



Comparison of County Government Finances Among Different Size Counties

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County officers annually go through the general fund budget process and decide how limited funds will be allocated among numerous county services. Budgeting can be a stressful process and county officials often search for guidelines and information that is helpful to them. A common practice is to compare one county to other counties of similar size (in terms of population and/or taxable value). Revenue and expenditure data for each county in Oklahoma is published annually by the Oklahoma Cooperative Extension Service.¹ These data allow one to one county comparisons. However, little information has been published that examines county revenues and expenditures by size groups. This report provides a stratification of county revenues and expenditures by two size variables: (1) population and (2) net assessed (taxable) value. This information will aid comparison and contrast of counties, especially at budget time.

Stratification or dividing the state's counties into size groups is necessary because of the wide range of population sizes and the economic and geographic diversity encountered across Oklahoma. In this report, two methods are used to group counties: (1) population and (2) net assessed value. Tulsa and Oklahoma Counties are by far the most populous and the wealthiest in terms of total assessed value. These distinctions make them unique in comparison to the other seventy-five counties. Because of the great difference that exists, this report excludes Tulsa and Oklahoma Counties.

County Rankings

Table 1 ranks the remaining seventy-five counties in order of increasing population size. The 1997 assessed value (1998 Fiscal Year) is also shown in the table. Table 2 ranks these seventy-five counties in order of increasing assessed value. Each county's population is also presented. It is interesting to compare a county's

place in Table 1 with its place in Table 2. For example, Harmon County has the next to smallest population (Table 1) and has the smallest net assessed value (Table 2). On the other hand, Cimarron County has the smallest population but is listed twelfth in Table 2. One could surmise from this that Harmon County has a relatively small number of people and a relatively small tax base. Cimarron County has relatively few people but relatively more assessed value per person. Beaver County is even more pronounced in this regard. Beaver is ranked eighth in population, but is ranked thirty-ninth in assessed value. Generally speaking, the greater the tax base (assessed value) per capita, the easier it is for county government services to be provided at adequate levels and quality to the citizens.

Since the ad valorem tax is so important in financing county government, counties with larger assessed valuations, especially valuation per capita, can more easily finance county government services. Counties with smaller assessed values and smaller populations will tend to have a heavier tax burden per person even when minimal levels of county services are provided. Tables 3-8 support these assertions.

Stratification

Stratification of counties was performed in such a way as to have several counties in each group and to make the groups cover a reasonably similar range of population or assessed value. Four population groups were selected: (1) Group I – populations up to 9,000; (2) Group II – populations of 9,000 to 15,000; (3) Group III – populations of 15,000 to 40,000; and, (4) Group IV – populations of 40,000 to 200,000. For assessed value, five groups were selected: (1) Group I – assessed values of up to \$35 million; (2) Group II – \$35 to \$70 million; (3) Group III – assessed values \$70 to \$105 million; (4) Group IV – \$105 to \$170 million; and, (5) Group V – \$170 million to \$700 million. Tables 3-8 show the average amounts of several revenue and expenditure categories for the seventy-five counties altogether and

¹ "Abstract of the General Fund for Counties in Oklahoma" and "Oklahoma Ad Valorem Mill Levies."

Table 1. 1998 Fiscal Year County Population and Net Assessed Value in Order of Ascending Population

