

M O N T A N A
Policy**R**eview

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LAND USE: PUBLIC DECISIONS AND PRIVATE RIGHTS

Public Involvement in County Land Use Planning:

Case Studies of Four Counties

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*A biannual analysis of public policy issues confronting Montana's communities and those who serve them.
Made possible by the Northwest Area Foundation.*

M O N T A N A Policy Review

REFLECTIONS ON LOCAL GOVERNANCE

I confess that I like Montana pretty much the way it is. And, in all honesty, I am probably more concerned about whirling disease decimating our trout than I am about yet another condo going up on banks of the Gallatin River, even though some of the more recent “starter castles” are pretty obnoxious.

Because of these and so many other development puzzlers that state and local decision makers fret about, we decided to present in this issue of the **Montana Policy Review** several widely varied perspectives of the regulation and use of private lands. Our assumption is that the 1997 Legislative Session will once again address the subdivision review and platting statutes that will guide county and municipal land use decisions.

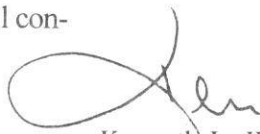
Right now it may be hard to believe that Montana’s stock of 20 acre “ranchettes” can ever be exhausted following the plating frenzy that predictably ensued after the enactment of the 160 acre threshold last Session. Nevertheless, and as Senator Hargrove correctly points out in the lead essay of this edition, “We live here because of the open spaces but in living here the open spaces disappear, and so far wringing our hands hasn’t really changed things”.

Irrespective of the uneven distribution of the costs of rural development detailed in Mark Haggerty’s piece and despite the measurably adverse impacts of conversion of ag land to other purposes described herein by Johnson and Maxwell, development will con-

tinue to wrinkle the lovely face of Montana. Market forces combined with private property rights will remain legitimate and powerful interests to be reconciled with the public good by local officials who will also continue to make the critical land use decisions for their counties and communities.

Good news! We believe that some new tools may soon be at the disposal of our county commissioners and council members in balancing the public interest with market imperatives and property rights. We are, for example, encouraged by recent discussion of “incentive” based public policy related to the development and subdivision of rural lands. Senator Hargrove hints at this possibility in his essay. Expanded use of the “consensus process” in the reconciliation of natural resource disputes, as reported by Colleen Coyle’s timely piece, is also a promising alternative to our fractious track record. Finally, Debra Beaver’s case studies of public involvement in the land use planning process of four Montana, Idaho and Wyoming counties is particularly noteworthy for its emphasis on the importance of recognizing private property rights early on in any local land use planning process.

In short, there is reason to be optimistic that Montana’s land use policies and practices can maintain our wide open spaces while accommodating market imperatives and private property rights. Now then, what about my trout?



Kenneth L. Weaver, Director
Local Government Center

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**LEGISLATIVE
CRACKER
BARREL**

OPEN SPACE AND PROPERTY RIGHTS

Don Hargrove

Senate District 16, Montana State Senate

When I peruse Aldous Huxley's book, Brave New World, I realize again that a world that changes constantly is both desirable and inevitable. Tyrants have tried to stop time to preserve their own view of themselves but it hasn't worked yet and probably never will.

The rest of the time, I moan and complain about the changes that are going on around me. When I was a youngster in Gallatin Valley I didn't appreciate what we had. Most people never removed their keys from the ignition, they didn't know how to lock their houses, and significant financial deals were made on a handshake. No one requested permission to hunt but it was considered good manners to stop by and offer a hind quarter on the way out. I have a Gallatin County telephone book from those days that is six by nine inches and has 27 pages of names - pages that are about one third ads. Belgrade has 162 listings. Now there are that many Zs. In those days, we complained about new people from Butte. Now they are from Los Angeles. Maybe we just want to complain.

We don't complain about paved roads, excellent medical care, microwaves, television, the symphony, high protein strains of wheat, or water that you don't have to carry in a bucket or heat on a wood stove. (Actually we still complain, but it's just to get our quota of complaining done - one seems to need a certain amount.) So it isn't all bad. Life in this particular part of our special state is pretty good. Most people are able to earn a living and in fact are better able to enjoy some of our special things like the mountains and streams and open spaces. Snowmobiles and ATVs and trails may impose a little more civilization than we might want but life without them was pretty restrictive.

We now are bumping into each other a little more and growth and change are continuing. The trick is to keep those things that we as Montanans identify with as our daily pleasure and heritage. The mountains and streams will outlast us but we are mak-

We live here because of the open spaces but in living here the open spaces disappear, and so far wringing our hands hasn't really changed things.

ing an assault on the open spaces. And why not? Whoever we are and wherever we are from, who can blame us if we want to reserve a little bit of this wonderfulness for ourselves and our families? Or if we already have a piece of it and would like to quit working it 365 fifteen hour days a year just to keep our heads above water, who can blame us if we trade a little of it for some financial security?

The good life and financial security are powerful and very American incentives. The framework of laws in Montana provides that we will strive to achieve these things by putting, as a maximum, one family dwelling on every 160 acre piece of the state insofar as we possibly can. There is no mountain too steep or forest too thick to prevent it from happening. Of course, we all talk about "poisoning the well". We live here because of the open spaces but in living here the open spaces disappear, and so far wringing our hands hasn't really changed things.

I submit that the problem is more than just our personal selfishness. Most of us would like our own little "homestead" but that isn't as important as maintaining the open character of where we live. We'd like to live here and still see farms and ranches remain as farms and ranches. We also prefer that the open space or ridge we are accustomed to remain as that open space or ridge, and that we at least save some of the thousands of acres of open land which has already been subdivided into 20 acre subdivisions stay as open land, game habitat continue as game habitat. We want young families continue to make a life on farms or ranches, and family farms remain as a Montana heritage. That's what we really want, but the economics of life and the subdivision laws make the path of least resistance one of developing or selling existing 20 acre subdivisions and continuing to sell and build on every 160 acre parcel that we can figure out how to get a road to.

Before 1993, one could subdivide into 20 acre parcels without being subjected to review or process. In 1993 landowners were given great incentive to do it immediately by legislation that increased the "non-review" subdivision minimum to 160 acres. As a result, the period immediately preceding the effective date of the law saw an un-

A combination of proposed initiatives seems to have the potential of providing encouragement to maintain open spaces while leaving property rights intact...

precedented number of people taking advantage of the 20 acres provision. Those parcels, some of which may never have been subdivided with-

out that little incentive, are just waiting for the right moment for development. The rest of Montana is waiting to be developed into 160 acre plots. And of course, the subdivision review process, and zoning, and all the other controlled development tools are being applied daily by communities and individuals.

The state has provided some incentive for open space through conservation easements. Most farmers and ranchers can't afford to take advantage of these, although some conservation groups are making an effort to purchase parcels. There is also provision for cluster development which maintains open spaces, but the complete subdivision review process takes time and money and is a disincentive. A combination of proposed initiatives seems to have the potential of providing encouragement to maintain open spaces while leaving property rights intact with full decision-making authority remaining with the landowner. Look for legislation to do just that in the 1997 session.

PUBLIC INVOLVEMENT IN COUNTY LAND USE PLANNING: CASE STUDIES OF FOUR COUNTIES

by Debra Beaver

Local governments engage in few activities which have the ambition and scope of a comprehensive planning process. Many elements interact to create a successful planning effort, including: leadership and organizational skills, internal dynamics between planning board, staff, and elected officials, the extent of development pressure and perceived threat to the community, and technical expertise. The author chose to focus solely on one piece of the equation: public participation in the planning process.

The following case studies examine the efforts of four Greater Yellowstone counties to involve the public in creating or updating a comprehensive land use plan. The information contained in the case studies was compiled from on-site interviews during the summer of 1995 with elected officials, planning commission members, planning staff, and citizen task force and committee members. Interviews were supplemented with written material when available.

Gallatin County, Montana

1994 Population Estimate: 57,773*

Growth, 1990-1994: 14.5%

Background. In 1989 the Gallatin County Commissioners began looking at the feasibility of initiating a comprehensive planning process. The unincorporated portion of the county had experienced significant growth over the past twenty years, however, two previous county-wide planning efforts were defeated because of opposition to zoning.

In the fall of 1989 the county commission hosted a series of presentations around the county to gauge residents' support for planning. Featured in the presentations were: costs the county was absorbing associated with unplanned development such as road improvements, school impacts, and fire protection; local examples of how planning can be used to protect property values rather than degrade them; and the difference between a master plan and zoning. After receiving a fairly positive response to the presentations the county commission passed a resolution in May 1990, creating the Gallatin County Planning Board to begin work on a master plan. A key portion of the resolution stated that the county would not implement zoning unless a neighborhood requested it. This was included to assure residents that zoning would not automatically follow creation of a master plan.

* Census and Economic Information Center Montana Department of Commerce

The Public Process. The planning board, planning staff, and county commissioners jointly conducted eight meetings around the county in the spring of 1991 to generate a list of community concerns to be addressed in a master plan. Meeting attendance ranged from a high of approximately sixty at the county wide meeting, to fourteen at one of the area meetings with total participation in the meeting series around two hundred.

Using the information collected in the spring meetings, the planning board developed a draft plan which was mailed to all county residents in September 1992. Eight public meetings were held around the county to review the first draft of the plan in small discussion groups. Planning staff, planning board members, and commissioners also made presentations on the draft plan for a variety of civic groups throughout the fall. The planning board

Meeting attendance was moderate and support was largely measured in the lack of opposition. Opposition to the permit system became most evident in the series of meetings after the draft had been mailed to residents. Many opponents believed the county was backing out of its commitment not to implement county-wide zoning unless a neighborhood requested it.

produced a second draft and held public hearings before recommending a final document to the county commission, which was adopted in June 1993.

Opposition. Leaders interviewed felt that overall opposition to the plan was low. This was attributed primarily to the public's perception of the plan as an advisory document only. The county commission's 1990 resolution which established a voluntary zoning policy assuaged

fears of county-wide regulation. This resolution later became problematic when the county moved to implement the plan.

Support. Leaders interviewed felt support for a plan was strong to moderate. Based on a questionnaire

four communities were supportive of a plan, one was divided approximately 50/50, and one did not want a plan. Meeting attendance was moderate and support was largely measured in the lack of opposition. A proposal by a local cement plant to burn hazardous waste did turn out many vocal supporters of a plan as a tool for keeping this activity out of the county.

Implementing the Plan. During plan development some type of permit system was periodically discussed as an implementation tool. Leaders felt that implementation beyond the voluntary zoning districts was necessary because of the difficulty in administering individualized zoning districts. Also, the majority of the county remained unregulated in respect to achieving the goals in the master plan. Some of the planning board members and county commissioners felt that a permit system could be designed that would be more flexible and less restrictive than traditional zoning and therefore more palatable to county residents.

In August 1993 a workshop on the permit system was held for planning board members, planning staff, county commissioners, and a limited number of county residents who had expressed interest in creating neighborhood zoning districts. Soon thereafter a consultant was hired by the county to work with the planning board to create a permit system to implement the county plan.

County residents were introduced to the permit system in August 1994 at four workshops conducted by the planning consultant, and draft regulations were mailed to all county residents. The planning board hosted meetings in September and October at seven different locations around the county to give residents an opportunity to see how the permit system operated using a hypothetical development scenario, and get feedback on the draft. One hundred and thirty-six people attended the meetings, with attendance ranging from thirty-four down to five.

Opposition to the permit system. Opposition to the permit system became most evident in the series of meetings after the draft had been mailed to residents. Leaders interviewed felt that the strong opposition encountered was primarily a reaction against

regulation, rather than specific community input on the content of the draft. Many opponents to the permit system believed the county was backing out of its commitment not to implement county-wide zoning unless a neighborhood requested it. During this time Gallatin Citizens for Better Government formed and began circulating a petition in protest of the draft regulations. Approximately three hundred signatures were gathered in opposition to the permit system. In response, the county abandoned a late December deadline for adopting the permit system.

No further action has been taken regarding the permit system since the fall of 1994. Planning board members are now reviewing the adopted master plan. They intend to reacquaint county residents with the master plan and then begin a dialogue about how people would like to see it implemented. They are also working on a standardized procedure for the areas of the county that would like to voluntarily create a zoning district.

Draft regulations in the mail were the first introduction many residents had to the permit system...this sparked an opposition movement.

Summary. The master planning process was successful in part because of the groundwork laid, beginning with a series of informational presentations by the county commissioners. However, an emphasis on

the plan as strictly an advisory document, supplemented by the county commission's 1990 voluntary zoning policy did not prepare the public for the development of county-wide land use regulations. The county leadership, acting on what appeared to be broadly accepted goals in the master plan, developed land use regulations with very little public input. Draft regulations in the mail were the first introduction many residents had to the permit system. This sparked an opposition movement which dominated subsequent public meetings. In turn, the county abandoned plans to adopt the permit system.

Leadership's Thoughts on How to Improve the Public Process

- Involve the public in building the implementation

process, rather than specific community input on the content of the draft. Many opponents to the permit system believed the county was backing out of its commitment not to implement county-wide zoning unless a neighborhood requested it. During this time Gallatin Citizens for Better Government formed and began circulating a petition in protest of the draft regulations. Approximately three hundred signatures were gathered in opposition to the permit system. In response, the county abandoned a late December deadline for adopting the permit system.

- County commissioners should be more involved in public presentations.
- The response from communities was tremendously varied by neighborhood. Need to move to a neighborhood level, rather than a blanket approach.
- Need to provide training to presenters on meeting and conflict management.
- Keep the public better informed throughout the process. There should be no big surprises.
- Spend more time on the front end educating citizens on the importance of planning.
- Find out where meetings are held in the community and talk to people at their own meetings.

Teton County, Idaho

1994 Population Estimate: 4,269*

Growth 1990-1994: 24%

Background. In 1975, the Idaho Legislature enacted the Idaho Local Planning Act (LPA) in response to the states' rapid population growth during the 1960's and 1970's. The LPA mandated that cities and counties develop, adopt, and implement community-wide plans. In 1980-81, and again in 1986 Teton County, Idaho drafted comprehensive plans, but neither were adopted due to public opposition in the final hearing stages. As a result, the county was in violation of state statutes. In 1988 the state advised Teton County that the county must begin work on a comprehensive plan or the state would do the job and bill the county for the work.

In the same time period, the Teton Economic Development council (EDC) was organized in 1988 as a local revitalization team as part of the Department of Commerce's "Gem Community" program. The purpose of the eighteen member EDC was to identify county resources and needs and make recommendations regarding economic issues to the county commission. To begin their work, the EDC sponsored a "community days" town meeting in April of 1989 to get a feel for valley residents' concerns. Approximately one hundred and eighty people attended the first community days. Based on input

* Teton County, Idaho Planning Department

ity need in the county was development of a comprehensive plan. Towards that end, the EDC contributed \$10,000 of their grant assistance money towards helping the county hire a professional planning consultant.

