



office of
Local Government
K-State Research and Extension

and



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Introduction

This comparison of expenditures and revenues in Riley County and a group of similar counties uses information from the *Kansas Fiscal Database*. The database was developed by the Office of Local Government, a unit of K-State Research and Extension, and contains detailed financial information from 1989 to 2007 for all Kansas counties. This information was drawn from county budgets on file at the Kansas Department of Administration's Division of Accounts and Reports. Expenditures in the database are sorted by function (e.g., general, road and bridge, law enforcement), and revenues by source (e.g., property taxes, sales taxes, special highway). The database contains actual, rather than budgeted, numbers from 1989 to 2007. For more information on the database and a complete listing of the expenditure and revenue categories included, refer to the Riley County Fiscal Conditions & Trends report found on the internet at www.oznet.ksu.edu/olg or contact the Office of Local Government. The Office of Local Government welcomes comments, suggestions, or questions about this report or any of our other services. Contact us by mail (10E Umberger Hall, Manhattan, KS 66506), phone (785-532-2643), or e-mail (olg@agecon.ksu.edu).

Making Comparisons Across Counties

The intent of this study is to allow Riley County officials to compare their expenditures and revenues with those of other counties. To do so, we identified a group of counties that are reasonably similar to Riley County in terms of population. These counties are: Butler, Crawford, Douglas, Finney, Leavenworth, Lyon, Reno, Saline, and Shawnee.

While the selection of comparison counties was based primarily on population, the counties are also roughly similar to Riley County in terms of assessed valuation, personal income, and the overall size of the county budget (as measured by total county expenditures and revenues) as shown in Table 1. Counties are ranked by population size in the table. We included 7 counties smaller than Riley County and 2 larger. As we might expect, based on population, Riley County ranks somewhere near the top in terms of personal income (4th). Other measurements for Riley County were lower than might otherwise be expected: total expenditures (6th), total revenues (7th), and tangible assessed valuation (8th). Still, the counties selected are roughly equivalent, although Shawnee County has considerably larger total expenditures and revenues.

Though the 10 counties are similar in terms of population, we present per capita or per person values throughout the report to account for the differences that exist. Per capita values are calculated by dividing a county's expenditures or revenues by its population. This makes for a more fair comparison of expenditures and revenues across counties.

In addition to providing data on expenditures and revenues for each of the counties individually, a 10-county average is presented to provide a more comprehensive view of expenditures and revenues in this subset of similarly-sized counties. The 10-county average is calculated by dividing total expenditures or revenues for the group of counties by the number of counties (10). Readers should recognize that the 10-county average might mask important variations between counties. Further, when some counties do not fund a particular activity or use a particular revenue source, or their accounting practices do not allow us to clearly track their activity, the 10-county average will be low.

Table 1. General Characteristics of Counties in Order of Descending Population, 2007

County¹	Geographic Area	Population²	2006 Personal Income (2007\$)³	Assessed Valuation⁴	Total Revenues	Total Expenditures
Shawnee	Northeast	172,834	5,714,955,000	1,478,677,621	121,110,893	117,655,850
Douglas	Northeast	113,488	3,279,665,000	1,094,938,948	52,571,960	50,163,191
Riley	Northeast	69,083	2,125,050,000	421,455,690	29,789,116	28,117,334
Leavenworth	Northeast	69,058	2,180,540,000	531,986,639	38,068,249	35,137,890
Butler	Southeast	61,817	2,069,573,000	602,424,975	33,691,270	33,272,523
Reno	South Central	61,406	1,763,326,000	477,812,977	41,397,710	37,525,719
Saline	North Central	54,583	1,751,728,000	505,045,209	29,033,062	26,196,654
Crawford	Southeast	38,860	1,006,426,000	230,630,004	19,966,707	20,338,184
Finney	Southwest	38,295	932,034,000	508,106,440	31,894,175	28,014,097
Lyon	Southeast	35,981	888,382,000	228,223,135	22,622,697	25,398,855
10-County Average		71,541	2,171,167,900	607,930,164	42,014,584	40,182,030
Kansas County Average		25,107	885,432,519	267,679,568	20,403,386	20,102,689

¹ Counties represent those most similar in population to Riley County.

² Population data are Census Bureau estimates for 2007. For counties with a federal or state correctional facility, values are adjusted downward by the corresponding annual inmate population.

³ Personal income data is from the Bureau of Economic Analysis' Regional Economic Information System.

⁴ Assessed valuations are from county budget documents.

We also include a Kansas county average to allow some comparison of expenditures and revenues in Riley County to those in the state as a whole. The Kansas county average is the average of all 104 Kansas counties (this number excludes the Unified Government of Wyandotte County, Kansas City, Kansas).

Though we attempt in this report to compare Riley County with a group of similar counties, readers should still use caution when making one-to-one county comparisons. There are often reasonable explanations for differences in expenditures or revenues across counties.

Expenditures and revenues may differ across counties for a number of reasons. Counties may differ in the types and level of services they provide. These differences may reflect differing citizen needs or expectations across places or the varying abilities of governments to generate revenues. Services may also be organized differently across counties. In some cases, regional facilities or other organizations are available to provide certain services. Where possible, we have attempted to point out these differences but encourage the reader to investigate more fully before drawing firm conclusions.

One additional explanation for differences across counties is our ability to accurately classify expenditures and revenues from county budget documents. For some counties, budget documents present activity in detail. In other cases, consolidated funds make it difficult to account for activities as completely as we would like.

Making Comparisons Over Time

While our primary objective is to provide a comparison of expenditures and revenues in Riley and a group of similar counties, looking at how finances have changed over time is also informative. Thus, we present expenditure and revenue data from both 2003 and 2007 as well as the change over the period for each of the 10 counties, the 10-county average, and the Kansas county average.

