

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	5.54	5.54	5.54	5.54	5.54	5.54	0.00	0.00%
Personal Services	453,709	567,986	572,931	574,618	1,021,695	1,147,549	125,854	12.32%
Operating Expenses	485,539	825,334	1,064,288	1,066,255	1,310,873	2,130,543	819,670	62.53%
Total Costs	\$939,248	\$1,393,320	\$1,637,219	\$1,640,873	\$2,332,568	\$3,278,092	\$945,524	40.54%
State Special	939,248	1,393,320	1,637,219	1,640,873	2,332,568	3,278,092	945,524	40.54%
Total Funds	\$939,248	\$1,393,320	\$1,637,219	\$1,640,873	\$2,332,568	\$3,278,092	\$945,524	40.54%

Agency Description

Agency Mission: The Consumer Counsel represents state-wide consumer interests in hearings before the Public Service Commission and like agencies. On behalf of the public of Montana, the counsel may initiate, intervene, and participate in appropriate proceedings before state or federal courts or administrative agencies. The Montana Consumer Counsel is part of the legislative branch and is overseen by the Legislative Consumer Committee. The Consumer Counsel is provided for by Article XIII, Section 2 of the Montana Constitution, and is governed by Title 5, Chapter 15, and Title 69, Chapters 1 and 2, MCA.

Agency Highlights

Montana Consumer Counsel Major Budget Highlights
<ul style="list-style-type: none"> ◆ The majority of the requested statewide present law increase is due to under-filled positions during the base year ◆ The 62.6% increase in operating expense is due to a request to re-establish funding for consulting and professional fees due to unusually light legal costs during the base year
Legislative Action Issues
<ul style="list-style-type: none"> ◆ The single decision package submitted by the executive provides the agency with the possibility of increasing its base expenditures by including caseload contingency funding

Agency Discussion

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- o Goals, objectives and year-to-date outcomes from the 2011 biennium.
- o Critical agency goals, objectives, and anticipated outcomes and their correlation to the executive's budget request for the 2013 biennium.

2011 Biennium Goals

The Consumer Counsel had no goals that were monitored by the Legislative Finance Committee during the 2011 biennium.

2013 Biennium Goals

During the interim the Legislative Finance Committee met with the agency to select critical goals and performance measurements for the legislature to consider during the appropriation process. The identified critical goals are:

Goal:

To represent Montana consumers in appropriate proceedings before the Public Service Commission, Federal Energy Regulatory Commission, Federal Communications Commission, federal administrative agencies, and state and federal court proceedings; to monitor proposed legislation and participate in the legislative process before the Montana Legislature and the U.S. Congress for Montana consumers; to participate in activities that will help develop competitive markets in restructured utility industries.

Performance Measurements:

- o Number and percent of total Montana Public Service Commission filings audited and analyzed
- o Number and percent of Montana Public Service Commission proceedings participated in on behalf of Montana consumers
- o Number of Federal Energy Regulatory Commission, Federal Communications Commission, state and federal court, and other state or federal administrative agency proceedings participated in on behalf of Montana consumers
- o Number of and impact of positive outcomes due to participation of the Consumer Counsel in all proceedings participated in on behalf of Montana consumers

Agency Overview

Personal services increases from the prior biennium are due to statewide present law adjustments including fully funding positions that were under-filled in the base year. The agency underutilized its budgeted personal services hours by 14.5% during the base year due to one full-time and one part-time position being filled for approximately half of the year.

Budgeted personal services expenditures for FY 2010 were \$563,608. Actual personal services expenditures were \$453,655, thus producing a vacancy savings of \$109,953. This is reflected in the statewide present law adjustment for personal services of \$119,222 in FY 2012 and \$120,909 in FY 2013 to fund the under-filled positions.