The Public Process. The Teton County Commission and Teton Economic Development Council jointly sponsored a second Community Days in November 1989 with a focus on comprehensive planning. The forum was organized around six topic areas that participants could choose to discuss in small group sessions: Housing/Subdivision, Natural Resources, Agriculture, Commercial Development, Recreation, and Public Services and Facilities. Members of the EDC and two other citizen groups led the small group discussions. The local facilitators went through a training session with staff from Idaho State University on conflict resolution and facilitation techniques prior to the forum. Approximately one hundred and fifty people attended Community Days II.

Following the community forum, the planning and zoning commission and planning consultant conducted five additional meetings around the county to gather area specific concerns regarding the content of a master plan. Three citizen committees were appointed by the county commission to prepare recommendations for a draft plan. The committees formed were: Population and Economic Development, Land Use and Public Facilities, and Recreation and Community Design. The citizen committees were given a working draft from the planning consultant. These committees made recommendations on details of the plan such as land use categories, minimum parcel sizes, and setbacks, which would eventually form the basis for zoning districts. The planning consultant periodically met with the committees to review and incorporate their

These citizen committees made recommendations on details of the plan such as land use categories, minimal parcel sizes, and setbacks, which would eventually form the basis for zoning districts.

A draft plan was completed in January 1992 and presented publicly in conjunction with Community Days III, a two day Successful Communities workshop cosponsored by the county commissions of Teton County, Idaho and neighboring Teton County, Wyoming. Under the guidance of project facilitator Luther Propst of the Sonoran Institute, one hundred and forty participants were divided into seven groups and asked the same three question: what do you think are the most important assets in Teton Valley? What is your vision for Teton Valley 5, 10 and 20 years? What steps will lead to your vision? Although the workshop did not deal specifically with the draft plan, it provided an opportunity for county officials and residents to focus on community assets in the valley and identify some common values for the future.

The planning and zoning commission held the first public hearing on the draft plan in February 1992, before recommending the draft to the county commission. After holding several additional public hearings the Teton County Commission adopted a comprehensive plan in April 1992.

Opposition. Opposition to the plan surfaced in the final hearings before the county commission and continued into the implementation phase. Members of the Constitutional Congress, formerly the Constitutional Militia Association, opposed the plan as a violation of private property rights. Much of the opposition associated with the plan was aimed at an interim Scenic Corridor Ordinance passed in August 1991 which restricted development within 1,320 feet of Highways 31, 32, 33 and the Ski Hill Road until a plan was adopted. A petition against the ordinance garnered three hundred signatures. In response to the opposition, some changes to the Scenic Corridor Ordinance were reflected in the final comprehensive plan such as decreased setbacks from property lines.

Support. Leaders interviewed felt that community support for a plan was strong, in large part due to the proximity of Jackson, Wyoming. Newspaper accounts from the time indicate that Teton County, Idaho residents were feeling the impact of Jackson's land boom in a variety of ways such as rising land

affordable housing options, crowded schools, and increased commuter traffic over Teton Pass. Several different citizen groups vocally supported completion of a county comprehensive plan and over four hundred individuals contributed a total of \$30,000 dollars to the planning effort in a fund drive led by the EDC.

Implementing the Plan. After adopting the plan, the planning consultant and planning and zoning commission began work on a zoning ordinance to implement the plan.

"I'm strongly against planning and zoning, but it's the only thing we've got to protect us"

Three area meetings were held in February 1993 to get public feedback on a draft county zoning ordinance. Beginning in March public com-

ment was taken via the public hearing process. Members of the Teton County Constitutional Congress who opposed adoption of the comprehensive plan continued to oppose the entire zoning process. Attempts were made by the planning and zoning commission to limit the group's ability to dominate discussion by limiting testimony at hearings to people who had not spoken at previous hearings. Enough people were supportive of some kind of regulation that the county leadership did not feel the group represented most residents. The county commission adopted a county-wide zoning ordinance in July, 1993.

As one leader expressed, there was a "tortured" acceptance of the need for some kind of regulation. Again, Jackson, Wyoming's influence was cited as the primary reason zoning was accepted by most people. In the words of one resident, "I'm strongly against planning and zoning, but it's the only thing we've got to protect us". While the final document was not as restrictive as many of the pro-planning residents had hoped, many agreed that adoption of the document was a "faltering" step towards protecting the quality of life in the valley.

Summary. Several elements combined to enable Teton County to successfully complete a master plan

from the Economic Development Council provided a strong network of support for the planning effort outside of county government. The presence of vocal planning advocacy groups made it difficult for anti-planning factions to dominate meetings. Finally, the county's rate of growth, coupled with the example of neighboring Jackson, Wyoming brought a sense of urgency to the planning effort which made some level of regulation acceptable to most citizens.

Leadership's Thoughts on How to Improve the Public Process

- Continue to hold Community Days forums. These provide a good format for communication and staying current with community needs.
- Use the citizen committees more in the review process before a final draft is released.
- Make sure there is continuity in the process, particularly as county leadership changes.

Park County, Wyoming

1994 Population Estimate: 24,928*
Growth 1990-1994: 8%

Background. In 1993 momentum for a Park County land use plan began to build from two different directions. On one hand, Multiple Use advocates presented the county commission with an eight hundred signature petition urging the commission to take a stronger role in public lands issues, and adopt an interim land use ordinance geared towards public lands management.

At the same time, many residents felt that existing county regulations were incapable of protecting sensitive areas in the county from inappropriate residential or commercial development. The proposed Crown Butte mine in nearby Cooke City, Montana presented the possibility that high density residential development could occur in a scenic, high altitude corridor.

The county commission felt that existing regulations needed to be updated to provide some protection against inappropriate development in scenic areas of the county, and to ensure that basic improvements such as water availability and road stan-

* Wyoming Department of Administration and Information; Economic Division

dards were covered financially by developers. Although a forgotten 1978 county plan “resurfaced” at this point, the county leadership felt an update was necessary to bring the plan up to speed with current events. In order to avoid a rush of applications under the old regulations, the county commission imposed a temporary moratorium, effective June 1, 1993 which prohibited any change in land use until the county could complete a comprehensive plan.

The Public Process. In order to identify community needs and concerns, the planning and zoning commission hosted meetings with a variety of boards and community groups through September and October 1994. In 1978 the county was divided into thirteen different planning areas. The planning and zoning commission continued to use these areas in the update process as guidelines for achieving input on community specific needs and desires. Twelve planning area forums were scheduled in the month of October to begin generating a list of issues and concerns in a number of topic areas that would be covered in a comprehensive plan. A professional facilitator was hired to conduct each of the two hour meetings. Over five hundred people attended the planning area forums.

Volunteers from each planning area forum were solicited to participate in a local ad hoc committee. These committees developed specific planning goals and objectives for their own geographic area. Each of twelve different ad hoc committees selected a representative to the Park County Community Planning Task Force.

The Task Force was created by the planning and zoning commission to bring together a diverse group of community interests to develop goals, objectives, and policies which would form the framework for a county comprehensive plan. Originally envisioned as a thirty member group, membership swelled as planning and zoning members sought to identify and balance different interests in the county. The final group was composed of approximately one hundred and eight members, although meeting attendance averaged approximately sixty. The Task Force met bi-weekly from November 1993 to May 1994 and developed policies in fourteen different

issue areas. A professional facilitator was hired to conduct all Task Force meetings. The facilitator used a variety of group processes to elicit decisions from the group. The Task Force as a whole rarely engaged in open floor discussion because of the difficulty of managing such a large group.

It was clear early in the process that public lands were an extremely volatile topic. The planning and zoning commission created a special committee to explore the issues in greater detail, and make recommendations to the Task Force. Twelve individuals, representing a full range of interests, were selected to work on public

It was clear early in the process that public lands were an extremely volatile topic...twelve individuals, representing a full range of interests were selected...

lands issues in a series of nine meetings over the same time period that the Task Force was meeting. While the group did not solve any of the issues which were causing polarization in the community, they were able to come up with some recommendations that everyone on the committee could allow to be attributed to the group. The Public Lands Committee presented their recommendations to the Task Force towards the end of the meeting series. After reviewing their work, the Task Force accepted the committee’s recommendations almost verbatim. Once the Task Force finished it’s work in May, Task Force and ad hoc committee recommendations were compiled in a draft plan through the planning office.

A series of open houses were scheduled around the county in July 1994 for people to review the draft and make comments in an informal setting. At this point the draft encountered considerable criticism and the process shut down until after November elections.

Opposition. Frustration with the process and a lack of commitment to outcomes created considerable opposition to the draft plan after the Task Force finished meeting. The two specific criticisms cited most often were: 1) The draft was too big; it lacked unity and direction; 2) Disagreement over a procedural point: some Task Force members felt they had been

promised a chance to review the draft to approve or disapprove it before it was released to the public.

While these particular criticisms were often cited, most leaders interviewed felt that the debate over the draft had a much broader context in the following areas: federal lands vs. private lands focus, mistrust of elected officials, appropriate use and protection of natural resources, and private property rights vs. public interest. These philosophical differences in the county were coming to a head in an election year with three seats on the commission open for election.

Support. Most participants agreed there was strong support for the task of updating the plan. However, it was unclear whether support for updating would transfer into support for the document.

Since January, 1995 the planning and zoning commission has edited the first draft and reduced it in size. The edited draft was sent back to the ad hoc committees for review of their area plans. The planning and zoning commission intends to move to a more formal hearing process with public hearings in the planning areas to get comment on each ad hoc committee's work, and a hearing with the Task Force before producing a third draft to take out to the public.

Summary. By utilizing twelve different planning areas the planning process was better able to accommodate county diversity and create a sense of ownership in the process. Although the Task Force was formed to find consensus among different groups within the county this proved to be a difficult endeavor. A high level of distrust was exhibited towards local officials and the process itself. Also, the size of the Task Force made group discussions unwieldy. Despite these difficulties, the Task Force did at times foster communication between widely different interests within the county.

Leaderships' Thoughts on How to Improve the Public Process

- Smaller Task Force; size made difficult to manage.
- Task Force should appoint subcommittees, like

the State Planning Commission, to work from similar plan issue areas and then report back to the Task Force.

- Spend more time on the front end trying to identify organized interest groups to be represented on the Task Force.
- Spend more time educating citizens on the importance of planning with local facts and figures.
- Use consistent format for Task Force meetings.
- Need to develop better trust between local government and the public.

Teton County, Wyoming

1994 Population Estimate: 13,152*

Population Change 1990-1994: 18%

Background. During the 1980's Teton County, Wyoming's popularity as a gateway community and destination resort skyrocketed. Over the past decade the valley has experienced building booms in commercial, residential, and second home development. As a result many residents saw the qualities which made the area an attractive place to live declining.

In 1989 the county ran a traffic model based on the build out density available under the current zoning regulations developed in 1978. Projections of six lane highways extending to Wilson and Teton Village brought a sense of urgency to the community. Elected officials in the Town of Jackson and Teton County launched parallel planning efforts to update the old regulations and create a new comprehensive plan.

The Public Process. In 1990 a variety of scoping activities were initiated to begin identifying community concerns and values. Forty-eight public, private, and non-profit organizations sponsored a three day "Successful Communities Workshop" facilitated by Luther Propst of the Conservation Foundation's Successful Community Program. Soon thereafter the county initiated a series of small area plans to determine local concerns, existing development conditions, public services, and future needs. Fifteen different area meetings were held with neighborhood residents and planning staff.

Many issues, such as affordable housing,

* Wyoming Department of Administration and Information, Economic Division

habitat, and total valley density, affected the Town of Jackson and Teton County jointly. In a county composed of three percent private land and one incorporated town, it became clear that a joint planning process was the most logical approach for charting the valley's future. Candidates who ran on a cooperative planning platform in November 1990 were elected to office in both the city council, and county commission. Soon thereafter a joint structure was created to allow the city and county to develop a single master plan and regulations.

In early 1991 a consulting group was hired to develop the joint plan and regulations. The consultants' process was to design the comprehensive plan and implementation strategy simultaneously to encourage a clear understanding of the relationship between stated goals, and the "price" of implementing regulations. The consultants began by conducting interviews with a wide array of interest groups and large land owners. Four general public meetings were held to introduce people to the consultant team and planning work program.

The consultants developed five issue papers on affordable housing, community character, agricultural and environmental protection, economic development, and growth management. The issue papers were used to frame various local viewpoints on these issues, and explore alternative implementation methods. The consultants presented the issue papers at a number of public meetings.

The joint planning commission then scheduled a series of round table discussions to explore topics covered in the issue papers. Small groups worked with a facilitator to determine the kinds of implementing techniques participants favored. The planning staff hosted six information workshops around the county to acquaint residents with the consultants' process.

Periodically throughout the planning process elected officials met with civic groups, and large land owners to discuss plan contents and draft regulations. Summaries of the plan chapters highlighting key issues were distributed for public review.

The first draft of the master plan was released for public review in August 1992 minus sections on affordable housing, transportation and resort dis-

two public meetings were held at the beginning and end of a forty-five day comment period. A technical review committee composed of surveyors, engineers, and landscapers reviewed the plan and submitted comments to the joint planning commission. A sixteen page newspaper insert about the planning process and draft regulations was printed in the local newspaper.

A second public review period occurred in April 1993. Two all day open houses were held in Jackson to review the draft regulations. Information

Teton County began its planning effort with a high level of public enthusiasm...However, public frustration mounted as the planning process extended years beyond the targeted completion date.

tables on specific topics were set up and planning commissioners, elected officials, and planning staff were present to answer question and lead small discussion groups. A development review committee analyzed specific properties in light of the draft regulations

and reported findings to the joint planning commission. The committees results were provided to interested property owners upon request. A formal public hearing process was initiated in early 1994. Numerous hearings were held with the joint planning commission before a final draft was recommended to the joint board.

Near the end of the adoption process the town and county diverged from the joint planning process. In May 1994 the county commission adopted a comprehensive plan and zoning regulations, excluding incomplete sections on affordable housing, resort districts, and a transportation plan. The Town of Jackson adopted a plan and regulations later in November. However, a protest petition against the newly adopted town regulations resulted in a special referendum in January 1995. Jackson voters approved the plan and regulations.

Opposition. Leaders characterized opposition as low to moderate on a county-wide level. Early in the process several groups organized around property rights concerns. Several leaders noted that organized

opposition groups surfaced periodically throughout the planning process, but faded after approximately a year. Near the end of the planning process most of the opposition was related to specific impacts to personal property, such as commercial zoning designations, and minimum parcel sizes.