| # | County | 1997 Pop. | Jan. 1, 1997 Assessed Value | Assessed Value Per Capita | # | County | 1997 Pop. | Jan. 1, 1997 Assessed Value | Assessed Value per Capita |
|----|-------------|-----------|-----------------------------|---------------------------|----|--------------|-----------|-----------------------------|---------------------------|
| 1 | Cimarron | 3,082 | 33,057,878 | 10,726 | 39 | McIntosh | 18,798 | 53,317,709 | 2,836 |
| 2 | Harmon | 3,473 | 16,178,209 | 4,658 | 40 | Adair | 20,112 | 52,503,137 | 2,611 |
| 3 | Roger Mills | 3,602 | 42,086,845 | 11,684 | 41 | Seminole | 25,018 | 85,439,195 | 3,415 |
| 4 | Harper | 3,620 | 40,118,206 | 11,082 | 42 | Custer | 25,788 | 110,660,953 | 4,291 |
| 5 | Ellis | 4,223 | 33,683,006 | 7,976 | 43 | McClain | 25,816 | 75,663,153 | 2,931 |
| 6 | Dewey | 5,038 | 34,922,692 | 6,932 | 44 | Garvin | 27,016 | 90,223,916 | 3,340 |
| 7 | Grant | 5,399 | 63,697,321 | 11,798 | 45 | Jackson | 28,712 | 91,716,168 | 3,194 |
| 8 | Beaver | 5,981 | 80,971,283 | 13,538 | 46 | Ottawa | 30,581 | 72,670,778 | 2,376 |
| 9 | Alfalfa | 6,056 | 44,326,921 | 7,320 | 47 | Logan | 30,607 | 104,538,373 | 3,416 |
| 10 | Coal | 6,058 | 28,518,491 | 4,708 | 48 | Caddo | 30,931 | 101,394,718 | 3,278 |
| 11 | Greer | 6,377 | 22,394,038 | 3,512 | 49 | Lincoln | 31,083 | 89,089,241 | 2,866 |
| 12 | Jefferson | 6,669 | 25,566,458 | 3,834 | 50 | Delaware | 33,879 | 136,488,464 | 4,029 |
| 13 | Cotton | 6,691 | 23,652,608 | 3,535 | 51 | Bryan | 34,183 | 88,525,164 | 2,590 |
| 14 | Major | 7,772 | 48,353,657 | 6,222 | 52 | McCurtain | 34,435 | 111,706,610 | 3,244 |
| 15 | Woods | 8,251 | 57,351,387 | 6,951 | 53 | Pontotoc | 34,809 | 102,054,292 | 2,932 |
| 16 | Love | 8,596 | 25,280,603 | 2,941 | 54 | Sequoyah | 36,882 | 87,227,368 | 2,365 |
| 17 | Tillman | 9,656 | 34,344,202 | 3,557 | 55 | Mayes | 37,074 | 120,420,727 | 3,248 |
| 18 | Nowata | 9,902 | 29,815,662 | 3,011 | 56 | Oklmulgee | 38,193 | 90,231,745 | 2,363 |
| 19 | Johnston | 10,270 | 33,698,111 | 3,281 | 57 | Cherokee | 38,295 | 76,942,263 | 2,009 |
| 20 | Latimer | 10,285 | 41,620,791 | 4,047 | 58 | Osage | 42,514 | 133,006,066 | 3,129 |
| 21 | Blaine | 10,590 | 53,519,371 | 5,054 | 59 | Pittsburg | 43,196 | 125,210,335 | 2,899 |
| 22 | Kiowa | 10,827 | 42,374,155 | 3,914 | 60 | Stephens | 43,605 | 123,907,203 | 2,842 |
| 23 | Noble | 11,246 | 103,856,349 | 9,235 | 61 | Carter | 44,120 | 186,243,138 | 4,221 |
| 24 | Okfuskee | 11,269 | 36,325,942 | 3,224 | 62 | Grady | 45,403 | 151,270,634 | 3,332 |
| 25 | Haskell | 11,388 | 29,799,077 | 2,617 | 63 | Le Flore | 46,486 | 145,614,991 | 3,132 |
| 26 | Pushmataha | 11,506 | 26,927,851 | 2,340 | 64 | Kay | 46,837 | 215,902,594 | 4,610 |
| 27 | Washita | 11,686 | 50,563,721 | 4,327 | 65 | Washington | 47,406 | 183,023,287 | 3,861 |
| 28 | Marshall | 12,045 | 39,755,068 | 3,301 | 66 | Wagoner | 54,203 | 151,997,465 | 2,804 |
| 29 | Murray | 12,367 | 31,117,177 | 2,516 | 67 | Garfield | 56,699 | 223,602,672 | 3,944 |
| 30 | Hughes | 13,101 | 52,637,971 | 4,018 | 68 | Pottawatomie | 61,859 | 173,378,550 | 2,803 |
| 31 | Atoka | 13,335 | 34,870,561 | 2,615 | 69 | Payne | 64,272 | 201,667,397 | 3,138 |
| 32 | Kingfisher | 13,480 | 82,392,637 | 6,112 | 70 | Rogers | 65,654 | 316,636,199 | 4,823 |
| 33 | Craig | 14,442 | 52,527,042 | 3,637 | 71 | Creek | 66,129 | 209,042,585 | 3,161 |
| 34 | Choctaw | 15,256 | 32,136,634 | 2,106 | 72 | Muskogee | 69,375 | 301,487,636 | 4,346 |
| 35 | Pawnee | 16,207 | 49,405,750 | 3,048 | 73 | Canadian | 84,670 | 332,635,244 | 3,929 |
| 36 | Texas | 18,081 | 137,182,619 | 7,587 | 74 | Comanche | 113,957 | 336,011,966 | 2,949 |
| 37 | Beckham | 18,555 | 77,577,105 | 4,181 | 75 | Cleveland | 197,164 | 624,237,994 | 3,166 |
| 38 | Woodward | 18,664 | 83,465,307 | 4,472 | | | | | |

for each stratification grouping. Tables 3-5 contain the averages for all counties and for each of the population groups. Tables 6-8 contain the averages for each of the assessed value groups. Tables 3 and 6 provide category averages of total funding and expenditures for each group, while Tables 5 and 8 provide per capita averages.

Population

Average cash surplus (carry-over), revenue streams, and expenditures for all 75 counties and for each of the four populations groups are shown in Table 3. Cash surplus plus total revenue equals the total dollars available for financing county general fund activities. Twelve specific expenditure activities are listed to show how funds were used. "Other Expenditures" includes all other expenditure accounts outside the twelve specifically listed. This includes accounts such as: "Charity," "Co. Audit," "Free Fair," "Civil Defense," "Co. Cemetery," "Food Stamps," and many others. End of Year Cash Surplus and population averages are also included in the table. Notice that the average population of each group is about one-half of the next larger group.

Table 4 shows each category of available funds and each expenditure as a percent of the respective totals in Table 3. That is, the contribution of each revenue source is shown as a percent of total funds for financing. Likewise, each expenditure account is shown as a percentage of total expenditures.

