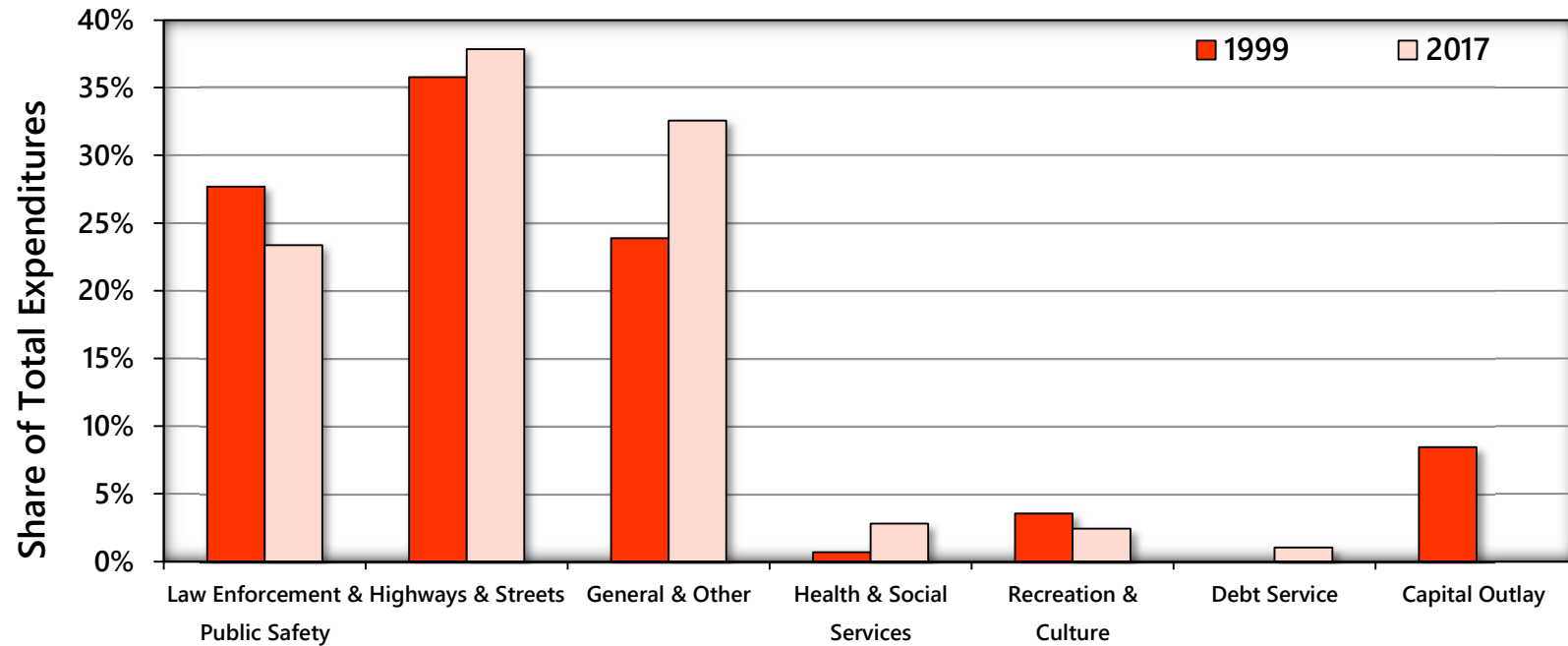


- From 2007 to 2017, per capita revenue from Officers, Jail and 911 fees in Cleveland County has gone up 95% (or by \$11).
- During that time, per capita revenue from Commissions and Taxes Apportioned went down 20% (or by -\$8).
- During that time, per capita revenue from Fines, Forfeitures & Franchise Taxes went up 62% (or by \$10).
- During that time, Other per capita revenue went down 84% (or by -\$130).

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

Expenditures

Cleveland County Expenditures for Services Provided, 1999-2017

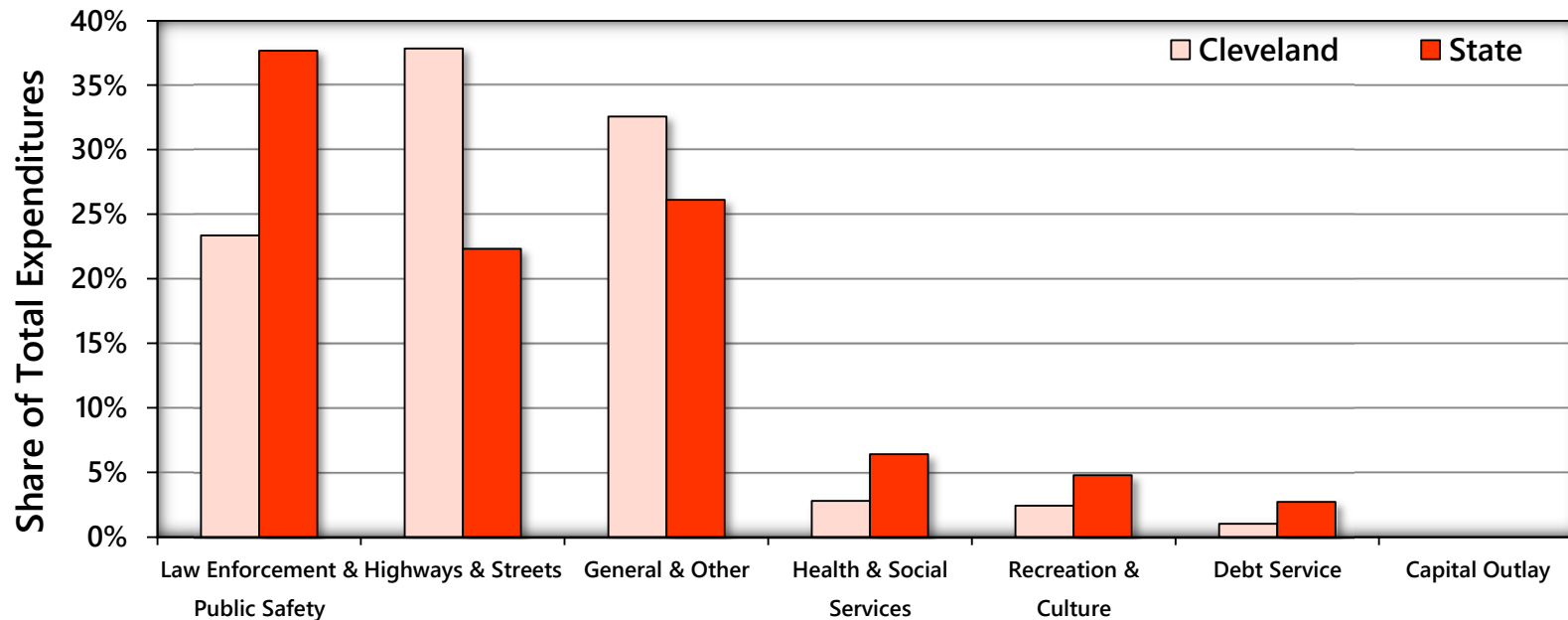


- The share of total expenditures going towards Law Enforcement and Public Safety in Cleveland County has gone down 4 percentage points from 1999 to 2017.
- The share of total expenditures going towards Highways and Streets has gone up 2 percentage points during that time.

