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**Department of Iron Range Resources & Rehabilitation**

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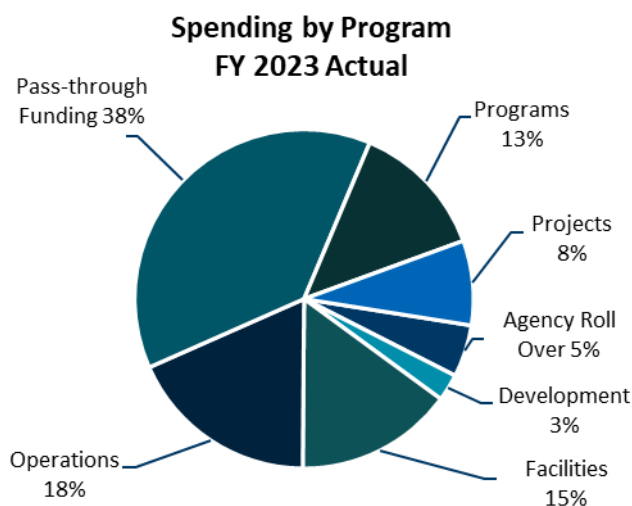
## AT A GLANCE

- 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.

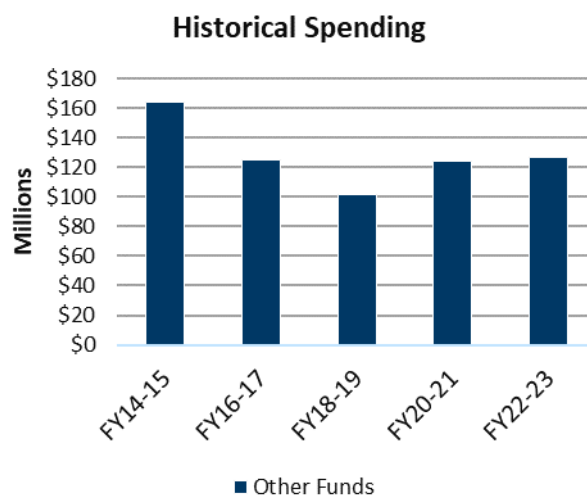
## PURPOSE

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

## 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, broadband and housing.
- 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.
- 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.
- 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

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of businesses/grantees served by Iron Range Resources & Rehabilitation programs	Quantity	Fluxx and Portfol data-base systems, SWIFT	New programs added in 2023 and 2024	419

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Iron Range Resources & Rehabilitation investment	Quantity	<i>Fluxx and Portfol data-base systems, SWIFT</i>	New grant programs added and additional financial resources allocated for both programs and projects	\$111.4 million
Total project cost for regional projects that include IRRR Investment	Results	<i>Fluxx and Portfol data-base systems, SWIFT</i>	Increase in regional activity along with increased program/project costs due to inflation	\$717.5 million

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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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<b><u>Expenditures by Fund</u></b>						
2370 - Iron Range Resources & Rehab	44,382	52,783	68,247	131,086	86,319	57,197
2380 - Douglas J Johnson Econ Protect	17,292	12,183	23,881	8,976	8,976	8,976
3000 - Federal				2,200	2,894	2,891
4600 - Giants Ridge Golf & Ski Resort	12,020	15,366	22,930	25,716	15,495	15,645
<b>Total</b>	<b>73,693</b>	<b>80,332</b>	<b>115,057</b>	<b>167,978</b>	<b>113,684</b>	<b>84,709</b>
Biennial Change				129,010		(84,642)
Biennial % Change				84		(30)

## **Expenditures by Program**

Operations	19,060	14,700	32,466	12,827	12,827	12,827
Facilities	9,950	12,137	22,099	25,616	15,395	15,545
Development	1,979	2,073	2,174	3,200	3,200	3,200
Agency Roll Over	2,704	3,813	1,126	3,157	100	100
Pass-through Funding	24,189	30,569	37,658	102,180	60,492	31,359
Programs	9,311	10,544	10,283	11,798	11,776	11,787
Projects	6,500	6,496	9,250	9,200	9,894	9,891
<b>Total</b>	<b>73,693</b>	<b>80,332</b>	<b>115,057</b>	<b>167,978</b>	<b>113,684</b>	<b>84,709</b>

## **Expenditures by Category**

Compensation	4,827	4,922	5,766	7,847	6,625	6,625
Operating Expenses	13,087	16,401	24,736	26,872	18,301	18,451
Grants, Aids and Subsidies	51,436	55,877	81,036	123,420	79,198	47,700
Capital Outlay-Real Property	296	326	214	2,050	400	400
Other Financial Transaction	4,046	2,806	3,305	7,789	9,160	11,533
<b>Total</b>	<b>73,693</b>	<b>80,332</b>	<b>115,057</b>	<b>167,978</b>	<b>113,684</b>	<b>84,709</b>

Total Agency Expenditures	73,693	80,332	115,057	167,978	113,684	84,709
Internal Billing Expenditures	0	0	0	22	22	22
<b>Expenditures Less Internal Billing</b>	<b>73,693</b>	<b>80,332</b>	<b>115,057</b>	<b>167,956</b>	<b>113,662</b>	<b>84,687</b>