Data are inflation-adjusted to allow fair comparisons over time. The value of a dollar declines over time due to inflation. Inflation, then, distorts trends because a dollar today does not have as much purchasing power as a dollar one year or five years ago. To make fair comparisons, the data must be adjusted to a single year's value using an inflation index. Here, values are adjusted to 2007 dollars (2007\$) using the Personal Consumption Expenditures (PCE) chain price index. Actual and real amounts are equal in the base year (2007). By removing the effects of inflation, the focus shifts to the "real" forces affecting budget trends – economic conditions, changing wants and needs, and mandates.

While changes over time often indicate shifting county needs and priorities, in some cases they reflect the accounting conventions used in the construction of the database. For example, in the database we group capital expenditures with the function they were intended to support. For example, jail construction costs are placed in the "jail" category, while installing an elevator in the courthouse is assigned to "general government." As they are often large and occur only once in a great while, capital expenditures can cause deviations from a normal trend line. Additionally, they may distort the percent change over time when present in one period (2003 or 2007) but not the other. Grants, bond issues, and special assessments can similarly impact the percent change in revenues over time.

General Conditions

Here we will present more detailed data on the general conditions in each county. This data is meant to be a starting point for those wishing to understand the social and economic conditions under which different counties make resource allocation decisions. These general conditions will influence both the demand for public services and county government's ability to provide desired services.

The size of the local population and changes over time greatly affect economic and social conditions in a county. Population growth implies that an area is an attractive place to live and work and is often associated with business growth, a larger tax base, and greater economic well-being. While population growth typically results in increased county revenues, the larger population may also place increased demands on local government. Population decline suggests reduced demand for the goods and services provided by local businesses and reduced government revenue to provide public services.

As shown in Table 2, Lyon County was the smallest of the 10 counties in 2007 with a population of 35,981, and Shawnee County was the largest with a population of 172,834. Riley County had a population of 69,083. The 10-county average was similar at 71,541, while the Kansas county average was considerably smaller, 25,107.

Population growth from 2003 to 2007 ranged from a decline of 2.2% in Finney County to an increase of 10.9% in Riley County. This was considerably greater than both the 10-county average of 2.9% and the Kansas county average of -3.4%.

Table 2. Population¹, 2003 and 2007

County	2003	2007	Percent Change
Shawnee	170,305	172,834	1.5%
Douglas	102,983	113,488	10.2%
Riley	62,291	69,083	10.9%
Leavenworth	66,855	69,058	3.3%
Butler	59,787	61,817	3.4%
Reno	61,981	61,406	-0.9%
Saline	53,737	54,583	1.6%
Crawford	38,398	38,860	1.2%
Finney	39,176	38,295	-2.2%
Lyon	35,805	35,981	0.5%
10-County Average	69,132	71,541	2.9%
Kansas County Average	24,568	25,107	-3.4%

¹ The U.S. Census Bureau's county population estimates are the source of population data for both 2003 and 2007. Values are adjusted downward by the number of inmates for counties with a state or federal correctional facility.

Income allows individuals to buy goods and services and serves as a broad measure of residents' economic or material well-being. Income also provides information about the prosperity of the local business community. As personal income increases, county revenues tend to increase. County expenditures may also increase, however, if residents demand more services.

Finney County had the lowest per capita personal income of the 10 counties in the study area for 2006, \$24,459, as shown in Table 3. Riley County had the highest, \$34,870. Per capita incomes averaged \$30,179 for the 10 counties and \$28,957 for all Kansas counties.

Incomes may differ across counties for a variety of reasons. These include differences in the proportion of the population working, the types of jobs people have or industries they are working in, the amount of inherited or other types of wealth, and the local cost of living. Also, it is important to recognize that income may be distributed very differently in counties with the same level of per capita personal income. For example, one county may have a few extremely wealthy citizens and large number of individuals with low income levels while another may have a relatively equitable distribution of income.

Per capita personal income grew in all of the 10 counties in the study period from 2003 to 2006. Riley County had the largest increase, 17.6%. On average, per capita personal income in the 10 counties grew 4.9% and 1.3% in the state.

Table 3. Real Per Capita Personal Income¹, 2003 and 2006

County	2003 (2007\$)	2006 (2007\$)	Percent Change
Riley	29,650	34,870	17.6%
Shawnee	33,288	33,954	2.0%
Butler	31,392	33,627	7.1%
Saline	31,195	33,179	6.4%
Leavenworth	29,579	30,387	2.7%
Douglas	29,276	30,012	2.5%
Reno	28,277	28,399	0.4%
Crawford	26,261	27,132	3.3%
Lyon	24,771	25,772	4.0%
Finney	23,692	24,459	3.2%
10-County Average	28,738	30,179	4.9%
Kansas County Average	28,619	28,957	1.3%

¹ Personal income data is from the Bureau of Economic Analysis' Regional Economic Information System. Data for 2007 is not yet available.

The property tax remains the major source of tax revenue for most Kansas counties. Thus, trends in the assessed valuation of property can significantly impact local government's ability to raise revenues and, therefore, their ability to provide public services. Declining property values push tax rates up and force counties to either find alternate revenue sources or cut spending. Changes in population, local economic conditions, and state mandated assessment procedures may affect local property values.

As shown in Table 4, Finney County had the highest per capita assessed valuation in 2007, \$13,268. Crawford County had the lowest, \$5,935. Of the 10 counties in the study, Riley County had the 2nd smallest per capita assessed valuation in 2007, \$6,101. The 10-county average of \$8,433 per capita was more than \$6,000 less than the Kansas county average, \$15,058.