*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

Cleveland County Expenditure Shares Compared to State Average Shares, 2017

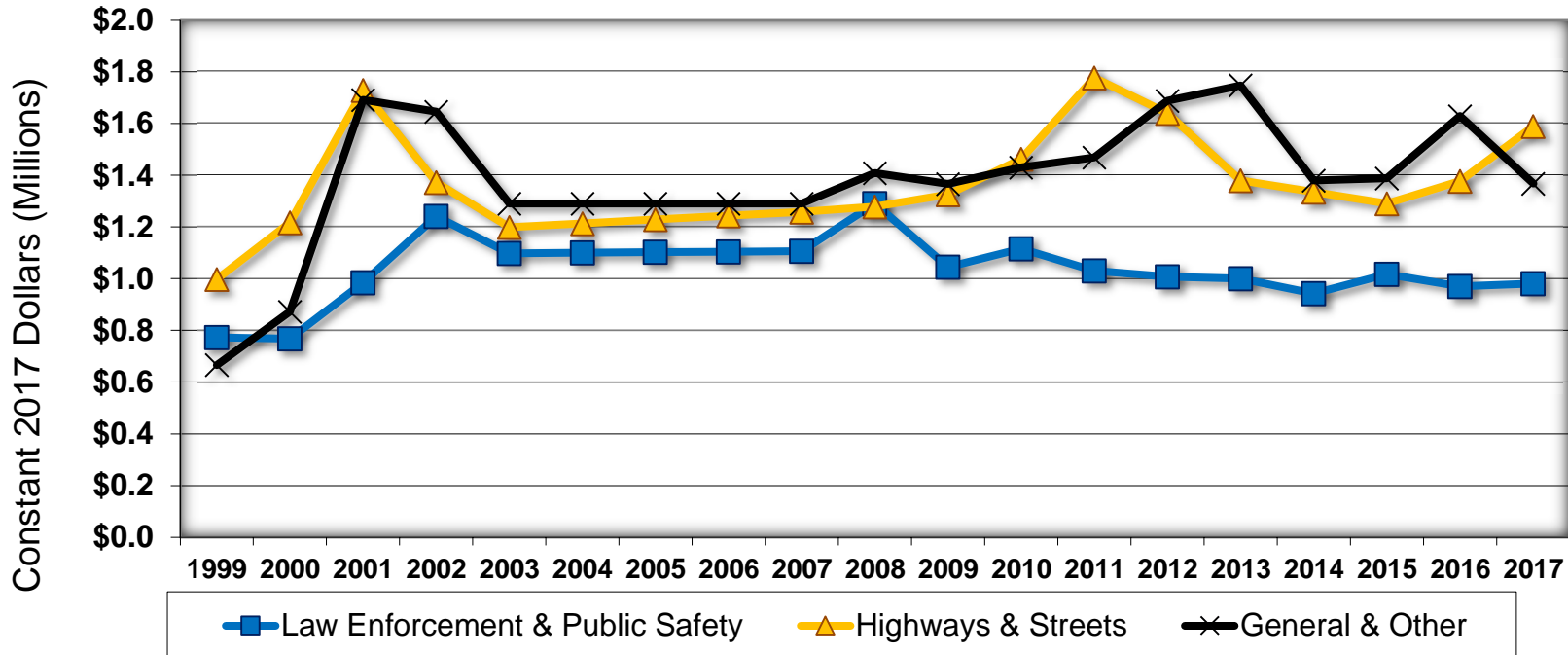


- The share of total expenditures going towards Law Enforcement and Public Safety is 15 percentage points lower in Cleveland County compared to the average for all counties in Arkansas.
- The share of total expenditures going towards Highways and Streets is 16 percentage points higher in Cleveland County compared to the average for all counties in Arkansas.

*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

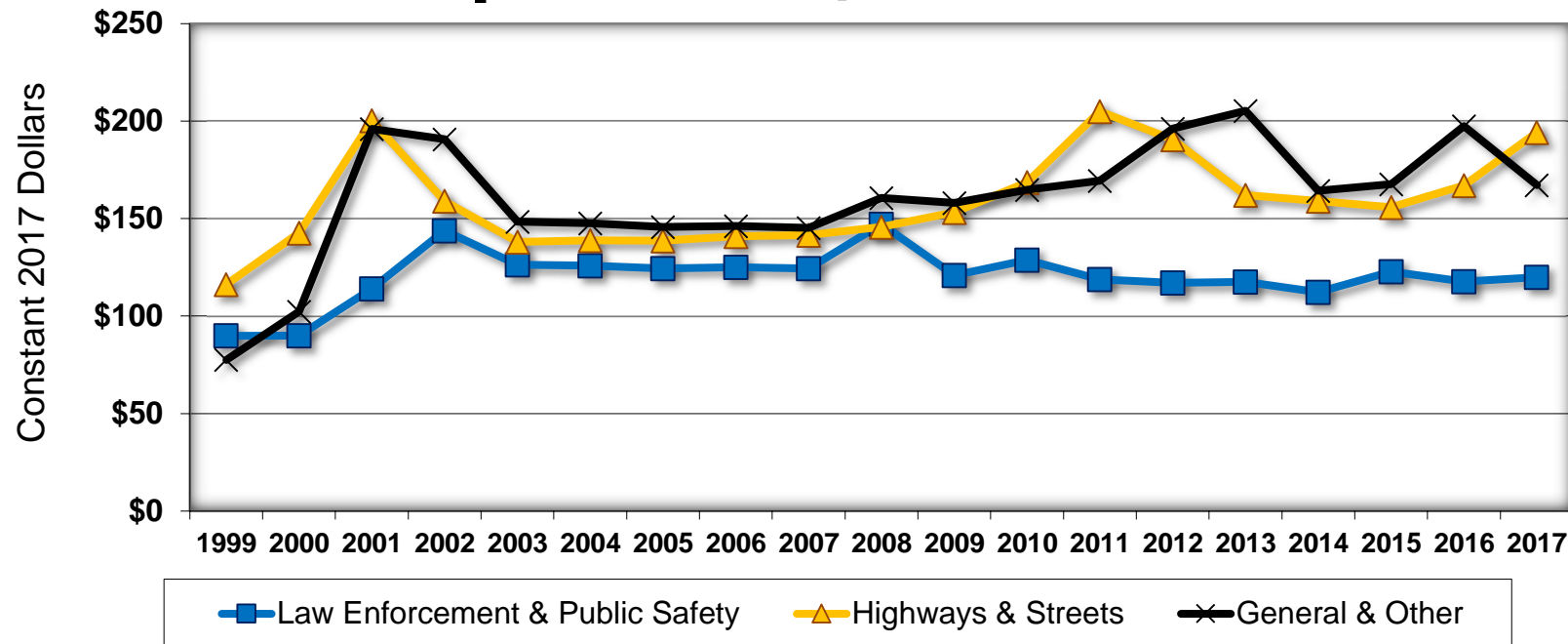
Cleveland County Major Category Expenditures, 1999-2017



- From 2007 to 2017, expenditures on Law Enforcement and Public Safety in Cleveland County have gone down 11% (or by -\$125,452).
- During that time, expenditures on Highways and Streets went up 26% (or by \$330,480).