Support. Participants interviewed felt that at the outset of the planning process, there was an extremely high level of public support and interest. Elections in 1990 indicated a clear mandate for planning. As the process extended two years beyond the initial time frame, public frustration and “burnout” grew. As one leader expressed, there seemed to be a kind of public relief to have finally acted on something by adopting the finished portions of the plan.

Summary. Teton County began its planning effort with a high level of public enthusiasm. Unlike some planning efforts, local officials did not have to drum up support for the concept of planning. A clear mandate emerged in the 1990 town and county elections which created the basis for a cooperative planning venture between the Town of Jackson, and Teton County. Local officials conducted numerous interviews with affected stakeholders to address their concerns and keep them abreast of developments.

However, public frustration mounted as the planning process extended years beyond the targeted completion date. The complexity of developing a plan and implementing regulations simultaneously made public involvement difficult at times.

Leadership’s Thoughts on How to Improve the Public Process

-Load the front end of the process with open houses, round table discussions, and more informal meetings. Save the public hearing format for later in the process.

-Some kind of recapture system is important so people know how their comments feed into the process.

-Leaders need to identify opponents to planning early and begin meeting with them using local mediators.

-Use task forces to work on particular issues, rather

than the whole room taking on everything.

-Establish a clear window for public comment which begins and ends at certain dates. Then assess the comment and try to do something with it. Later in the process schedule another window. Otherwise the constant flow of comments becomes difficult to respond to adequately.

-Might use a professional mediator. Groups involved have to send a person to the table who truly represents them.

Public Participation Guidelines

Based on the collective experiences of the four counties examined in the case studies, the following are some general guidelines for structuring a public participation process around land use planning issues.

1. Build a constituency. An information/education campaign is a necessary starting point. As one planning board member noted, it is important to cross reference the county’s perceived problems with those of local residents; “A lot of residents didn’t feel that there was a problem, so nothing was going to be fixed. Their lives were going to be made more complicated by more regulation.” Groundwork must be laid to establish a common understanding of the problem. Develop presentations, slide shows, tours, and press releases based on what is happening locally. Vocal advocates of the planning process can be the best defense against last minute opposition.

2. Identify the major stakeholders. Who will be the most impacted by the plan/regulations? Are there segments of the population whose support is crucial to the success of the planning effort? These groups need to be identified, and brought into the process early on. Merely holding open public meetings will not ensure that you hear from all the “major players”. A task force or citizen committee is one way to bring stakeholders into the process. It is crucial to select people who have the trust of the group they represent.

3. Anticipate who might oppose the planning process. A Teton County, Idaho resident came up with the following checklist:

- What groups of residents might oppose planning and zoning?
- What are their fears and are they valid?
- How might the plan/regulations be structured to mitigate or even eliminate their causes for concern?
- Can present opponents be convinced that the benefits of the plan/regulations outweigh any detriments to them? What arguments are most influential?
- How best can the opponents of planning be brought into the process so that their concerns/fears are considered and dealt with?

4. Addressing County Diversity. Economies, landscapes, growth pressure, and values differ regionally within a county. If a blanket approach is used, the planning process may fall victim to the lowest common denominator syndrome. This is the minimum level of regulation palatable to the county as a whole. These minimum regulations do not meet the needs of high growth areas in the county. As one planning board member noted, "People think in terms of community". It can benefit the planning process to tap into this, such as Park County, Wyoming's use of community planning areas. Allowing neighborhood areas to customize planning objectives can create a sense of ownership in the process.

5. Go beyond the public hearing format. Although the public hearing is a legally required component of the adoption process, it can serve to maximize differences and provides no opportunity for problem solving. Mediation skills are important in creating an atmosphere where dialogue can take place.

6. Elected leaders need to be in constant dialogue as the plan/regulations progress. Elected officials have taken different roles in plan and regulation development. Commonly the appointed advisory body, such as a planning commission, does most of the ground work in shaping the document. However, it is important for elected officials to be involved in public meetings as the plan/regulations develop so that they are well acquainted with the history of the process.

7. Ongoing Communication. Find ways to keep the public abreast of what is happening throughout development of the plan or regulations. There should be no "big" surprises. Use newspaper inserts, issue papers, newsletters, guest radio spots, and meetings with civic groups to keep the community in touch with the process. Key summaries may be more effective and less costly than mass mailings of draft documents.

8. Prioritize and break down tasks. Comprehensive plans cover a variety of complex issues. Not everyone has to work on every issue. Create subcommittees to give top priority issues more in depth treatment, such as Park County, Wyoming's Public Lands Committee. Groups designed to tackle specific issues must contain the major stakeholders.



COSTS OF COUNTY AND EDUCATION SERVICES IN GALLATIN COUNTY, MONTANA *

By Mark Haggerty

Development pressures are overwhelming Gallatin county. Population growth consistently exceeds the national average with growth increasing by 14.4% from 1990 to an estimated population of 57,771 in 1994.¹ Nearly 18,000 new jobs were added between 1970 and 1991 and per-capita income has grown by \$4,564 over the same period.² Along with this growth have come ever increasing demands on local government to provide services. These demands are forcing local decision makers to deal with difficult land use issues.

The objective of this report is to determine the fiscal impact of different land uses on county government and the school districts in Gallatin County, Montana. This will enable local decision makers and the public at large to understand the relationship between cost and revenue streams and alternative land uses. With this understanding decision makers and the public will be better equipped to plan for and guide development. County government services include social services, general government services, public works, public safety and county debt service. County school districts provide public education services. Municipal government services and special districts such as fire districts, the airport authority and the Big Sky Resort are not included in this analysis.

METHODOLOGY

This study reorganizes local financial data to show the demand for services by different land uses in Gallatin County. It closely follows a methodology defined by the American Farmland Trust to help local groups quantify the difference between annual income and the expense of public services in their own communities.³ The five basic steps defined by the American Farmland Trust for this type of study are:

- 1) define land use categories
- 2) collect data
- 3) allocate revenues to land use categories
- 4) allocate expenditures to land use categories
- 5) compare these data.

Four land use categories identified for this study are defined as follows:

Residential: property used as dwellings including houses, mobile homes, apartments, and farm houses. All forms of residences are included in this category based on the *type* of services they demand, and no distinction is made between the *amount* of services different kinds of residential developments demand or about the occupations of those who live in them.

Agricultural/ open space: farm and range lands, designated forest lands, open lands, and unimproved (undeveloped) tract land.

* A shortened version of a paper by the author entitled "Fiscal Impact of Different Land Uses on County Government and the School Districts in Gallatin County Montana."

Commercial: properties actively used for business purposes other than agriculture and forestry. Includes utilities and railroads based on Gallatin County's property tax code classifications.

Industrial: properties actively used for wholesale production.

The main data sources used in this study include the Gallatin County property tax code report for fiscal year 1994, the Gallatin County revenue status report and expenditure worksheets for fiscal year 1994 and Gallatin County school district trustees reports for fiscal year 1994.

The allocation of revenues and expenditures to land use categories was fairly straightforward, but required considerable time and effort along with the help of local officials to ensure reliable and consistent results. For example, property tax revenues from mobile homes were allocated to the residential land use category using county property tax data while allocations of expenditures for the county airport at Three Forks were made after talking to county and airport officials since no records of airport use were available.

Sometimes, even after extensive document review and interviewing, no reliable allocation could be determined. For example, some miscellaneous and prior period revenues and some general government services could not be allocated to land use categories. In this case fall-back percentages were used to allocate revenues and expenditures to land use categories. *Property tax fall-back percentages* were used to allocate revenue data to land use categories when no reliable allocations could be determined. These percentages were generated by dividing the property tax revenue allocated to each land use category by total property tax revenues. When it was not possible to attribute expenditures to any land use category *Revenue fall-back percentages* were used. These percentages simply allocate the expenditures made to provide a service to land use categories in the same proportions as the revenues derived to provide that service. This insures that no one land use category is unfairly biased when no reliable allocation can be made.

The final step involves calculating ratios to show how much each land use demanded in county services for every dollar provided in revenue.

SCOPE

This study focuses only on services provided by the county government and county school districts. Municipal government services and special districts such as fire districts, the Big Sky resort, and the airport authority are not included in this analysis because these services are only provided to residents and businesses within the jurisdictional boundaries of the municipality or district⁴. The five municipal governments in Gallatin County are the incorporated cities and towns of Bozeman, Belgrade, Manhattan, Three Forks, and West Yellowstone. School districts are largely independent of county government with their own independently elected school boards, but they do levy some county wide property taxes and collectively provide important services to the county.

The myth that land converted to residential use will provide the government with excess revenue due to the expanded tax base crumbles when the costs of providing services are considered.

It is important to note that this study does not predict the future impacts of new development, but simply identifies the current contributions of existing land uses. The American Farmland Trust likes to call this type of study a “snapshot in time” providing local decision makers with insight into the current conditions in their area⁵. The study also does not make any distinction between different types of development within each land use category or about their distances from service centers. Farm houses, apartments, and “trophy homes” are treated equally based on the type, not the amount of services they demand.

FINDINGS

Revenues

All county revenues were grouped into one of six *revenue categories* based on categories found in the Gallatin County revenue status report for fiscal year 1994. School district revenues were placed in a seventh, separate revenue category. The revenue categories used in this report are:

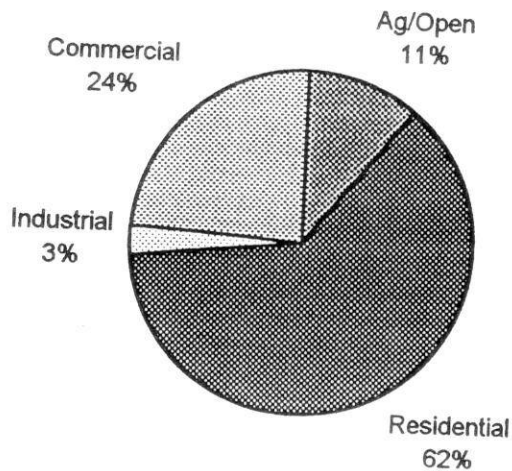
- 1) property taxes
- 2) licenses and permits
- 3) intergovernmental revenue
- 4) charges for services
- 5) fines and forfeitures
- 6) miscellaneous revenue
- 7) education.

Property taxes are the single largest source of income for the county government accounting for 53 percent of all revenues⁶. The county property tax code report for Gallatin County lists the taxable value of all taxable property by use. Using this code report, the taxable value of property was allocated to one of the four land use categories by school district. For example, the code report lists class 3, code 300 property as tillable irrigated land, so the taxable value of this property in each school district was allocated to the agricultural/ open space category.

Some of the state property classifications had to be reorganized to fit the land use categories defined by this report. For example, the county classifies apartment buildings as commercial property while this study considers them residential property based on the types of services they require. The taxable value of commercial apartments therefore was subtracted from the commercial land use category and added to the residential land use category. Similarly the taxable value of unimproved (undeveloped) commercial and residential tract land was included in the agricultural/open space land use category based on the nature of its use and the types of services it demands. This land is paying commercial and residential tax rates even though it remains open and demands services typical of agricultural and open land.

Chart 1 shows the allocation of property tax revenues to land use categories based on the taxable value and actual property tax revenue data.

Property Tax Revenues by Land Use, FY 1994



Source: Gallatin County revenue status report.

These data show that 62 % of county property tax revenue was generated by residential property, while 24%, 11% and 3% was generated by commercial, agricultural/open and industrial property respectively.

Intergovernmental transfer revenues, including the corporate license tax, liquor and wine tax revenues, were allocated to the appropriate land use categories, in this case all revenues were allocated to the commercial land use category. However some intergovernmental transfer revenues were not allocated to land use categories at all. For example, operating transfers between county funds are not revenues to the county or school districts at all. The money for the transfer has already been recognized as a revenue in the fund where the transfer originated and including operating transfers as revenues would double count the moneys involved. Other transfer revenues from Federal and state governments not generated in Gallatin County were not considered revenues attributable to a land use category. This study leaves these *non-county transfer revenues* out of this analysis. This was done to avoid potential bias and to avoid masking the effects of different land uses on county government and school districts by including large amounts of non-county transfer revenues.

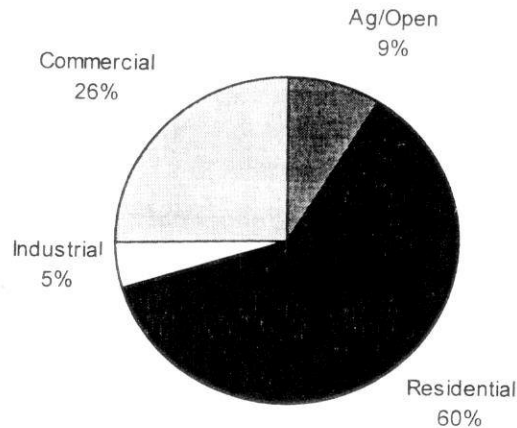
To balance the omission of state and Federal non-county transfer revenues, an equal amount of expenditures had to be left out of the analysis as well. For example, Federal transfer money to the county general fund to provide for civil defense was balanced by an equal amount of general fund expenditures omitted from the analysis.

License and permit revenues, charges for services, fines and forfeitures and miscellaneous revenues were all allocated to the appropriate land use categories. For example, revenue from poker machine permits, charges from the county rest home, and restaurant health inspection fees were allocated to the commercial, residential and commercial land use categories respectively. Revenues accruing to the school districts to provide education services come for the most part from the same

sources as county government revenues, i.e., property taxes, license and permit revenues and intergovernmental transfers. All these revenues were allocated to land use categories as described above. Chart 2 and Table 1 show total county and school district revenues allocated to land use categories.

Chart 2

Total County and Education Revenues by Land Use FY 1994



Source: Gallatin County Revenue Status Report, Fiscal Year

Table 1.

Total County Government and School District Revenues, FY 1994					
Revenue Category	Ag/Open	Residential	Industrial	Commercial	Total
Property Tax	\$692,608	\$4,061,193	\$179,929	\$1,554,663	\$6,488,393
Licenses & Permits	\$1,856	\$521,743	\$246	\$48,562	\$572,407
Intergovernmental	\$20,596	\$177,768	\$50,899	\$370,978	\$620,242
Charges for Services	\$84,080	\$3,496,905	\$26,702	\$319,680	\$3,927,366
Fines & Forfeitures	\$9,477	\$111,482	\$3,459	\$173,797	\$298,215
Miscellaneous	\$55,606	\$227,700	\$15,809	\$96,370	\$395,485
Education	\$2,874,712	\$17,332,733	\$1,707,294	\$8,334,294	\$30,249,033
Total	\$3,738,935	\$25,929,525	\$1,984,338	\$10,898,344	\$42,551,142
Percent	8.79%	60.94%	4.66%	25.61%	

Source: Gallatin County Revenue Status Report, Fiscal Year 1994.