Each of the 10 counties experienced an increase in the valuation per capita from 2003 to 2007. Butler County experienced the greatest growth at 41.6% and Lyon County experienced the smallest growth at 2.1%. Riley County experienced a growth in valuation of 17.5%. On average, the valuation per capita in the 10 counties grew 13.5% from 2003 to 2007. Meanwhile, the average Kansas county experienced growth of 17.1%.

Table 4. Real Per Capita Assessed Valuation¹, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	10,806	13,268	22.8%
Butler	6,880	9,745	41.6%
Douglas	9,065	9,648	6.4%
Saline	8,751	9,253	5.7%
Shawnee	8,019	8,555	6.7%
Reno	7,568	7,781	2.8%
Leavenworth	6,248	7,703	23.3%
Lyon	6,211	6,343	2.1%
Riley	5,190	6,101	17.5%
Crawford	5,623	5,935	5.6%
10-County Average	7,436	8,433	13.5%
Kansas County Average	12,464	15,058	17.1%

¹ Assessed valuations are from county budget documents.

Total Expenditures

Total county expenditures provide an indication of the overall extent of county operations. Recall that expenditures may differ across counties because of differences in the level or mix of services provided and available wealth. There may also be economies of scale involved in the provision of some public services. For example, it may cost the same amount for both a sparsely and heavily populated county to maintain its roads and bridges though the sparsely populated county has fewer people over which to spread the expense. Changes in total expenditures over time may reflect legislative changes, one-time capital investments, or changes in local accounting procedures.

Table 5 presents total expenditures per capita in 2003 and 2007 for each of the 10 counties. Expenditures ranged from \$407.01 per capita in Riley County to \$731.53 in Finney County for 2007. Total expenditures averaged \$562.87 per capita for the 10 counties. The Kansas county average was significantly higher, \$1,252.54.

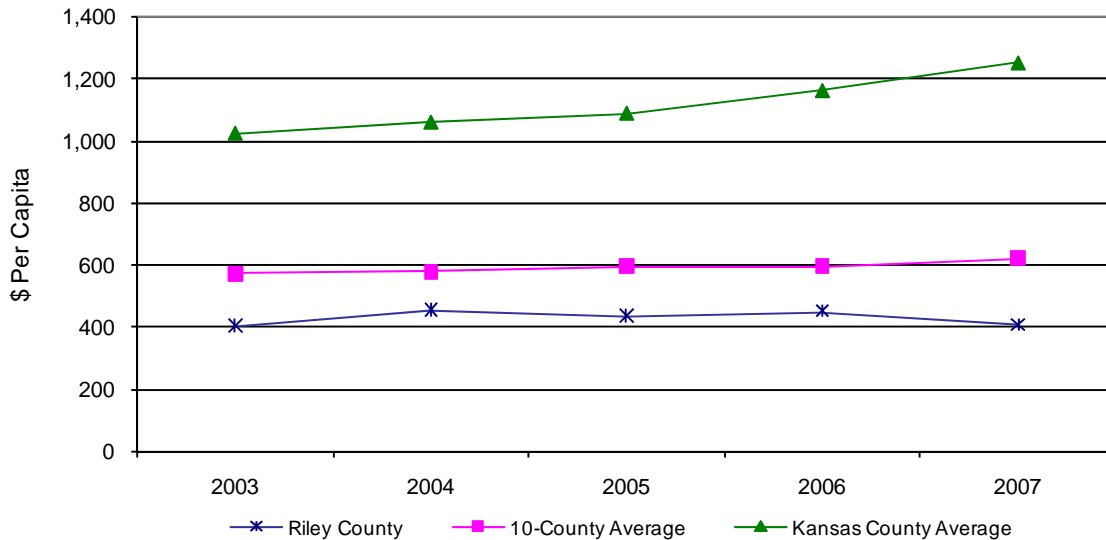
Total expenditures per capita grew in 8 of the 10 counties, including Riley County (1.2%), between 2003 and 2007. Butler County experienced the greatest increase, 22.4%, and Finney County the greatest decline, 3.6%. On average, real total expenditures per capita in the 10 counties grew 7.9%. This compared to growth of 20.9% in the average Kansas county.

Table 5. Real Per Capita Total Expenditures, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	758.52	731.53	-3.6%
Lyon	634.34	705.90	11.3%
Shawnee	564.47	680.74	20.6%
Reno	531.19	611.11	15.0%
Butler	439.86	538.24	22.4%
Crawford	502.83	523.37	4.1%
Leavenworth	525.89	508.82	-3.2%
Saline	458.91	479.94	4.6%
Douglas	415.30	442.01	6.4%
Riley	402.19	407.01	1.2%
10-County Average	523.35	562.87	7.9%
Kansas County Average	1,024.52	1,252.54	20.9%

In general, counties have experienced growth in expenditures over time due to changes in economic conditions, state and federal mandates, and local needs and preferences. We can see in Figure 1 that expenditures have remained steady from 2003 to 2007 for both Riley County and the 10-county average. The Kansas county average grew consistently during the time period.

Figure 1. Real Per Capita Total Expenditures, 2003-2007



We will focus our attention on four expenditure areas that are significant for the majority of Kansas counties: road and bridge, public safety, employee benefits, and general. Road and bridge consists of expenditures in both the road and bridge fund and special road and bridge accounts. Public safety expenditures include those for the district court, emergency 911 services, jail, juvenile justice, and law enforcement. Each of the components of public safety is a separate category in the database. We combine them here to account for differences in service provision and budgeting across counties. For example, Shawnee County did not report juvenile justice expenditures. While Shawnee County does have a Juvenile Detention Center, they are budgeting for it differently, combining it with the Department of Corrections. Employee benefits include contributions to social security, unemployment, and worker’s compensation programs; employee health insurance; retirement plans; and other benefits. General expenditures include those to support the county commission, clerk, treasurer, attorney, register of deeds, coroner, and facilities. Expenditures that do not fit into the other functional categories in the database are also placed in the general category.