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

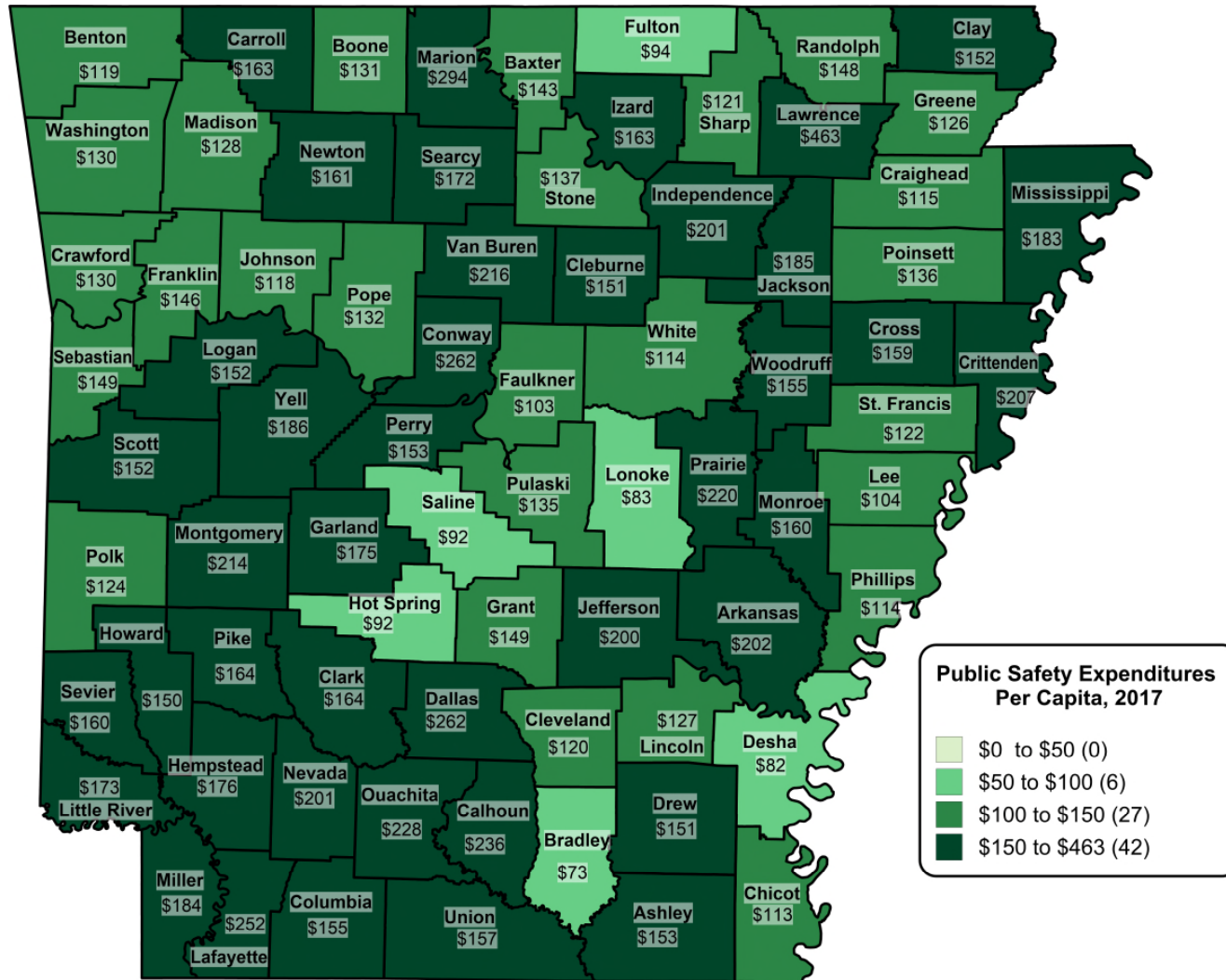
Cleveland County Per Capita Major Category Expenditures, 1999-2017



- From 2007 to 2017, per capita expenditures on Law Enforcement and Public Safety in Cleveland County have gone down 4% (or by -\$4).
- During that time, expenditures on Highways and Streets went up 37% (or by \$53).

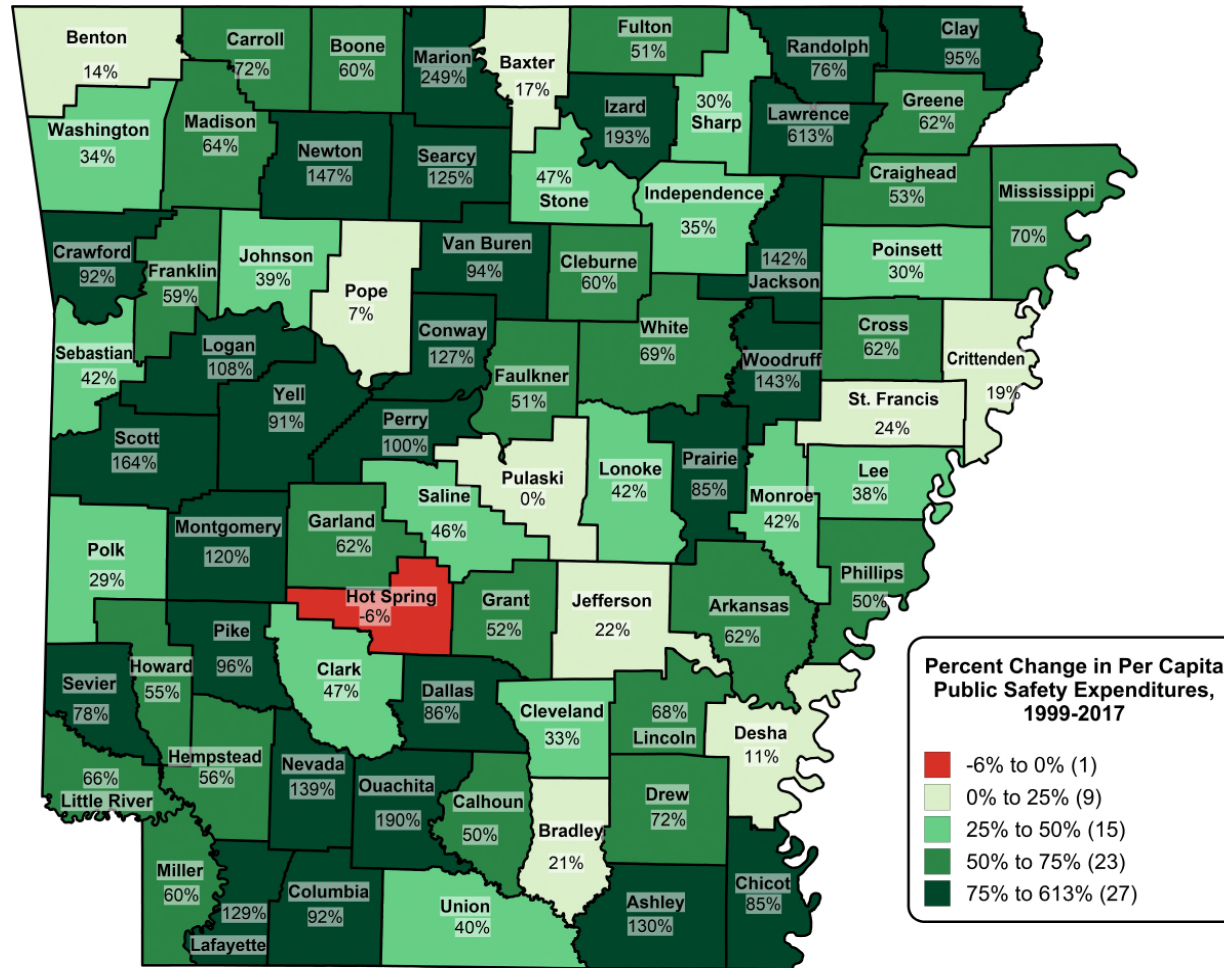
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