These data show that over 60 percent of total revenues for education and county services were generated by residential property in Gallatin County in fiscal year 1994 while 26%, 9% and 5% of those same revenues were generated by commercial, agricultural/open and industrial property

respectively. These data also show education is by far the most costly service provided in Gallatin County with revenues accruing to the school districts more than double those accruing to the county government.

Expenditures

County government and school district services were grouped into six categories based on the type of service provided. These categories are:

- 1) general government
- 2) public safety
- 3) public works
- 4) social services
- 5) debt service
- 6) education.

The expenditures made for each service category were allocated to land use categories based on the type of service provided. For example, all expenditures made for education were allocated to the residential land use category. However, many general government expenditures are not attributable to any one land use category and were allocated using revenue fall-back percentages. For example, no reliable expenditure allocations could be made for the county commissioners. Since the commissioners are funded by the county general fund, the expenditures made by the commissioners were allocated to land use categories in the same proportion that total general fund revenues were allocated to land use categories. This is a less than ideal allocation because it is unlikely that diverse land uses demand services from the county commissioners equal to the revenue they provide to them. However, if it is not possible to quantify the difference, no judgments can be made.

Public safety, public works and social services expenditures were allocated to land use categories based on the demand for those services. For example, sheriff's services were allocated to land use categories based on a detailed review of incident reports, ticketing data, employment figures and extensive interviews with sheriff's department officials to determine the demand placed on the sheriff's department by the different land uses. Nearly all social services were allocated to the residential land use category. Again in some cases it was not possible to allocate expenditures to land use categories and revenue fall-back percentages were used. Road and bridge expenditures are included here because there is no data available about the type of road use, i.e., private vs. commercial vs. agricultural use, placing demands on the road and bridge department.

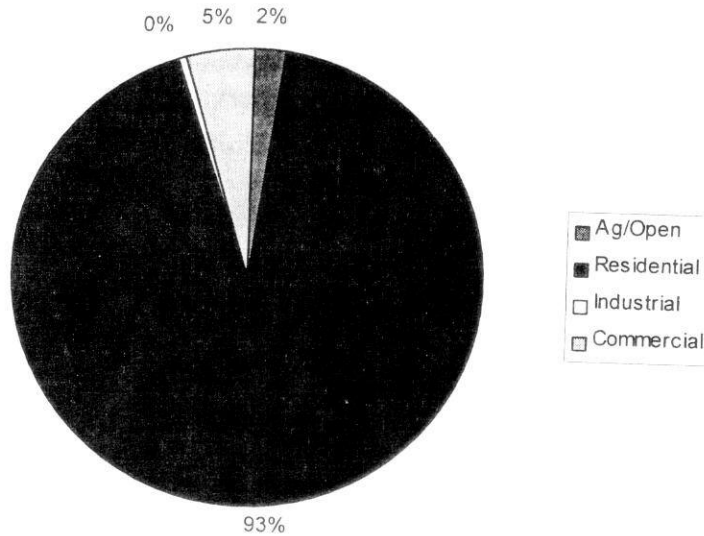
Debt service expenditures in Gallatin County go toward paying the principle and interest on bonds issued by the county to finance construction projects. The two outstanding bonds in fiscal year 1994 were for the county rest home and the new detention center at the law and justice center. Rest home bond expenditures were allocated to the residential land use category and detention center bond expenditures followed the proportion of crimes committed attributable to the different land use categories. Table 2 and Chart 3 detail the allocation of county government and school district expenditures to land use categories.

Total County Government and School District Expenditures, FY 1994					
	Ag/Open	Residential	Industrial	Commercial	Total
General Government	\$267,994	\$2,527,584	\$53,522	\$918,167	\$3,767,267
Public Safety	\$162,095	\$1,778,180	\$32,084	\$524,293	\$2,496,652
Public Works	\$272,511	\$1,169,360	\$56,720	\$362,380	\$1,860,971
Social Services	\$206,663	\$4,204,305	\$0	\$96,772	\$4,507,739
Debt Service	\$9,647	\$257,700	\$6,208	\$35,903	\$309,458
Education		\$27,587,343			\$27,587,343
Total	\$918,909	\$37,524,472	\$148,533	\$1,937,515	\$40,529,430
Percent	2.27%	92.59%	0.37%	4.78%	

Source: Gallatin County expenditure preparation worksheets fiscal year 1994; Gallatin County expense summaries fiscal year 1994.

Chart 3

County Government and School District Expenditures By Land Use, FY 1994



Source: Gallatin County expenditure preparation worksheets fiscal year 1994; Gallatin County expense summaries fiscal year 1994.

These data show that the county government and school districts combined made 93% of all expenditures to provide services to residential property while only 2% of all expenditures are made to provide county government and education services to agricultural and open land, 5% to commercial property and less than 1% to industrial property in Gallatin County in Fiscal Year 1994.

CALCULATION OF LAND USE RATIOS

These ratios are simply calculated by dividing total revenues allocated to each land use category by total expenditures allocated to each land use category.

Table 3.

Calculation of County and Education Land Use Ratios, FY 1994					
	Ag/Open	Residential	Industrial	Commercial	Total
Total Revenues	\$3,738,935	\$25,929,525	\$1,984,338	\$10,898,344	\$42,551,142
Total Expenditures	\$918,909	\$37,524,472	\$148,533	\$1,937,515	\$40,529,430
Ratio	\$1 : 0.25	\$1 : 1.45	\$1 : .07	\$1 : .18	

These ratios show that for every dollar raised in revenue from residential property, the county government and school districts had to spend \$1.45 to provide services to residential property. Conversely, only \$0.25 had to be spent to provide county and education services to agricultural and open land, \$0.18 to commercial property and \$0.07 to industrial property for every dollar raised from those land uses. It is important to remember that only revenues and expenditures attributable to land use categories within the county are included in these totals, and they do not include special district finances or non-county transfer moneys.

It is also useful to remember that the county government and school districts are autonomous governing entities. When only county government services are considered in the land use ratios, they appear very different (see Table 4). These ratios show the costs of providing only county government services to each land use. However, without education services added in, these ratios are not an accurate depiction of the true costs of providing all services to each land use and should not be interpreted as such.

Table 4.

Calculation of County Land Use Ratios, FY 1994					
	Ag/Open	Residential	Industrial	Commercial	Total
Total Revenues	\$864,223	\$8,596,792	\$277,044	\$2,564,050	\$12,302,109
Total Expenditures	\$918,909	\$9,937,129	\$148,533	\$1,937,515	\$12,942,087
Ratio	\$1 : 1.06	\$1 : 1.16	\$1 : .54	\$1 : .76	

DISCUSSION

The ratios in Table 3 clearly show that agricultural and open lands in Gallatin County provide the county government and school districts with a surplus of revenues while residential land demands more in services than it provides in revenue. This shows the financial benefits of agricultural land to local government even though it provides relatively little revenue compared to other land uses. An acre of houses simply provides more tax revenue to the county government and school districts than an acre of wheat or cows. But the services required of agricultural land are so few that the tax revenues more than cover these costs. Conversely, the myth that land converted to residential use will provide the government with excess revenue due to the expanded tax base crumbles when the costs of providing services are considered. In fact these data suggest that residential development may result in decreased quality of services to all existing and future residents due to the shortfall of revenues generated by the new development to offset the increased demand on infrastructure and services. Comparing the ratios in Table 3 and 4, it is obvious that the cost of education services are the most significant public cost and the main reason farmland provides surplus revenue to local

government because, when this cost is taken away, farmland no longer provides that surplus.

It should be cautioned that these data do not paint the whole picture. For example, the impacts of industrial and large commercial developments on local government may be misleading. Due to the residential development usually associated with industrial and large commercial developments, the net impact on the county government may not be positive as depicted by these ratios⁷. Further study is required on an individual basis to determine the indirect costs associated with large commercial and industrial developments.

Nor do these ratios reflect changes in economic opportunities and environmental quality due to development that may affect the way different developments are perceived, and the impacts they have on the local area. Additionally, individual developments within each land use category may demand services in differing proportions due to factors such as distance from service centers and size. Further study of the impacts of different types of residential or commercial development on local government may be desired. In any case it should be understood that this analysis is only one aspect of a complex set of issues surrounding land use decisions. The findings reported here should not be seen as inclusive figures addressing all the costs of development.

ENDNOTES

- ¹ U.S. Department of Commerce: Bureau of the Census.
- ² The Greater Yellowstone Coalition. *County Economic Profiles of the Greater Yellowstone Region*. 1993.
- ³ The American Farmland Trust. *Is Farmland Protection a Community Investment? How to do a Cost of Community Services Study*. 1993.
- ⁴ Doherty, J.C. *Growth Management in Countryfied Cities, Volume III: Six Perspectives on a Decade of Change*. Vert Milton Press. Alexandria, VA., 1991.
- ⁵ The American Farmland Trust. *Does Farmland Protection Pay? The Cost of Community Services in Three Massachusetts towns*. 1992.
- ⁶ Gallatin County revenue status report, fiscal year 1994.
- ⁷ Miller, Stephen. *The Economic Benefits of Open Space*. May 11, 1992.



COMMUNITY SUSTAINABILITY THROUGH ECOSYSTEM MANAGEMENT AND PLANNING

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Through identification of the components and processes operating within the complex ecological and human systems associated with the community, the management capacity of the community is enhanced. Community managers and leaders will be able to make management and planning policy decisions leading to positive public and ecological outcomes. These decisions, because they are locally based and tested, should be more amenable to local residents.

Introduction:

The Sustainable Community Interdisciplinary Project (SCIP) is comprised of a group of researchers and community members who are interested in and concerned with the issue of community sustainability. While difficult to define, community sustainability is associated with the nature of change in a community; issues such as land use change, social and demographic shifts, changing employment opportunities and strategies and ecological integrity are components of community sustainability. The premise of the study is that planning for community change and long term community sustainability is contingent on a habitable ecosystem. Therefore, monitoring of baseline data of many types is critical for logical long range land use and community planning. Through identification of the components and processes operating within the complex ecological and human systems associated with the community, the management capacity of the community is enhanced. Community managers and leaders will be able to make management and planning policy decisions leading to positive public and ecological outcomes. These decisions, because they are locally based and tested, should be more amenable to local residents.

The project discussed below is set in the Three Forks/Willow Creek area of Montana and was funded by the Northwest Area Foundation. Several specific objectives were designed and implemented by the project but foremost was our intent to recruit and maintain a multidisciplinary group including university researchers and local residents. The group includes Montana State University personnel from four departments and five disciplines; two graduate students are pursuing their degrees directly with the project. In addition, up to a dozen community residents of Three Forks and Willow Creek actively participate in periodic meetings. These meetings helped formulate a series of research questions that helped structure the study.

A second goal of the study was to place it in a setting reflecting a "traditional" rural Montana economy. Three Forks was chosen as an ideal case study for the examination of change in rural communities. The study region lies at the headwaters of the Missouri River and is defined by the Madison and Gallatin Rivers to the east of the study area while to the west lies the Jefferson River. The region as a whole shares employment opportunities in industrial and agricultural sectors, markets for the agricultural and ranching activity both nearby and in the whole of western Montana. Additionally, community involvement opportunities such as community events (rodeo, school sports) and community health care planning as well as land and water issues are of regional importance.² The historical social system, extractive based economy, agricultural history, geographical location of the community on an interstate highway, and proximity to a rapidly growing urban center (Bozeman, MT. pop. 25,000) create potential for many of the real and imagined tensions typical of communities in the rapidly changing rural west.

The area's economy is historically based on the railroad (now gone), agriculture (dryland crops and irrigated wheat), mining-related manufacturing (cement, talc products), a small lumber mill, and a small retail sector. The nearby city of Bozeman, 30 miles to the east, has continuously provided some employment opportunities. Recently, the location of several relatively large employers in high tech, tourism, consumer services, and light manufacturing have recently created more quality employment opportunities in the county. The agricultural and mining/manufacturing industries are not growing in the study region but some amount of value-added production is taking place in agriculture. Housing prices are increasing due to in-migration pressures from Bozeman (housing in Bozeman is 104% of the national average). Between 1992 and 1996 housing prices in the study area increased almost 30%.

The study area itself is growing although few new employers are locating there. In recent

years, a large vertically integrated bakery has been built and a few small businesses have appeared. These include some retail, a fishing lodge/motel, a cement product plant, and a wholesale tool supplier. Recently, the city negotiated transformation

...proximity to a rapidly growing urban center...create potential for many of the real and imagined tensions typical of communities in the rapidly changing rural west.

of railroad right of way land into a subdivision. In this and other subdivisions the homes were bought as soon as they came on the market. Older homes in the region are being bought and refurbished as well.

The study area was defined geographically as the "schoolsheds" of Three Forks and Willow Creek. The logic was that in rural areas, schools and the social functions in them form defining social cohesiveness that joins families, neighborhoods and communities.

Structure of the Study

The project consists of several component projects including Socioeconomic Profile, Land Use Management Attitudes, Land Use/Cover Class Prediction System, and Ecosystem Integrity Monitoring. Some of the components have subprojects associated with them. In each case, an effort is ongoing to take the findings of the projects to the research group and to the interested community residents. To date, four meetings have been held in Three Forks to communicate findings.

Socioeconomics

Demographic Data

One of the first steps in the project was to learn more about the study area. First, an in-depth multi-year study of the area was conducted using the publication Measuring Change in Rural Communities: A Workbook for Determining Demographic, Economic and Fiscal Trends (see Mon-

tana Policy Review Vol. 4 no.2). Demographic information was obtained using the Decennial Census for 1980 and 1990. Three Forks poses some difficult problems for creating a profile using government statistics. Three Forks is a small town with a population of approximately 1,200. Because much of the information used to compile community profiles is available only at the county level and some information is limited to towns over 2,500 inhabitants, some economic pieces of information will be missing. Even an incomplete profile provides a good "first glance" at the region. Below are some facts the Census told us about Three Forks:

- there is a low percentage of people with a bachelors degree or more in Three Forks as compared to the rest of the state and county.
- the population, number of households, and persons per household of Three Forks has remained relatively stable between the 1980 and 1990 Census.
- there has been a cyclical rise and decline in the housing market. The current increase in housing prices in the Gallatin Valley, particularly around Bozeman, is affecting housing prices in Three Forks.
- Three Forks has a small labor force of 521 people with 10.4% of the total force unemployed. Many of the unemployed are retired.
- Migration patterns in Gallatin County changed between 1975 and 1985, with a higher rate of migration into the state in the 1970's than in the 1980's. In other words, the recent "discovery" of the Gallatin Valley and subsequent in-migration is not a new phenomena. An even higher rate of influx was experienced in the late 1970's.