These four types of expenditures accounted for 68.6% of Riley County’s total expenditures in 2007. They ranged from 83.7% of total expenditures in Saline County to 58.5% in Shawnee County and averaged 68.9% of total expenditures for the 10 counties.

Road and bridge expenditures represented 19.3% of Riley County’s spending in 2007 as shown in Table 6. This was slightly higher than the proportion spent on roads and bridges by the other 10 counties considered, as the 10-county average was 15.4%. Road and bridge expenditures varied as a proportion of total expenditures across the 10 counties, representing as little as 6.3% of total spending in Shawnee County and as much as 22.8% in Saline County in 2007.

Table 6. Major Expenditure Categories as a Proportion of Total Expenditures, 2007

County	% of Total Expenditures			
	Road & Bridge	Public Safety	Employee Benefits	General
Butler	18.7%	22.5%	10.4%	16.6%
Crawford	14.4%	21.1%	13.7%	11.4%
Douglas	9.7%	27.5%	13.9%	25.2%
Finney	12.5%	29.2%	12.6%	14.5%
Leavenworth	18.2%	23.0%	11.7%	17.9%
Lyon	20.3%	23.8%	0.1%	27.3%
Reno	11.9%	26.7%	12.3%	11.7%
Riley	19.3%	12.5%	7.2%	29.6%
Saline	22.8%	31.3%	11.4%	18.2%
Shawnee	6.3%	30.9%	6.6%	14.7%
10-County Average	15.4%	24.8%	10.0%	18.7%
Kansas County Average	25.6%	15.5%	12.3%	16.8%

In 2007, spending on public safety accounted for 12.5% of total spending in Riley County, this is the lowest proportion of total expenditures among the 10 counties included. Public safety represented the highest proportion of total expenditures in Saline County, 31.3%. The 10-county average was 24.8% and the Kansas county average lower at 15.5%. Public safety expenditures may differ across counties because they offer a different range or level of public safety related services.

Employee benefits represented 7.2% of Riley County's total expenditures in 2007. Employee benefits accounted for the lowest proportion of total spending in Lyon County, 0.1%, and the highest in Douglas County, 13.9%. The 10-county average was 10.0%. The lower proportion spent on employee benefits in certain counties may indicate that the county has fewer employees than its peers or offers either fewer or a different mix of benefits. It could also reflect the tenure of county employees or county accounting practices.

General expenditures accounted for 29.6% of total spending in Riley County in 2007. This represents the highest proportion of total expenditures spent on general expenditures in the 10 counties. The lowest among the 10 counties was Crawford, with 11.4% of total expenditures being spent on general expenditures. The 10-county average was 18.7%, and the Kansas county average was slightly lower at 16.8%. The proportion of general expenditures may vary across counties for a number of reasons. As with other types of expenditures, capital improvements can have a significant impact. For example, in 2007 Riley County made a large capital improvement expenditure, which helps explain why general expenditures accounted for such a large proportion of their total expenditures. It could also be the case that counties where general expenditures represent a smaller proportion of total expenditures are simply providing more detail in their budget document allowing us to do a better job of dividing expenditures into functional categories.

Road and Bridge Expenditures

Road and bridge spending totaled \$78.63 per capita in Riley County for 2007 as shown in Table 7. This represented the 6th highest level of per capita spending in the 10 counties considered. Lyon County had the highest level of per capita road and bridge spending in 2007, \$143.10, and Douglas County the lowest, \$42.88. The 10-county average was \$85.03. The Kansas county average was considerably higher at \$330.50. Differences in the amount of spending across counties may reflect differences in the miles of roads the county is responsible for maintaining.

Per capita road and bridge spending rose in 7 of the 10 counties between 2003 and 2007. Riley County had the smallest decline, 6.1%. Reno County experienced the largest decline over the period, 19.0%. Per capita spending increased the most in Leavenworth County, 51.2%. The cause of this increase is an increase in commodity expenditures within the road & bridge fund. In general, it is fairly common for counties to reduce and defer road and bridge maintenance expenditures in times of tight financial conditions.

Table 7. Real Per Capita Road & Bridge Expenditures, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Lyon	110.38	143.10	29.7%
Saline	100.18	109.62	9.4%
Butler	82.91	100.70	21.5%
Leavenworth	61.36	92.77	51.2%
Finney	109.55	91.23	-16.7%
Riley	83.76	78.63	-6.1%
Crawford	67.93	75.52	11.2%
Reno	90.04	72.89	-19.0%
Shawnee	33.55	42.98	28.1%
Douglas	33.50	42.88	28.0%
10-County Average	77.32	85.03	13.7%
Kansas County Average	249.38	330.50	33.4%

Public Safety Expenditures

As shown in Table 8, Riley County spent \$50.85 per capita on public safety in 2007. This was the lowest level of per capita spending among the 10 counties and represented a 19.9% decrease in spending from 2003. Riley County shares the expense for law enforcement with the city of Manhattan which could be a reason for the low expenditure.

In 2007, per capita public safety expenditures were highest in Finney County, \$213.75; averaged \$142.60 for the 10 counties; and averaged \$164.54 in the state. A higher level of expenditure may suggest a county offers more, higher quality, or a greater range of public safety services. It could also indicate the county is building a new jail or completing another public safety-related capital improvement. Public safety-related expenditures have been among the most rapidly growing expenditure categories among most counties in recent years. This is often due to increased demand for services as well as new requirements for offender processing and care.