Per Capita Public Safety Expenditures, 2017



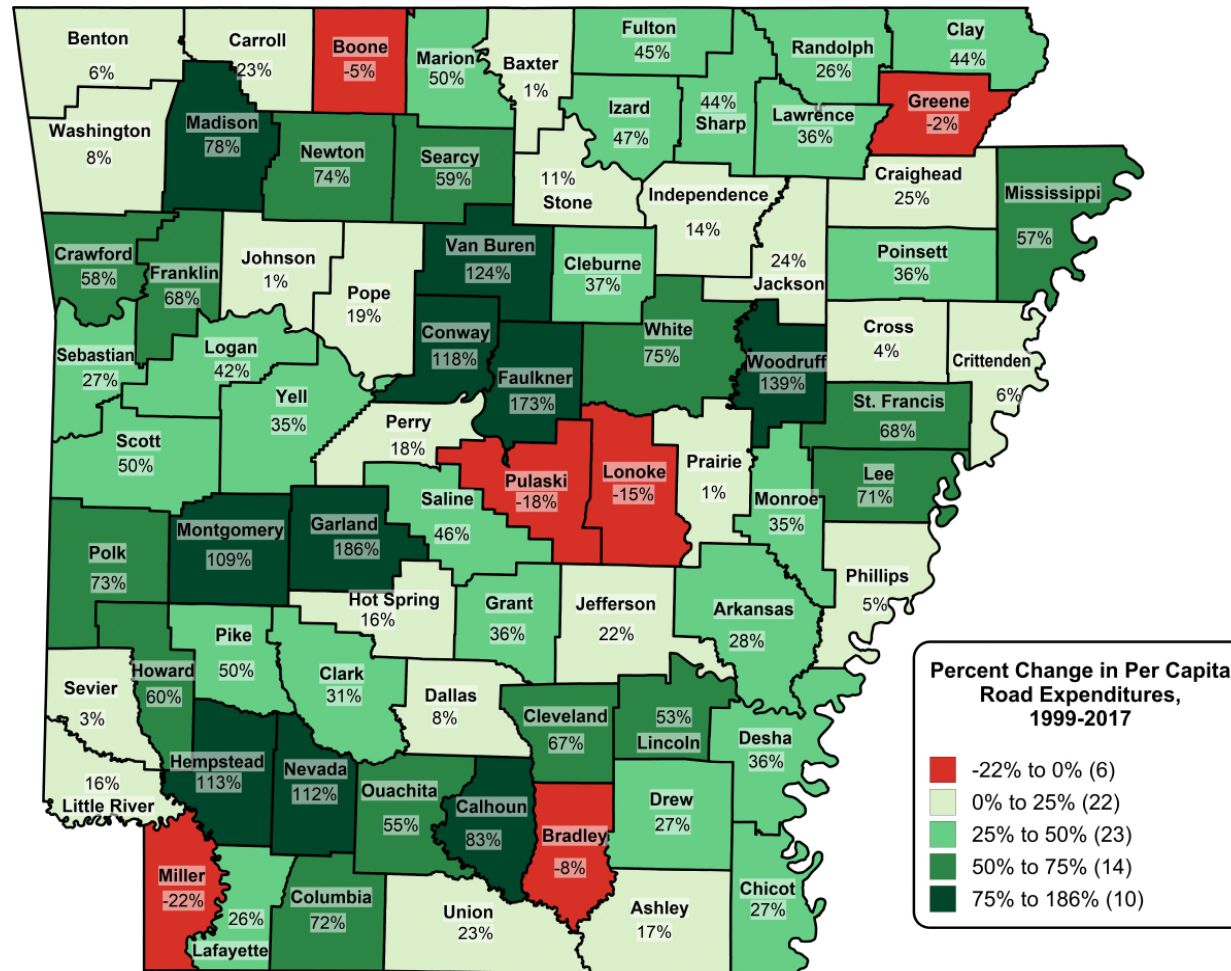
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit

Change in Per Capita Public Safety Expenditures, 1999-2017



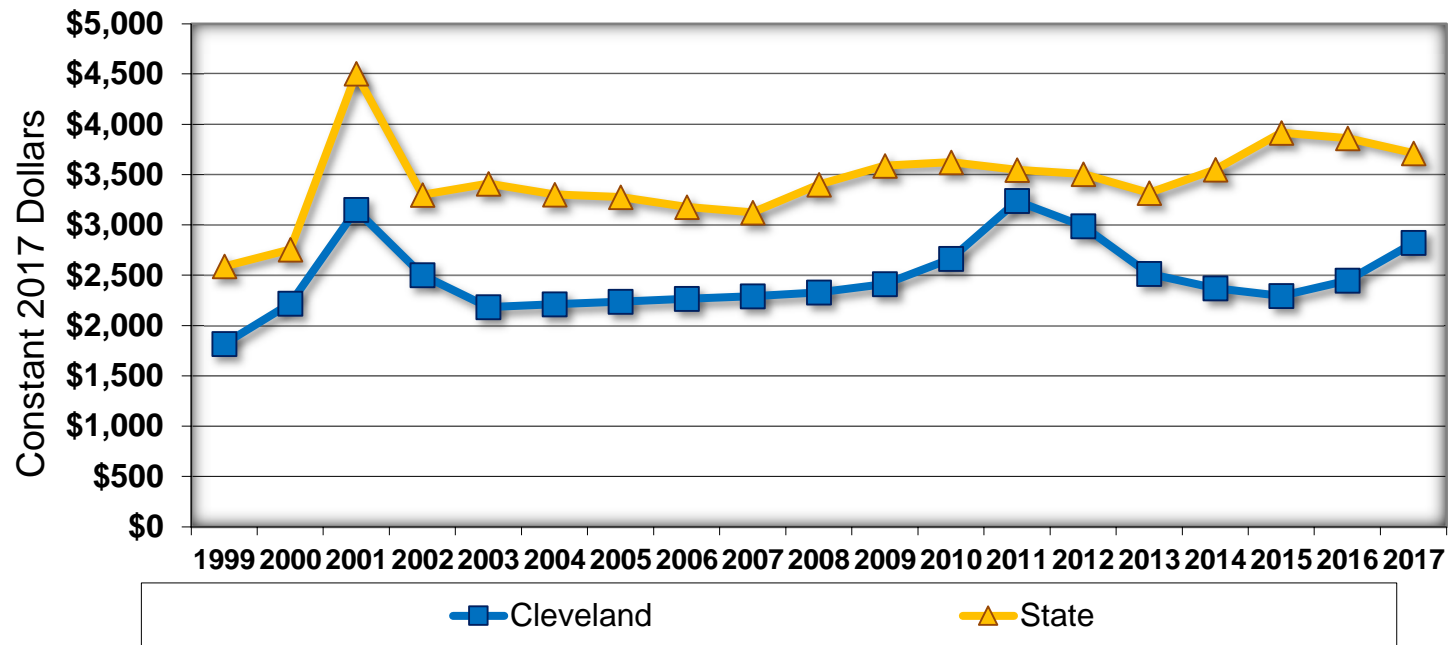
Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics

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

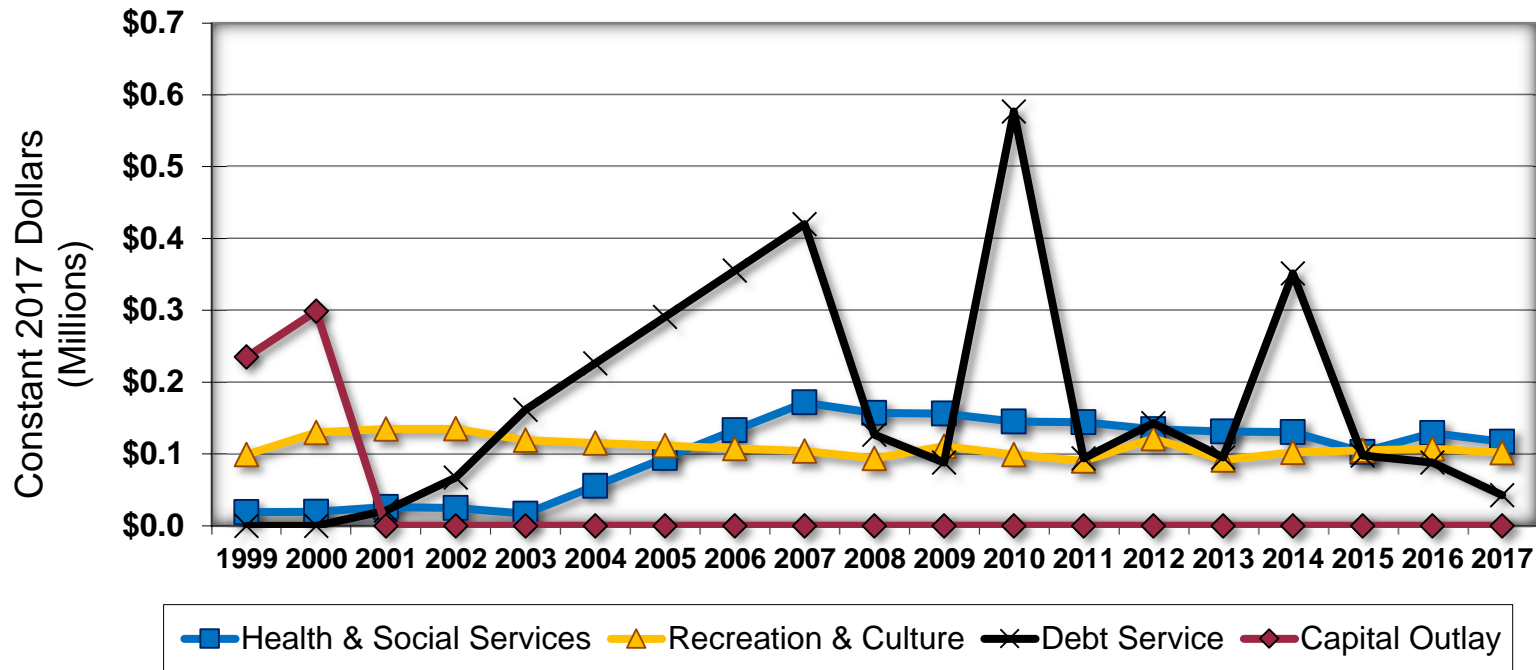
Cleveland County Road Expenditures Per County Road Mile, 1999-2017



