

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	350	350	350	350	700
Recommended	350	350	0	0	0
Change		0	(350)	(350)	(700)
% Biennial Change from 2004-05					-100%
Natural Resources					
Current Appropriation	490	490	490	490	980
Recommended	490	490	490	490	980
Change		0	0	0	0
% Biennial Change from 2004-05					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	350	350	0	0	0
Natural Resources	490	490	490	490	980
Total	840	840	490	490	980
<u>Expenditures by Category</u>					
Local Assistance	840	840	490	490	980
Total	840	840	490	490	980
<u>Expenditures by Program</u>					
Minn Conservation Corps	840	840	490	490	980
Total	840	840	490	490	980

MN CONSERVATION CORPS

Change Summary

Dollars in Thousands

	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
<i>Fund: GENERAL</i>				
FY 2005 Appropriations	350	350	350	700
Subtotal - Forecast Base	350	350	350	700
Change Items				
Phased Privatization	0	(350)	(350)	(700)
Total Governor's Recommendations	350	0	0	0
<i>Fund: NATURAL RESOURCES</i>				
FY 2005 Appropriations	490	490	490	980
Subtotal - Forecast Base	490	490	490	980
Total Governor's Recommendations	490	490	490	980

MN CONSERVATION CORPS

Change Item: Phased Privatization of the MN Conservation Corps

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	(\$350)	(\$350)	(\$350)	(\$350)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	(\$350)	(\$350)	(\$350)	(\$350)

Recommendation

The Governor recommends that the Minnesota Conservation Corps' (MCC) General Fund subsidy be eliminated in order to continue to phase in the privatization of the Corp that began in the 2003 legislative session.

Background

MCC formerly operated as part of the Department of Natural Resources, offering hands-on environmental stewardship training and learning opportunities to youth and young adults (ages 15-25). During the 2003 legislative session, MCC was spun off into a private, non-profit organization. Currently, the Corps has an annual operating budget of \$2,660,000 and receives annual direct appropriations of \$350,000 from the General Fund and \$490,000 from the Natural Resources Fund. Eliminating the General Fund portion of the subsidy would represent a 13% reduction in their current annual operating budget.

In the past five years, the MCC has gone from being totally dependent on state appropriations, to raising nearly 70% of its operating budget through fees for service, federal/state partnerships and other fundraising activities. The MCC is continuing to seek other funding sources for its activities, including a potential new partnership with MnDOT. As a private, non-profit organization, the MCC has the flexibility and the experience to raise additional revenues to compensate for declining state funding.

Relationship to Base Budget

This proposal reduces the state's financial involvement in the MCC by 42% and affects 13% of their total operating budget.

Alternatives Considered

None. This is a continuation of phased privatization of this non-profit organization.

Agency Purpose

The Minnesota Conservation Corps (MCC) provides hands-on environmental stewardship training and service-learning opportunities to youth and young adults (ages 15-25), while completing priority and cost-effective natural resource management and emergency response work. MCC benefits both the training and development needs of young people and the natural resources of Minnesota.

2003 Minnesota Session Laws - Chapter 128, Section 6 and Section 35 [84.991]

Core Functions

- ⇒ **Public Service** – MCC serves primarily governmental, educational, and non-profit organizations for the common good.
- ⇒ **Youth and Young Adults** – MCC provides training and work opportunities to youth and young adults to create positive outcomes for the communities of Minnesota and their natural resources.
- ⇒ **Professional Development** – Corpsmembers receive intensive safety and skills training, preparing them to serve as the state's future natural resources professionals. Developing a strong work and stewardship ethic is the foundation of the conservation corps philosophy.
- ⇒ **Environmental Impact** – The legacy of MCC is that it enables positive improvements to our environment, our communities, and our Corpsmembers through a commitment to environmental service.

Operations

- ⇒ The MCC Summer Youth Residential Program operates for eight weeks each summer out of a base camp at St. Croix State Park, sending crews of youth (ages 15-18) throughout the state to perform labor-intensive natural resources work on public land.
- ⇒ The MCC Young Adult Program operates year-round by placing crews of young adults (ages 18-25) in communities throughout the state to perform both labor-intensive and highly technical natural resources work on public land, including emergency response to natural disasters.

Budget

Five years ago, as a program of the Minnesota Department of Natural Resources (DNR), MCC was almost completely dependent upon state appropriations. As a nonprofit, MCC now uses state appropriations to leverage over two-thirds of its revenue from other sources, thereby diversifying its funding base. Each state dollar that is invested in MCC produces over three dollars of natural resources work in Minnesota. Corpsmembers earn a minimal living allowance (similar to an internship stipend). In FY 2005, MCC will employ 12 staff, 72 year-round young adult Corpsmembers, 72 summer youth Corpsmembers (July-August 2004), and 100 summer youth Corpsmembers (June 2005) for a total of 96 FTE.

At A Glance

Minnesota Conservation Corps (MCC) was formed in 1981, based on the Civilian Conservation Corps (CCC) model of the 1930's. MCC is now an entrepreneurial and mission driven non-profit 501(c)(3) organization, governed by a volunteer Board of Directors.

Projected FY 2005 Work Accomplishments include:

- ◆ 100,000 trees planted
- ◆ 60 corpsmembers trained and equipped for statewide Homeland Security response to wildfires, floods, tornados, and other disasters
- ◆ Completion of Phase I (GPS data collection) of the Department of Natural Resources Off Highway Vehicle trail survey project
- ◆ 5,000 acres of prescribed burning
- ◆ 3,500 acres of fish and wildlife habitat improvement
- ◆ 1,500 miles of trail construction and maintenance
- ◆ 150,000 pounds of debris removal
- ◆ 100 miles of river cleanup
- ◆ 500 volunteers activated
- ◆ Sample collections for Chronic Wasting Disease survey at 50 deer registration sites statewide
- ◆ 50,000 feet of streambank and lakeshore restoration

www.conservationcorps.org

FY 2005 Projected Revenue Summary

Fee-for-Service Revenue (32%)	\$ 840,000
State Appropriations (32%)	840,000
Federal AmeriCorps Funds (25%)	680,000
Other (11%)	<u>300,000</u>
Total	\$2,660,000

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