

**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	5.54	5.54	5.54	5.54	5.54	5.54	0.00	0.00%
Personal Services	434,691	574,618	594,605	594,540	1,009,309	1,189,145	179,836	17.82%
Operating Expenses	659,525	818,702	1,039,719	1,053,776	1,478,227	2,093,495	615,268	41.62%
<b>Total Costs</b>	<b>\$1,094,216</b>	<b>\$1,393,320</b>	<b>\$1,634,324</b>	<b>\$1,648,316</b>	<b>\$2,487,536</b>	<b>\$3,282,640</b>	<b>\$795,104</b>	<b>31.96%</b>
State Special	1,094,216	1,393,320	1,634,324	1,648,316	2,487,536	3,282,640	795,104	31.96%
<b>Total Funds</b>	<b>\$1,094,216</b>	<b>\$1,393,320</b>	<b>\$1,634,324</b>	<b>\$1,648,316</b>	<b>\$2,487,536</b>	<b>\$3,282,640</b>	<b>\$795,104</b>	<b>31.96%</b>

**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**

<b>Montana Consumer Counsel Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Personal services increases are primarily due to vacancy savings in the base year</li> <li>◆ Employee pay raises of HB 13, not included in the budget tables, add a total of \$87,210 in personal service appropriations to the budget</li> <li>◆ The increase in operating expenses results primarily from increases in consulting and professional costs that were lower than average in the base                             <ul style="list-style-type: none"> <li>• Increases approved by the legislature will bring the consulting and professional services budget up to the five year average</li> </ul> </li> <li>◆ The Consumer Counsel budget includes \$250,000/FY for unanticipated caseload contingencies                             <ul style="list-style-type: none"> <li>• The appropriation is one-time-only and restricted to allow continued legislative review of the associated expenditures</li> <li>• There were no expenditures related to the FY 2012 caseload contingency appropriation</li> </ul> </li> </ul>

**Summary of Legislative Action**

The Montana Consumer Counsel budget increases by almost 32% due to two main factors: 1) fully funding positions in the 2015 biennium when the agency experienced an 8.1% vacancy savings in the base year; and 2) funding of \$500,000 for an unanticipated caseload contingency.

The legislature passed HB 13, which provided appropriations to increase personal services in agencies. Due to the lump sum nature of the pay plan in the executive agencies and the allowances provided to the executive branch in distributing the appropriations, HB 13 budget increases were not included in the various budget tables of this report. However, HB

13 did provide appropriations specific to the consumer counsel that provide \$18,922 in FY 2014 and \$51,293 in FY 2015, from state special revenue, for employee pay rate and healthcare benefit increases. The total increase in personal service costs are \$250,051 in the 2015 biennium.

**Agency Discussion**

The most significant cost component in the budget of this agency is consulting and professional costs. In the 2015 biennium, 56.7% of the total appropriation is for contracted consulting services. This statistic includes the appropriations for caseload contingencies. The counsel makes use of consulting services to provide the analysis for cases for which the counsel is preparing to intervene. The consulting costs vary given the number and complexity of interventions, and over the past decade the contracted service costs have ranged between \$352,684 in FY 2010 and \$957,740 in FY 2008. In the base year, expenditures for contracted services were lower than average, of \$529,118 and resulted in a significant increase of 41.6% to operating expenses.

**Executive Budget Comparison**

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	5.54	5.54	5.54	0.00	5.54	5.54	0.00	
Personal Services	434,691	594,605	594,605	0	594,540	594,540	0	0
Operating Expenses	659,525	1,039,677	1,039,719	42	1,053,734	1,053,776	42	84
<b>Total Costs</b>	<b>\$1,094,216</b>	<b>\$1,634,282</b>	<b>\$1,634,324</b>	<b>\$42</b>	<b>\$1,648,274</b>	<b>\$1,648,316</b>	<b>\$42</b>	<b>\$84</b>
State/Other Special	1,094,216	1,634,282	1,634,324	42	1,648,274	1,648,316	42	84
<b>Total Funds</b>	<b>\$1,094,216</b>	<b>\$1,634,282</b>	<b>\$1,634,324</b>	<b>\$42</b>	<b>\$1,648,274</b>	<b>\$1,648,316</b>	<b>\$42</b>	<b>\$84</b>

The budget was approved as originally requested by the agency, except for an increase of \$42 per fiscal year for the legislative changes to the statewide present law adjustments.