- From 2007 to 2017, expenditures per county road mile in Cleveland County have gone up 23% (or by \$531) compared to 19% (or by \$594) for all counties in Arkansas.
- Cleveland County road expenditures in 2017 are less than the average for all Arkansas counties.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; Road & Street Report, Arkansas Highway and Transportation Department

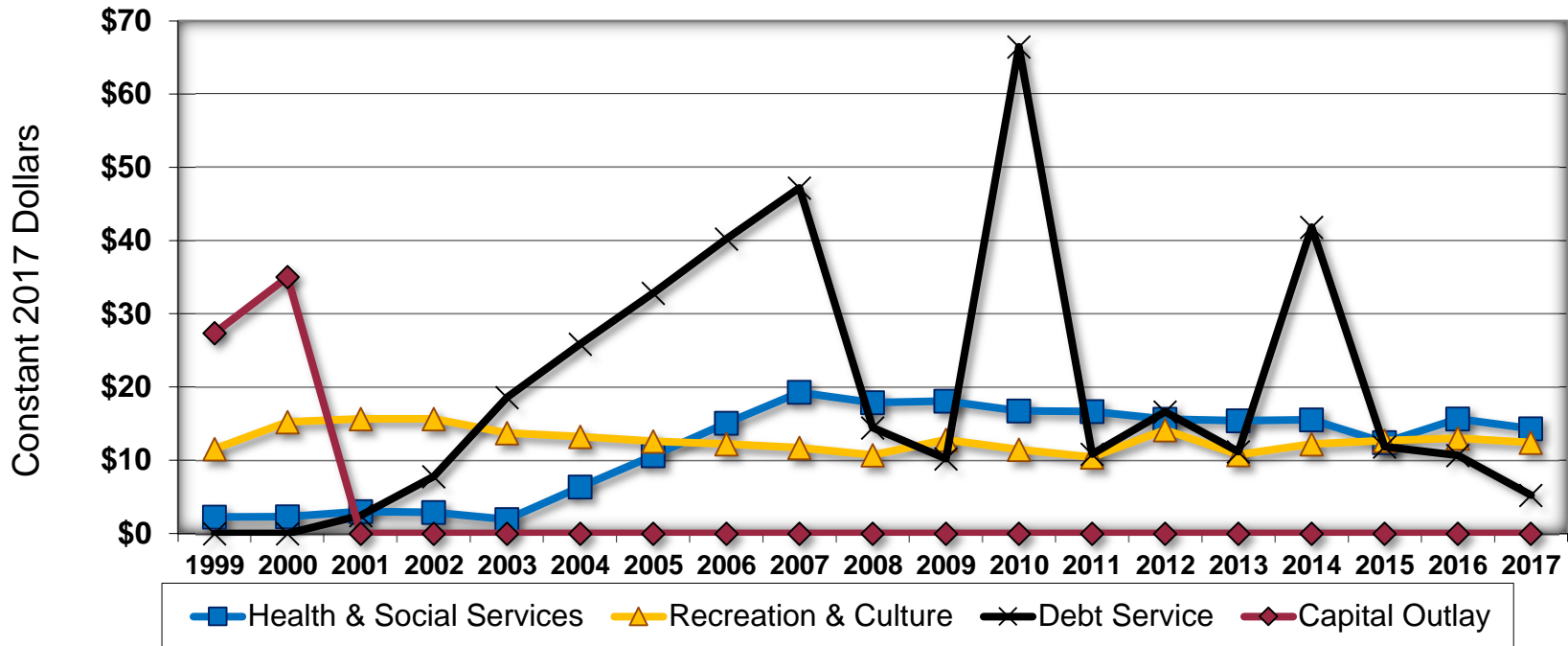
Cleveland County Minor Category Expenditures, 1999-2017



- From 2007 to 2017, expenditures on Health and Social Services in Cleveland County have gone down 32% (or by -\$54,477).
- During that time, expenditures on Recreation and Culture have gone down 2% (or by -\$2,285).
- During that time, expenditures on Debt Service have gone down 90% (by -\$377,101).

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

Cleveland County Per Capita Minor Expenditures, 1999-2017

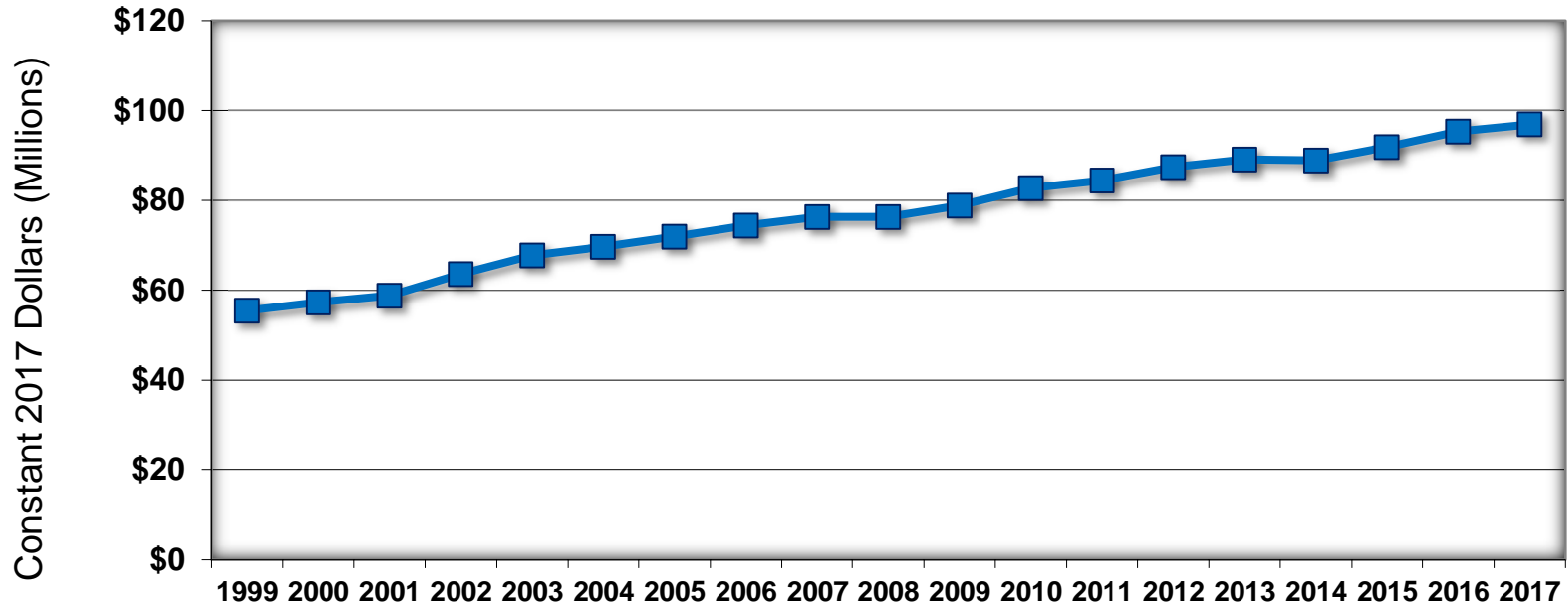


- From 2007 to 2017, per capita expenditures on Health and Social Services in Cleveland County have gone down 26% (or by -\$5).
- During that time, per capita expenditures on Recreation and Culture have gone up 6% (or by \$1).
- During that time, per capita expenditures on Debt Service have gone down 89% (or by -\$42).

