

**Agency Proposed Budget**

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

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00
Personal Services	129,438	(2,339)	0	127,099	(2,704)	0	126,734	253,833
Operating Expenses	110,362	(39,094)	0	71,268	(38,915)	0	71,447	142,715
<b>Total Costs</b>	<b>\$239,800</b>	<b>(\$41,433)</b>	<b>\$0</b>	<b>\$198,367</b>	<b>(\$41,619)</b>	<b>\$0</b>	<b>\$198,181</b>	<b>\$396,548</b>
State/Other Special	239,800	(41,433)	0	198,367	(41,619)	0	198,181	396,548
<b>Total Funds</b>	<b>\$239,800</b>	<b>(\$41,433)</b>	<b>\$0</b>	<b>\$198,367</b>	<b>(\$41,619)</b>	<b>\$0</b>	<b>\$198,181</b>	<b>\$396,548</b>

**Agency Description**

The Montana Consensus Council is a single program agency attached to the Department of Administration for administrative purposes. The Montana Consensus Council is a public organization that helps citizens and officials build agreement and resolve disputes on natural resource and other public policy issues.

**Agency Highlights**

<b>Montana Consensus Council Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>Total funding decreases about \$116,600, or 22.7 percent, from the 2005 biennium appropriation to align expenditures within estimated revenues in an attempt to maintain a self-funded program</li> </ul>

**Agency Discussion**

*History of Montana Consensus Council Existence*

The Montana Consensus Council first came into existence in FY 1994 to provide a public dispute resolution office funded from \$128,000 from resource indemnity trust grants and \$130,000 from payments made from entities using the services of the council. Even though the legislature provided funding for this purpose, it did not create a dispute resolution office in statute. In FY 1994, Governor Racicot signed an executive order to create the Montana Consensus Council to provide the related dispute resolution function for which funding was provided. Until the 2003 Legislature passed HB 741 to create the Montana Consensus Council as an agency administratively attached to the Department of Administration, it has functioned with funding in HB 2 and under the executive order, without a direct statutory directive. Statute directs the council to promote fair, effective, and efficient processes for building agreement on natural resource and other public policy issues that are important to Montanans.

*Funding Challenges Ahead*

Since its inception, the council has relied on general fund to help fund operations. It wasn't until the 2005 biennium when the council was established as an agency separate from the Governor's Office that it was funded wholly with state special revenue. Functioning as a self-funded entity with state special revenue funding derived from fees for services and other available private funds will likely be the biggest challenge for the council for the 2007 biennium and beyond. In addition, indications are that the council will no longer receive a \$50,000 annual grant from a private entity.

The council has relied on contracted consensus facilitators to provide the services of the office. To address the anticipated revenue decline, the council has reduced its reliance on contracted consensus facilitators and is performing more consensus activities with existing state staff. The reduced reliance on contracted consensus facilitators is reflected

in the council budget request for the 2007 biennium and is the primary factor explaining why the budget request is 22.7 percent lower than the appropriations for the 2005 biennium.

**Funding**

Services of the Montana Consensus Council are funded with state special revenue funds derived from fees charged for services and other private grants or donations.

Program Funding Table						
Mt Consensus Council						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02275 Montana Consensus Council	\$ 239,800	100.0%	\$ 198,367	100.0%	\$ 198,181	100.0%
Grand Total	\$ 239,800	100.0%	\$ 198,367	100.0%	\$ 198,181	100.0%

**Biennium Budget Comparison**

The following table compares the executive budget request in the 2007 biennium with the 2005 biennium by type of expenditure and source of funding. The 2005 biennium consists of actual FY 2004 expenditures and FY 2005 appropriations.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	Present Law Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Biennium Fiscal 04-05	Total Exec. Budget Fiscal 06-07
FTE	2.00	0.00	2.00	2.00	0.00	2.00	2.00	2.00
Personal Services	127,099	0	127,099	126,734	0	126,734	283,669	253,833
Operating Expenses	71,268	0	71,268	71,447	0	71,447	229,472	142,715
<b>Total Costs</b>	<b>\$198,367</b>	<b>\$0</b>	<b>\$198,367</b>	<b>\$198,181</b>	<b>\$0</b>	<b>\$198,181</b>	<b>\$513,141</b>	<b>\$396,548</b>
State/Other Special	198,367	0	198,367	198,181	0	198,181	513,141	396,548
<b>Total Funds</b>	<b>\$198,367</b>	<b>\$0</b>	<b>\$198,367</b>	<b>\$198,181</b>	<b>\$0</b>	<b>\$198,181</b>	<b>\$513,141</b>	<b>\$396,548</b>

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "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.

	-----Fiscal 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(2,339)					(2,704)
Inflation/Deflation					(109)					(105)
Fixed Costs					3,768					3,945
<b>Total Statewide Present Law Adjustments</b>					\$1,320					\$1,136
DP 301 - Indirect Administrative Costs/Base Adjustments	0.00	0	(42,753)	0	(42,753)	0.00	0	(42,755)	0	(42,755)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$42,753)</b>	<b>\$0</b>	<b>(\$42,753)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$42,755)</b>	<b>\$0</b>	<b>(\$42,755)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>(\$41,433)</b>					<b>(\$41,619)</b>

**DP 301 - Indirect Administrative Costs/Base Adjustments -** A net reduction of about \$85,500 state special revenue for the biennium is proposed through increases of \$4,492 for indirect and administrative costs paid for services received from the Department of Administration and offsetting reductions of \$80,000 for consultant services and \$10,000 for minor computer software.