

Highlights of State and Federal Revenue Received by County Governments in Arkansas, 1999-2014¹

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Overview

Intergovernmental revenue from state and federal governments is vitally important to county governments in Arkansas. In fact, it was the largest source of revenue for 42 of Arkansas' 75 counties in 2014. Counties that depend heavily on intergovernmental transfers are greatly affected by changes in the level of funding. Without revenue from state and federal governments, some counties would be forced to raise tax rates to extremely high levels or eliminate services.

This fact sheet highlights some of the findings of the study of state and federal government transfers to county governments in Arkansas. The study identifies revenue trends over a 15-year period (1999-2014) and compares intergovernmental transfers across counties based on two classification schemes:

- 1) Metro (urban) versus non-metro (rural)
- 2) Regions: Urban and three rural regions – Coastal Plains, Delta and Highlands

Total Intergovernmental Revenue

Total intergovernmental revenue fluctuates from year to year due to the allocation of major project funding and the amount of disaster assistance provided. However, more important than the year-to-year fluctuations is the difference in the amount and reliance on intergovernmental revenue among counties.

- Despite a steady decline from 2008 to 2012, total intergovernmental revenue still grew 27% overall, from \$207.3 million in 1999 to \$263.9 million in 2014.²
- Total intergovernmental revenue was greatest in 2001 (\$285.8 million), when an ice storm damaged local infrastructure, resulting in increased federal aid for many counties in Arkansas.
- Only 10 counties in Arkansas saw total intergovernmental revenue decrease between 1999 and 2014, with the largest growth in Saline County (231%) and the largest decline (50%) in Pulaski County.

Federal Intergovernmental Revenue

Counties may receive federal transfers from revenue generated by federal forest resources and the sale or lease of public domain lands in the county, as well as for special projects and disaster relief. While intergovernmental transfers from the federal government are typically less than those received from the state, they still comprise a significant portion of a county's total revenue. The reasons for major federal transfers vary and are unpredictable, which makes it difficult to forecast future federal transfers.

- In contrast to state intergovernmental revenue, federal transfers to county governments fluctuate greatly from year-to-year and among counties. Between 1999 and 2014, intergovernmental revenue

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¹The full report, MP516, *State and Federal Revenue Received by County Governments in Arkansas, 1999-2014*, is available online at <http://www.uaex.uada.edu/business-communities/government-policy/local-government-finance.aspx>

²All dollar values are reported in 2014 constant (real) dollars unless otherwise specified. The South Urban (SU) consumer price index (CPI) was used to adjust revenues for inflation.

- Total federal transfers received by counties in Arkansas grew 53% during the 15-year period, from \$27.5 million in 1999 to \$42.1 million in 2014. The share of total county government revenue from federal intergovernmental transfers increased slightly, from 3% in 1999 to 4% in 2014 (Figure 1).

Year	State (%)	Federal (%)	Total (%)
1999	22.5	3.5	26.0
2000	21.5	3.5	25.0
2001	22.5	10.0	32.5
2002	23.5	3.5	27.0
2003	21.5	5.5	27.0
2004	20.5	5.5	26.0
2005	20.0	5.5	25.5
2006	19.5	4.0	23.5
2007	19.5	3.0	22.5
2008	18.5	6.5	25.0
2009	17.5	7.0	24.5
2010	18.0	6.5	24.5
2011	17.5	7.0	24.5
2012	17.5	4.5	22.0
2013	18.5	3.5	22.0
2014	20.5	4.0	24.5

State transfers to county governments come from several sources: state general turnback, highways revenue turnback, state aid to road funds, severance taxes collected by the state, forest reserves and proceeds from the sale of forfeited land, sale or lease of public property and community block grants.

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- Percent Change in State Intergovernmental Revenue, 1999-2014**
- 84% to -45%
 - 45% to 0%
 - 0% to 50%
 - 50% to 178%
 - 178% to 269%
- Map data (County Name, Percent Change):
- | County | Percent Change |
|--------------|----------------|
| Benton | 4% |
| Carroll | 20% |
| Boone | -8% |
| Marion | -33% |
| Fulton | 197% |
| Clay | 33% |
| Washington | -29% |
| Madison | -58% |
| Newton | -81% |
| Searcy | -12% |
| Baxter | -15% |
| Randolph | -79% |
| Greene | 71% |
| Lawrence | 21% |
| Independence | 78% |
| Stone | 4% |
| Sharp | -18% |
| Craighead | 156% |
| Mississippi | -86% |
| Crawford | 269% |
| Franklin | 145% |
| Johnson | 12% |
| Pope | -54% |
| Van Buren | -33% |
| Cleburne | 112% |
| Poinsett | -84% |
| Logan | 17% |
| Conway | 236% |
| Faulkner | 190% |
| White | -16% |
| Jackson | 39% |
| Sebastian | 4% |
| Yell | 6% |
| Woodruff | 27% |
| Cross | 198% |
| Crittenden | 237% |
| Scott | -79% |
| Perry | -52% |
| Pike | -82% |
| St. Francis | -67% |
| Lee | 53% |
| Polk | -53% |
| Montgomery | -58% |
| Garland | 211% |
| Saline | 48% |
| Pitkin | -77% |
| Lonoke | 36% |
| Prairie | -81% |
| Monroe | -58% |
| Phillips | -80% |
| Howard | 59% |
| Hot Spring | 78% |
| Grant | 256% |
| Jefferson | 13% |
| Arkansas | 8% |
| Savner | -1% |
| Pike | -82% |
| Clark | 15% |
| Dallas | 177% |
| Cleveland | 138% |
| Lincoln | 43% |
| Desha | 104% |
| Little River | 47% |
| Hempstead | 50% |
| Nevada | -74% |
| Quachita | -61% |
| Calhoun | 18% |
| Bradley | -17% |
| Miller | -53% |
| Columbia | 268% |
| Union | 5% |
| Ashley | -10% |
| Chicot | -2% |
| Orew | 111% |
| Lafayette | 24% |

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