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

Tax Base

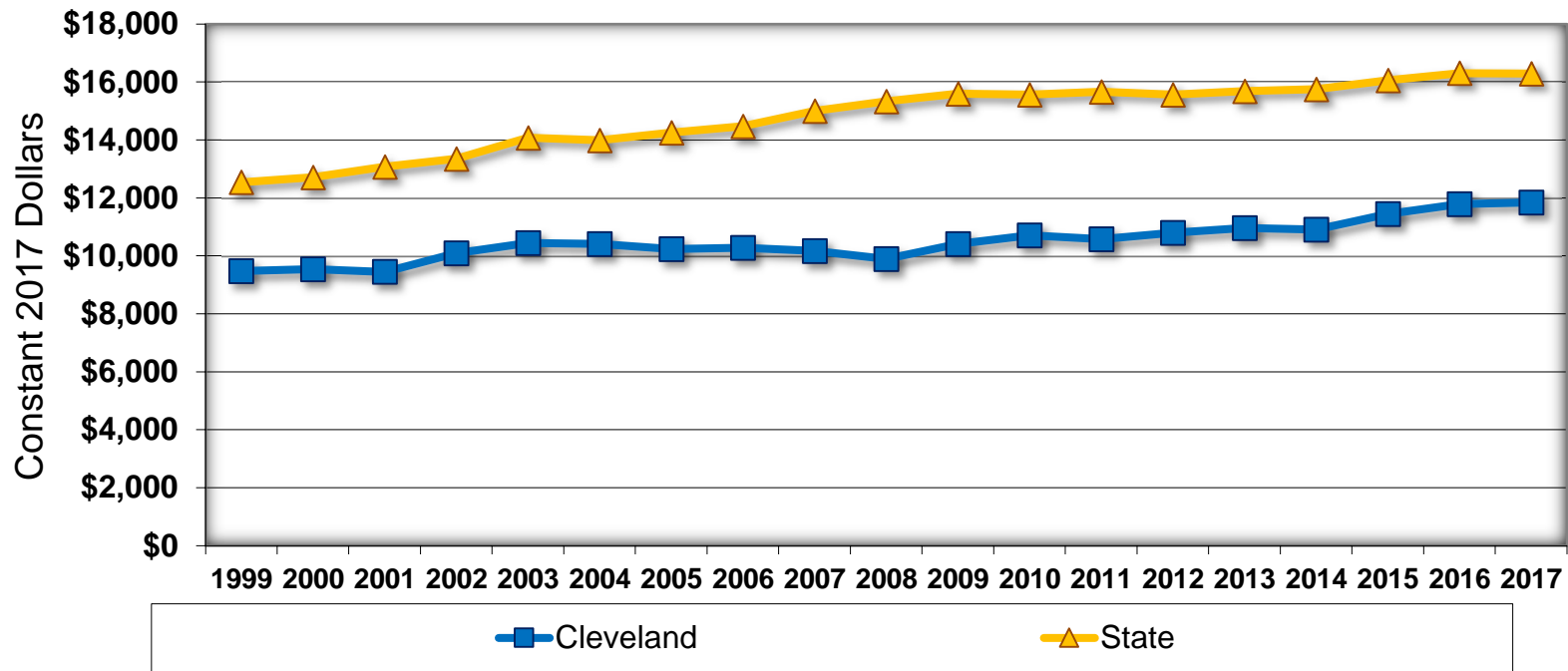
Cleveland County Total Property Assessments, 1999-2017



- From the beginning of the Great Recession in 2007 to 2017, Total Property Assessments in Cleveland County have gone up 27% (or by \$20,581,273).

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics

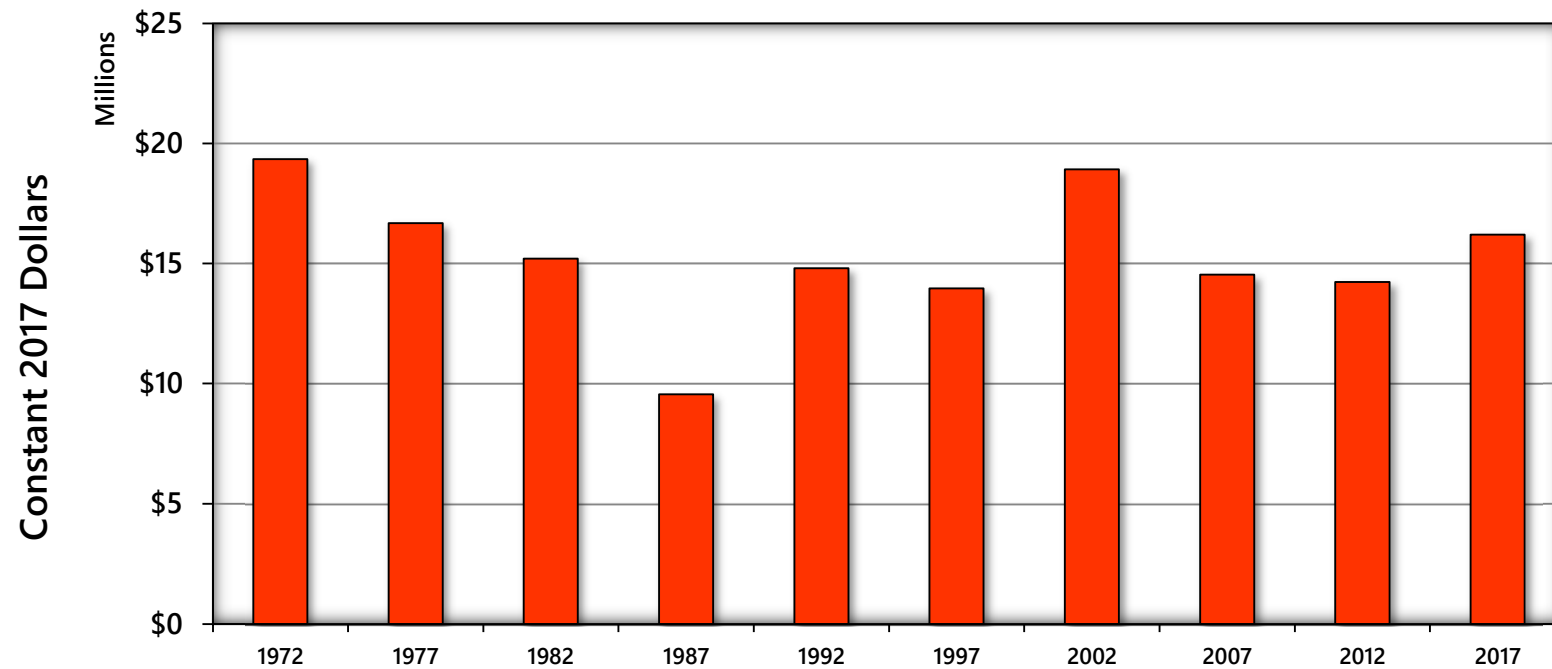
Cleveland County Per Capita Property Assessments, 1999-2017



- From 2007 to 2017, Property Assessments per capita in Cleveland County have gone up 16.5% (or by \$1,677) compared to up 9% (or by \$1,292) for all counties in Arkansas.
- Cleveland County per capita property tax assessments were less than the average for all counties in 2007 and the gap has narrowed since then.