The 62.5% increase in operating expenses is due to a request of about \$560,000 annually in additional authority for consulting and professional services expense. Included in the requested amount is \$250,000 for caseload contingency. For a further discussion, see the issue in the "Present Law Adjustments" section. There were no expenditures recorded on the state accounting system for caseload contingency in the FY 2010 base year, so the agency is requesting that the entire \$250,000 annual amount be re-established as a portion of this request. That leaves about \$310,000 annually requested for consulting and professional services.

5% Reduction Plan

No plan is included because statute exempts agencies with 20 or fewer FTE from the requirement to submit a 5% reduction plan.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as submitted by the Consumer Counsel.

Program Funding Table Administration Program						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
02000 Total State Special Funds	939,248	100.0%	1,637,219	100.0%	1,640,873	100.0%
02801 Dep Rev Consumer Cncl Tax	939,248	100.0%	1,637,219	100.0%	1,640,873	100.0%
Grand Total	939,248	100.0%	1,637,219	100.0%	1,640,873	100.0%

The Consumer Counsel is funded by a constitutionally earmarked tax that is levied on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is specified in 61-1-223 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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	939,248	939,248	1,878,496	57.30%
Statewide PL Adjustments	0	0	0	0.00%	140,425	142,593	283,018	8.63%
Other PL Adjustments	0	0	0	0.00%	557,546	559,032	1,116,578	34.06%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$1,637,219	\$1,640,873	\$3,278,092	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the Consumer Council. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					119,222					120,909
Inflation/Deflation					(10)					(9)
Fixed Costs					21,213					21,693
Total Statewide Present Law Adjustments		\$0	\$140,425	\$0	\$140,425		\$0	\$142,593	\$0	\$142,593
DP 1 - Present Law Base Adjustments	0.00	0	557,546	0	557,546	0.00	0	559,032	0	559,032
Total Other Present Law Adjustments	0.00	\$0	\$557,546	\$0	\$557,546	0.00	\$0	\$559,032	\$0	\$559,032
Grand Total All Present Law Adjustments	0.00	\$0	\$697,971	\$0	\$697,971	0.00	\$0	\$701,625	\$0	\$701,625

Agency Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - None
- o **Program Specific Obstacles** – Specific and unique skills make it hard to find qualified applicants. The majority of applicants are unqualified and the agency has had to recruit positions more than once due to unqualified applicants.
- o **Vacancy** – The agency generally has low turnover.
- o **Legislatively Applied Vacancy Savings** – Because it has fewer than 20.00 FTE, the agency was exempted from vacancy savings requirements.
- o **Pay/Position Changes** – No pay adjustments were made except an increase to a new hire due to successful completion of a probation period.
- o **Retirements** – Two employees are eligible for full retirement, with an anticipated liability of \$91,199. One of these employees could retire this biennium.

DP 1 - Present Law Base Adjustments - The budget request includes a \$250,000 caseload contingency component each year of the 2013 biennium for costs associated with unanticipated caseload, consistent with appropriations in prior biennia. The remaining adjustments, totaling about \$308,000 annually, are attributed to contract amounts and historical expenditure levels for consulting and professional services. FY 2010 base year expenditures for consulting and professional services were \$281,521 less than the average of the three fiscal years prior.

**LFD
ISSUE**Contingency Set-Aside Could be Used to Build Expenditure Base

The decision package combines requests for maintaining a historical base level of funding for contracted legal services and a contingency fund for unanticipated expenditures for the same purpose. As it stands, because the \$250,000 annual caseload contingency funding is not separated and not designated as one-time-only, each time the Consumer Counsel expends a portion of this amount in the base year, it becomes part of their base budget. By separating the request, the legislature would be able to easily see the portion of the agency's expenditures that were funded from this set-aside. In addition, should the legislature choose, the appropriation could be restricted, made one-time-only, or be completely disregarded as the legislature saw fit.

Options

1. Leave the decision package as is
2. Separate the caseload contingency portion in to its own decision package
3. Separate the caseload contingency portion in to its own decision package and designate it as one-time-only