Overview and Trends of Montgomery County Finances 1999-2017
Montgomery County
How can Montgomery 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 Montgomery County decreased slightly (2%), from 9,100 in 1999 to 8,900 in 2018.

From 2019 to 2031 the county's population is projected to remain relatively flat, increasing only 0.3% to 9,000.

**Data Source:** Population Estimates, U.S. Census Bureau; Population Projections, Woods & Poole
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 Montgomery County decreased from 3,600 in 1999 to 2,900 in 2017 or 18%.

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

Community & Economic Development
Strengthening Arkansas Communities
Revenue & Expenditures

Montgomery County
Montgomery County
Total Revenue & Expenditures, 1999-2017

- Total revenue received by Montgomery County increased 57% between 1999 and 2017, from $4.7 million to $7.4 million.
- Expenditures increased from $4 million in 1999 to $7.3 million in 2017, a total change of about 83%.
- Revenue spiked to a high of $11.6 million in 2001 while spending spiked to a high of $15.3 million in 2001.

*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 trends in per capita total revenue and spending were similar to trends in the total numbers, the per capita measures increased at a faster rate than previously discussed.

- Per capita revenue was $828 in 2017, $13 more than per capita expenditures ($815).

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

**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.

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

Montgomery County
Montgomery County Revenue Sources as a Percent of Total Revenue, 1999 and 2017

- The share of total revenue from intergovernmental transfers increased from 53% in 1999 to 61% in 2017.
- Montgomery County property tax revenue as a share of total revenue was 12% in 1999 and slightly less in 2017 (10%).
- The share of total revenue from sales tax declined from 10% to 7%.

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
• The share of total revenue from sales tax in Montgomery County in 2017 was 7%, much lower than the statewide average (25%).
• The share of total revenue from property tax was 10% in the county in 2017, considerably less than the statewide average of 24%.
• The share of total revenue from intergovernmental transfers in the county was 61% in 2017, far more than the statewide average (22%).

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.
Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Sales tax revenue in Montgomery County increased 17% between 1999 and 2017, from $462,500 to $541,400.

Property tax revenue grew 25%, from $573,900 in 1999 to $719,000 in 2017.

Montgomery County's total intergovernmental revenue increased significantly, from $2.5 million in 1999 to $4.5 million in 2017, or 80%, and spiked to a high of $8.8 million in 2001.

Data Sources: Revenue and Expenditure Statements, Arkansas Legislative Audit; South Urban CPI, Bureau of Labor Statistics
Montgomery County
Per Capita Major Sources of Revenue, 1999-2017

- 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 $509 in Montgomery County in 2017, more than property tax ($81) and sales tax ($61) per capita 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
Officers, Jail and 911 Fees decreased slightly in Montgomery County (14%), from $297,800 in 1999 to $256,200 in 2017.

Commissions and taxes apportioned grew significantly, from $326,900 to $514,200 or 57%.

Fines, forfeitures and franchise taxes declined 18%, from $230,200 in 1999 to $189,400 in 2017.

Other revenue fluctuated widely but grew 83%, from $341,400 in 1999 to $624,200 in 2017.
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.

Other revenue per capita in Montgomery County was $70 in 2017, more than commissions & taxes apportioned ($58), officers, jail & 911 fees ($29), and fines, forfeitures and franchise taxes ($21).

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

Montgomery County
The share of total spending for law enforcement and public safety in Montgomery County increased from 22% in 1999 to 26% in 2017.

The share of total spending for highways & streets grew from 30% in 1999 to 34% in 2017.

The share of total spending for general & other expenditures rose from 30% in 1999 to 35% in 2017.

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Montgomery County's share of expenditures for law enforcement and public safety (26%) was far less than the statewide share (38%) in 2017.

The share of total county expenditures for highways and streets was 34%, greater than the statewide average (23%).

The share of total county expenditures for general and other expenditures was 35%, greater than the statewide average (26%).

*Due to rounding, bars may appear slightly higher or lower than the values stated on this slide.

Data Source: Revenue and Expenditure Statements, Arkansas Legislative Audit
Montgomery County
Major Category Expenditures, 1999-2017

- Law enforcement and public safety expenditures in Montgomery County increased 116%, from $884,700 in 1999 to $1.9 million in 2017.
- Highways and streets spending increased 108%, from $1.2 million in 1999 to $2.5 million in 2017, and spiked to a high of $7.1 million in 2001 and $4.4 million in 2015.
- General and other spending grew considerably, from $1.2 million in 1999 to $2.6 million in 2017 or 117%.

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.

General & other per capita spending in Montgomery County was $287 in 2017, more than highways & streets ($278) and law enforcement & public safety ($214) 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
Montgomery County Road Expenditures Per County Road Mile, 1999-2017

- Road expenditures per county road mile in Montgomery County were less than the statewide average in 17 of 19 years between 1999 and 2017.
- During the same period, road expenditures per county road mile increased 108% in the county compared to growth of 45% statewide.
- In 2017, road expenditures per county road mile in the county were $2,500, about $1,250 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 Montgomery County increased 153%, from $36,400 in 1999 to $92,000 in 2017.

Recreation & culture spending in the county increased significantly (276%), from $61,700 to $231,800.

Capital outlay expenditures decreased from a high of $5 million in 2001 to $0 in 2003.

Debt service spending in Montgomery County decreased 100%, from $39,500 in 1999 to $0 in 2017.

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 Montgomery County caused the per capita measure to grow at a faster rate or decrease at a slower rate than the overall measures.

Recreation & culture per capita expenditures were $26 in 2017, more than health & social service ($10) and debt service 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

Montgomery County
Property assessments in Montgomery County increased 24%, from $101.6 million in 1999 to $126.5 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 were below the statewide average every year 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 $14,200 in 2017, about $2,100 less 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
Retail sales in Montgomery County increased 5%, from $27.3 million in 1972 to $28.8 million in 2012.

Retail sales reached a high of $36.1 million prior to the Great Recession in 2007.

*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
Montgomery County
Per Capita Retail Sales, 1972-2012

- Per capita retail sales in the county were below the statewide average every year 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 decrease while the total measure increased.
- Per capita retail sales in the county were $3,100 in 2012, about $9,400 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
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 Montgomery 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:

Amy Monk, CEA - Staff Chair
117 Ray Dr. (P.O. Box 430)
Mount Ida, AR 71957
Tel: 870-867-2311, Fax: 870-867-4120

Visit Our Website:
https://uaex.edu/localgov

The University of Arkansas System Division of Agriculture offers all its Extension and Research programs and services without regard to race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.