

# County Turnback



Supporting critical services in all Arkansas counties

## Arkansas Counties and General Turnback

FY 2017 Projected  
Gross Turnback

**\$21.4 M**

FY 2017 Property Reappraisal  
& Prosecutor Salaries

**\$7.6 M**

FY 2017 Actual  
Turnback Distributed

**\$13.6 M**

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**SCENARIO: Legislature fails to pass the funding bill for Arkansas Works.**

**RESULT: A 3% cut in gross turnback translates into almost 5% less to counties.**

Gross Turnback  
after 3% cut

**\$20.7 M**

FY 2017 Property Reappraisal  
& Prosecutor Salaries

**\$7.6 M**

Actual Turnback  
Distributed is 5% less

**\$13.0 M**

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## Our Ask

*Don't turn your back on counties and local communities. Protect county turnback funds.*

General revenue turnback is not a gift or grant. It is payment to counties for state-mandated services — many times for state services, such as the court system, 911 or jails — delivered by the counties.

County turnback funds are critical for services including:



911 Services



Elections



Public Safety



Courts Systems



Solid Waste  
Services



# 2016 POLICY Brief



## CONTINUE THE FLOW OF GENERAL REVENUE TURNBACK TO COUNTIES AT THE PROPOSED RATE

**BOTTOM LINE:** General revenue turnback is not a gift or grant. It is payment to counties for state-mandated services — many times for state services, such as the court system — delivered by the counties.

**BACKGROUND:** Counties in Arkansas are a constitutionally created political subdivision of the state. Every resident lives in a county and receives part of his or her government services from a county. Counties are mandated by the state to provide essential governmental services to the residents of Arkansas, including, but not limited to, the administration of justice; law enforcement protection services and the custody of persons accused or convicted of crimes; real and personal property tax administration; court and public records management and retention; and all other services prescribed by state law for performance by each of the elected county officers or departments of county government. The performance of these duties is not discretionary, but rather mandated by the General Assembly.

Since counties work under many mandates and many of them are for state services delivered locally at the county level, there is a long history of receiving some funding from the state — albeit not enough to cover the costs. Prior to what we now know as County Aid or General Revenue Turnback, Act 386 of 1943 established the Cities and Counties Fund. The General Assembly concluded that "it is impossible for municipalities and counties to efficiently and safely administer municipal and county statutory governmental functions without additional revenues for such purposes." Subsequently, the General Assembly has enacted additional statutory mandates and has continued the provision of "county aid" or "general turnback."

We moved from the Cities and Counties Fund to County Aid with Act 188 of 1953, in order to assist counties with the ever-increasing costs of providing mandated services. Since that time, turnback dollars have increased very gradually — but the costs of delivering state mandated services has risen dramatically. General turnback has been practically flat from 1981 through the current fiscal year, with only slight increases and decreases. Most of the decreases were actually toward the end of that time period when costs were escalating. The increases during that time did not keep pace with increases in expenses or costs.

There is no built-in mechanism for county aid growth. General turnback to counties is an arbitrary appropriation. Counties' slice of the "general revenue pie" is only as large as the administration and the legislature wants it to be. If county government had been getting a 3 percent annual adjustment in the general revenue turnback appropriation since 1981, the appropriation for the state's 2016-17 fiscal year would be \$54,705,725 instead of the \$21,428,616 proposed by the administration for the upcoming fiscal session.

### Quick Facts

- General revenue turnback is not a gift or grant. It is a payment to counties for state-mandated services.
- Counties in Arkansas are a constitutionally created political subdivision of the state.
- In 1943, the legislature concluded that "it is impossible for municipalities and counties to efficiently and safely administer municipal and county statutory governmental functions without additional revenues for such purposes."
- Counties are considered to be the form of government closest to the people.
- While general turnback has been generally stagnant for years, county expenses to deliver state-mandated services have escalated.
- If county government had been getting a 3% annual adjustment in the general revenue turnback appropriation since 1981, the appropriation for the state's 2016-17 FY would be \$54,705,725 instead of the \$21,428,616 proposed by the administration for the upcoming fiscal session.