Local Economy

According to Census estimates the median household income in Three Forks is lower than

the state and the rest of the county; in Gallatin County a difference of \$3,461. The majority of the Three Forks workforce is involved in service occupations (14%), precision production and craftsman occupations (13%), clerical (10%), and machine operation (10%). In general, it appears that the workforce is split between relatively low-wage occupations in the service sector and relatively higher wage occupations in specialized blue-collar applications (machine operators, crafts-

In other words, the recent "discovery" of the Gallatin Valley and subsequent in-migration is not a new phenomena.

men). Smaller proportions of the workforce are involved in professional specialty occupations (7%), or in executive, administrative or managerial positions (4%). Farming, forestry and fishing accounts for 7% of the workforce.

Education attainment in the community, measured as a percent of bachelors degrees (11.5%), is below the level in the rest of the county (33.3%) and the state (19.8%). Three Forks has relatively affordable housing (40% lower than the rest of the county).

When Gallatin County is considered, a description of the economy emerges that is quite different from that of Three Forks. Gallatin County is growing vigorously in population, income and employment. From 1970 to 1991 17,940 new jobs have been created, with the largest component in services (28%), retail trade (24%), government (20%), construction (6%) and manufacturing (6%). However, in contrast to the town of Three Forks, not all service occupations are low-paying. While the average annual wage for all industries in the county is \$13,918, the three largest employers in the service sector pay higher wages; legal services (average \$28,581 per year), health services (average \$22,378 per year), and engineering and management services (average 24,028 per year). Most (over 95%) of the growth in businesses has been in small firms of fewer than 20 employees, with a majority in service occupations and construction. In the last 20 years

service businesses have increased by over 200%, as is the case with finance, insurance and real estate (>260% increase). The fastest growth in businesses has been in construction related firms (over 410% increase since 1970).

These facts lead to a variety of questions: Will Three Forks become a bedroom community for the rest of the county? If so, what impacts will a growth in residential development have on the community and ecology of the region? Is the Bozeman market a viable opportunity for workers from Three Forks? Will they require different skills, training, or more formal education to be competitive in the higher paying service-related occupations of Bozeman, or are there other opportunities that are consistent with their existing skills and experience, such as in construction or transportation industries? In short, will residents of Three Forks be in a regionally competitive position as the economy restructures?

Community Survey

In the second part of the socioeconomic component, these questions, and others, were integrated into a comprehensive survey of the community residents. The survey was administered and completed with a response rate of about 85%. The target survey sample was 300 and the sample population was composed of three groups: Three Forks/Willow Creek residents, rural residents in the surrounding area and farmers/ranchers of the area. The survey was completed with the help of grant investigators, paid university student labor and a Three Forks High School student group who administered surveys to the outlying areas.

Some findings from the survey include:

- the sense of affinity for the community is higher than would be expected from a rural town experiencing a relatively high rate of change and population growth since the 1990 census;
- most shopping is taking place out of town. While most community residents think more resources

should be put into attracting business to Three Forks, most shop in Bozeman;

Most respondents agreed that landowners can develop land as they see fit but most also agreed that scenic views and open space should be preserved;

space should be preserved;

- there is a clear paradox between private property rights and preservation of community attributes. Most respondents agreed that landowners can develop land as they see fit but most also agreed that scenic views and open space should be preserved;
- most respondents are relatively long term residents and work locally. The majority of Newcomers work in Bozeman however;
- except for an influx of relatively young blue collar workers, the composition of the study area has changed very little since the 1990 census. The local economy is not changing significantly except with the addition of some value added agricultural production. Regionally, the economy is changing rapidly.

Several interesting findings from the survey contrast those who have lived in the region for more than five years (Old-timers) and more recent arrivals (Newcomers). With respect to education, income, and marital status Newcomers were found to not differ substantially from Old-timers. Newcomers were marginally more educated, lay within the same income category (between \$20,000-30,000 per year), and the large majority of both groups were married. The last demographic variable, political views, was analyzed using analysis of variance. No statistically significant difference occurred between Newcomers and Old-timers. Means for the two groups were 2.47 and 2.50 respectively at alpha .77 (N=235).

Many (46.8%) Newcomers worked less than 15 miles from home while 53.2% were employed

some distance away. Conversely, 74.1% of Old-timers were employed locally while 16.7% worked 15 miles or more from their homes. The survey indicates that many Newcomers are living in the study area and commuting to the larger urban area for employment but, almost half are finding employment locally. Old-timers were not found to be commuting and taking advantage of the diversified opportunities in Bozeman and other outlying areas.

The economy of the study area is predominantly comprised of Agriculture, Services, and Manufacturing with over 55% of all employment operating in these three categories. Remaining employment exhibits less activity but some diversity across the other Standardized Industrial Classification categories. Primary business activities by Newcomers are Services (37.7%) and Retail Trade (28.7%). Old-timers' primary employment is in Services (28.6%) and Agriculture, Forestry and Fishing (18.2%).

Newcomers appear to be working in somewhat different jobs than Old-timers. Old-timers are al-

most twice as likely to work in Agriculture, Forestry and Fishing as Newcomers (18.2% and 10.1% respectively) and Construction (13 and 3.2 percent respectively). In Retail Trade 28.7 percent of Newcomers are employed while 4.5 percent of Old-timers work in that sector of the economy. At the same time, Bureau of Economic Analysis data shows that these are the categories where most of the new jobs in Gallatin County are being created (Bureau of the Census 1990). Between 1970 and 1991, Services and Retail Trade accounted for 28% and 24% of all new jobs respectively in Gallatin County. Government jobs ranked third at 20% while Construction accounted for 6%. Many of these jobs reside in Bozeman as regional shopping outlets locate to the area, new motels and hotels are built, more professional firms move into the town, and new homes are built.

Analysis of the differences between Newcomers and Old-timers shows that Newcomers and Old-timers are not significantly different with respect to the perceived importance of various segments of the local economy (see Table 1 below).

Table 1: Perceived Importance of Sectoral Economic Activity Among Old-timers and Newcomers Using Analysis of Variance (N=235)

Variable	Newcomers (Mean)	Old-timers (Mean)	F-Value	P-Value
Farming and Ranching	1.33	1.31	.01	.904
Manufacturing	1.87	1.77	.40	.522
Tourism	1.84	2.14	4.09	.044
Mining and Related Industry	1.91	1.81	.39	.531
Retirement Incomes	2.28	2.15	.80	.370
The Community Economy of Bozeman	2.28	2.74	6.89	.009

Newcomers and Old-timers differ significantly on the perceived importance of tourism (Mean, 1=very important, 5=not important) Newcomers considered tourism to be more important to the local economy than did Old-timers. A similar finding was found for the community economy of Bozeman where Newcomers reported a greater perceived importance than did Old-timers.

The survey has provided the research team with a great deal of data about the research area and how residents think and feel about a variety of issues. As the project continues, the research team will revisit Three Forks and begin to track and model change in the community.

Land Management: Land Use/Cover Class Prediction System

An underlying goal of SCIP is to create an awareness among community leaders that sustaining their communities will require planning based on a knowledge of the ecosystem and how people interact within that system. Through meetings with community leaders, it became evident that until there is a means of visualizing the impacts of growth in the form of new subdivisions, loss of agricultural land, or large scale degradation of environmental quality, residents will not realize a need for growth management in order to preserve the qualities of the community that they enjoy. As a result, the project developed a means to visualize change in the community by viewing land use map overlays created from aerial photos.

Geographic Information System (GIS) overlays have been constructed to show the land use changes over time (for example change from nonirrigated cropland to irrigated crops) and ecosystem integrity (such as bird diversity). The land use and ecological integrity overlays are the first step in the process of linking social, economic and ecological data. When complete, residents and community leaders will be able to visualize the connections between growth and change and changes in land use. In addition, ecosystem quality measures associated with a particular use or

change in use will be available.

The Land Use/Cover Class Prediction System (LUCCPS) is a program that enables the researcher to use prediction algorithms to anticipate land use change based on past trends in land use change, socioeconomic factors, and built in constraints. The intent is to develop a methodology that could create a data base for a community that can visualize change and potential change, and to monitor ecosystem impacts of different land uses in the community.

The most striking feature of the LUCCPS program is the "Analyze" preference. This option engages a prediction system which allows one to view predicted maps of land use/cover types in future years. While not fully developed, it creates future maps based on probabilities of change in land use/cover classes calculated from the map overlays of previous years. As more complex predictions are incorporated into the system more accurate predictions will result. The "Predict Future Years" selection allows the user to select different algorithms for calculating the change in land use/cover type probabilities based on history. For example, the 1996 Farm Bill recently passed by Congress reduces funding for the Conservation Reserve Program (CRP). The LUCCPS program can use land use changes from years before CRP was implemented, combine those trends with survey data and visualize what the study area might look like as CRP lands are placed back into production.

Additionally, ecosystem measures (e.g., bird species richness) have been entered in the program and linked to the other data as a GIS overlay. Bird species richness (a measure of biodiversity and measure of ecosystem structure) is plotted on the photomosaic of the study region. To follow the example above, if land changes from CRP to cropland, the system can plot changes in habitat quality.

Ecosystem Integrity: Land Use Monitoring

The goal of this component is to develop a link between the health of the land in the midst of community and land use change. Determining ecosystem integrity on the landscape is a relatively new concept but the goal is to develop a practical methodology for use in future ecosystem integrity assessments. Ideally, landowners or students in the community will monitor

Ideally, landowners or students in the community will monitor ecosystem health. . . . such awareness will lead to better community planning and management of local amenities.

ecosystem health. The result might be a set of measures published in the local newspaper that report on environmental change. Similar measures already exist for air quality, ultraviolet exposure, the economy (the DOW, crop prices). If residents can begin to track local bird nesting sites, insect populations, water quality, and soil quality, they can begin to understand the connections between land use change and quality of life. The hope is that such awareness will lead to better community planning and management of local amenities.

During the Summer of 1995 researches monitored the study area for ecosystem integrity. Results are placed in the LUCCPS system. These attributes will then be used to help characterize future landscapes with respect to ecosystem integrity resulting from changes in land use. The survey was conducted by a graduate student in Plant, Soil and Environmental Sciences at Montana State University and a field crew. Thirty five sites were surveyed corresponding to grid plots used in the LUCCPS. Random cells were selected on the basis of not having changed land use in the last 30 years. Where possible, three replicates of each land use type were sampled. Perpendicular transects, one hundred forty meters long by one hundred meters across, were laid out in each

plot. Eighteen sampling frames, one half meter square, were placed at random points along the transects.

Measurements taken at all eighteen frames included: plant species composition and cover; macro-invertebrate presence; and ground cover measurements. Additionally, a range of soil measures were collected as well as root biomass and water infiltration rate. A simplified ecological scorecard method using visual estimates of vegetation and soil surface characteristics was also conducted in each plot.

Results

Some of the preliminary results are reported here to demonstrate the type of information gathered in this segment of the overall study. Ground cover information is important in determining water, energy and mineral cycling within an ecosystem. The amount of bare soil or canopy cover present can be used to make inferences about water runoff, production of the system, and animal habitat. Ground cover data is presented in Chart 1. The values are sorted by percent bare soil (BS). BV represents the percent of cover of the soil by plants. (See Chart 1, next page.)

Soil erosion has historically been a problem - especially on marginal lands in the study area. One of the reasons behind the creation of the Conservation Reserve Program (CRP) was to protect against soil erosion. In the Three Forks study area, all of the CRP land occurs on what was originally shrub range land. The data suggests that CRP is only slightly better at covering bare soil than is grazed native shrub range. Agricultural practices that do not leave much litter on the soil surface appear to be correlated to significant amounts of bare soil.

Root biomass data represents a reliable estimate of the production and energy cycle (See Chart 2, next page). The data show that land under native vegetation typically had more roots than did land planted to introduced crops and grasses. This finding could signify greater erosion control in

Chart 1: Ground Cover (each category may equal 100 percent)