From 2003 to 2007, per capita public safety expenditures grew in 8 of the 10 counties considered with Riley County experiencing the largest decrease. Growth averaged 7.7% for the 10 counties and 24.1% for all Kansas counties.

Table 8. Real Per Capita Public Safety Expenditures, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	209.04	213.75	2.3%
Shawnee	199.40	210.29	5.5%
Lyon	152.37	168.06	10.3%
Reno	120.55	163.30	35.5%
Saline	145.35	150.01	3.2%
Douglas	111.29	121.77	9.4%
Butler	107.66	120.91	12.3%
Leavenworth	98.27	116.83	18.9%
Crawford	110.36	110.23	-0.1%
Riley	63.48	50.85	-19.9%
10-County Average	131.78	142.60	7.7%
Kansas County Average	138.72	164.54	24.1%

Employee Benefits Expenditures

Riley County spent \$29.44 per capita on employee benefits in 2007 as shown in Table 9. This placed the county 9th and was considerably below the 10-county average, \$54.56. Spending in the 10 counties ranged from \$0.38 per capita in Lyon County to \$92.28 in Finney County. Differences in employee benefits expenditures across counties may be partially explained by differences in the number of public employees. Other factors such as accounting procedures and the quality of health insurance provided may also explain these differences.

Per capita spending for employee benefits grew 15.9% in Riley County from 2003 to 2007. Only 3 of the 10 counties considered (Crawford, Douglas, and Lyon) had declines in per capita employee benefits spending over the period. Lyon County experienced the largest decline, 99.3%. This was likely caused by a change in accounting procedures that greatly reduced the expenditures from the General Fund. Butler County experienced the largest increase in employee benefits spending per capita from 2003 to 2007, 47.8%.

Table 9. Real Per Capita Employee Benefits, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	81.46	92.28	13.3%
Reno	67.61	75.09	11.1%
Crawford	73.01	71.52	-2.0%
Douglas	64.39	61.55	-4.4%
Leavenworth	50.88	59.70	17.3%
Butler	37.98	56.13	47.8%
Saline	43.43	54.72	26.0%
Shawnee	0.00	44.82	-
Riley	25.39	29.44	15.9%
Lyon	55.71	0.38	-99.3%
10-County Average	49.99	54.56	2.8%
Kansas County Average	127.40	151.03	15.8%

General Expenditures

Riley County's general expenditures were \$120.45 per capita in 2007 as shown in Table 10. This placed the county 2nd among the 10 considered. General expenditures ranged from \$59.41 per capita in Crawford County to \$192.76 in Lyon County. Capital improvements and other projects explain the high level of expenditure in Lyon County. General spending per capita averaged \$102.99 for the 10 counties and \$224.76 for all Kansas counties.

In real terms, per capita general expenditures in Riley County rose 76.1% from 2003 to 2007. Of the 10 counties considered, this was the largest increase in general spending over the period. This increase was caused by a large expenditure in the capital improvement fund. Leavenworth County experienced the largest decrease, 25.6%. Again, changes in local accounting procedures and capital improvement projects largely explain major shifts over time.

Table 10. Real Per Capita General Expenditures, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Lyon	116.96	192.76	64.8%
Riley	68.39	120.45	76.1%
Douglas	80.20	111.33	38.8%
Finney	132.02	106.40	-19.4%
Shawnee	74.71	100.33	34.3%
Leavenworth	122.51	91.19	-25.6%
Butler	54.04	89.21	65.1%
Saline	83.39	87.18	4.5%
Reno	59.17	71.66	21.1%
Crawford	60.07	59.41	-1.1%
10-County Average	85.15	102.99	25.9%
Kansas County Average	154.56	224.76	42.2%

Total Revenues

As with total expenditures, total county revenues provide an indication of the extent of county operations. Revenues may vary across counties for a variety of reasons. These include differences in the level or mix of services offered and the ability of county government to generate revenue.

Table 11 shows total revenues per capita in 2003 and 2007 for each of the 10 counties. In 2007, revenues ranged from \$431.21 in Riley County to \$832.85 in Finney County. Revenues per capita averaged \$587.29 in 2007 for the 10 counties and \$1,330.19 for all Kansas counties.

Riley County was one of the two counties to experience a decline in total revenues per capita over the period, 10.2%. On average, the 10 counties experienced the same growth, 10.2%. Reno County had the most significant increase in revenues from 2003 to 2007, 27.1%.

Table 11. Real Per Capita Total Revenue, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	700.36	832.85	18.9%
Shawnee	603.53	700.74	16.1%
Reno	530.25	674.16	27.1%
Lyon	610.24	628.74	3.0%
Leavenworth	557.78	551.25	-1.2%
Butler	447.26	545.02	21.9%
Saline	473.00	531.91	12.5%
Crawford	488.82	513.81	5.1%
Douglas	426.52	463.24	8.6%
Riley	480.08	431.21	-10.2%
10-County Average	531.78	587.29	10.2%
Kansas County Average	1,042.36	1,330.19	25.0%

As with expenditures, we will focus on four types of revenues that are of considerable importance to the majority of Kansas counties. They are the property tax, other revenues, demand transfers, and the local sales tax. Property taxes are based on the assessed valuation of real and tangible personal property. Certain types of property, such as farm machinery and equipment, are exempt. Other revenues consist of all revenues in the county budget that do not fall into one of the other categories in the database. This includes bond proceeds and debt, grants, user fees, and miscellaneous revenues. Demand transfer revenues include three types of funds: Local Ad Valorem Tax Reduction (LAVTR), City and County Revenue Sharing, and Special Highway. LAVTR and City and County Revenue Sharing funds had been allocated to counties using a formula that depends 65% on the county's population and 35% on its tangible assessed valuation for the preceding year. This report represents the time in which these two sources of revenue were being phased out. City and County Revenue Sharing was eliminated in 2004 and LAVTR was phased out by 2005. Special highway funds are transferred semiannually from the state treasury and depend on vehicle license fee collections, average daily vehicle miles traveled, and the number of road miles in each county. Kansas counties may independently levy sales taxes up to a maximum of 2 percent, 1 percent of which may be used for general purposes.

