

**Table of Contents**

**2014-15 Governors Budget - Iron Range Resources and Rehabilitation Board**

<b>Agency Profile - Iron Range Resources and Rehabilitation Board .....</b>	<b>1</b>
<b>    Current, Base and Governor's Recommended Expenditures .....</b>	<b>3</b>
<b>    Sources and Uses .....</b>	<b>4</b>
<b>    All Funds FTE by Program .....</b>	<b>5</b>
<b>    Revenues Summary .....</b>	<b>6</b>

### **Mission:**

Promote and invest in business, community and workforce development for the betterment of northeastern Minnesota.

### **Statewide Outcome(s):**

Iron Range Resources and Rehabilitation Board supports the following statewide outcome(s).

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.

### **Context:**

The Iron Range Resources and Rehabilitation Board (IRRRB) is a unique state agency whose budget is annually established and approved by a 13 member board as set in Minnesota Statute 298.22 subdivision 11. The IRRRB serves a portion of the state called the Taconite Assistance Area, a 13,000 square-mile area of northeastern Minnesota as defined by Minnesota Statute 273.1341. Established in 1941, the agency was created to advance development within a region largely dependent on a natural resource based economy--primarily iron mining.

The IRRRB is funded by a portion of a local taconite production tax, paid by mining companies on each ton of iron ore pellets produced in lieu of local property taxes.

### **Strategies:**

The IRRRB works closely with businesses to customize financial assistance packages that meet their business goals and objectives. Agency low-interest loans or other incentives are affordable and flexible to serve individual project needs. The agency works with businesses, their banks and other economic development partners to complete a financial assistance package.

The IRRRB provides grants and other funding to local units of government and non-profits for infrastructure and renewable energy to culture, tourism and recreation--including ownership of Giants Ridge Golf and Ski Resort--that support community and economic development. The agency works with over 178 communities (49 cities and 129 townships) within its service area and other community development partners to advance a community's long-range plans.

The IRRRB also provides grants and other funding to implement innovative education/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 emerging and future needs.

### **Results:**

IRRRB measures success by performance indicators of funding leverage and job creation.

The IRRRB provides communities with the infrastructure and resources they require, 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 and retention and private investment leveraged.

The recent extended recession impacted the ability to conduct economic development but also heightened its urgency. With business development at a slow pace, the IRRRB invested in community development projects in order to prepare its communities for growth and change.

Job numbers and investment represent proposed levels as projects require time to completion and most programs allow up to two years to measure the results. From 2009-2010, business expansions and small business activities were sluggish or on hold. Measures reflect an improving economy during the 2011-2012 timeframe.

Performance Measures	Previous	Current	Trend
Number of dollars IRRRB contributed to grant and business projects	\$39.4 million	\$40.7 million	Increasing
Number of dollars contributed from private investment to grant and business projects	\$182.8 million	\$258.8 million	Increasing
Estimated number of jobs created	1,461	3,047	Increasing

Performance Measures Notes:

The "Previous" column indicates measurements for FY09/10 and the "Current" for FY11/12.

**Iron Range Resources and Rehabilitation Board**  
**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	<b>General Funds</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
Current Biennium Expenditures (FY 2012-13)		\$88,863		\$88,863
Current Law Expenditures (FY 2014-15)		\$99,408		\$99,408
Governor's Recommended Expenditures (FY2014-15)		\$99,408		\$99,408
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

**Iron Range Resources and Rehabilitation Board****Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15		
	General Funds	Other State Funds	Federal Funds
			Total Funds
BALANCE FORWARD IN		\$110,827	\$110,827
REVENUE		\$92,870	\$92,870
TRANSFERS IN	\$7,441	\$61,091	\$68,532
APPROPRIATION	\$912	\$0	\$912
<b>SOURCES OF FUNDS</b>	<b>\$8,353</b>	<b>\$264,788</b>	<b>\$273,140</b>
BALANCE FORWARD OUT		\$112,639	\$112,639
TRANSFERS OUT	\$8,353	\$52,738	\$61,091
EXPENDITURES		\$99,408	\$99,408
PAYROLL EXPENSE		\$10,448	\$10,448
OPERATING EXPENSES		\$15,638	\$15,638
OTHER FINANCIAL TRANSACTIONS		\$17,829	\$17,829
GRANTS, AIDS AND SUBSIDIES		\$55,366	\$55,366
CAPITAL OUTLAY-REAL PROPERTY		\$127	\$127
<b>USES OF FUNDS</b>	<b>\$8,353</b>	<b>\$264,785</b>	<b>\$273,138</b>

**Iron Range Resources and Rehabilitation Board**  
**All Funds FTE by Program**

	Current	Forecast Base	Governor's Recommendation
<b>Program</b>	<b>FY 2013</b>	<b>FY 2015</b>	<b>FY 2015</b>
Program: Operations	16.9	16.9	16.9
Program: Facilities	27.9	27.9	27.9
Program: Development	25.1	25.1	25.1
Program: Agency Roll Over	0.0	0.0	0.0
Program: Pass-through Funding	0.0	0.0	0.0
Program: Programs	0.0	0.0	0.0
<b>Iron Range Resources and Rehabilitation Board</b>	<b>69.8</b>	<b>69.8</b>	<b>69.8</b>

# Iron Range Resources and Rehabilitation Board

## Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES	0			0
	ALL OTHER	0			0
	Subtotal	0			0
Dedicated	TAXES		76,287		76,287
	DEPARTMENTAL EARNINGS		10,447		10,447
	INVESTMENT INCOME		961		961
	ALL OTHER		5,175		5,175
	Subtotal		92,870		92,870
<b>Total</b>		<b>0</b>	<b>92,870</b>		<b>92,870</b>