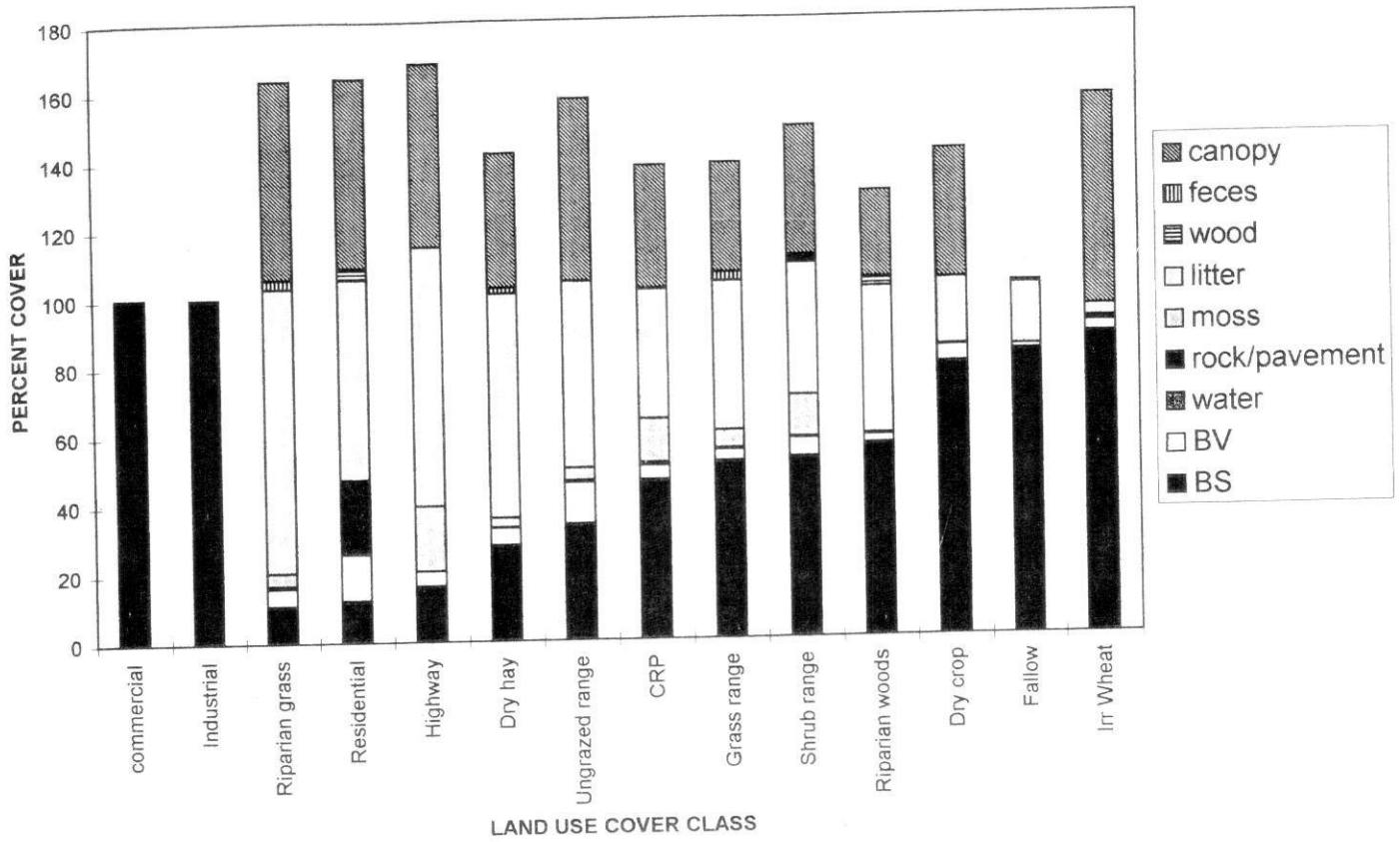
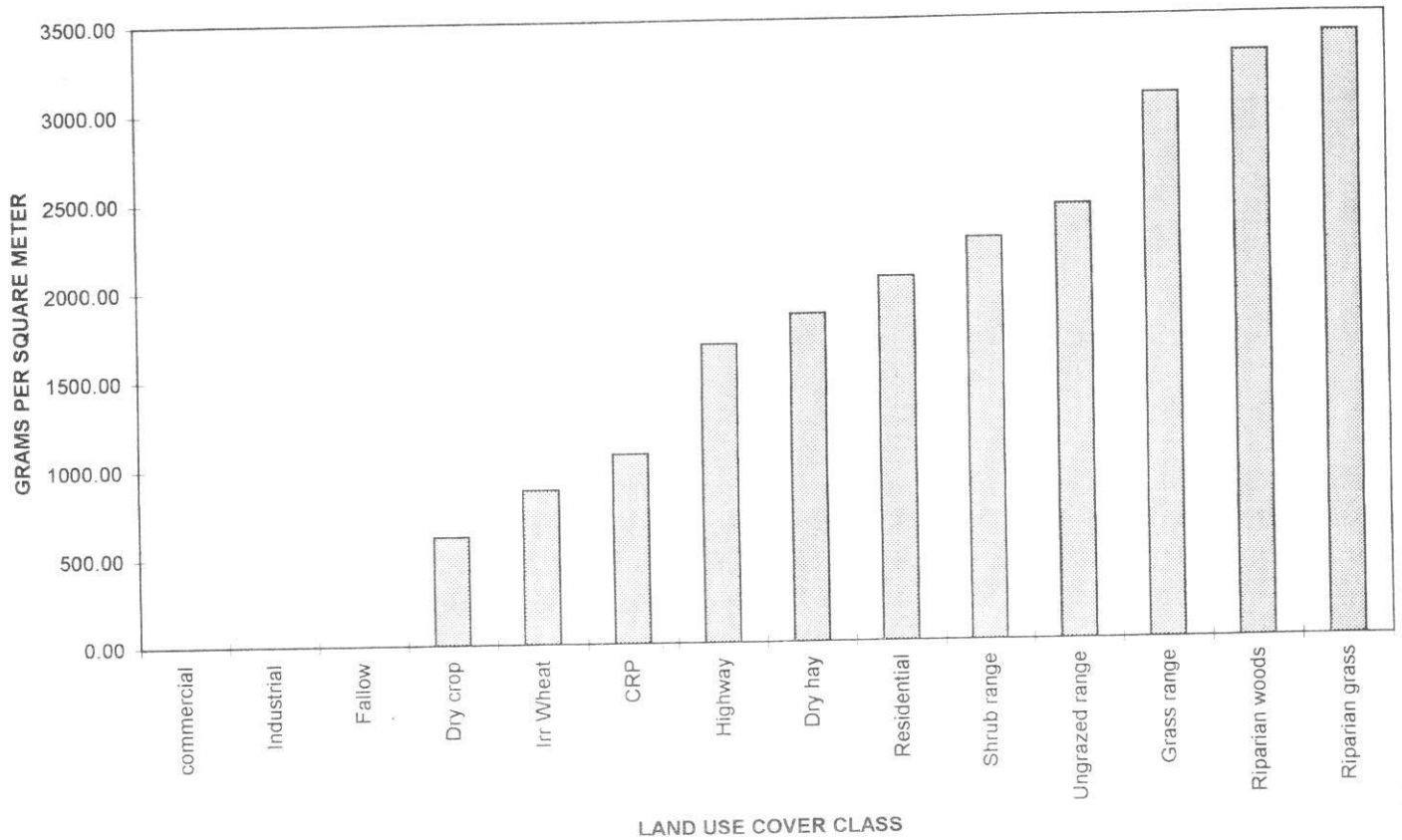


Chart 2: Root Biomass in the Top 10 Centimeters of Soil

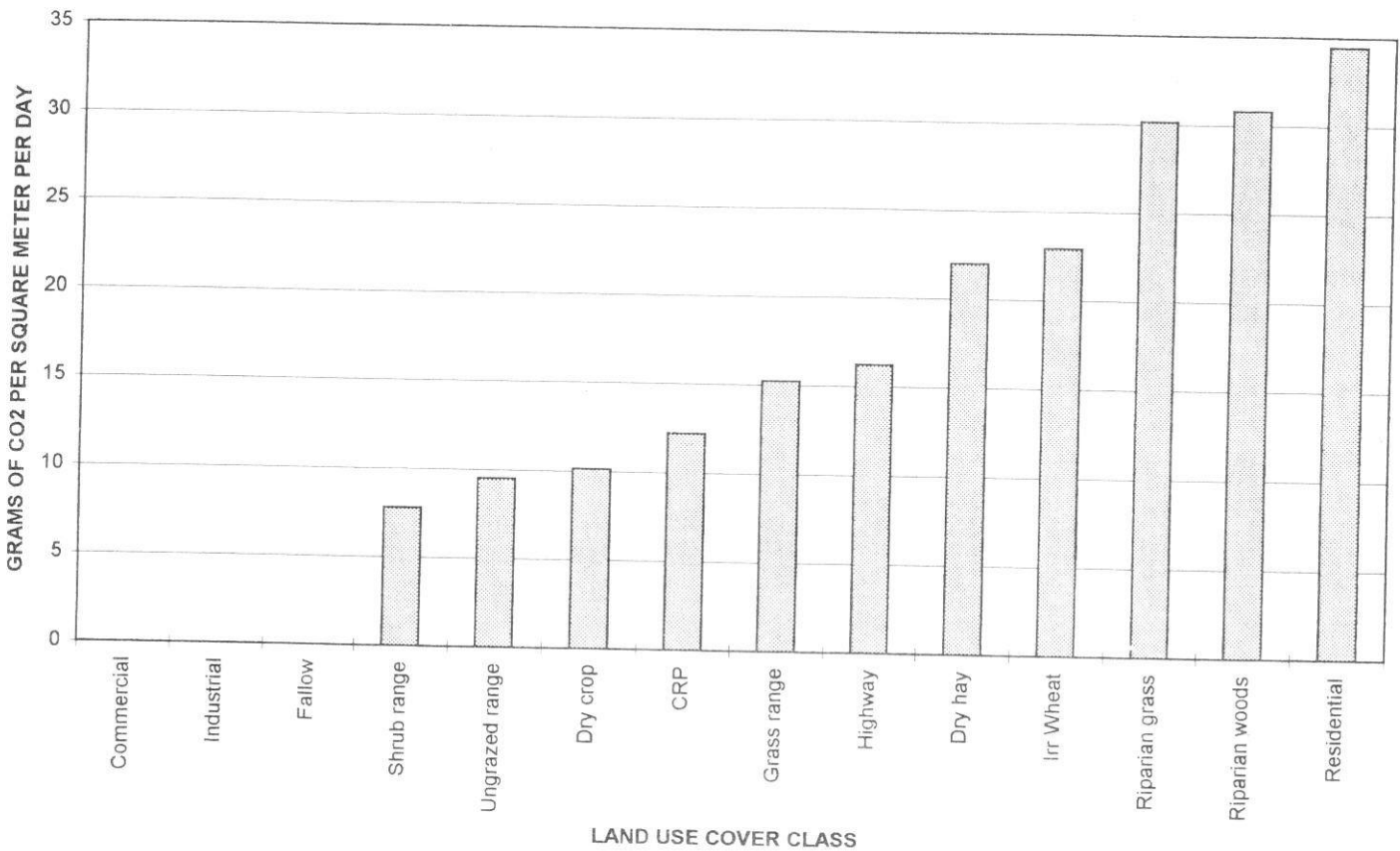


interesting finding was that the ungrazed range showed less root development than the grazed grass range.

Soil respiration rates are used as an index of the decomposition rate of organic matter in the soil. Decomposition rate is a measure of mineral cycling within the ecosystem. Soil respiration is correlated with soil moisture content. As expected,

the wetter areas and irrigated areas have high soil respiration rates. The rates for CRP and Shrub range are quite different even though both land uses occur in the same habitat type and on the same land form (see Chart 3 below). This finding suggests that soil respiration may be a good indicator of ecosystem integrity because it is a measure of the soil invertebrate community which plays a significant role in maintaining organic decomposition.

Chart 3: Soil Respiration



Preliminary data analysis is encouraging in that definite ecological differences are apparent between the different land use/cover types. Future sampling of different land use types, stratifying by land form, will show the effects of environmental variation on the system. Graphical analysis raises some important questions: Is the Conservation Reserve Program functioning to conserve soil resources? Are grazing animals important for the health of the range? Are some lands around the Three Forks area more appropriate from an ecological point of view for development than others?

Conclusion

The Sustainable Community Interdisciplinary Project (SCIP) has, to date, provided a large amount of many different types of information with respect to change in rural communities in Montana and other parts of the West. As the project is developed and other sites are studied, expanded modeling powers will include larger regions. Eventually entire ecosystems will be monitored. The expectation of the group is that not only will large scale models of change be developed, this information will result in tools that will expand the capacity of rural communities to plan and adapt to change. As data bases such as SCIP are refined, they will be integrated with community planning documents. If commu-

nity and ecosystem integrity measures are helpful tools to guide appropriate land use regulations, local residents will have increased control to shape their community as they envision it. By building on the visual demonstration capability of the Land Use/Cover Class Prediction System (LUCCP), residents are able to see how planning and zoning regulations will affect the growth and appearance of the town and how their or their neighbor's decision affects others. The science and technology of community and ecosystem planning will enable rural communities to cope with the inevitable growth and change of the rural West.

¹ Additional research team members include: Dr. Cliff Montagne, Department of Plant, Soil, and Environmental Science; Dr. Ray Rasker, Economist, The Wilderness Society; Julie Stoughton, Graduate Research Assistant, Department of Earth Sciences, Montana State University; David Knox, Graduate Research Assistant, Department of Plant, Soil and Environmental Science, Montana State University; Monica Brelsford, Research Associate, Department of Plant, Soil and Environmental Science, Montana State University. This research is supported by the Northwest Area Foundation.

² Like much of rural America, Willow Creek and Three Forks have poor immediate access to community health care. The two communities have cooperated to build and subsidize a resident physicians assistant. Additionally, the communities have had to undergo significant water resource development because of the high incidence of arsenic in the water table. The two communities are also participating in a cooperative land use planning exercise.



DEVOLUTION AND UNFUNDED MANDATES

Jane Jelinski

Gallatin County Commissioner

The current Congress is engaged in a rigorous debate, promising to further reduce the role of the federal government, and to shift even more functions and powers to local governments. This Congress appears committed to returning programs and decision making to the states and local government.

While local governments look forward to applying locally appropriate solutions to local problems, they continue to be fettered with billions of dollars worth of unfunded mandates which consume local resources...

American federalism is the distribution and allocation of powers and functions among the federal, state and local governments. The role of the federal government increased significantly between the administrations of Franklin Delano Roosevelt and Lyndon Baines Johnson. Federal mandates to local governments increased, but were accompanied by substantial federal contributions to finance their implementation. The Reagan Administration ushered in a dramatic reversal of the federal role, increasing the roles of state and local governments. However, resources to fund these new responsibilities were cut off. Federal revenue sharing ended, and other federal contributions to state and local government were decreased. Between 1978 and 1988, grants-in-aid to state and local governments had decreased in real dollars by sixty-six percent. Unfortunately, federal mandates continued to increase, and as a consequence, local property tax dollars were diverted more and more to pay for federal programs, at the expense of local priorities.

The current Congress is engaged in a rigorous debate, promising to further reduce the role of the federal government, and to shift even more functions and powers to local governments. This Congress appears committed to returning programs and decision making to the states and local government.

While local governments look forward to applying locally appropriate solutions to local problems, they continue to be fettered with billions of dollars worth of unfunded mandates which consume local resources to achieve federally mandated objectives. Fully forty percent of county generated revenues pay for services which are mandated by either the state or federal government.

Congress is not unaware of the problems these mandates create. In an effort to mitigate the escalation of federal mandates, they passed the Unfunded Mandates Reform Act of 1995 (P.L. 104-4). The law directs the U.S. Advisory Commission on Intergovernmental Relations (ACIR) to investigate and review the role of federal mandates in intergovernmental relations and to make recommendations to the President and the Congress as to how the federal government should relate to state, local, and tribal governments.¹ While this law does not

go so far as to prohibit the federal government from passing unfunded mandates to state and local governments, it does require that the actual costs of mandates be carefully scrutinized. Historically, the political process has determined that some activities are so important to national interests that a federal role is generally accepted as necessary. Among the most obvious is legislation protecting civil rights granted by the Constitution. In an earlier period, the economic emergency of the 1930s produced federal programs to alleviate national economic and social problems. In other instances, national policy is necessary because the problems transcend state lines, such as when air and water pollution from one state have impacts on another state. As a result, some federal government mandates on state and local governments are an acceptable feature of the U.S. federal system.

In recent years, however, the Washington tendency has been to treat as a national issue, any problem that is emotional, hot, and highly visible. Often, this has meant passing a federal law that imposes costs and requirements on state and local governments without their consent and without regard for their ability to comply. Such actions, even though they may have broad public support, are damaging to intergovernmental relationships. The challenge facing the federal government is to exercise power to resolve national needs while at the same time, honoring state and local rights to govern their own affairs and set their own budget priorities.