It is important to note that "Total Revenue" and "Total Funds for Financing" do not necessarily represent all funds available. Counties also have "Surplus Transferred," an item made up largely of back taxes (delinquent taxes) paid during the current fiscal year. Counties do not usually budget these funds. Because items like delinquent taxes are not included in the table, "Total Funds for Financing" minus "Total Expenditures" do not equal "End of Year Cash Surplus." As expected, Table 3 shows that, generally, the larger the population of a county, the larger its county government is in terms of revenue and expenditures. Notice that the averages for "Counties" (all seventy-five counties) are most similar to the averages in the 15,000 to 40,000 population group. For all groups, ad valorem revenues are clearly the greatest source of financing, varying from 30.48% of total funds for Group III to 43.87% of total funds for Group IV.

Table 2. 1998 Fiscal Year County Population and Net Assessed Value in Order of Ascending Assessed Valuation.

| # | County | 1997 Pop. | Jan. 1, 1997 Assessed Value | Assessed Value Per Capita | # | County | 1997 Pop. | Jan. 1, 1997 Assessed Value | Assessed Value per Capita |
|----|-------------|-----------|-----------------------------|---------------------------|----|--------------|-----------|-----------------------------|---------------------------|
| 1 | Harmon | 3,473 | 16,178,209 | 4,658 | 39 | Beaver | 5,981 | 80,971,283 | 13,538 |
| 2 | Greer | 6,377 | 22,394,038 | 3,512 | 40 | Kingfisher | 13,480 | 82,392,637 | 6,112 |
| 3 | Cotton | 6,691 | 23,652,608 | 3,535 | 41 | Woodward | 18,664 | 83,465,307 | 4,472 |
| 4 | Love | 8,596 | 25,280,603 | 2,941 | 42 | Seminole | 25,018 | 85,439,195 | 3,415 |
| 5 | Jefferson | 6,669 | 25,566,458 | 3,834 | 43 | Sequoyah | 36,882 | 87,227,368 | 2,365 |
| 6 | Pushmataha | 11,506 | 26,927,851 | 2,340 | 44 | Bryan | 34,183 | 88,525,164 | 2,590 |
| 7 | Coal | 6,058 | 28,518,491 | 4,708 | 45 | Lincoln | 31,083 | 89,089,241 | 2,866 |
| 8 | Haskell | 11,388 | 29,799,077 | 2,617 | 46 | Garvin | 27,016 | 90,223,916 | 3,340 |
| 9 | Nowata | 9,902 | 29,815,862 | 3,011 | 47 | Okmulgee | 38,193 | 90,231,745 | 2,363 |
| 10 | Murray | 12,367 | 31,117,177 | 2,516 | 48 | Jackson | 28,712 | 91,716,168 | 3,194 |
| 11 | Choctaw | 15,256 | 32,136,634 | 2,106 | 49 | Caddo | 30,931 | 101,394,718 | 3,278 |
| 12 | Cimarron | 3,082 | 33,057,878 | 10,726 | 50 | Pontotoc | 34,809 | 102,054,292 | 2,932 |
| 13 | Ellis | 4,223 | 33,683,006 | 7,976 | 51 | Noble | 11,246 | 103,856,349 | 9,235 |
| 14 | Johnston | 10,270 | 33,698,111 | 3,281 | 52 | Logan | 30,607 | 104,538,373 | 3,416 |
| 15 | Tillman | 9,656 | 34,344,202 | 3,557 | 53 | Custer | 25,788 | 110,660,953 | 4,291 |
| 16 | Atoka | 13,335 | 34,870,561 | 2,615 | 54 | McCurtain | 34,435 | 111,706,610 | 3,244 |
| 17 | Dewey | 5,038 | 34,922,692 | 6,932 | 55 | Mayes | 37,074 | 120,420,727 | 3,248 |
| 18 | Okfuskee | 11,269 | 36,325,942 | 3,224 | 56 | Stephens | 43,605 | 123,907,203 | 2,842 |
| 19 | Marshall | 12,045 | 39,755,068 | 3,301 | 57 | Pittsburg | 43,196 | 125,210,335 | 2,899 |
| 20 | Harper | 3,620 | 40,118,206 | 11,082 | 58 | Osage | 42,514 | 133,006,066 | 3,129 |
| 21 | Latimer | 10,285 | 41,620,791 | 4,047 | 59 | Delaware | 33,879 | 136,488,464 | 4,029 |
| 22 | Roger Mills | 3,602 | 42,086,845 | 11,684 | 60 | Texas | 18,081 | 137,182,619 | 7,587 |
| 23 | Kiowa | 10,827 | 42,374,155 | 3,914 | 61 | Le Flore | 46,486 | 145,614,991 | 3,132 |
| 24 | Alfalfa | 6,056 | 44,326,921 | 7,320 | 62 | Grady | 45,403 | 151,270,634 | 3,332 |
| 25 | Major | 7,772 | 48,353,657 | 6,222 | 63 | Wagoner | 54,203 | 151,997,465 | 2,804 |
| 26 | Pawnee | 16,207 | 49,405,750 | 3,048 | 64 | Pottawatomie | 61,859 | 173,378,550 | 2,803 |
| 27 | Washita | 11,686 | 50,563,721 | 4,327 | 65 | Washington | 47,406 | 183,023,287 | 3,881 |
| 28 | Adair | 20,112 | 52,503,137 | 2,611 | 66 | Carter | 44,120 | 186,243,138 | 4,221 |
| 29 | Craig | 14,442 | 52,527,042 | 3,637 | 67 | Payne | 64,272 | 201,667,397 | 3,138 |
| 30 | Hughes | 13,101 | 52,637,971 | 4,018 | 68 | Creek | 66,129 | 209,042,585 | 3,161 |
| 31 | McIntosh | 18,798 | 53,317,709 | 2,836 | 69 | Kay | 46,837 | 215,902,594 | 4,610 |
| 32 | Blaine | 10,590 | 53,519,371 | 5,054 | 70 | Garfield | 56,699 | 223,602,672 | 3,944 |
| 33 | Woods | 8,251 | 57,351,387 | 6,951 | 71 | Muskogee | 69,375 | 301,487,636 | 4,346 |
| 34 | Grant | 5,399 | 63,697,321 | 11,798 | 72 | Rogers | 65,654 | 316,636,199 | 4,823 |
| 35 | Ottawa | 30,581 | 72,670,778 | 2,376 | 73 | Canadian | 84,670 | 332,635,244 | 3,929 |
| 36 | McClain | 25,816 | 75,663,153 | 2,931 | 74 | Comanche | 113,957 | 336,011,966 | 2,949 |
| 37 | Cherokee | 38,295 | 76,942,263 | 2,009 | 75 | Cleveland | 197,164 | 624,237,994 | 3,166 |
| 38 | Beckham | 18,555 | 77,577,105 | 4,181 | | | | | |