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics; Population Estimates, U.S. Census Bureau

Cleveland County Total Retail Sales, 1972-2017

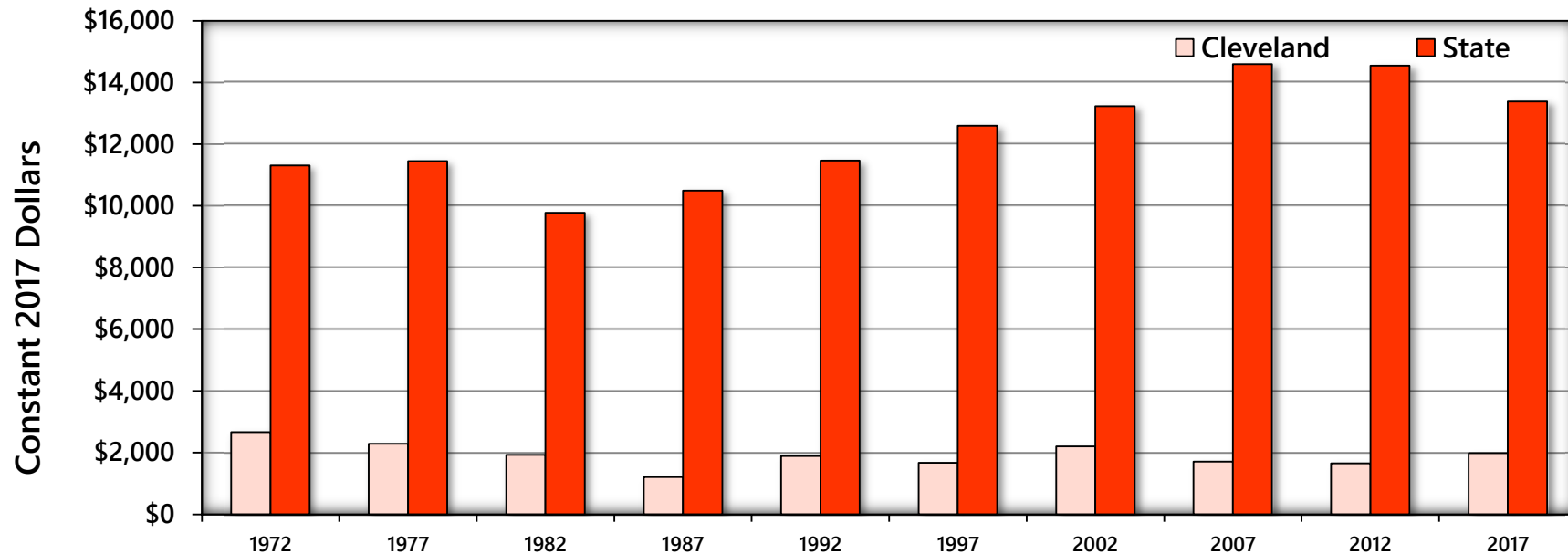


- From 2007 to 2017, Total Retail Sales in Cleveland County have gone up 11% (or by \$1,663,248).

*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

Cleveland County Per Capita Retail Sales, 1972-2017



- From 2007 to 2017, per capita Retail Sales in Cleveland County have gone up 16% (or by \$277).
- During that time, average per capita Retail Sales for all counties in Arkansas have gone down 8% (or by -\$1,211).

*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

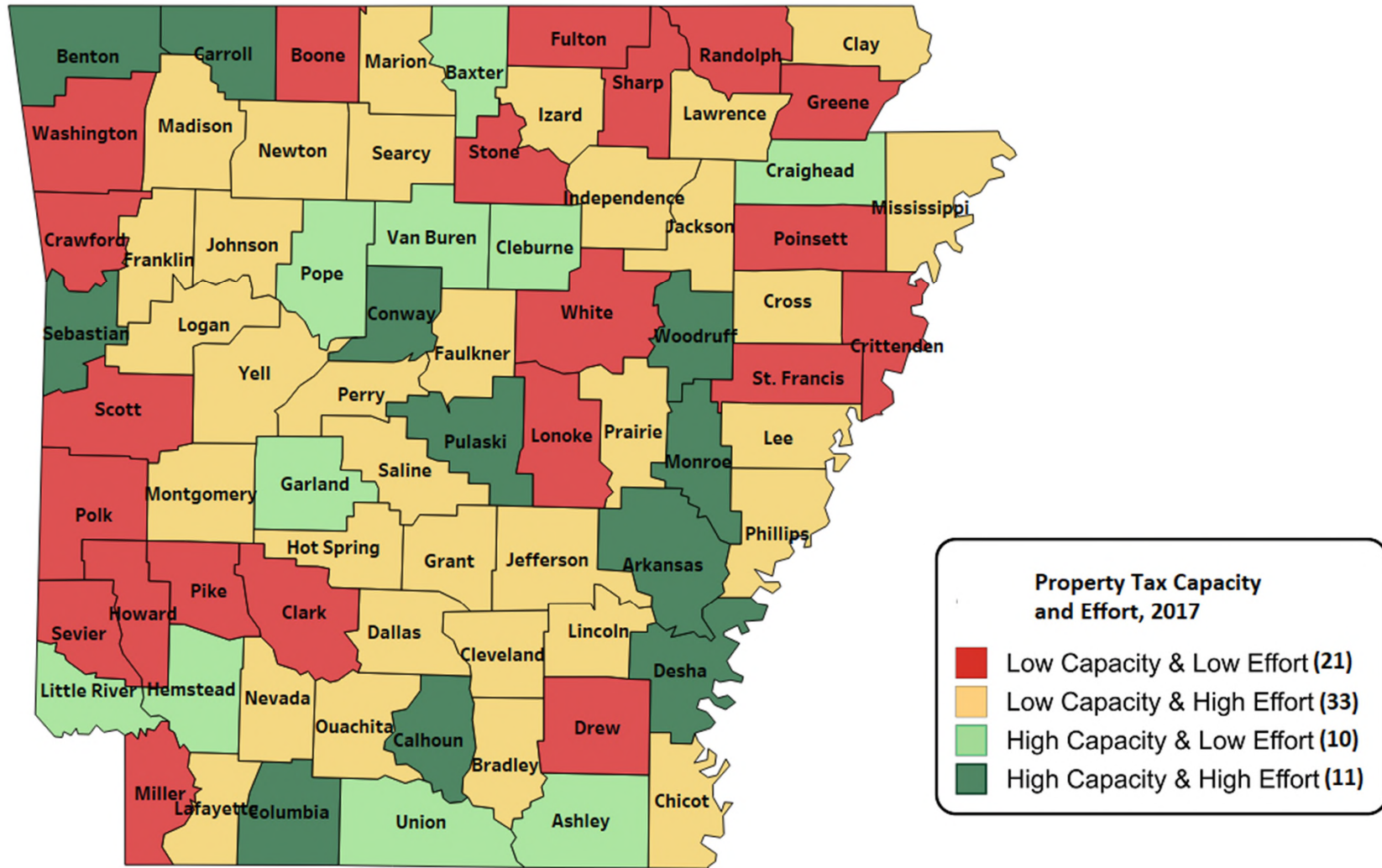
Capacity:

