

Table of Contents

Department of Iron Range Resources & Rehabilitation

<i>Agency Profile</i>	1
Agency Expenditure Overview	4
Agency Financing by Fund	5
Agency Change Summary	7
<u>Additional Documents</u>	9
<i>Enacted Budget Changes</i>	9

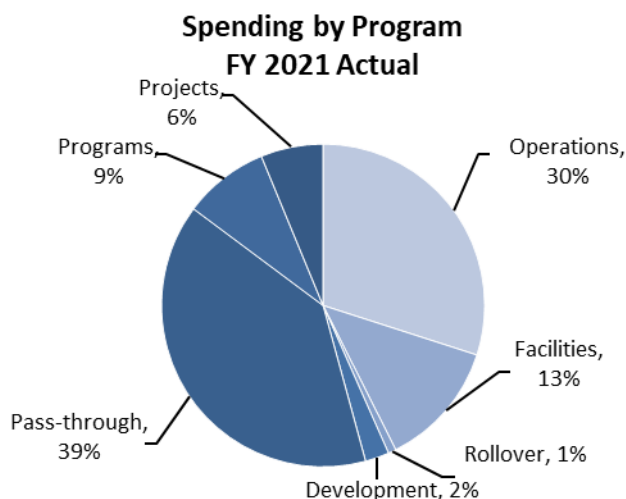
AT A GLANCE

- Established in 1941, the Department of Iron Range Resources & Rehabilitation was created to diversify the economy within a region largely dependent on the removal of minerals (iron ore and taconite) and other natural resources.
- The agency's service area is defined by Minnesota Statute 273.1341 and encompasses 13,000 square miles in northeastern Minnesota: 53 cities, 134 townships, portions of four tribal nations and 14 school districts. The service area population is 155,081.
- The agency is primarily funded by a portion of local taconite production tax paid by mining companies on each ton of iron ore pellets or concentrates produced. The tax is paid in lieu of property taxes by mining companies located within the agency's service area.
- The Department of Iron Range Resources & Rehabilitation operates on an annual budget established by the commissioner and approved by an eight-member board and the Governor.

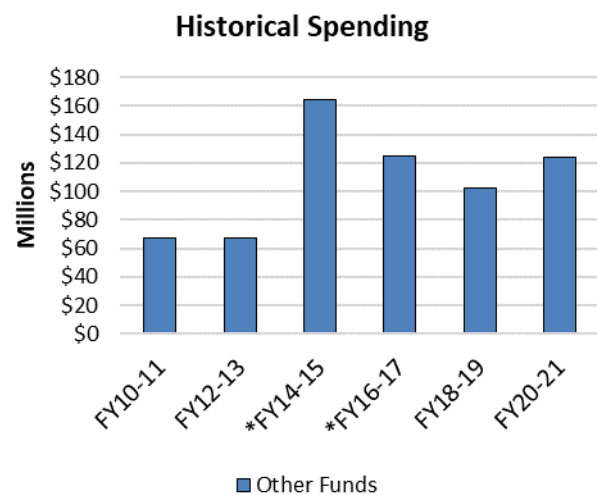
PURPOSE

The Department of Iron Range Resources & Rehabilitation is an economic development agency that reinvests local taconite production taxes back into northeastern Minnesota businesses and communities in order to strengthen and diversify the economy. Loans are provided to businesses relocating or expanding in the region. Grants are available to local and tribal units of government, educational institutions and nonprofits. Grants support projects related to business development, infrastructure and broadband, downtown revitalization, worker training and certification, and tourism and recreation.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



*Include DJJ Corpus, Event Center Construction & School Bond Payments

Source: Consolidated Fund Statement

AGENCY GOALS AND STRATEGIES

The agency's strategic plan aligns its collaborative efforts around long-term economic growth that increases the well-being of all people in northeastern Minnesota. The agency's mission helps focus funding priorities around leveraging capital, improving quality of life and retaining and creating good paying jobs. We align our strategies with four long-term goals related to community development, asset reinvestment, business development and workforce development.

Communities invest in their foundational, business and social assets to ensure quality of life for all residents.

