Overview and Trends of Monroe County Finances 1999-2017
How can Monroe County continue to provide services for its citizens?

• What factors and trends are impacting county services and funding sources?

• Which of these can the county control or influence
  – In the short-run?
  – In the long-run?

• What are anticipated changes that might affect the county’s fiscal health?

• What might the county do to eliminate or minimize the impact of anticipated changes?
The population of Monroe County decreased 32% from 10,400 in 1999 to 7,100 in 2018. From 2019 to 2031, the county's population is projected to decrease an additional 10% to 6,300.
Population Change, 1999-2017

Data Source: Population Estimates, U.S. Census Bureau
Population Change, 2010-2017

Data Source: Population Estimates, U.S. Census Bureau
Employment in Monroe County decreased from 4,400 in 1999 to 3,500 in 2017 or 21%.

How will future employment levels impact the county's fiscal situation?

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Employment Change, 1999-2017

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Employment Change, 2010-2017

Data Source: Employment Estimates, Regional Economic Accounts, Bureau of Economic Analysis
Monroe County
Total Revenue & Expenditures, 1999-2017

- Total revenue received by Monroe County decreased 12% between 1999 and 2017, from $4.2 million to $3.7 million.
- Expenditures decreased from $3.9 million in 1999 to $3.4 million in 2017, a total change of about -13%.
- Revenue spiked to a high of $6.6 million in 2010 and spending spiked to a high of $5.5 million in 2011.

*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

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Change in Total Expenditures, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
• Although total revenue and spending each decreased, population decline in Monroe County led to growth in the per capita measures between 1999 and 2017.
• Per capita revenue was $525 in 2017, $48 more than per capita expenditures ($477).

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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 Revenue, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Per Capita Total Expenditures, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

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

Monroe County
The share of total revenue from intergovernmental transfers increased from 41% in 1999 to 45% in 2017.

Monroe County property tax revenue as a share of total revenue was 20% in 1999 and more in 2017 (23%).

The share of total revenue from sales tax was 0% in 1999 and 2017.

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Statewide, the share of total county government revenue from sales tax was 25%, more than any other revenue category in 2017. However, with no sales tax, Monroe County's share of revenue from the category was 0%.

The share of total revenue from property tax was 23% in the county in 2017, less than the statewide average of 24%.

The share of total revenue from intergovernmental transfers in the county was 45% in 2017, far more than the statewide average (22%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Monroe County
Major Sources of Revenue, 1999-2017

- There was no sales tax revenue in Monroe County in 1999 or 2017.
- Property tax revenue grew 3%, from $828,400 in 1999 to $854,200 in 2017.
- Monroe County's intergovernmental revenue fluctuated but was about $1.7 million in 1999 and 2017, and spiked to a high of $4.5 million in 2010.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in per capita major revenue sources were similar to the overall trends discussed in the previous slide. However, population decline caused the per capita measures to increase at a faster rate or decrease at a slower rate than the overall measures.

Intergovernmental revenue per capita was $236 in Monroe County in 2017, more than property tax ($121) and sales tax ($0) revenue.

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

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Intergovernmental Revenue, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

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

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Property Tax Revenue, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

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

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

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

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.
Monroe County
Minor Sources of Revenue, 1999-2017

- Officers, Jail and 911 Fees decreased slightly in Monroe County (14%), from $375,100 in 1999 to $324,400 in 2017.
- Commissions and taxes apportioned declined significantly, from $407,800 to $345,200 or 15%.
- Fines, forfeitures and franchise taxes declined 32%, from $524,000 in 1999 to $358,200 in 2017.
- Other revenue was $330,600 in 1999 and $163,400 in 2017, a decline of 51%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in per capita minor revenue sources were similar to the overall trends discussed on the previous slide. However, as a result of population decline, the per capita measures increased at a faster rate or decreased at a slower rate than the overall measures.

Fines, forfeitures and franchise taxes per capita in Monroe County were $51 in 2017, more than commissions & taxes apportioned ($49), officers, jail & 911 fees ($46), and other revenue ($23).
Expenditures

Monroe County
Law enforcement & public safety was the largest share of Monroe County government spending in 1999 and 2017, and increased during the study period, from 30% to 33%.

