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Iron Range Resources and Rehabilitation Board

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www.mn.gov/irrrb

AT A GLANCE

- Iron Range Resources and Rehabilitation Board (IRRRB) is a unique state agency whose budget is annually established and approved by a nine-member board.
- IRRRB serves a portion of the state, a 13,000 square-mile area of northeastern Minnesota.
- The agency works with over 178 communities (49 cities and 129 townships) within its service area.
- IRRRB is funded by a portion of local taconite production tax which is paid by mining companies on each ton of iron ore pellets or concentrates produced instead of local property taxes.

PURPOSE

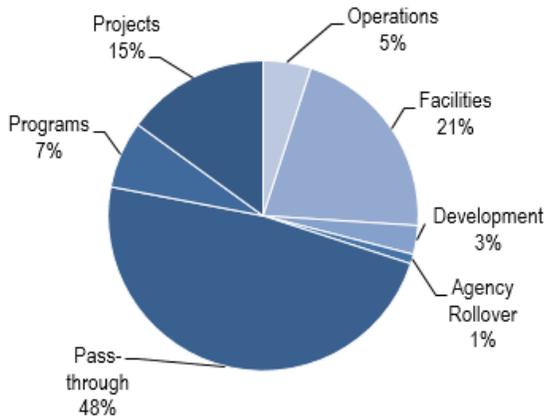
Established in 1941, the agency was created to diversify the economy within a region largely dependent on a natural resource based economy--primarily iron mining. The purpose of IRRRB is to promote and invest in business, community and workforce development for the betterment of northeastern Minnesota.

IRRRB supports the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities
- Strong and stable families and communities
- Minnesotans have the education and skills needed to achieve their goals

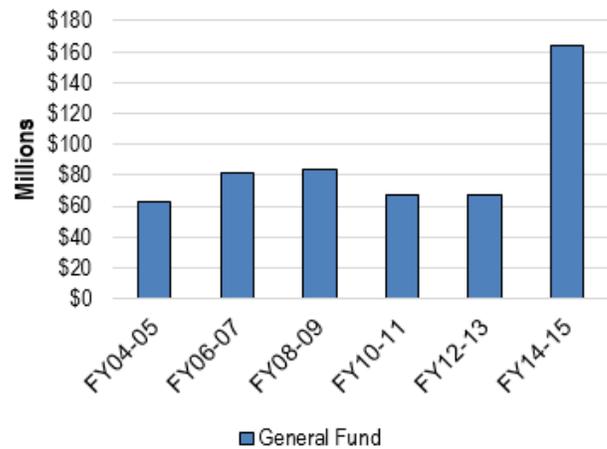
BUDGET

**Spending by Program
FY 15 Actual**



Source: BPAS

Historic Spending



Source: Consolidated Fund Statement

STRATEGIES

In order to diversify the economy of northeastern Minnesota, IRRRB works to grow new and existing businesses and recruit expanding businesses from outside of the area. The agency works closely with businesses to customize financial assistance that meets business goals and objectives. These financial packages are developed with businesses, their banks and other economic development partners.

IRRRB also provides grants and other funding to local units of government and non-profits to support economic development and vibrant and prosperous communities.

The agency also provides grants and other funding for innovative education and workforce development initiatives in order to attract and retain workers.

RESULTS

IRRRB provides communities with the infrastructure and resources they require to thrive, small businesses with the information and financing needed to stabilize and grow, and larger business development expansions and relocations with agency and partnership support to encourage them to choose northeastern Minnesota. Results are measured in businesses served by IRRRB programs, IRRRB investment, and total project investment.

Of note, in FY 2016, \$28M was committed to two forest products projects with a projected total investment of \$490M. However, those project dollars have not been expended and are not included in the current column figures.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	# of businesses/communities served by IRRRB Programs	268	298	Previous FY13/14 and Current FY15/16
Quantity	IRRRB Investment in Business and Community Projects	\$50M	\$47M	Previous FY13/14 and Current FY15/16
Results	Total Project Investment, inclusive of business and/or community share	\$195M	\$313M	Previous FY13/14 and Current FY15/16

M.S. 298.22 (<https://www.revisor.mn.gov/statutes/?id=298.22>) provides the legal authority for IRRRB.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
2370 - Iron Range Resources & Rehab	79,385	48,267	32,743	42,812	21,360	27,465	21,360	27,465
2380 - Douglas J Johnson Econ Protect	29,989	6,686	22,180	2,733	2,713	2,713	2,713	2,713
4600 - Giants Ridge Golf & Ski Resort	8,316	14,364	9,140	17,366	8,922	8,922	8,922	8,922
Total	117,690	69,317	64,063	62,912	32,995	39,100	32,995	39,100