The wide diversity of federal mandates makes it difficult to establish uniform ways to determine whether a mandate is proper or improper from an intergovernmental perspective. Nevertheless, ACIR has been charged with making determinations about existing mandates as they affect state and local governments. In reaching its conclusions, the Commission considered several key questions:

1. Does the national purpose justify federal intrusion in state or local affairs?
2. Are the costs of implementing the mandate appropriately shared among governments?
3. Are there changes that can be made in the mandate to relieve intergovernmental tensions

while maintaining a commitment to national goals?²

Oddly enough, the devolution discussions in Washington are developing without the participation of state and local governments. Requests to be included in the implementation of devolution fell on deaf ears. In order to deal with the problem, the National Association of Counties, the National League of Cities, and the U.S. Conference of Mayors convened an historic Conference of Local Governments in Chicago in November, 1995. One hundred delegates representing the three organizations worked collaboratively

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for three days to develop a position paper to help shape the Congressional debate on the roles that federal, state and local governments should be playing to serve the American people and their communities. The Conference focused on (1) changes needed in the unfunded mandates imposed on local governments by both federal and state governments; (2) creation of a strategy for investment in the success of people and the strength and competitiveness of communities - a partnership in which the federal government provides resources, supports local initiative and encourages business involvements; and (3) establishment of a doctrine of localism in which government is decentralized and decision-making is extended to people in the communities. The Conference issued the following recommendations:

Unfunded Mandates

Local governments want the federal and state governments to take responsibility and fully fund programs which have national or statewide

significance. Where the federal or state governments require local governments to take responsibility for programs, local governments must have adequate funding, flexibility to adapt the programs to the needs and resources of their communities, and sufficient time to establish successful programs. Congress is planning to reduce federal spending by nearly \$900 billion over the next seven years. They will accomplish this primarily by slowing the growth of Medicaid and Medicare from 10 percent to four percent per year, reducing welfare funding by \$82 billion over the next seven years, and shifting more program and funding responsibility to the state and local level. Under this proposal, both Medicaid and welfare would become block grants to states rather than continue as entitlement programs to individuals. This shift in funding and program responsibility will be very difficult for counties. It will be difficult because counties play such a major role in providing health and welfare services in most states. Counties spend more than \$30 billion annually on health programs and hospitals and \$20 billion annually on public welfare. Counties provide health care to more than 40 million people a year. Because counties play such a major role, any huge cuts at the federal level will eventually find their way down to the county level and have a tremendous impact on their ability to provide services.³ The block grants will provide reduced funding for current levels of service. This proposed funding level ignores the demographic changes in America. The American population is rapidly aging, and living longer, thus greatly increasing the demand for health care and services for the elderly.

Investment Strategy

With interest on the national debt now exceeding spending on investment, no one questions the need to bring the federal budget into balance. The balance should be achieved, however, before creating a package of non-economically-targeted tax cuts, the financing of which would actually require disinvestment in our communities. Investment in both our human and physi-

cal capital must be increased to meet the future needs of a competitive global economy. Investment in our children, in education and job training and in our physical infrastructure is plummeting at the very time this investment is most critical.

The block grants will provide reduced funding for current levels of service. This proposed funding level ignores the demographic changes in America. The American population is rapidly aging...increasing demand for health care and services.

These budget cuts sacrifice the requirements of the future to meet the immediate need to balance the federal budget.

The Conference on Local Governments concluded that designers of a national investment strategy should recognize several principles, among them: 1) With many of the nation's largest metropolitan areas

stretching over two or more states, the traditional approach to government spending based on state boundaries may no longer be effective. 2) Federal, state and local investment resources, both direct spending and taxes, should be targeted to initiatives which encourage the private sector to create jobs and opportunity, particularly in distressed communities. 3) To maximize success and minimize bureaucracy, future federal funding for such initiatives should go to the level of government directly responsible for management. 4) The ability of local government to finance traditionally local responsibilities must survive any changes to the federal tax system.

Localism

Since the 1970s cities, counties, and states have been going through a difficult transition, shifting from a centralized to a decentralized system of service delivery. The shift in responsibility from the federal to the state and local levels has been occurring without the financial resources necessary to maintain services at current levels. The federal, and in some cases state governments are abandoning programs, leaving them for local

governments to assume, but not providing them the funds or the authority to do the job. Local leaders recognize that more change is coming and that local input in shaping that change is vital as we seek to maximize the use of tax dollars at all levels of governments.

Achieving those changes will require an agreement on procedures and criteria for more clearly defining roles by all three levels of government. This effort must ensure local governments' active participation in any partnership to shape change at the federal and state level and to define and safeguard the interests of local governments. Proposed changes in Medicaid, welfare, telecommunications, tax reform, transportation, housing and community development, job training programs, and the new crime bill currently include no provision for local flexibility, and no transition time to transfer enormous liabilities to local government or to assure continuity in services to citizens in our communities.⁴ The crime bill, for example, provides additional funds for city police to complete more arrests, and requires longer jail terms for repeat offenders, but it ignores the impact of those arrests and longer sentences on county jails which are already filled over capacity. No additional funds for jails are included in the crime bill.

A national strategic planning task force composed equally of federal, state, and local elected officials is necessary to establish a mechanism for reviewing proposals that reallocate responsibilities affecting local governments.

Local government leaders agree that the realignment of government programs and responsibilities must include consideration of fiscal capacity and constraints which exist locally, a focus on outcomes rather than details of a program so that local governments have the flexibility to implement them realistically, and an assurance that states will not take over the role of imposing mandates onto local governments without providing realistic funding mechanisms.

The Conference of Local Governments concluded with a call for a national summit on the roles of government at all levels to examine responsibilities and enable citizens to understand

who is accountable for the policies and services affecting them. The position papers on Unfunded Mandates, Investment, and Localism would serve as an agenda for the national summit. The request for the summit was sent to the President, the Minority and Majority leaders of both Houses of Congress, the National Governors Association, and the National Conference of State Legislatures on November 14, 1995. To date there has been no response.

Local government leaders are concerned that the states may take the block grants, retain large portions of the funds for state administration, and pass the remainder to local governments with the responsibility to implement the programs. The states would be the regulators, and may impose procedures and standards on local governments without providing adequate resources to achieve those standards. Many states are actively preparing for the transition to this sweeping new federalism, and they are including local governments in their planning efforts.

The political outlook today for a shift to a more effective federal system is greater than at any time in recent history. The electoral change of last November that produced profound changes at the federal and state level carries important policy implications for the roles and relationships of the three levels of government. The Clinton administration, the House Republican Contract with America, and some of the nation's governors have each proposed concepts to devolve, downsize, and block grant federal programs affecting local governments. The budget processes moving inexorably to conclusion now will force fundamental reevaluations of responsibilities, liabilities, and accountability for each level of government. They will force choices now and in the years ahead.

This effort must ensure local governments' active participation in any partnership to shape change at the federal and state level and to define and safeguard the interests of local governments.

... this process of devolution is to be successful, Congress must recognize the overwhelming role unfunded mandates will play in that success. Federal goals must be achieved with federal money, state goals must be achieved with state money, and local government goals must be achieved with local money. A partnership cannot be forged without the active participation and empowerment of all who are affected by the process. Local governments will ultimately be responsible to implement the programs. They need to be at the table while the programs are being developed.

ENDNOTES

¹ The Advisory Commission on Intergovernmental Relations was created in 1959 by P.L.86-380. The purpose of the ACIR is to convene federal, state, and local officials in a forum to discuss federal grants and other programs which require intergovernmental cooperation; to review proposed federal legislation to determine its overall effect on the federal system; to encourage early discussion of emerging intergovernmental problems; and to recommend the most desirable allocations of function, responsibilities, and revenues among governments to achieve balance in the intergovernmental fiscal system.

² U.S. Advisory Commission on Intergovernmental Relations, "The Role of Federal Mandates in Intergovernmental Relations," (Washington, D.C.: January 24, 1996).

³ Larry Naake, "Getting Ready for the Revolution," County News, vol. 28, no. 4, March 4, 1996.

⁴ National Association of Counties, National League of Cities, The U.S. Conference of Mayors, "Focus '96: The Conference of Local Governments," (Chicago, IL.: November 12-14, 1995).



GOVERNING THE USE OF NATURAL RESOURCES IN MONTANA: A PRELIMINARY DISPUTE RESOLUTION AUDIT

by Colleen Coyle¹ Project Coordinator: Montana
Consensus Council

As Montana citizens and leaders seek effective solutions to challenges facing the state, expanded use of consensus processes can be a tool to reconcile economic sustenance with environmental protection while sustaining Montana's unique sense of community.

Montana is in the midst of a major transition. In addition to a historic reliance on agriculture and natural resource development, Montana's economy now has a growing service industry that includes tourism, service and many knowledge-based firms. Our populace is also changing as retirees, professionals, and others are drawn here by Montana's inspirational landscape, spaciousness, and quality of life.²

Along with these social and economic changes, there is growing competition among various users of Montana's natural resources. Disputes arise that focus on issues such as preservation of open space, instream flows, timber management, wildlife habitat protection, agricultural and ranch economics, and land use planning. Natural resource agencies must address these disputes in the day to day administration of their responsibilities. Decisions that fail to address the interests of any particular user or group are often contested.³

In light of these challenges, the Montana Consensus Council⁴ conducted a survey in 1995 of local, state and federal natural resource agencies in Montana to identify the types of disputes they face, how these disputes are typically handled, and barriers to the use of consensus building processes. For purposes of this survey, *consensus building processes* were defined as "processes that encourage citizens and leaders with diverse viewpoints to work together on issues of common concern." *Consensus* generally means a mutually acceptable agreement or decision that is reached by the affected parties through a process that integrates the interests of all concerned parties. Consensus contrasts to processes where a decision is reached through voting or when a unilateral decision is made by a designated government board, administrative agency, or judicial body. Consensus does not require unanimous consent; a consensus agreement may not satisfy each participant's interests equally, and each participant may not support the agreement to the same degree. However, once an agreement is reached, each of the parties is committed to its implementation.

The Consensus Council prepared the survey as a tool to help define the needs, interests, and opportunities for using consensus processes, and to help define the demand for different types of consensus building services. The Consensus Council intended the survey to serve as a limited *dispute resolution audit*, to determine the needs that lead the agencies to use existing procedures, in order that any changes or new methods introduced would meet those needs and be more likely to work.⁵ A typical dispute resolution audit seeks the answers to three general questions: What are the current and recent

Consensus... "processes that encourage citizens and leaders with diverse viewpoints to work together on issues of common concern."

agency staff with an opportunity to reflect on present methods of resolving public disputes.

SURVEY QUESTIONS

In January 1995, a survey was sent to 96 officials in 14 local, state, and federal natural resource management agencies in Montana. Follow-up telephone calls were made to non-respondents in February 1995. A second mailing of the survey was sent to non-respondents in June, 1995. Thirty-four out of 96, or 36 percent of the officials responded to the survey. (See Table 1, page 45, for a breakdown of the responses.)

Natural resource managers were asked a series of questions about the controversial issues they have been involved with; the major parties in the disputes; how the organization typically responds to these controversies; the effectiveness of those procedures; whether they had used collaborative, consensus-building processes to address any of these controversial issues; whether they were interested

in using consensus building processes more frequently; and any obstacles the organization faced in using consensus processes more frequently. These questions were derived in part from the work of Ury, Brett, and Goldberg, Getting Disputes Resolved: Designing Systems to Cut the Costs of Conflict.⁶

The participants were also asked to identify, in order of priority, which types of consensus building services would be most helpful to the organization. The survey listed possible services, including a more complete dispute resolution audit of the organization; publications on consensus approaches to public involvement and dispute resolution; a presentation on consensus approaches; training on consensus approaches; consultation and coaching on approaches to building agreement; facilitation and mediation of specific issues; and "other".

This survey helps illustrate the current use of consensus processes within natural resource agencies in Montana. However, it does not claim to be a definitive statement on the use of consensus processes in the natural resource agencies. For additional information on conflict management activities in Montana, see An Inventory of Conflict Management Activities in Montana, a publication of the Montana Consensus Council.

OPERATING ENVIRONMENT OF THE PARTICIPATING AGENCIES

Because the dispute resolution systems used by government agencies exist in a larger social, economic, and cultural environment that indirectly affects the procedures used, understanding that operating environment is an important aspect of understanding the dispute resolution system.⁷ Any changes suggested as a result of an audit must take into account the relationship of the organization to its operating environment in order to create systems that foster workable results.⁸

Thirty-two or 90 percent of the respondents to the survey answered this question, which asked "How would you characterize the social, economic,

and political environment in which you operate. The participants' responses to this question were varied, but several themes appeared through most responses. All but three of the participants used the terms "transition," "conflict," and/or "diversity" to characterize their social, economic, and political environments. "Polarization" was also mentioned in several of the responses. Sample responses include:

"Our organization operates in an increasingly greater state of change; volatile in terms of public opinion swaying decisions, moving from one pole to another"

"I believe that all of these [social, economic, and political environments] are a 'sweet and sour' relationship. Generally, most projects are supported and go unnoticed. Those that get noticed can be around for several years before completion because of several factors, but these fit into categories of conflict, denial, and even open hostility."

All but three of the participants used the terms "transition," "conflict," and/or "diversity" to characterize their social, economic, and political environments.

downsizing and anti-government attitudes and forces."

"(We have) rapid population growth with inadequate structure or planning in place to manage the growth. County governments are maximized, suffering from loss of income from natural resource industry tax receipts. High unemployment, low-paying jobs. High taxes, local wage earners priced out of housing market, fixed-income people hit by property taxes. Ag land usurped by development. Little grass-roots capability to act or interact effectively. Political environment rapidly changing - fear from hate activists operating in the region. Widely different points of view. Tribal/non-tribal issues, disputes seem in-

grained in many.

Two of the respondents characterized their operating environments as "stable." One of these conditioned their response by adding "but subject to spur-of-the-moment revolutions." The other respondent characterized its environment as a "fairly progressive rural community effectively led by the County Commissioners, interested in working collaboratively with state and federal agencies."

These responses indicate that the general trends affecting Montana's economy and population are reflected in the operating environments of these agencies. The change and conflict that characterize most participant responses are consistent with the findings of the Montana Futures Project report.⁹ The respondent who stated that the operating environment was "stable," partly because the county commissioners were interested in working collaboratively with state and federal agencies, may indicate that collaborative approaches to problem solving are being used and can be effective in addressing natural resource disputes.

CONTROVERSIAL ISSUES AND MAJOR PARTIES

Understanding what types of disputes an organization faces and who the disputants are is critical to understanding the needs that must be addressed in developing a conflict management system.¹⁰ For example, some organizations need one system that can address the needs of all parties.¹¹ Other organizations may wish to use different systems for different parties and disputes.¹²

This survey question was phrased, "What controversial issues has your organization recently been involved with?" Because we limited our survey to agencies that work with natural resources, most of the controversial issues that participants discussed also are related to natural resource disputes.