The share of total spending for highways & streets grew slightly from 30% in 1999 to 31% in 2017.

The share of total spending for general & other expenditures rose from 28% in 1999 to 31% in 2017.

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**Data Source:** Revenue and Expenditure Statements, Arkansas Legislative Audit
Monroe County’s share of expenditures for law enforcement and public safety (33%) was less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 31%, greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 31%, greater than the statewide average (26%).

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Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Law enforcement and public safety expenditures in Monroe County decreased 8%, from $1.2 million in 1999 to $1.1 million in 2017, but spiked to $2.1 million in 2011.

Highways and streets spending decreased 8%, from $1.2 million in 1999 to $1.1 million in 2017, while spiking to a high of $2.3 million in 2011.

General and other spending declined slightly, from $1.1 million in 1999 to $1 million in 2017 or 9%.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in per capita major category expenditures were similar to the overall trends discussed on the previous slide. However, population decline caused the per capita measures to grow at a faster rate or decrease at a slower rate than the overall measures.

Law enforcement & public safety per capita spending in Monroe County was $159 in 2017, more than highways & streets ($150) and general & other ($147) expenditures.

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

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Public Safety Expenditures, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Per Capita Road Expenditures, 2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit
Change in per Capita Road Expenditures, 1999-2017

Note: 2017 data for Benton, Faulkner and Perry counties was not available at the time of publication. For these counties, 2016 values were used in place of the missing data.

Data Sources: Population Estimates, U.S. Census Bureau; Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Monroe County Road Expenditures per County Road Mile, 1999-2017

- Road expenditures per county road mile in Monroe County were less than the statewide average in 15 of 19 years between 1999 and 2017.
- During the same period, road expenditures per county road mile decreased 8% in the county compared to growth of 45% statewide.
- In 2017, road expenditures per county road mile in the county were $2,400, about $1,350 less than the statewide average ($3,750).

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; Road & Street Report, Arkansas Highway and Transportation Department
Health & social services expenditures in Monroe County decreased 91%, from $215,800 in 1999 to $19,400 in 2017.

Recreation & culture spending in the county decreased (13%), from $52,557 to $45,700.

Capital outlay expenditures decreased from a high of $174,900 in 1999 to $0 in 2001.

Debt service spending fluctuated between a low of $0 and a high of $155,900.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Trends in minor expenditures per capita were similar to the overall trends on the previous slide. However, population decline in Monroe County caused the per capita measure to grow at a faster rate or decrease at a slower rate than the overall measures.

Debt service per capita expenditures were $12 in 2017, more than recreation & culture ($6), health & social service ($3), and capital outlays ($0).

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

Monroe County
Property assessments in Monroe County increased 7%, from $114.6 million in 1999 to $122.9 million in 2017.

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics
Per capita property assessments in the county exceeded the statewide average in 3 of 19 years between 1999 and 2017.

Trends in per capita property assessments were similar to the overall trends discussed on the previous slide, but population decline caused the per capita measures to increase at a faster rate or decrease at a slower rate than the overall measures.

Per capita property assessments in the county were $17,300 in 2017, about $1,000 more than the statewide average ($16,300).

Data Sources: Assessed Values, Arkansas Assessment Coordination Department; South Urban CPI, Bureau of Labor Statistics; Population Estimates, U.S. Census Bureau
Monroe County
Total Retail Sales, 1972-2012

- Retail sales in Monroe County decreased 29%, from $127.1 million in 1972 to $90.6 million in 2012.

*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
Monroe County
Per Capita Retail Sales, 1972-2012

- Per capita retail sales in the county exceeded the statewide average in 1 of 9 years between 1972 and 2012.
- Trends in per capita retail sales were similar to the overall trends discussed on the previous slide, but population decline caused the per capita measure to change from decreasing to increasing.
- Per capita retail sales in the county were $11,500 in 2012, about $1,000 less than the statewide average ($12,500).

*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

Data Sources: Population Estimates, U.S. Census Bureau; Property Assessments and Millage Rates, the Arkansas Assessment Coordination Department

Community & Economic Development
Strengthening Arkansas Communities
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, 2012

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 Monroe 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:

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