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**2016-17 Governor's Budget, Iron Range Resources and
Rehabilitation, Board of**

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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.

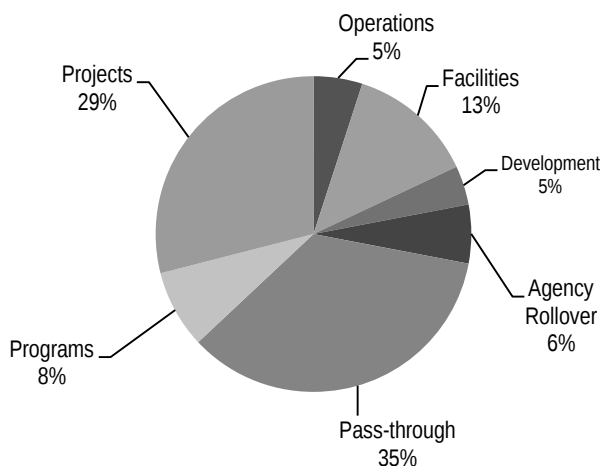
The purpose of the IRRRB is to promote and invest in business, community and workforce development for the betterment of northeastern Minnesota.

The IRRRB supports the following statewide outcomes:

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

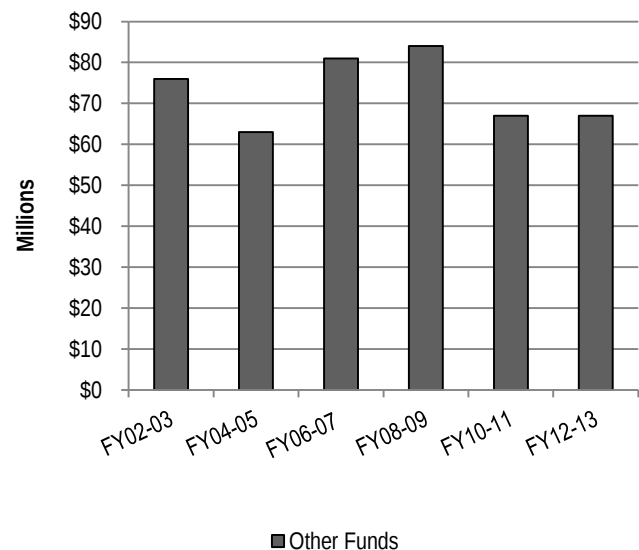
BUDGET

**Spending by Program
FY 13 Actual**



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

STRATEGIES

IRRRB works with businesses customizing financial assistance that meets business goals and objectives. Agency low-interest loans or other incentives are affordable and flexible. The agency works with businesses, their banks and other economic development partners to complete financial packages.

IRRRB provides grants and other funding for innovative education and workforce development initiatives. The agency partners with the Northeast Higher Education District, other Minnesota State Colleges and Universities, the University of Minnesota system, regional K-12 school districts and the region's business community to meet learning needs.

IRRRB also provides grants and other funding to local units of government and non-profits to support community and economic development to advance a community's long-range plans.

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 job creation, total project investment and number of assisted businesses. The agency has supported 4,805 forecasted construction and permanent jobs from FY11 – FY14.

The agency served more businesses in the current biennium by expanding assistance to small businesses.

The current level of total project investment increased due to an investment in a \$105 million commercial biochemical plant. This investment meets two long term agency goals: A reinvigoration of the forest products industry while adding to the diversity of the industries in the area.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	# of businesses served by IRRRB programs	113	167	Previous FY11/12 and Current FY13/14
Quantity	IRRRB investment	\$40.7M	\$71M	Previous FY11/12 and Current FY13/14
Results	Total project investment (public and private)	\$258.8M	\$300M	Previous FY11/12 and Current FY13/14

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

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General				0	0		0	
2370 - Iron Range Resources And Rehab	24,864	39,678	79,385	47,062	46,423	50,088	46,423	50,088
2380 - Douglas J Johnson Econ Protect	3,988	5,491	29,989	12,767	6,088	4,088	6,088	4,088
4600 - Giants Ridge Golf & Ski Resort	6,474	7,008	8,316	14,053	7,463	7,463	7,463	7,463
Total	35,325	52,177	117,690	73,882	59,974	61,639	59,974	61,639
Biennial Change				104,070		(69,960)		(69,960)
Biennial % Change				119		(37)		(37)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Program