Most of the participants listed specific disputes relating to mining, grazing, timber, water, the Endangered Species Act, and land use issues. Forty-five percent of the federal agencies mentioned internal and external disputes due to downsizing. One participant characterized its controversies as "people seeking to resolve 'Hatfield and McCoy' type issues through a ..conflict resolution path." Other responses include:

"This is a very recently designated (agency), and issues that probably shouldn't be terribly controversial, such as agreeing on by-laws, writing a plan, creating a plan of work, just functioning, take up most of the meetings. The tendency is to avoid controversy at this time and focus on stabilizing internally."

"(Challenging issues are) tribal/private sector joint ventures, environmental preservation vs. development, changing from a traditional natural resource based economy (agriculture, logging, and mining) to a value-added and service economy."

We next asked participants "Who are the major parties in these disputes? Please list specific organizations, agencies, communities, or interests." Responses typically included at least one other government agency and at least one non-governmental organization or group. Private property owners were mentioned in 61 percent of the responses. Fourteen of the respondents, or 42 percent mentioned real estate developers as major parties in disputes. Interest groups of some kind were also mentioned in 72 percent of the responses.

WHAT PROCEDURES ARE CURRENTLY USED AND HOW EFFECTIVE ARE THEY?

In any organization, a variety of dispute resolution procedures are available.¹³ Some procedures are formally prescribed, while others represent the usual approach that members of the organization tend to use.¹⁴ Even those procedures that are formally prescribed may not always be used as intended, or used at all.¹⁵ Identifying the current pro-

cedures is an important step to ensure that changes to the dispute resolution systems will address the organization's needs.

Twenty-seven of the participants stated that their organization uses public meetings and/or hearings to address public conflict. Eight of the participants stated that they used individual contact to resolve disputes. Other methods listed include legislative processes, written communication, consensus processes, advisory groups, and the legal system.

Participants generally characterized the effectiveness of their current procedures with terms such as "somewhat effective," "moderately successful," and "varied." Some responses include:

"(Our procedures are) moderately successful in terms of the specific legal disputes, but poor in terms of recognizing the broader public interests that lack legal standing."

"'Brush fire' management, usually too reactive to build trust and credibility for the agency."

"None of the processes are entirely effective at resolving disputes. Public participation can easily be dominated by a small group of individuals. Sometimes those who choose not to participate wait until a 'consensus product' is produced and then seek to discredit it by using a variety of methods."

None of the respondents indicated that their current procedures are very effective or without need for improvement. These participant responses suggest that a desire exists in the agencies to look for better processes and methods for managing conflict. The need expressed for building trust and credibility, and the desire expressed to recognize the broader public policy issues, indicate that the agencies may be open to suggestions for more effective and efficient processes to address conflicts. It seems there is a particular need for processes to address public policy conflicts that cannot usually achieve standing in the legal process.

PREVIOUS USE AND INTEREST IN CONSENSUS PROCESSES

Seven of the participants, or twenty percent, stated that they have used some form of consensus process to address disputes in the past. Of these, three stated that the processes were used informally. Three stated that these efforts were of only limited success. Responses include:

“We tried a collaboration, but (the other agency) was too protective of its interests.”

“None of the processes are entirely effective at resolving disputes. Public participation can easily be dominated by a small group of individuals.”

“We have used collaborative processes in the past, without success. Development interests probably felt the status quo was to their advantage and opposed meaningful reform.”

“Once the parties that have a stake are identified, we try to get them to the table early on and help generate acceptable alternatives. Using these we proceed to a preferred action.”

“We mediate specific disputes; we can regulate solutions administratively or through court. Most disputes are private and very local. The ‘public’ is very narrowly defined and legal procedures must be adhered to.”

Seventy-nine percent, or twenty-seven of the responding participants stated that they would be interested in using consensus processes. Two participants stated that they would only be interested in very limited circumstances, and four participants stated that they would not be interested.

OBSTACLES

An audit can highlight obstacles that may make certain procedures impractical, and may assist the organization in developing practical suggestions for changing policies or circumventing obstacles.¹⁶

Of the four participants who stated that they would not be interested in using consensus processes, two stated that they thought the procedures were too costly and time consuming. Of the participants who expressed interest in consensus processes, eleven participants, or thirty-two percent, stated that time was an obstacle to using consensus processes. Eight respondents, or twenty-four percent stated that cost was an obstacle. Seven respondents, or twenty percent stated that the Federal Advisory Committee Act, or FACA, was an obstacle.¹⁷ Four of those participants stated that they felt FACA would prevent their use of consensus processes altogether. Legal obstacles were cited by five of the participants, or fifteen percent.

FACA limits federal agencies collaborating with non-federal governments, groups, and agencies. Federal agencies are prohibited from establishing advisory committees and using or giving preference to information from non-federal groups.¹⁸ FACA defines advisory committees as “any committee, board, commission...or other similar group, or any subcommittee or subgroup thereof...which is established or utilized by one or more agencies, in the interest of obtaining advice or recommendations for the President or one or more agencies or officers of the Federal Government...”¹⁹ Congress intended to curtail the influence of interest groups, cut what it perceived to be wasteful expenditures, and ensure equal public participation in decision-making processes. Consequences of violating FACA include potential exclusion of a group product from the administrative record, and a potential injunction against implementing a decision until supporting work is re-done in compliance with FACA or by federal employees.

FACA provides for several exclusions, including: advice received from one individual; advice from members of a group which is not consensus advice; advice from “operational” groups or those which have operational responsibilities; non-federal personnel that are contractors or consultants rather than members; and open meetings for all interested with notice published in advance.²⁰ Also,

FACA allows for formal chartering of advisory committees, and legislative exemptions can also be obtained.²¹

Aside from FACA, five participants cited resources, including the lack of staff experience and expertise with consensus processes, as obstacles to using consensus processes. Communication and negotiating skills can prevent effective problem solving negotiation.²² Even where skills are adequate, the parties' belief that their skills are inadequate may deter them from using consensus approaches.²³ One benefit of assessing dispute resolution skills and knowledge is to determine whether training or coaching would help, as discussed below.

Resistance by involved parties was listed also as an obstacle by four of the participants, or twelve percent. Responses include: "Paying for facilitator services and paying groups to participate that otherwise couldn't is expensive. (Our staff) could use more training in consensus building techniques."

"I think we still have many people who really do not want to share decisions or use others' ideas for decisions. Difficult for some people to empower others, and sit back and watch others get recognition."

"Time. Many situations must be resolved rapidly to avoid problems or capitalize on limited opportunities."

"FACA. Lack of understanding of the Act keeps some managers from supporting a consensus approach."

"I just think we haven't tried it. I don't think there are any obstacles except for possibly FACA."

(see Table 2, page 46, for list of obstacles).

NEED FOR CONSENSUS BUILDING SERVICES

All of the respondents indicated that some type of consensus building services would be helpful to their organization. The nature of the need varies among the agencies.

The survey requested that participants identify the services they would find helpful in order of priority. Most of the participants simply checked off the services they would find helpful; only 7 of the participants ranked their selections. Accordingly, to calculate the results of this portion of the survey, we have only calculated the percentage of positive responses for each service, or the percentage of participants who indicated that they would find that service helpful.

Lack of understanding of the FACA Act keeps some managers from supporting a consensus approach.

Twenty-two or 65 percent of the responding officials indicated that training on consensus building approaches would be helpful to their organization. Twenty or 61 percent of the participants indicated that facilitation and/or mediation of specific issues would be helpful. Four of these twenty respondents selected this service as the only service they would find helpful. Fifty percent of the participants felt that consultation and coaching on approaches to building agreement would be helpful to their organization.

Sixteen or 46 percent of the participants felt that a presentation on consensus approaches would be helpful to their organization. Fourteen or 42 percent of the participants indicated that publications would be helpful. The lowest percentage of respondents felt that a more complete dispute resolution audit of how their organization responds to multi-party conflicts would be helpful. Thirteen of the responding agencies, or 38 percent, indicated a need for such an audit.

(See Table 3, page 46, for Consensus Building Services).

PROSPECTS FOR THE FUTURE

According to this dispute resolution audit, many individuals in state and federal natural resource agencies in Montana are interested in expanding their use of consensus processes to address internal and external conflicts. A combination of various factors and barriers may currently be limiting the expanded use of consensus processes in the agencies. However, nearly all of the respondents indicated that some form of consensus building services would be helpful to their organization. The respondents seemed to feel that direct services such as mediation of specific issues, staff training, and consultation and coaching would be more useful than publications, presentations, or audits. Generally, Montana's natural resource agencies find that they could benefit from expanded use of consensus processes to anticipate and resolve the difficult conflicts that they face.

While this dispute resolution audit suggests that there is a growing interest in "experimenting" with consensus processes, there are some basic programmatic needs to improve the capacity of citizens and leaders to engage constructively in such processes. From a programmatic perspective, the survey data indicate that time and energy should be focused on improving agency acceptance of consensus processes. Many government agencies, private businesses, community groups, and advocacy organizations continue to resist participating in consensus processes.

In response to this need, the Consensus Council has developed four complementary programs. First, the consensus building program provides a forum for individuals and groups with diverse viewpoints to come together and build agreement on complex natural resource issues. The Council helps the parties design an appropriate process, facilitates and mediates the process as necessary, documents areas of agreement and disagreement, and assists during the implementation of the agreement.

Second, the Consensus Council also provides training and education to increase awareness and understanding about consensus processes and how they fit into the more formal, conventional processes of making public decisions. The programs teach the participants to assess when a consensus process is appropriate, and how to design and manage an effective consensus building process. These training and education programs are not designed to teach the participants to be expert facilitators, mediators, or "process managers" per se. They focus more on the dynamics of the consensus process from the perspective of participants, and offer several principles and techniques for improving the ability of individuals and groups to constructively participate in such processes. This "demand-side" emphasis on training and education should increase the participants' understanding of and comfort with consensus processes, making it more likely that they will use consensus-building tools.

Third, the Consensus Council provides "coaching and consultations" on the design of appropriate conflict management and consensus building programs. Within this program, the Consensus Council works with a variety of individuals and groups to analyze conflict situations and design appropriate consensus processes; to conduct dispute resolution audits; and to develop programs to foster the use of alternative dispute resolution mechanisms. These "consultations" build on the Consensus Council's experience in consensus building and training and education.

Fourth and finally, the Consensus Council has developed a "research and publication" program that is designed not only to increase awareness and understanding of consensus processes, but also to contribute to the theory of building agreements on complex, multi-party public policy issues. The Consensus Council is committed to documenting and evaluating case studies, and identifying key ingredients for success and what lessons can be learned from other experiences. While highlighting success stories provides valuable lessons, there is also much to be learned by focusing on "failures," or processes that may not have achieved agreement.

those engaged in future research efforts may want to assemble case studies of particular disputes involving Montana natural resource agencies and the different processes the agencies used to address those conflict. Case studies provide useful illustrations of what works and doesn't work in particular situations, and may also demonstrate why a process succeeded or failed in that case. A database of effective processes should also be compiled. The publication Solving Community Problems by Consensus is an example of a similar database of effective processes in community-building forums.²⁴ A collection of successful efforts can illustrate how consensus processes might address natural resource and other disputes facing Montana natural resource agencies, and may also be useful for improving agency and public acceptance of consensus building processes.

As the survey reveals, Montana citizens and natural resource managers share a hope to sustain the land, waters, and character of Montana. Renewed commitment to civic participation and genuine public dialogue are key to that work. As Montana citizens and leaders seek effective solutions to challenges facing the state, expanded use of consensus processes can be a tool to reconcile economic sustenance with environmental protection while sustaining Montana's unique sense of community.

Notes:

1. Colleen Coyle is a project coordinator at the Montana Consensus Council. She provides consultation and assistance on designing and managing consensus-building processes, conducts research, and produces publications. Ms. Coyle earned a B.A. in Political Science at the University of Montana, and is currently a third-year law student at the University of Montana School of Law.

2. For an overview of the social and economic trends taking place in Montana, see The Montana Futures Project, Report One: Situation Analysis and Public Response (November, 1992) and Report Two: Vision, Goals, and Benchmarks (February, 1993).

3. Julia Wondollek, Public Lands Conflict and Resolution: Managing National Forest Disputes, Plenum Press, NY (1988), p. 5.

4. Recognizing the increasing tensions over the use and integrity of Montana's natural environment, Governor Marc Racicot created the Montana Consensus Council in January, 1994. The mission of the Montana Consensus Council is "to promote fair, effective, and efficient processes for building agreement on natural resource and other public policy issues important to Montanans." It pursues this mission by helping Montanans design and manage forums to build agreement on complex, multi-party public policy issues. The Consensus Council also fosters the use of consensus processes through training and educations, coaching and consultation, and research and publication. In short, the Consensus Council provides an ongoing forum to supplement existing institutional processes for shaping and implementing public policy. For more information on the Montana Consensus Council, please call 444-2075.

5. See William L. Ury, Jeanne M. Brett, and Stephen B. Goldberg, Getting Disputes Resolved: Designing Systems to Cut the Costs of Conflict (Jossey-Bass, 1989).

6. Ury, Brett, and Goldberg, p. 21.

7. Id.

8. Id.

9. Montana Futures Project, Report One.

10. Ury, Brett, and Goldberg, p. 24.

11. Id.

12. Id.

13. Ury, Brett, and Goldberg, p. 26.

14. Id.

15. Id.

16. Id., p. 38

17. 5 USC App. 2., § 3(2).

18. Id.

19. Id.

20. Id.

21. Id.

22. Ury, Brett, and Goldberg, p. 35.

23. Id.

24. See Robert Buzzas, Solving Community Problems by Consensus, Montana Consensus Council, 1995.

Table 1: Breakdown of Responding Agencies (34 of 96 responding)

Agency	Number of Responses	Number Sent	%
Federal Agencies			
U.S. Forest Service	6	19	34%
BLM	5	15	34%
National Park Service	1	2	50%
Subtotal	12	36	33%
State Agencies			
Dept. of Natural Resources and Conservation	5	13	35%
Dept. of Fish, Wildlife, and Parks	6	17	35%
Dept. of State Lands	3	10	30%
Dept. of Health and Environmental Science	2	4	50%
Dept. of Transportation	1	4	25%
Dept. of Commerce	3	11	27%
Subtotal	20	49	41%
Local Agencies			
Conservation Districts	2	11	18%
Subtotal	2	11	18%
Total	34	96	36%

Table 2: Obstacles to Use of Consensus Processes

Obstacle	Percentage of Responses
Time	38%
Cost	34%
FACA	20%
Legal obstacles	15%
Resources	15%
Resistance by parties	12%

Table 3: Consensus Building Services

Consensus Building Service	Percentage of Positive Responses
Training	65%
Facilitation/mediation	61%
Consultation and coaching	50%
Presentation	46%
Publications	42%
More complete audit	38%
Other	3%