**Funding**

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Consumer Council Funding by Source of Authority 2015 Biennium Budget - Administration Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$3,282,640	\$0	\$0	\$3,282,640	100.0%		
02801 Dep Rev Consumer Cncl Tax	\$3,282,640	\$0	\$0	\$3,282,640	100.0%		
<b>Total All Funds</b>	<b>\$3,282,640</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,282,640</b>	<b>100.0%</b>		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The Montana 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 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 by base, present law adjustments, and new proposals.

Budget Item	General Fund				Total Funds			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	1,094,216	1,094,216	2,188,432	66.67%
Statewide PL Adjustments	0	0	0	0.00%	159,262	159,309	318,571	9.70%
Other PL Adjustments	0	0	0	0.00%	130,846	144,791	275,637	8.40%
New Proposals	0	0	0	0.00%	250,000	250,000	500,000	15.23%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$1,634,324</b>	<b>\$1,648,316</b>	<b>\$3,282,640</b>	

**Other Legislation**

**HB 13** - The legislature approved funding for a pay plan for state employees. The bill includes a lump sum appropriation for pay raises that will be determined for their respective employees by the executive, legislative, and judicial branches and the Montana University System. The bill also includes funding for a 10% insurance increase for all employees each year. The legislature did not specify a particular percentage salary increase a state employee should receive, but stipulated that the appropriated funds must be used to increase the base pay of each employee, with particular attention to the lower pay bands and employees who did not receive an increase in the 2013 biennium. For more information of the impact of HB 13 to the Consumer Counsel, see the “Summary of Legislative Action” section of this report.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

	Fiscal 2014				Fiscal 2015					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					159,914					159,849
Inflation/Deflation					14					32
Fixed Costs					(666)					(572)
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$159,262</b>	<b>\$0</b>	<b>\$159,262</b>		<b>\$0</b>	<b>\$159,309</b>	<b>\$0</b>	<b>\$159,309</b>
DP 1 - Present Law Base Adjustment	0.00	0	130,804	0	130,804	0.00	0	144,749	0	144,749
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(159,262)	0	(159,262)	0.00	0	(159,309)	0	(159,309)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	159,914	0	159,914	0.00	0	159,849	0	159,849
DP 52 - Adjustment for Statewide Operations	0.00	0	(610)	0	(610)	0.00	0	(498)	0	(498)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$130,846</b>	<b>\$0</b>	<b>\$130,846</b>	<b>0.00</b>	<b>\$0</b>	<b>\$144,791</b>	<b>\$0</b>	<b>\$144,791</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$290,108</b>	<b>\$0</b>	<b>\$290,108</b>	<b>0.00</b>	<b>\$0</b>	<b>\$304,100</b>	<b>\$0</b>	<b>\$304,100</b>

**DP 1 - Present Law Base Adjustment** - The legislature approved adjustments to increase funding to address anticipated costs in the agency, primarily in contracted services. This adjustment would bring contracted service costs up to the five year expenditure average.

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

**New Proposals**

New Proposals										
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Unanticipated Caseload Contingency (OTO/RST)										
01	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 2 - Unanticipated Caseload Contingency (OTO/RST) - The legislature approved a one-time-only appropriation for caseload contingencies. The amount added is to fund consulting costs for difficult cases where the consumer counsel is required to intervene. Funds were provided as one-time-only and were restricted to this purpose.