Expenditure patterns are quite consistent across population groups. For example, county sheriff expenditures are consistently about 20% of expenditures for all four groups (Table 4). General government (including maintenance and operation, insurance and employee benefits, and workers compensation) varies between 21.42% and 29.39% of expenditures. County clerk expenditures average 7.88%. County sheriff, county clerk, and general government comprise more than half of general fund expenditures for the average county.

The importance of stratifying county government expenditures and revenues becomes clear when examining Table 5. Revenues and expenditures per person are much larger in the smaller counties, especially Group I. Contrast the revenues per person in all counties ("Counties") with revenues per person in Group I. An average \$63.02 in ad valorem taxes is paid by each person in counties with less than 9,000 people, versus an average \$33.01 for all counties. An average \$36.38 per person in county sales taxes are collected in Group I counties versus \$19.12 per capita for all counties. Total revenue (largely taxes) per person in Group I (\$143.19) is more

than double the aggregate average (\$70.28). The same is also true of total expenditures. These numbers suggest that either small counties collect and spend too much on county government or that there is a basic, fixed cost associated with providing a basic set of county services and small counties have fewer people to spread that cost among. Most likely, the latter explanation more truly describes the situation.

Two observations in the data provide particularly strong support for this explanation. First, counties usually adopt a sales tax only as a last resort, when basic county services are in danger of being curtailed or eliminated. Citizens are very reluctant to vote for more taxes until they are truly needed. The relatively large sales tax receipts shown (Table 5) for Groups I and II indicate that more small counties have adopted a sales tax.² Secondly, expenditures of general fund dollars in the "County Commissioners" account is generally zero or quite small in counties facing financial stress. "County

2 Twenty-five of the 33 counties with less than 15,000 people have a sales tax in effect. Twenty-four of the 42 larger population counties have a sales tax.

Commissioner" account expenditures per capita in Group I is only \$.70, whereas in Groups III and IV it is \$1.85 and \$1.59, respectively. In summary, counties with less than 9,000 people spend more than \$130 per person on county government services financed out of the county general fund and the larger counties (Groups III and IV) spend less than \$60 per person for the same (and, in many cases, additional) services. This phenomenon is called economies of size. Economies of size can be defined as a reduction in cost per person (average cost) because resources are used more intensively, that is, the same building, piece of office equipment, computer, and such can be used to serve more people. Another way of saying this is that a resource (such as a computer) is more fully utilized. Or, economies of size could be exhibited in that the amount of additional resources necessary for each additional person is smaller. For example, one computer costing \$10,000 might serve the needs of a 9,000 person county or the same computer with \$4,000 of additional memory might serve the needs of a 15,000 person county. Thus, the cost for the additional 6,000 people is much smaller per person.

Assessed Value

Average revenues and expenditures of the five assessed value groups show that the larger the county (in terms of assessed value), the larger the revenues

and expenditures (Table 6). Table 7 shows the percentages associated with the numerical amounts in Table 6. Interestingly, the smallest group (Group I) has one of the largest percentages of sales taxes and the smallest percentage of ad valorem revenues as regards total funds for financing. One may surmise that sales taxes are relatively large because property taxes are inadequate to support county services in many of these counties.

Table 7 also shows that Groups I and II spend a smaller proportion of their budget on county commissioner budgets. County commissioners may pay their salaries from the county road cash fund, so in many poorer counties they choose to do so in order to free general fund dollars for other pressing needs.

Per capita spending by assessed value group tells much the same story as told by Tables 6 and 7. Ad valorem taxes per capita are fairly similar among the groups, as are county clerk fees and motor vehicle fees (Table 8). However, sales tax receipts are \$34.69 per capita for Group I and are only \$14.71 per capita for Group V. Fifteen of the seventeen counties in Group I collect a sales tax. Only five of the twelve counties in Group V have a sales tax.