<i>Biennial Change</i>				(60,032)		(54,880)		(54,880)
<i>Biennial % Change</i>				(32)		(43)		(43)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Program

Program: Operations	28,396	3,429	23,631	4,308	4,308	4,308	4,308	4,308
Program: Facilities	8,316	14,364	9,140	16,605	8,802	8,802	8,802	8,802
Program: Development	1,857	2,001	2,316	2,682	2,682	2,682	2,682	2,682
Program: Agency Roll Over	360	1,012	204	6,605	120	120	120	120
Program: Pass-through Funding	54,426	33,180	16,114	21,896	6,360	12,486	6,360	12,486
Program: Programs	5,284	4,836	6,320	5,815	5,723	5,702	5,723	5,702
Program: Projects	19,050	10,494	6,338	5,000	5,000	5,000	5,000	5,000
Total	117,690	69,317	64,063	62,912	32,995	39,100	32,995	39,100

Expenditures by Category

Compensation	5,346	5,766	6,074	6,510	6,510	6,510	6,510	6,510
Operating Expenses	6,850	7,205	8,854	9,428	8,408	8,408	8,408	8,408
Other Financial Transactions	39,843	13,366	4,305	3,712	2,078	2,078	2,078	2,078
Grants, Aids and Subsidies	65,547	36,249	44,482	35,337	15,518	21,623	15,518	21,623
Capital Outlay-Real Property	104	6,731	349	7,926	482	482	482	482
Total	117,690	69,317	64,063	62,912	32,995	39,100	32,995	39,100

Total Agency Expenditures	117,690	69,317	64,063	62,912	32,995	39,100	32,995	39,100
Internal Billing Expenditures	0	0	0	14	14	14	14	14
Expenditures Less Internal Billing	117,690	69,317	64,063	62,898	32,981	39,086	32,981	39,086

<u>Full-Time Equivalents</u>	70.4	74.0	74.0	78.2	78.2	78.2	78.2	78.2
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Open Appropriation	594	2,958	2,815	2,517	2,271	2,405	2,271	2,405
Net Transfers	(594)	(2,958)	(2,815)	(2,517)	(2,271)	(2,405)	(2,271)	(2,405)

2370 - Iron Range Resources & Rehab

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	29,219	23,240	47,468	54,375	49,222	61,499	49,222	61,499
Receipts	71,979	44,089	38,053	36,367	32,051	28,492	32,051	28,492
Net Transfers	(386)	14,724	890	1,047	1,343	1,396	1,343	1,396
Net Loan Activity	0	(6,570)	706	244	244	244	244	244
Expenditures	79,385	48,267	32,743	42,812	21,360	27,465	21,360	27,465
Balance Forward Out	21,428	27,216	54,375	49,222	61,499	64,166	61,499	64,166
<i>Biennial Change in Expenditures</i>				(52,097)		(26,730)		(26,730)
<i>Biennial % Change in Expenditures</i>				(41)		(35)		(35)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	32.8	34.8	34.5	34.8	34.8	34.8	34.8	34.8

2380 - Douglas J Johnson Econ Protect

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	98,753	25,356	45,828	19,720	17,612	22,303	17,612	22,303
Receipts	10,206	13,640	10,061	8,920	10,000	5,477	10,000	5,477
Net Transfers	(6,190)	0	0	(5,700)	0	0	0	0
Net Loan Activity	0	(7,233)	(13,989)	(2,596)	(2,596)	(2,596)	(2,596)	(2,596)
Expenditures	29,989	6,686	22,180	2,733	2,713	2,713	2,713	2,713
Balance Forward Out	71,611	25,077	19,720	17,612	22,303	22,471	22,303	22,471
<i>Biennial Change in Expenditures</i>				(11,762)		(19,487)		(19,487)
<i>Biennial % Change in Expenditures</i>				(32)		(78)		(78)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	6.5	7.5	7.3	9.4	9.4	9.4	9.4	9.4

4600 - Giants Ridge Golf & Ski Resort

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	237	6,616	1,798	2,141	397	397	397	397
Receipts	4,209	3,980	3,895	5,196	5,196	5,196	5,196	5,196
Net Transfers	10,615	5,518	5,588	10,427	3,726	3,726	3,726	3,726
Expenditures	8,316	14,364	9,140	17,366	8,922	8,922	8,922	8,922
Balance Forward Out	6,745	1,750	2,141	397	397	397	397	397
<i>Biennial Change in Expenditures</i>				3,827		(8,662)		(8,662)
<i>Biennial % Change in Expenditures</i>				17		(33)		(33)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalent	31.1	31.7	32.2	34.0	34.0	34.0	34.0	34.0