- Infrastructure funding is available to improve, replace and modernize foundational assets such as sewer, water and broadband.
- Redevelopment programs provide funds to improve business assets including interior and exterior renovation, energy efficiency and retrofits.
- Community development grants fund the construction, maintenance and improvement of social assets such as parks, recreation, trails, and arts and culture organizations.
- Opportunities to expand or create new child care facilities and programs are actively pursued.
- Agency broadband investments leverage other resources to increase the number of residents served by the state's 2026 broadband speed goals.
- The agency participates in enterprise sustainability to manage energy, conserve water and reduce waste.
- Access and equity inform outreach efforts and staff and leaders work directly with tribal nation representatives from Bois Forte, Grand Portage, Leech Lake and Fond du Lac helping connect their development priorities with grant and loan resources.

Agency investments in Giants Ridge increase its economic impact and contribute to the quality of life in the region.

- Improve assets that contribute to economic impact.
- Track economic impact over time using independent analysis.
- Maintain Giants Ridge's state and national golf course rankings.

Businesses invest in northeastern Minnesota.

- Respond to business needs with creative and flexible financial solutions.
- Recruit new businesses through lead generation, tradeshow and outreach to targeted industries.
- Track family sustaining wages of businesses served by agency loans.
- Promote energy efficiency for small businesses through the Business Energy Retrofit grant program.

Workers have the education and training to meet business needs.

- Invest in workforce development programs that meet businesses' training and education needs.
 - Support skills development that increase workers' ability to earn to a family-sustaining income.
- Invest in higher education programs through Iron Range Higher Education.
- Multi-district collaborative efforts increase availability and access to high quality education for the region's students through a Bricks and Mortar Program and an Innovative Academic Program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous 19/20</i>	<i>Current 21/22</i>	<i>Dates</i>
Quantity	# of businesses/grantees served by Iron Range Resources & Rehabilitation programs	274	303	Previous FY19/20 and Current FY21/22
Quantity	Iron Range Resources & Rehabilitation investment	\$34.5 M	\$38.6 M	Previous FY19/20 and Current FY21/22
Results	Total project cost for regional projects that include IRRR Investment	\$326 M	\$310 M	Previous FY19/20 and Current FY21/22

M.S. 298.22 provides the legal authority for the Department of Iron Range Resources & Rehabilitation.

Iron Range Resources and Rehabilitation

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
2370 - Iron Range Resources & Rehab	38,806	52,191	44,382	50,322	45,944	45,970	49,454	56,090
2380 - Douglas J Johnson Econ Protect	8,284	24,685	17,292	10,209	10,128	10,128	10,128	10,128
4600 - Giants Ridge Golf & Ski Resort	10,520	11,195	12,020	13,063	11,837	10,950	11,837	10,950
Total	57,610	88,072	73,693	73,594	67,909	67,048	71,419	77,168
Biennial Change				1,605		(12,330)		1,300
Biennial % Change				1		(8)		1
Enacted Budget Change from Base								13,630
Enacted Budget % Change from Base								10

Iron Range Resources and Rehabilitation

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Open Appropriation	2,848	2,659	2,650	2,519	2,600	2,467	2,600	2,467
Transfers In	3,721	3,795	3,688	3,612	3,663	3,659	3,663	3,659
Transfers Out	6,569	6,454	6,338	6,131	6,263	6,126	6,263	6,126

2370 - Iron Range Resources & Rehab

Balance Forward In	56,988	63,501	57,443	78,515	49,140	46,142	49,140	46,142
Receipts	44,723	44,952	44,297	44,311	44,311	44,311	44,321	44,331
Transfers In	20,513	23,611	48,945	24,495	21,298	21,165	24,798	31,265
Transfers Out	28,757	25,619	27,849	26,508	23,230	22,754	23,230	22,754
Net Loan Activity	463	803	61	(21,351)	567	567	567	567
Balance Forward Out	55,125	55,058	78,515	49,140	46,142	43,461	46,142	43,461
Expenditures	38,806	52,191	44,382	50,322	45,944	45,970	49,454	56,090
Biennial Change in Expenditures				3,707		(2,790)		10,840
Biennial % Change in Expenditures				4		(3)		11
Enacted Budget Change from Base								13,630
Enacted Budget % Change from Base								15

2380 - Douglas J Johnson Econ Protect

Balance Forward In	41,555	60,417	58,603	55,069	41,408	35,670	41,408	32,160
Receipts	5,838	5,377	4,991	4,527	4,527	4,527	4,517	4,507
Transfers In	10,568	16,088	7,497	14,159	4,850	4,846	4,850	4,846
Transfers Out	8,347	13,419	5,069	11,960	1,687	1,687	5,187	11,787
Net Loan Activity	(20)	(2,351)	6,339	(10,178)	(3,300)	(3,300)	(3,300)	(3,300)
Balance Forward Out	41,310	41,426	55,069	41,408	35,670	29,928	32,160	16,298
Expenditures	8,284	24,685	17,292	10,209	10,128	10,128	10,128	10,128
Biennial Change in Expenditures				(5,468)		(7,245)		(7,245)
Biennial % Change in Expenditures				(17)		(26)		(26)
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