Perhaps the most impressive statistic is the comparative tax burden per capita (Table 8). Group I collects \$95.12 per person, Group II collects \$97.32 per person,

Table 3. County General Fund Average Cash Balance, Revenue, and Expenditures, Statewide and by Population Group.

| <i>Fiscal Year 1997</i> | <i>Counties*</i> | <i>Group I 0-9000</i> | <i>Group II 9-15,000</i> | <i>Group III 15-40,000</i> | <i>Group IV 40-200,000</i> |
|----------------------------------|--------------------|---------------------------|------------------------------|--------------------------------|--------------------------------|
| <i>Number of Counties</i> | 75 | 16 | 17 | 24 | 18 |
| <i>Item</i> | <i>(Dollars)</i> | | | | |
| Beginning Cash Surplus | \$467,536 | \$279,125 | \$365,747 | \$472,122 | \$725,032 |
| Revenues: | | | | | |
| Ad Valorem | 946,774 | 357,964 | 428,865 | 817,492 | 2,131,671 |
| County Clerk Rev | 120,498 | 42,696 | 59,487 | 119,844 | 248,150 |
| Motor Vehicle | 35,340 | 6,188 | 15,316 | 37,319 | 77,528 |
| Interest on Investment | 101,631 | 77,142 | 69,821 | 86,254 | 173,943 |
| Sales Tax | 548,275 | 206,682 | 308,961 | 607,572 | 998,871 |
| Other Revenues | 262,875 | 122,724 | 158,708 | 249,713 | 503,383 |
| Total Revenues | 2,015,393 | 813,396 | 1,041,158 | 1,918,193 | 4,133,545 |
| Total Funds For Financing | \$2,482,929 | \$1,092,521 | \$1,406,905 | \$2,390,315 | \$4,858,577 |
| Expenditures:** | | | | | |
| District Attorney | 16,798 | 4,007 | 6,756 | 13,383 | 42,204 |
| County Sheriff | 349,831 | 156,322 | 219,097 | 335,522 | 664,387 |
| County Treasurer | 89,428 | 54,008 | 59,559 | 88,655 | 150,152 |
| County Commissioner | 45,400 | 3,952 | 12,340 | 51,455 | 105,393 |
| OK Coop. Extension | 44,399 | 20,952 | 34,530 | 40,989 | 79,107 |
| County Clerk | 141,582 | 72,747 | 85,784 | 131,186 | 269,328 |
| Court Clerk | 95,866 | 45,779 | 51,612 | 87,860 | 192,857 |
| County Assessor | 83,213 | 47,171 | 52,292 | 74,354 | 156,265 |
| Rural/Visual Inspec. | 111,604 | 29,702 | 67,356 | 123,455 | 210,394 |
| General Government | 443,327 | 214,446 | 283,950 | 418,425 | 830,503 |
| Excise/Equal | 4,080 | 2,812 | 3,812 | 4,295 | 5,175 |
| County Elections | 55,125 | 29,872 | 33,165 | 53,527 | 100,442 |
| Other Expenditures | 315,559 | 61,196 | 55,825 | 102,897 | 1,070,512 |
| Total Expenditures | 1,796,211 | 742,965 | 966,077 | 1,526,004 | 3,876,719 |
| End of Year Cash Surplus | \$518,408 | \$334,886 | \$374,165 | \$527,586 | \$805,531 |
| Avg. Population | 28,677 | 5,681 | 11,611 | 27,874 | 66,308 |

Table 4. County General Fund Average Sources of Financing and Expenditures Accounts as Percentage of Respective Totals.

| <i>Fiscal Year 1997</i> | | <i>Group I</i> | <i>Group II</i> | <i>Group III</i> | <i>Group IV</i> |
|----------------------------------|------------------|----------------|-----------------|------------------|-------------------|
| <i>Number of Counties</i> | <i>Counties*</i> | <i>0-9000</i> | <i>9-15,000</i> | <i>15-40,000</i> | <i>40-200,000</i> |
| | <i>75</i> | <i>16</i> | <i>17</i> | <i>24</i> | <i>18</i> |
| <i>Item</i> | <i>(Dollars)</i> | | | | |
| Beginning Cash Surplus | 18.83% | 25.55% | 26.00% | 19.75% | 14.92% |
| Revenues: | | | | | |
| Ad Valorem | 38.13% | 32.76% | 30.48% | 34.20% | 43.87% |
| County Clerk Rev | 4.85% | 3.91% | 4.23% | 5.01% | 5.11% |
| Motor Vehicle | 1.42% | 0.57% | 1.09% | 1.56% | 1.60% |
| Interest on Investment | 4.09% | 7.06% | 4.96% | 3.61% | 3.58% |
| Sales Tax | 22.08% | 18.92% | 21.96% | 25.42% | 20.56% |
| Other Revenues | 10.59% | 11.23% | 11.28% | 10.45% | 10.36% |
| Total Revenues | 81.17% | 74.45% | 74.00% | 80.25% | 85.08% |
| Total Funds For Financing | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Expenditures:** | | | | | |
| District Attorney | 0.94% | 0.54% | 0.70% | 0.88% | 1.09% |
| County Sheriff | 19.48% | 21.04% | 22.68% | 21.99% | 17.14% |
| County Treasurer | 4.98% | 7.27% | 6.16% | 5.81% | 3.87% |
| County Commissioner | 2.53% | 0.53% | 1.28% | 3.37% | 2.72% |
| OK Coop. Extension | 2.47% | 2.82% | 3.57% | 2.69% | 2.04% |
| County Clerk | 7.88% | 9.79% | 8.88% | 8.60% | 6.95% |
| Court Clerk | 5.34% | 6.16% | 5.34% | 5.76% | 4.97% |
| County Assessor | 4.63% | 6.35% | 5.41% | 4.87% | 4.03% |
| Rural/Visual Inspec. | 6.21% | 4.00% | 6.97% | 8.09% | 5.43% |
| General Government | 24.68% | 28.86% | 29.39% | 27.42% | 21.42% |
| Excise/Equal | 0.23% | 0.38% | 0.39% | 0.28% | 0.13% |
| County Elections | 3.07% | 4.02% | 3.43% | 3.51% | 2.59% |
| Other Expenditures | 17.57% | 8.24% | 5.78% | 6.74% | 27.61% |
| Total Expenditures | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

* All Oklahoma Counties except Tulsa and Oklahoma.