## **Full-Time Equivalents**

<b>42.21</b>	<b>43.52</b>	<b>42.68</b>	<b>48.40</b>	<b>48.40</b>	<b>48.40</b>
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# Iron Range Resources and Rehabilitation

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY22	FY23	FY24	FY25	FY26	FY27
<b>1000 - General</b>						
Open Appropriation	2,650	2,519	2,644	2,531	2,584	2,555
Transfers In	3,688	3,613	3,724	3,877	3,877	3,877
Transfers Out	6,338	6,131	6,368	6,408	6,461	6,432

## 2370 - Iron Range Resources & Rehab

Balance Forward In	57,443	80,081	56,017	87,059	63,806	69,274
Receipts	44,297	46,749	101,333	106,746	88,746	57,746
Transfers In	48,945	33,823	41,331	33,268	30,958	30,929
Transfers Out	27,849	50,836	41,046	31,099	27,942	27,850
Net Loan Activity	61	(2,111)	(2,328)	(1,082)	25	25
Balance Forward Out	78,515	54,924	87,060	63,806	69,274	72,927
<b>Expenditures</b>	<b>44,382</b>	<b>52,783</b>	<b>68,247</b>	<b>131,086</b>	<b>86,319</b>	<b>57,197</b>
Biennial Change in Expenditures				102,168		(55,817)
Biennial % Change in Expenditures				105		(28)
Full-Time Equivalents	34.04	35.07	34.16	39.40	39.40	39.40

## 2380 - Douglas J Johnson Econ Protect

Balance Forward In	58,603	55,744	45,253	56,252	10,293	3,737
Receipts	4,991	15,348	45,447	9,099	11,425	15,191
Transfers In	7,497	14,932	13,517	16,048	12,059	12,059
Transfers Out	5,069	20,987	19,062	23,387	16,268	16,268
Net Loan Activity	6,339	(7,917)	(5,024)	(38,743)	(4,796)	(4,795)
Balance Forward Out	55,069	44,937	56,251	10,293	3,737	948
<b>Expenditures</b>	<b>17,292</b>	<b>12,183</b>	<b>23,881</b>	<b>8,976</b>	<b>8,976</b>	<b>8,976</b>
Biennial Change in Expenditures				3,382		(14,905)
Biennial % Change in Expenditures				11		(45)
Full-Time Equivalents	6.01	6.23	6.38	7.00	7.00	7.00

## 3000 - Federal

Receipts			2,200	2,894	2,891
<b>Expenditures</b>			<b>2,200</b>	<b>2,894</b>	<b>2,891</b>
Biennial Change in Expenditures			2,200		3,585
Biennial % Change in Expenditures					

# Iron Range Resources and Rehabilitation

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY22	FY23	FY24	FY25	FY26	FY27
4600 - Giants Ridge Golf & Ski Resort						
Balance Forward In	3,345	4,199	11,460	7,813	877	959
Receipts	7,358	8,465	8,295	7,219	7,940	8,190
Transfers In	7,581	17,239	12,260	11,561	7,637	7,545
Transfers Out	2,066	3,096	1,273			
Balance Forward Out	4,198	11,441	7,812	877	959	1,049
Expenditures	12,020	15,366	22,930	25,716	15,495	15,645
Biennial Change in Expenditures				21,260	(17,506)	
Biennial % Change in Expenditures				78	(36)	
Full-Time Equivalents	2.16	2.22	2.14	2.00	2.00	2.00

# Iron Range Resources and Rehabilitation

# Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Open</b>				
<b>Fund: 1000 - General</b>				
FY2025 Appropriations	2,551	2,551	2,551	5,102
Base Adjustments				
Forecast Open Appropriation Adjustment		78	74	152
November Forecast Adjustment	(20)	(45)	(70)	(115)
Forecast Base	2,531	2,584	2,555	5,139
<b>Dedicated</b>				
<b>Fund: 2370 - Iron Range Resources &amp; Rehab</b>				
Planned Spending	131,086	86,319	57,197	143,516
Forecast Base	131,086	86,319	57,197	143,516
<b>Fund: 2380 - Douglas J Johnson Econ Protect</b>				
Planned Spending	8,976	8,976	8,976	17,952
Forecast Base	8,976	8,976	8,976	17,952
<b>Fund: 3000 - Federal</b>				
Planned Spending	2,200	2,894	2,891	5,785
Forecast Base	2,200	2,894	2,891	5,785
<b>Fund: 4600 - Giants Ridge Golf &amp; Ski Resort</b>				
Planned Spending	25,716	15,495	15,645	31,140
Forecast Base	25,716	15,495	15,645	31,140
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2370 - Iron Range Resources &amp; Rehab</b>				
Forecast Revenues	106,746	88,746	57,746	146,492
<b>Fund: 2380 - Douglas J Johnson Econ Protect</b>				
Forecast Revenues	9,099	11,425	15,191	26,616
<b>Fund: 3000 - Federal</b>				
Forecast Revenues	2,200	2,894	2,891	5,785
<b>Fund: 4600 - Giants Ridge Golf &amp; Ski Resort</b>				
Forecast Revenues	7,219	7,940	8,190	16,130