Program: Operations	2,111	2,602	28,396	3,804	3,804	3,804	3,804	3,804
Program: Facilities	6,512	7,008	8,316	14,053	7,463	7,463	7,463	7,463
Program: Development	2,253	2,347	1,857	2,296	2,296	2,296	2,296	2,296
Program: Agency Roll Over	327	3,375	360	498	0	0	0	0
Program: Pass-through Funding	8,442	18,247	54,426	33,418	27,225	28,878	27,225	28,878
Program: Programs	4,022	4,293	5,284	5,189	5,187	5,199	5,187	5,199
Program: Projects	11,659	14,305	19,050	14,625	14,000	14,000	14,000	14,000
Total	35,325	52,177	117,690	73,882	59,974	61,639	59,974	61,639

Expenditures by Category

Compensation	4,626	5,743	5,346	5,944	5,944	5,944	5,944	5,944
Operating Expenses	6,326	8,687	6,850	7,334	7,319	7,319	7,319	7,319
Other Financial Transactions	4,188	6,587	39,843	28,365	12,434	12,434	12,434	12,434
Grants, Aids and Subsidies	20,152	30,844	65,547	31,968	34,240	35,905	34,240	35,905
Capital Outlay-Real Property	32	317	104	271	35	35	35	35
Total	35,325	52,177	117,690	73,882	59,974	61,639	59,974	61,639
Total Agency Expenditures	35,325	52,177	117,690	73,882	59,974	61,639	59,974	61,639
Internal Billing Expenditures	0	0	0	14	14	14	14	14
Expenditures Less Internal Billing	35,325	52,177	117,690	73,868	59,960	61,625	59,960	61,625

<u>Full-Time Equivalents</u>	69.9	68.2	70.4	73.6	73.6	73.6	73.6	73.6
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(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		0						
Open Appropriation	456	575	594	2,942	2,979	3,035	2,979	3,035
Net Transfers	(456)	(575)	(594)	(2,942)	(2,979)	(3,034)	(2,979)	(3,034)
Expenditures				0	0		0	
<i>Biennial Change in Expenditures</i>				0		0		0
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2370 - Iron Range Resources And Rehab

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	31,442	33,068	29,219	21,428	21,971	19,821	21,971	19,821
Receipts	23,585	28,672	71,979	44,556	40,798	42,250	40,798	42,250
Net Transfers	600	4,582	(386)	3,054	3,479	3,690	3,479	3,690
Expenditures	24,864	39,678	79,385	47,062	46,423	50,088	46,423	50,088
Balance Forward Out	30,764	26,643	21,428	21,971	19,821	15,671	19,821	15,671
<i>Biennial Change in Expenditures</i>				61,906		(29,936)		(29,936)
<i>Biennial % Change in Expenditures</i>				96		(24)		(24)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	30.9	29.9	32.8	34.3	34.3	34.3	34.3	34.3

2380 - Douglas J Johnson Econ Protect

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	97,852	97,688	98,753	71,611	72,988	76,866	72,988	76,866
Receipts	3,156	7,187	10,206	14,145	9,966	9,966	9,966	9,966
Net Transfers	0	(3,882)	(6,190)	0	0	0	0	0
Expenditures	3,988	5,491	29,989	12,767	6,088	4,088	6,088	4,088
Balance Forward Out	97,020	95,503	71,611	72,988	76,866	82,744	76,866	82,744
<i>Biennial Change in Expenditures</i>				33,277		(32,580)		(32,580)
<i>Biennial % Change in Expenditures</i>				351		(76)		(76)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

(Dollars in Thousands)

2380 - Douglas J Johnson Econ Protect

FTEs	7.5	7.2	6.5	8.4	8.4	8.4	8.4
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4600 - Giants Ridge Golf & Ski Resort

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	503	27	237	6,745	491	616	491	616
Receipts	3,762	4,451	4,209	4,082	4,082	4,082	4,082	4,082
Net Transfers	2,229	2,759	10,615	3,717	3,506	3,506	3,506	3,506
Expenditures	6,474	7,008	8,316	14,053	7,463	7,463	7,463	7,463
Balance Forward Out	20	229	6,745	491	616	741	616	741
<i>Biennial Change in Expenditures</i>				8,887		(7,444)		(7,444)
<i>Biennial % Change in Expenditures</i>				66		(33)		(33)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	31.5	31.1	31.1	31.0	31.0	31.0	31.0	31.0