**Expenditure amounts include any designated sales tax funds expended.

Table 5. County General Fund Average Cash Balance, Revenues, and Expenditures, Statewide and by Population Group per Capita.

| <i>Fiscal Year 1997</i> | | <i>Group I</i> | <i>Group II</i> | <i>Group III</i> | <i>Group IV</i> |
|----------------------------------|------------------|----------------|-----------------|------------------|-------------------|
| <i>Number of Counties</i> | <i>Counties*</i> | <i>0-9000</i> | <i>9-15,000</i> | <i>15-40,000</i> | <i>40-200,000</i> |
| | <i>75</i> | <i>16</i> | <i>17</i> | <i>24</i> | <i>18</i> |
| <i>Item</i> | <i>(Dollars)</i> | | | | |
| Beginning Cash Surplus | \$16.30 | \$49.14 | \$31.50 | \$16.94 | \$10.93 |
| Revenues: | | | | | |
| Ad Valorem | 33.01 | 63.02 | 36.93 | 29.33 | 32.15 |
| County Clerk Fees | 4.20 | 7.52 | 5.12 | 4.30 | 3.74 |
| Motor Vehicle | 1.23 | 1.09 | 1.32 | 1.34 | 1.17 |
| Interest on Investment | 3.54 | 13.58 | 6.01 | 3.09 | 2.62 |
| Sales Tax | 19.12 | 36.38 | 26.61 | 21.80 | 15.06 |
| Other Revenues | 9.17 | 21.60 | 13.67 | 8.96 | 7.59 |
| Total Revenues | 70.28 | 143.19 | 89.67 | 68.82 | 62.34 |
| Total Funds For Financing | 86.58 | 192.33 | 121.17 | 85.75 | 73.27 |
| Expenditures:** | | | | | |
| District Attorney | 0.59 | 0.71 | 0.58 | 0.48 | 0.64 |
| County Sheriff | 12.20 | 27.52 | 18.87 | 12.04 | 10.02 |
| County Treasurer | 3.12 | 9.51 | 5.13 | 3.18 | 2.26 |
| County Commissioner | 1.58 | 0.70 | 1.06 | 1.85 | 1.59 |
| OK Coop. Extension | 1.55 | 3.69 | 2.97 | 1.47 | 1.19 |
| County Clerk | 4.94 | 12.81 | 7.39 | 4.71 | 4.06 |
| Court Clerk | 3.34 | 8.06 | 4.44 | 3.15 | 2.91 |
| County Assessor | 2.90 | 8.30 | 4.50 | 2.67 | 2.36 |
| Rural/Visual Inspec. | 3.89 | 5.23 | 5.80 | 4.43 | 3.17 |
| General Government | 15.46 | 37.75 | 24.45 | 15.01 | 12.52 |
| Excise/Equal | 0.14 | 0.49 | 0.33 | 0.15 | 0.08 |
| County Elections | 1.92 | 5.26 | 2.86 | 1.92 | 1.51 |
| Other Expenditures | 11.00 | 10.77 | 4.81 | 3.69 | 16.14 |
| Total Expenditures | 62.64 | 130.79 | 83.20 | 54.75 | 58.47 |
| End of Year Cash Surplus | 18.08 | 58.95 | 32.22 | 18.93 | 12.15 |
| Avg. Population | 28,677 | 5,681 | 11,611 | 27,874 | 66,308 |

* All Oklahoma Counties except Tulsa and Oklahoma.

**Expenditure amounts include any designated sales tax funds expended

Table 6. County General Fund Average Cash Balance, Revenues, and Expenditures, by Assessed Value Group.