Property tax, sales tax, special highway, and other revenues accounted for 82.8% of total revenues in Riley County for 2007. They ranged from 80.1% in Leavenworth County to 88.0% in Finney County and averaged 83.4% of total expenditures for the 10 counties.

As shown in Table 12, property taxes represented the largest proportion of Riley County's revenue in 2007, 44.2%. This is not particularly surprising as Kansas counties as a whole tend to remain highly dependent on the property tax. In fact, property taxes accounted for 54.2% of revenues in the average Kansas county in 2007. Increasing public dissatisfaction with the property tax has forced many counties to reduce reliance on it in recent years, however. In 2007, property taxes in the 10 counties ranged from 38.3% of revenues in Leavenworth County to 61.5% in Douglas County and averaged 47.0%.

Other revenues represented 26.7% of Riley County's total revenue for the year 2007. This was slightly higher than the Kansas county average, 21.2%. Other revenues ranged from 8.3% of total revenues in Douglas County to 33.6% in Shawnee County. The 10-county average was 24.1%. In many cases where other revenues represent a particularly large proportion of total revenues, bond proceeds are responsible. This is true for Riley County where a Temporary Note Proceeds significantly affected other revenues in 2003 and 2005.

In 2007, revenues from demand transfers represented 3.6% of total revenues in Riley County. For the 10 counties, the proportion ranged from 1.2% in Shawnee County to 5.1% in Crawford County. Demand transfers averaged 3.7% of total revenues for the 10 counties and 4.9% for all Kansas counties.

County sales tax revenues represented 8.3% of total revenues in Riley County in 2007. One of the 10 counties (Butler) did not have a county sales tax in place in 2007. Of comparison counties with a local sales tax, sales tax revenues ranged from 5.4% of total revenues in Shawnee County to 15.0% in Finney County and averaged 8.6%.

Table 12. Major Revenue Sources as a Proportion of Total Revenue, 2007

County	% of Total Revenue			
	Property Tax	Other Revenue	Demand Transfers	Sales Tax
Butler	47.5%	32.5%	4.0%	0.0%
Crawford	45.3%	23.4%	5.1%	10.0%
Douglas	61.5%	8.3%	2.9%	9.8%
Finney	53.2%	15.8%	4.0%	15.0%
Leavenworth	38.3%	32.4%	2.9%	6.5%
Lyon	49.3%	20.0%	3.9%	10.4%
Reno	38.6%	31.4%	4.1%	8.5%
Riley	44.2%	26.7%	3.6%	8.3%
Saline	46.5%	17.0%	5.0%	12.2%
Shawnee	45.6%	33.6%	1.2%	5.4%
10-County Average	47.0%	24.1%	3.7%	8.6%
Kansas County Average	54.2%	21.2%	4.9%	5.7%

Property Tax Revenues

As shown in Table 13, Riley County received \$190.74 per capita from property taxes in 2007. Of the 10 counties included in the report, this was the lowest. Finney County had this highest property tax revenue at \$442.95. Property taxes per capita may differ across counties because they have a different amount of property available to tax or because the rate at which they tax property varies. Finney County's high per capita value, for example, is due to the large amount of property it has to tax, as evidenced by its large assessed valuation. Riley County's low value is likely due to a combination of the two factors. It had the 2nd smallest per capita assessed valuation in 2007 and taxed property at a relatively low rate when compared to the other counties considered (see Table A1 in the Appendix for mill levy data.). Thus, it is not particularly surprising that the county placed 10th among the 10 counties in property taxes per capita for the year.

Property taxes per capita increased from 2003 to 2007 in all but one of the 10 counties considered. Reno County had the largest increase, 25.4%, and Leavenworth had the only decrease, 15.0%. Riley County experienced a 7.0% increase in property tax collections per capita over the period. The change in property taxes per capita averaged a 12.4% increase for the 10 counties and a 19.4% increase for all Kansas counties.

Table 13. Real Per Capita Property Tax Revenue, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	373.45	442.95	18.6%
Shawnee	282.67	319.81	13.1%
Lyon	282.44	309.67	9.6%
Douglas	244.15	284.76	16.6%
Reno	207.35	260.08	25.4%
Butler	232.70	258.74	11.2%
Saline	217.76	247.15	13.5%
Crawford	188.06	232.57	23.7%
Leavenworth	248.75	211.36	-15.0%
Riley	178.24	190.74	7.0%
10-County Average	245.56	275.78	12.4%
Kansas County Average	628.52	769.71	19.4%

Other Revenues

Other revenues generated \$115.24 per capita in Riley County in 2007 as shown in Table 14. Of the 10 counties, Shawnee County had the greatest other revenues per capita, \$235.76. Douglas County received the least other revenues per capita, \$38.53. On average, the 10 counties received \$142.52 per capita in other revenues. The Kansas county average was significantly higher, \$278.71.