- 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



Sales Tax Capacity and Effort

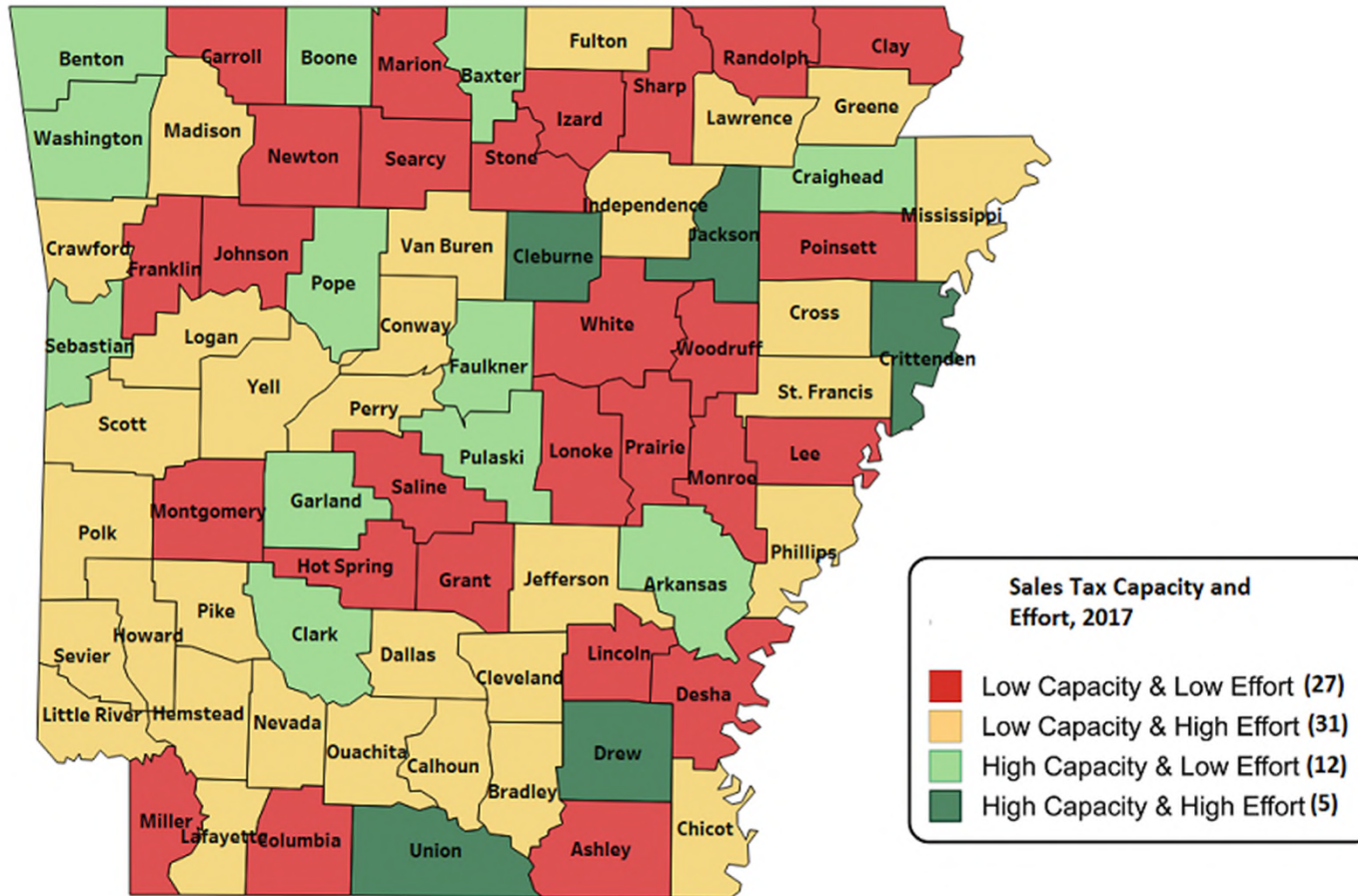
Capacity:

- 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, 2017



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 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:

Leslie Walz, County Staff Chair, 870-325-6321

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Dictionary Instructions

Important terms used in the presentation are now included in a dictionary which can only be accessed when delivering the PowerPoint presentation.

During the presentation, when new terminology is **introduced**, a picture of a red dictionary will appear in the bottom right-hand corner of the slide show. Simply click the image to visit the dictionary page.

When you are done looking over the terminology on the slide, click on the return icon and you will be taken back to the previous slide.



Return to...



Dictionary, Slide 11

Total Revenue: total revenue received by the county government in a given year.

Total revenue is the sum of seven categories of county government revenue. The three major sources of revenue are intergovernmental revenue, property tax revenue, sales tax revenue. The four minor revenue sources are commissions and taxes apportioned; fines, forfeitures and franchise taxes; officers, jail and 911 fees; and other revenue.

Total expenditures: total county government spending in a given year.

Total expenditures are the sum of seven categories of county government spending. The three major category expenditures are law enforcement and public safety; highways and streets; and general and other spending. The four minor spending categories are health and social services; recreation and culture; capital outlay; and debt service.

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Dictionary, Slide 14

Total Revenue per Capita: total revenue received by the county government per person in the county.

Total expenditures per Capita: total expenditures of the county government per person in the county.

A total value can be converted to a per capita measure using the formula below:

$$\text{Per Capita} = \text{Total} \div \text{Population}$$

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Dictionary, Slide 18 - Part 1

Intergovernmental Revenue: all revenue received by the county government from state and federal sources.

Property Tax Revenue: total revenue received by the county government from taxes levied on real and personal property.

Sales Tax Revenue: total revenue from sales taxes levied by the county government.

Definitions of officers, jail & 911 fees, commissions & taxes apportioned, fines, forfeitures & franchise taxes; and other revenue on the next slide.

*Go to Dictionary, Slide
18 – Part 2*



Return to slide 18



Dictionary, Slide 18 - Part 2

Officers, Jail & 911 Fees: revenue from 911 surcharges, ambulance fees, city contributions for 911 dispatch fees, dispatch salary reimbursement, emergency service fees, inmate fees, jail telephone commissions, prisoner care and law enforcement services.

Commissions & Taxes Apportioned: commissions earned by the county treasurer and county collector and tax revenue allocated to the county assessor.

Fines, Forfeitures & Franchise taxes: revenue collected from fines and property forfeitures as well as revenue paid by businesses for operating in the county.

Other Revenue: monies collected from fines and forfeitures paid to municipal courts, court costs, investment income, sanitation fees, recyclables, donations, and other miscellaneous revenue.

*Go to Dictionary, Slide
18 – Part 1*



Return to slide 18



Dictionary, Slide 31 - Part 1

Law enforcement & public safety: county government spending for law enforcement, jails and other related services.

Highways & Streets: county government spending for county roads and bridges.

General & Other: total spending for miscellaneous county government expenses. This includes, but is not limited to: airports, rural water/water projects, hydroelectric projects, community and economic development, and industrial development.

Definitions of health & social services, recreation & culture, capital outlay, and debt service are provided on the next slide.

*Go to Dictionary, Slide
31 – Part 2*



Return to slide 31



Dictionary, Slide 31 - Part 2

Health & social services: county government spending for health and social services.

Recreation & culture: county government spending for parks, community centers, libraries, and other similar services.

Capital outlay: money spent by the county government to acquire, repair, maintain and improve fixed assets (machinery, land and facilities).

Debt service: money spent by the county government on lease principal and interest, bond principal and interest, and credit principal and interest payments.

*Go to Dictionary, Slide
31 – Part 1*



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Dictionary, Slide 43

Total Property Assessments: the total assessed value of property in the county. This is the tax base on which property tax revenue is generated.

Assessable property in Arkansas includes:

1. Real estate property
2. Personal property
3. Public utility and carrier property
4. Mineral property
5. Agricultural property
6. Forestry property

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Dictionary, Slide 45

Total Retail Sales: total sales by all retail establishments in the county. The U.S. Census Bureau defines retail establishments as follows:

“The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and non[-]store retailers.”

Retail sales in a proxy for the sales tax base on which sales tax revenue is generated.

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Appendix, Slide

Word: this is a template

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