| <i>Fiscal Year 1997</i> | <i>Group I 0 - 35 millions 17</i> | <i>Group II 35 - 70 millions 17</i> | <i>Group III 70 - 105 millions 18</i> | <i>Group IV 105 - 170 millions 11</i> | <i>Group V* 170 - 700 millions 12</i> |
|-----------------------------------|---|---|---|---|---|
| <i>Number of Counties</i> | | | | | |
| Beginning Cash Surplus | \$243,576 | \$353,224 | \$405,349 | \$585,567 | \$931,841 |
| Revenues per Capita | | | | | |
| Ad Valorem | 268,961 | 449,852 | 821,632 | 1,194,948 | 2,571,198 |
| County Clerk Fees | 38,875 | 64,243 | 119,468 | 170,592 | 271,453 |
| Motor Vehicle Fees | 8,781 | 15,525 | 30,406 | 57,690 | 87,951 |
| Interest on Investments | 62,297 | 75,385 | 91,891 | 138,152 | 175,666 |
| Sales Tax Receipts | 293,577 | 289,465 | 365,086 | 1,012,028 | 1,125,424 |
| Other Revenues | 132,619 | 159,239 | 232,481 | 356,357 | 554,120 |
| Total Revenue | 805,111 | 1,053,709 | 1,660,964 | 2,929,767 | 4,785,812 |
| Total Funds for Financing | \$1,048,687 | \$1,406,933 | \$2,066,313 | \$3,515,334 | \$5,717,653 |
| Expenditures per Capita:** | | | | | |
| District Attorney | 5,153 | 4,597 | 14,085 | 15,849 | 55,516 |
| County Sheriff | 159,810 | 213,068 | 346,890 | 382,867 | 786,901 |
| County Treasurer | 46,825 | 56,920 | 93,426 | 106,373 | 174,304 |
| County Commissioner | 6,280 | 4,870 | 43,337 | 80,232 | 129,404 |
| OK Coop Extension | 23,239 | 27,424 | 45,559 | 56,203 | 85,861 |
| County Clerk | 61,035 | 88,736 | 136,939 | 183,921 | 298,708 |
| Court Clerk | 41,289 | 49,442 | 96,992 | 104,153 | 229,665 |
| County Assessor | 42,416 | 51,314 | 75,296 | 114,501 | 169,392 |
| Reval./Visual Inspec. | 49,997 | 66,937 | 99,245 | 175,907 | 221,752 |
| General Government | 202,776 | 297,175 | 407,758 | 547,725 | 948,814 |
| Excise/Equal. Board | 3,227 | 3,761 | 3,813 | 5,209 | 5,107 |
| County Election Exp. | 30,578 | 31,760 | 54,259 | 68,668 | 111,885 |
| Other Expenditures | 96,048 | 48,986 | 16,452 | 349,720 | 1,421,522 |
| Total Expenditures | \$768,675 | \$944,989 | \$1,434,052 | \$2,191,327 | \$4,638,832 |
| End of Year Cash Surplus | \$262,243 | \$406,662 | \$441,454 | \$662,423 | \$1,023,031 |
| Avg. Population | 8,464.00 | 10,827.00 | 26,670.00 | 38,606.00 | 76,512.00 |

* All Oklahoma Counties except Tulsa and Oklahoma.

**Expenditure amounts include any designated sales tax funds expended.

Table 7. Sources of Financing and Expenditures Accounts as Percentages of Respective Totals.

| <i>Fiscal Year 1997</i> | <i>Group I 0 - 35 millions 17</i> | <i>Group II 35 - 70 millions 17</i> | <i>Group III 70 - 105 millions 18</i> | <i>Group IV 105 - 170 millions 11</i> | <i>Group V* 170 - 700 millions 12</i> |
|-----------------------------------|---|---|---|---|---|
| <i>Number of Counties</i> | | | | | |
| Beginning Cash Surplus | 23.23% | 25.11% | 19.62% | 16.66% | 16.30% |
| Revenues per Capita | | | | | |
| Ad Valorem | 25.65% | 31.97% | 39.76% | 33.99% | 44.97% |
| County Clerk Fees | 3.71% | 4.57% | 5.78% | 4.85% | 4.75% |
| Motor Vehicle Fees | 0.84% | 1.10% | 1.47% | 1.64% | 1.54% |
| Interest on Investments | 5.94% | 5.36% | 4.45% | 3.93% | 3.07% |
| Sales Tax Receipts | 27.99% | 20.57% | 17.67% | 28.79% | 19.68% |
| Other Revenues | 12.65% | 11.32% | 11.25% | 10.14% | 9.69% |
| Total Revenue | 76.77% | 74.89% | 80.38% | 83.34% | 83.70% |
| Total Funds for Financing | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Expenditures per Capita:** | | | | | |
| District Attorney | 0.67% | 0.49% | 0.98% | 0.72% | 1.20% |
| County Sheriff | 20.79% | 22.55% | 24.19% | 17.47% | 16.96% |
| County Treasurer | 6.09% | 6.02% | 6.51% | 4.85% | 3.76% |
| County Commissioners | 0.82% | 0.52% | 3.02% | 3.66% | 2.79% |
| OK Coop Extension | 3.02% | 2.90% | 3.18% | 2.56% | 1.85% |
| County Clerk | 7.94% | 9.39% | 9.55% | 8.39% | 6.44% |
| Court Clerk | 5.37% | 5.23% | 6.76% | 4.75% | 4.95% |
| County Assessor | 5.52% | 5.43% | 5.25% | 5.23% | 3.65% |
| Reval./Visual Inspec. | 6.50% | 7.08% | 6.92% | 8.03% | 4.78% |
| General Government | 26.38% | 31.45% | 28.43% | 25.00% | 20.45% |
| Excise/Equal. Board | 0.42% | 0.40% | 0.27% | 0.24% | 0.11% |
| County Election Exp. | 3.98% | 3.36% | 3.78% | 3.13% | 2.41% |
| Other Expenditures | 12.50% | 5.18% | 1.15% | 15.96% | 30.64% |
| Total Expenditures | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

*All Oklahoma Counties except Tulsa and Oklahoma .