4600 - Giants Ridge Golf & Ski Resort

Balance Forward In	2,222	2,789	3,345	4,199	3,550	3,214	3,550	3,214
Receipts	4,734	5,949	7,358	6,525	6,525	7,001	6,525	7,001

Iron Range Resources and Rehabilitation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Enacted Budget	
					FY24	FY25	FY24	FY25
Transfers In	5,766	5,763	7,581	7,089	4,976	4,500	4,976	4,500
Transfers Out			2,066	1,200				
Balance Forward Out	2,202	3,307	4,198	3,550	3,214	3,765	3,214	3,765
Expenditures	10,520	11,195	12,020	13,063	11,837	10,950	11,837	10,950
Biennial Change in Expenditures				3,367		(2,296)		(2,296)
Biennial % Change in Expenditures				16		(9)		(9)
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

Iron Range Resources and Rehabilitation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Open				
Fund: 1000 - General				
FY2023 Appropriations	2,680	2,680	2,680	5,360
Base Adjustments				
Forecast Open Appropriation Adjustment		209	208	417
November Forecast Adjustment	(170)	(298)	(429)	(727)
February Forecast Adjustment	9	9	8	17
Forecast Base	2,519	2,600	2,467	5,067
Total Enacted Budget	2,519	2,600	2,467	5,067
Dedicated				
Fund: 2370 - Iron Range Resources & Rehab				
Planned Spending	50,322	45,944	45,970	91,914
Forecast Base	50,322	45,944	45,970	91,914
Change Items				
Legislative Changes to Mineral Taxation and Distribution		3,510	10,120	13,630
Total Enacted Budget	50,322	49,454	56,090	105,544
Fund: 2380 - Douglas J Johnson Econ Protect				
Planned Spending	10,209	10,128	10,128	20,256
Forecast Base	10,209	10,128	10,128	20,256
Total Enacted Budget	10,209	10,128	10,128	20,256
Fund: 4600 - Giants Ridge Golf & Ski Resort				
Planned Spending	13,063	11,837	10,950	22,787
Forecast Base	13,063	11,837	10,950	22,787
Total Enacted Budget	13,063	11,837	10,950	22,787
Revenue Change Summary				
Dedicated				
Fund: 2370 - Iron Range Resources & Rehab				
Forecast Revenues	44,311	44,311	44,311	88,622
Change Items				
Legislative Changes to Mineral Taxation and Distribution		10	20	30
Total Enacted Budget	44,311	44,321	44,331	88,652
Fund: 2380 - Douglas J Johnson Econ Protect				
Forecast Revenues	4,527	4,527	4,527	9,054

Iron Range Resources and Rehabilitation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Change Items				
Legislative Changes to Mineral Taxation and Distribution		(10)	(20)	(30)
Total Enacted Budget	4,527	4,517	4,507	9,024
Fund: 4600 - Giants Ridge Golf & Ski Resort				
Forecast Revenues	6,525	6,525	7,001	13,526
Total Enacted Budget	6,525	6,525	7,001	13,526

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
--	------	------	------	---------------------	------	------	---------------------

Legislative Changes to Mineral Taxation and Distribution

This provision reflects this fiscal impact of several changes related to minerals taxation including expanding the definition of the taconite assistance area, converting the net proceeds tax into a gross proceeds tax, modifying the distribution of the gross proceeds tax, changing the production tax distribution amounts to certain accounts, and providing a onetime transfer from the property tax relief account.

2370 - Iron Range Resources & Rehab Fund Cost (Savings)	0	0	0	0	0	0	0
Revenues	0	10	20	30	20	780	800
Transfers In	0	3,500	10,100	13,600	10,100	10,100	20,200
Expenditures	0	3,510	10,120	13,630	10,120	10,880	21,000
2380 - Douglas J Johnson Econ Protect Fund Cost (Savings)	0	3,510	10,120	13,630	10,120	10,070	20,190
Revenues	0	(10)	(20)	(30)	(20)	30	10
Transfers Out	0	3,500	10,100	13,600	10,100	10,100	20,200