

**Agency Budget Comparison**

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	5.54	5.54	5.54	5.54	5.54	5.54	0.00	0.00 %
Personal Services	552,168	649,849	638,121	638,775	1,202,017	1,276,896	74,879	6.23 %
Operating Expenses	768,482	1,053,776	1,062,310	1,075,490	1,822,258	2,137,800	315,542	17.32 %
<b>Total Costs</b>	<b>\$1,320,650</b>	<b>\$1,703,625</b>	<b>\$1,700,431</b>	<b>\$1,714,265</b>	<b>\$3,024,275</b>	<b>\$3,414,696</b>	<b>\$390,421</b>	<b>12.91 %</b>
State/Other Special Rev. Funds	1,320,650	1,703,625	1,700,431	1,714,265	3,024,275	3,414,696	390,421	12.91 %
<b>Total Funds</b>	<b>\$1,320,650</b>	<b>\$1,703,625</b>	<b>\$1,700,431</b>	<b>\$1,714,265</b>	<b>\$3,024,275</b>	<b>\$3,414,696</b>	<b>\$390,421</b>	<b>12.91 %</b>

**Mission Statement**

The mission of the Montana Consumer Counsel (MCC) is to represent the utility and transportation consuming public of the State of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

For additional information, please refer to the agency profile found at: <http://leg.mt.gov/fbp-2017.asp>

**Agency Highlights**

<b>Consumer Counsel Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• Operating costs increased primarily due to:                             <ul style="list-style-type: none"> <li>◦ New proposal request of \$500,000 in the consulting and professional services for unanticipated caseloads</li> <li>◦ Anticipated rent increases</li> <li>◦ Increases to general operating costs like training, travel and other expenses</li> </ul> </li> </ul>

**Agency Discussion**

The Montana Consumer Counsel is a single department Legislative Branch agency and is overseen by a four member Legislative Consumer Counsel Committee. The agency intervenes on behalf of Montana consumers in transportation and utility issues and rate cases at the state and federal level. The largest component of the Montana Consumer Counsel budget is consulting and professional services. Consultants, along with staff, analyze the public implications of the actions of transportation and utility companies.

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. However, due to its small number of FTE this agency is exempt from the requirement.

**Comparison of FY 2014 Actual Expenditures to FY 2015 Legislative Appropriation**

The agency uses 5.54 FTE to perform their statutory duties and consultants to provide expertise to the permanent staff. The funding for the 5.54 FTE is included in personal services and consultant services are funded through operating

expenses. Actual FY 2014 expenditures are \$132,975 below the FY 2015 legislative appropriation. The primary reason for the difference is some staff in training assignments (lower pay) during FY 2014.

**Agency Personal Services**

Positions within MCC require specific and unique skills and the agency reports that when it is necessary to recruit a majority of applicants are not qualified. The agency has had to recruit positions more than once due to unqualified applicants. At the time of this writing, 1.00 FTE is eligible for retirement in the 2017 biennium, but none have indicated any change in status.

**Comparison of FY 2015 Legislative Base to FY 2015 Appropriation**

The following highlights the differences between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base. One-time-only appropriations are not included in the budget base.

FY 2015 Appropriation Transactions - Consumer Counsel			
Program	Legislative Appropriation	Legislative Approp - OTO	Total Executive Implementation
01 Consumer Counsel			
Personal Services	\$649,849		\$649,849
Operating Expenses	803,776	250,000	1,053,776
Equipment & Intangible Assets			
Transfers			
Agency Total	\$1,453,625	\$250,000	\$1,703,625

Funding

The following table shows proposed program funding by source from all sources of authority.

Consumer Counsel, 01-Administration Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02801 Dep Rev Consumer Cncl Tax	3,414,696	0	0	3,414,696	100.00 %	
<b>State Special Total</b>	<b>\$3,414,696</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,414,696</b>	<b>100.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$3,414,696</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,414,696</b>		

MCC is funded by a state special revenue fund generated by fees imposed on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is specified in 69-1-223 and 224, MCA. Each year the Department of Revenue determines the total gross operating revenue generated by all regulated activities within the state for the previous fiscal year. The Department of Revenue then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If collection of excess revenue occurs, the amount charged to the regulated utilities for the following year is reduced.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	1,453,625	1,453,625	2,907,250	0.00 %
PL Adjustments	0	0	0	0.00 %	(3,194)	10,640	7,446	0.00 %
New Proposals	0	0	0	0.00 %	250,000	250,000	500,000	0.00 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$1,700,431</b>	<b>\$1,714,265</b>	<b>\$3,414,696</b>	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
-----Fiscal 2016-----					-----Fiscal 2017-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 98 - LEG. Personal Services Present Law										
0.00	0	(11,728)	0	(11,728)	0.00	0	(11,074)	0	(11,074)	
DP 99 - LEG. Present Law										
0.00	0	8,534	0	8,534	0.00	0	21,714	0	21,714	
<b>Grand Total All Present Law Adjustments</b>										
<b>0.00</b>	<b>\$0</b>	<b>(\$3,194)</b>	<b>\$0</b>	<b>(\$3,194)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$10,640</b>	<b>\$0</b>	<b>\$10,640</b>	

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	5.54	\$0	\$2,692	\$0	\$2,692
Executive Implementation of 2015 Pay Increase	0.00	-	-	-	-
Fully Fund 2015 Legislatively Authorized FTE	0.00	-	-	-	-
Other	0.00	-	(14,420)	-	(14,420)
<b>Personal Services Present Law Adjustments</b>	<b>5.54</b>	<b>\$0</b>	<b>(\$11,728)</b>	<b>\$0</b>	<b>(\$11,728)</b>
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	5.54	\$0	\$2,692	\$0	\$2,692
Executive Implementation of 2015 Pay Increase	0.00	-	-	-	-
Fully Fund 2015 Legislatively Authorized FTE	0.00	-	-	-	-
Other	0.00	-	(13,766)	-	(13,766)
<b>Personal Services Present Law Adjustments</b>	<b>5.54</b>	<b>\$0</b>	<b>(\$11,074)</b>	<b>\$0</b>	<b>(\$11,074)</b>

DP 99 - LEG. Present Law -

As shown in the present law adjustment table, overall the executive is proposing increases in costs and funding to operating expenses when compared to the FY 2015 legislative budget. Consultants utilized for analyzing the implications of the actions of transportation and utility companies indicated that their fees will increase in the 2017 biennium. The agency also anticipates rent increases.

**New Proposals -**

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100002 - Caseload Contingency (RST/OTO)	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>

DP 100002 - Caseload Contingency (RST/OTO) -

The budget includes a \$250,000 one-time-only contingency each year for the 2017 biennium for costs associated with unanticipated caseload, consistent with appropriations in prior biennia.

**LFD COMMENT**

In the previous biennia, the caseload contingency fund has been provided for the potential of unusually large controversial or complicated cases that could require agency intervention. The following table illustrates the actual historical expenditures from the caseload contingency fund since FY 2004. Since the caseload contingency is not expended in a consistent way, separating the caseload contingency into a separate appropriation allows the legislature to track the expenditures. In the 2013 and 2015 biennia, the caseload contingency was one-time-only and restricted. The one-time designation separated it from base expenditures and restricted it to a specific purpose or function.

Consumer Counsel Historical Expenditures Caseload Contingency FY 2004 - FY 2014	
2004	219,354
2005	-
2006	43,000
2007	69,214
2008	148,523
2009	76,041
2010	(2,000)
2011	123,495
2012	-
2013	43,404
2014	-
*In the 2013 & 2015 biennia, the caseload contingency appropriation was included with a one-time-only designation.	