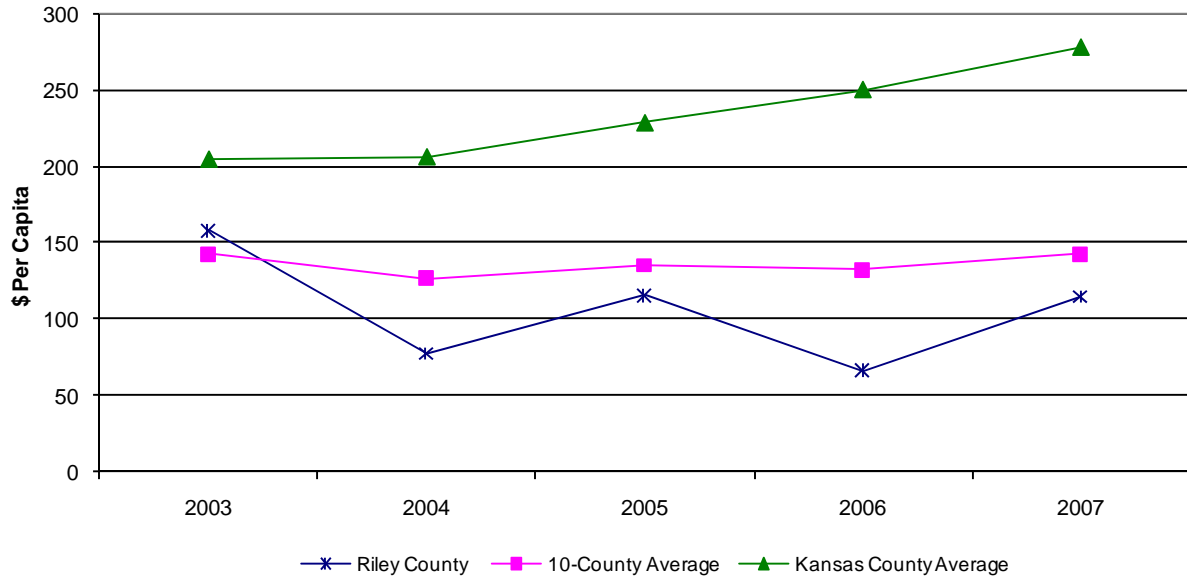
Other revenues per capita decreased 27.3% in Riley County from 2003 to 2007. Of the 10 counties, Butler County experienced the largest increase in other revenues per capita over the period, 75.0%. In this case, the county experienced an increase in charges for services (jail fund) and lease revenues (general fund). Other revenues per capita declined in 5 of the 10 counties from 2003 to 2007. Lyon County had the largest decline, 39.3%. This was most likely caused by large revenues the county received in 2003, one of which was a health grant. Given the nature of the other revenues category, it is greatly affected by bonds, grants, and other one time or short-term revenue sources.

To get a better sense of trends over time, Figure 2 presents other revenues per capita from 2003 through 2007 for Riley County as well as both the 10- and Kansas county averages. The figure illustrates that over time other revenues are becoming a somewhat more important source of revenues for county governments in Kansas. As explained above, temporary note proceeds explain the fluctuations in Riley County.

Table 14. Real Per Capita Other Revenue, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Shawnee	213.82	235.76	10.3%
Reno	163.13	211.64	29.7%
Leavenworth	143.48	178.34	24.3%
Butler	101.36	177.38	75.0%
Finney	151.17	131.66	-12.9%
Lyon	207.73	126.03	-39.3%
Crawford	161.54	120.21	-25.6%
Riley	158.60	115.24	-27.3%
Saline	82.95	90.38	9.0%
Douglas	43.05	38.53	-10.5%
10-County Average	142.68	142.52	3.3%
Kansas County Average	204.40	278.71	51.3%

**Figure 2. Real Per Capita Other Revenues
2003-2007**



Demand Transfer Revenues

As shown in Table 15, Riley County received \$15.52 per capita in demand transfers from the state in 2007. Of the 10 counties considered, demand transfers per capita ranged from \$8.55 per capita in Shawnee County to \$33.28 in Finney County. Recall that a number of factors affect demand transfers including the county's population, tangible assessed valuation, number of road miles, average daily vehicle miles traveled, and vehicle license fee collections. As LAVTR and City and County Revenue Sharing have been eliminated, special highway funds wholly account for demand transfers in 2007. See Table A2 in the Appendix for a breakdown of demand transfers by component.

Per capita demand transfers in Riley County fell 9.6% from 2003 to 2007. Butler County experienced the greatest decrease, 10.7%. The only county to experience an increase in per capita demand transfers was Finney County, 28.5%. This was because the county experienced a decrease in Special Highway revenues in 2003 and 2004. By 2005, and through 2007, these revenues climbed back to the level expected based on pre-2003 data. On average, the 10 counties experienced a decrease of 1.5%.

Table 15. Real Per Capita Demand Transfers, 2003 and 2007

County	2003 (2007\$)	2007	Percent Change
Finney	25.89	33.28	28.5%
Reno	28.99	27.48	-5.2%
Saline	28.21	26.40	-6.4%
Crawford	26.98	26.36	-2.3%
Lyon	26.17	24.22	-7.5%
Butler	24.47	21.86	-10.7%
Leavenworth	16.88	16.26	-3.7%
Riley	17.17	15.52	-9.6%
Douglas	14.33	13.59	-5.1%
Shawnee	8.02	8.55	6.5%
10-County Average	21.71	21.35	-1.5%
Kansas County Average	60.25	59.69	-1.1%

Sales Tax Revenues

Table 16 shows the real per capita sales tax revenues and tax rates. Recall that one of the counties (Butler) did not levy a local sales tax in 2007. Of the counties levying such a tax, revenues ranged from \$35.74 per capita in Riley County to \$125.01 in Finney County. The amount of sales taxes generated per capita also reflects the health of the county's retail sector and the extent to which it is a regional trade center. Sales tax revenues per capita averaged \$52.01 for the 9 counties levying a local sales tax.