**Expenditure amounts include any designated sales tax funds expended.

Table 8. County General Fund Average Cash Balance, Revenues, and Expenditures, by Assessed Value Group per Capita.

| <i>Fiscal Year 1997</i> | <i>Group I 0 - 35 millions</i> | <i>Group II 35 - 70 millions</i> | <i>Group III 70 - 105 millions</i> | <i>Group IV 105 - 170 millions</i> | <i>Group V** 170 - 700 millions</i> |
|-------------------------------------|--|--|--|--|---|
| <i>Number of Counties</i> | 17 | 17 | 18 | 11 | 12 |
| Beginning Cash Surplus | \$28.78 | \$32.62 | \$15.20 | \$15.17 | \$12.18 |
| Revenues per Capita | | | | | |
| Ad Valorem | 31.78 | 41.55 | 30.81 | 30.95 | 33.61 |
| County Clerk Fees | 4.59 | 5.93 | 4.48 | 4.42 | 3.55 |
| Motor Vehicle Fees | 1.04 | 1.43 | 1.14 | 1.49 | 1.15 |
| Interest on Investments | 7.36 | 6.96 | 3.45 | 3.58 | 2.30 |
| Sales Tax Receipts | 34.69 | 26.74 | 13.69 | 26.21 | 14.71 |
| Other Revenues | 15.67 | 14.71 | 8.72 | 9.23 | 7.24 |
| Total Revenue | 95.12 | 97.32 | 62.28 | 75.89 | 62.55 |
| Total Funds for Financing | \$123.90 | \$129.94 | \$77.48 | \$91.06 | \$74.73 |
| Expenditures per Capita:** | | | | | |
| District Attorney | 0.61 | 0.42 | 0.53 | 0.41 | 0.73 |
| County Sheriff | 18.88 | 19.68 | 13.01 | 9.92 | 10.28 |
| County Treasurer | 5.53 | 5.26 | 3.50 | 2.76 | 2.28 |
| County Commissioners | 0.74 | 0.45 | 1.62 | 2.08 | 1.69 |
| OK Coop Extension | 2.75 | 2.53 | 1.71 | 1.46 | 1.12 |
| County Clerk | 7.21 | 8.20 | 5.13 | 4.76 | 3.90 |
| Court Clerk | 4.88 | 4.57 | 3.64 | 2.70 | 3.00 |
| County Assessor | 5.01 | 4.74 | 2.82 | 2.97 | 2.21 |
| Reval./Visual Inspec. | 5.91 | 6.18 | 3.72 | 4.56 | 2.90 |
| General Government | 23.96 | 27.45 | 15.29 | 14.19 | 12.40 |
| Excise/Equal. Board | 0.38 | 0.35 | 0.14 | 0.13 | 0.07 |
| County Election Exp. | 3.61 | 2.93 | 2.03 | 1.78 | 1.46 |
| Other Expenditures | 11.35 | 4.52 | 0.62 | 9.06 | 18.58 |
| Total Expenditures | \$90.82 | \$87.28 | \$53.77 | \$56.76 | \$60.63 |
| End of the Year Cash Surplus | \$30.98 | \$37.56 | \$16.55 | \$17.16 | \$13.37 |

*All Oklahoma Counties except Tulsa and Oklahoma .

**Expenditure amounts include any designated sales tax funds expended.

and Groups III – V are significantly less. Group V collections per person, for example, are about two-thirds that of Group I.

Another important point is the apparent economies of size in the provision of county government services. Economies of size refer to the ability to produce a larger quantity of services at a lower cost per unit of service. That is, the larger the county size, the smaller the cost to provide an additional unit of output. For example, Group I counties spend an average \$23.96 per capita on general government (Table 8). Group II supplies these services at \$27.45 per capita. Groups III and IV at \$15.29 and \$14.19 per capita, respectively, and Group V at \$12.40 per capita. Hence, the larger the county, the smaller the cost per additional citizen. (Note the assumption is made that the same or similar level of services is provided in all counties.) This economies of size characteristic is also shown for county sheriff, county treasurer, cooperative extension, county clerk, court clerk, assessor, revaluation/visual inspection, excise/equalization board, and election expense. Total expenditures per capita range from \$90.82 to \$53.77 per capita (Table 8). In summary, there is strong evidence indicating the potential for cost savings through econo-

mies of size. Unfortunately, several smaller counties are losing rather than gaining population. Fortunately, new technologies are constantly being developed that may assist counties in maintaining services at reasonable cost.

The notable exception to declining cost per capita as county size increases is the county commissioners general fund budget. In this case, the cost per person is generally proportional to county size. Most likely, this reflects greater financial and economic health among larger counties. Greater health allows commissioners the freedom to pay some personnel salaries or other expenses from the general fund and have more road money to apply directly to road construction and maintenance.

Summary and Conclusions

In the current economic and institutional environment in Oklahoma, county government in smaller counties (in terms of population and taxable value) collects almost twice as much revenue per capita to finance county general fund expenditures. Larger counties benefit from economies of size in the provision of county government services. Smaller counties must rely heavily on the county

sales tax to supplement property tax revenues. Larger counties with an adequate tax base (plenty of property wealth) can often avoid imposing a county sales tax on their citizens. For many smaller counties already struggling to maintain or build their economy and population, the current framework of county government finance may hinder rather than help their efforts. That is, if taxes are relatively high, businesses and industries may locate

elsewhere. Also, if services are under-funded, new or expanding industries may seek another location where services are not jeopardized. Nevertheless, since county sales taxes are voted on locally, each county has some control of its own future in this regard. If citizens adopt a sales tax, it must be assumed that they are willing to pay the price in order to maintain a certain set of county government services.

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