Per capita sales tax revenues declined 43.9% in Riley County from 2003 to 2007. While the sales tax rate did not change in the county, a change in accounting practices caused the decrease. Douglas, Leavenworth, and Reno counties also experienced declines in per capita sales tax revenues over the period, though the decline in Riley County was the most significant among the 10 counties considered. Shawnee County experienced the largest increase, 88.8%. This increase is primarily due to the county increasing its local sales tax rate from 0.90% to 1.15% at the start of 2005. A similar increase in Finney County, from 0.75% to 1.00% in 2005, may help explain its 70.6% increase.

Table 16. Real Per Capita Sales Tax and Sales Tax Rates, 2003 and 2007

County	2003 (2007\$)		2007		Percent Change
Finney	73.29	0.75%	125.01	1.00%	70.6%
Lyon	59.68	0.50%	65.25	0.50%	9.3%
Saline	61.26	1.00%	65.16	1.00%	6.4%
Reno	59.77	1.00%	57.57	1.00%	-3.7%
Crawford	41.97	1.00%	51.30	1.00%	22.2%
Douglas	46.77	1.00%	45.22	1.00%	-3.3%
Shawnee	20.19	0.90%	38.10	1.15%	88.8%
Leavenworth	49.13	1.00%	36.07	1.00%	-26.6%
Riley	63.67	1.00%	35.74	1.00%	-43.9%
Butler	0.00	0.00%	0.00	0.00%	0.0%
10-County Average	47.57		52.01		12.0%
Kansas County Average	40.45		55.23		52.9%

Summary

Of the 10 counties in this study, Riley County had the lowest per capita expenditures and revenues in 2007. In real per capita terms, expenditures increased slightly and revenues decreased. Riley County spent slightly less than the 10-county average on road and bridge expenditures. The County spent the least out of its peers on public safety due to the consolidation of the county and city law enforcement. Its employee benefits expenditures per capita were considerably lower than the 10-county average. General fund expenditures were slightly higher than the 10-county average, but still considerably below the Kansas county average. Of the 10 counties, Riley County had the lowest property tax revenues per capita in 2007. Both the county's relatively low mill levy and assessed valuation likely explain this result. Of the 10 counties, Riley County ranked below the 10-county average in other revenues, demand transfers, and sales tax.

Again, there are a variety of reasons why expenditures and revenues may differ across counties. Examples include differences in the level or mix of services offered, organizational structures, accounting practices, and capital investments. While we pointed out differences we observed across counties throughout the report, readers should still use caution when making comparisons. Local officials must ultimately determine whether the county's revenue and expenditure patterns reflect the needs and priorities they have identified.

Conclusion

This report is provided as a service of the Office of Local Government and your county Extension program, and represents our commitment to develop information resources of use to local officials and the citizens of Kansas. The Office of Local Government provides information on public issues such as the financing and delivery of public services, but does not recommend or advocate any particular spending or financing priorities. The information presented is intended to serve as a starting point in helping policy makers and citizens discuss tax and public finance issues and make informed choices.

Appendix

Regional Classification¹

Northwest	Northcentral	Northeast	Southwest	Southcentral	Southeast
Cheyenne	Cloud	Atchison	Clark	Barber	Allen
Decatur	Ellis	Brown	Finney	Barton	Anderson
Gove	Ellsworth	Clay	Ford	Comanche	Bourbon
Graham	Jewell	Dickinson	Grant	Edwards	Butler
Logan	Lincoln	Doniphan	Gray	Kingman	Chase
Norton	Mitchell	Douglas	Greeley	Kiowa	Chautauqua
Rawlins	Osborne	Franklin	Hamilton	Harper	Cherokee
Sheridan	Ottawa	Geary	Haskell	Harvey	Coffey
Sherman	Phillips	Jackson	Hodgeman	McPherson	Cowley
Thomas	Republic	Jefferson	Kearny	Pawnee	Crawford
Trego	Rooks	Johnson	Lane	Pratt	Elk
Wallace	Russell	Leavenworth	Meade	Reno	Greenwood
	Saline	Marshall	Morton	Rice	Labette
	Smith	Miami	Ness	Rush	Linn
		Morris	Scott	Sedgwick	Lyon
		Nemaha	Seward	Stafford	Marion
		Osage	Stanton	Sumner	Montgomery
		Pottawatomie	Stevens		Neosho
		Riley	Wichita		Wilson
		Shawnee			Woodson
		Wabaunsee			
		Washington			

¹ Source: K-State Research and Extension

**Table A1. County Mill Levy¹ on
Tangible Property Valuation², 2007**

County	2007
Butler	35.723
Crawford	41.186
Douglas	30.013
Finney	35.310
Leavenworth	28.181
Lyon	50.546
Reno	34.879
Riley	32.162
Saline	27.955
Shawnee	41.919

¹ This is the average rate in dollars on each one-thousand dollars assessed valuation

² Source: League of Kansas Municipalities

**Table A2. Per Capita Demand Transfers by
Component, 2007**

County	LAVTR	City and County Revenue Sharing	Special Highway
Butler	0.00	0.00	21.86
Crawford	0.00	0.00	26.36
Douglas	0.00	0.00	13.59
Finney	0.00	0.00	33.28
Leavenworth	0.00	0.00	16.26
Lyon	0.00	0.00	24.22
Reno	0.00	0.00	27.48
Riley	0.00	0.00	15.52
Saline	0.00	0.00	26.40
Shawnee	0.00	0.00	8.55



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