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<https://www.mn.gov/irrrb>

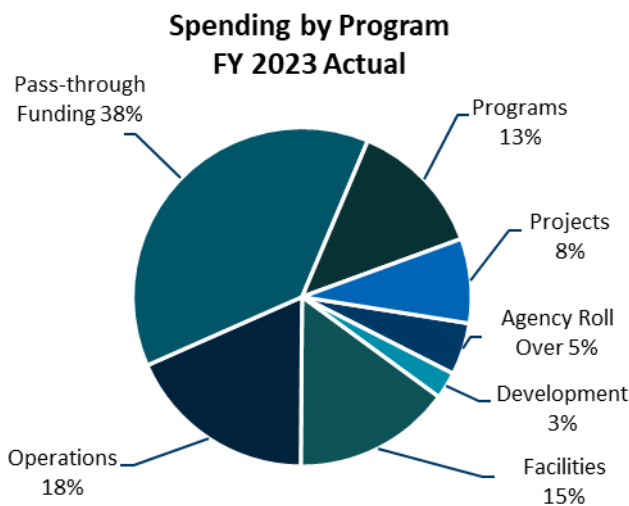
AT A GLANCE

- 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.

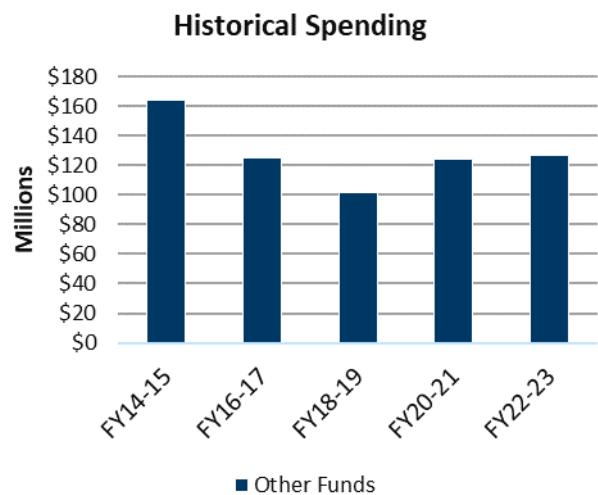
PURPOSE

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

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		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
2370 - Iron Range Resources & Rehab	44,382	52,783	68,247	131,089	86,322	57,201	86,322	57,201
2380 - Douglas J Johnson Econ Protect	17,292	12,183	23,881	8,976	8,976	8,976	8,976	8,976
3000 - Federal				2,200	2,894	2,891	2,894	2,891
4600 - Giants Ridge Golf & Ski Resort	12,020	15,366	22,930	25,716	15,495	15,645	15,495	15,645
Total	73,693	80,332	115,057	167,981	113,687	84,713	113,687	84,713
Biennial Change				129,013		(84,638)		(84,638)
Biennial % Change				84		(30)		(30)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Program

Operations	19,060	14,700	32,466	12,827	12,827	12,827	12,827	12,827
Facilities	9,950	12,137	22,099	25,616	15,395	15,545	15,395	15,545
Development	1,979	2,073	2,174	3,200	3,200	3,200	3,200	3,200
Agency Roll Over	2,704	3,813	1,126	3,157	100	100	100	100
Pass-through Funding	24,189	30,569	37,658	102,180	60,492	31,359	60,492	31,359
Programs	9,311	10,544	10,283	11,801	11,779	11,791	11,779	11,791
Projects	6,500	6,496	9,250	9,200	9,894	9,891	9,894	9,891
Total	73,693	80,332	115,057	167,981	113,687	84,713	113,687	84,713

Expenditures by Category

Compensation	4,827	4,922	5,766	7,847	6,625	6,625	6,625	6,625
Operating Expenses	13,087	16,401	24,736	26,872	18,301	18,451	18,301	18,451
Grants, Aids and Subsidies	51,436	55,877	81,036	123,423	79,201	47,704	79,201	47,704
Capital Outlay-Real Property	296	326	214	2,050	400	400	400	400
Other Financial Transaction	4,046	2,806	3,305	7,789	9,160	11,533	9,160	11,533
Total	73,693	80,332	115,057	167,981	113,687	84,713	113,687	84,713

Total Agency Expenditures	73,693	80,332	115,057	167,981	113,687	84,713	113,687	84,713
Internal Billing Expenditures	0	0	0	22	22	22	22	22
Expenditures Less Internal Billing	73,693	80,332	115,057	167,959	113,665	84,691	113,665	84,691

Iron Range Resources and Rehabilitation

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
<u>Full-Time Equivalents</u>	42.21	43.52	42.68	48.40	48.40	48.40	48.40	48.40

Iron Range Resources and Rehabilitation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
1000 - General								
Open Appropriation	2,650	2,519	2,644	2,544	2,601	2,577	2,601	2,577
Transfers In	3,688	3,613	3,724	3,892	3,905	3,976	3,905	3,976
Transfers Out	6,338	6,131	6,368	6,436	6,506	6,553	6,506	6,553

2370 - Iron Range Resources & Rehab

Balance Forward In	57,443	80,081	56,017	87,059	63,816	69,298	63,816	69,298
Receipts	44,297	46,749	101,333	106,746	88,746	57,746	88,746	57,746
Transfers In	48,945	33,823	41,331	33,281	30,975	30,951	30,975	30,951
Transfers Out	27,849	50,836	41,046	31,099	27,942	27,850	27,942	27,850
Net Loan Activity	61	(2,111)	(2,328)	(1,082)	25	25	25	25
Balance Forward Out	78,515	54,924	87,060	63,816	69,298	72,969	69,298	72,969
Expenditures	44,382	52,783	68,247	131,089	86,322	57,201	86,322	57,201
Biennial Change in Expenditures				102,171		(55,813)		(55,813)
Biennial % Change in Expenditures				105		(28)		(28)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	34.04	35.07	34.16	39.40	39.40	39.40	39.40	39.40

2380 - Douglas J Johnson Econ Protect

Balance Forward In	58,603	55,744	45,253	56,252	10,308	3,780	10,308	3,780
Receipts	4,991	15,348	45,447	9,099	11,425	15,191	11,425	15,191
Transfers In	7,497	14,932	13,517	16,063	12,087	12,158	12,087	12,158
Transfers Out	5,069	20,987	19,062	23,387	16,268	16,268	16,268	16,268
Net Loan Activity	6,339	(7,917)	(5,024)	(38,743)	(4,796)	(4,795)	(4,796)	(4,795)
Balance Forward Out	55,069	44,937	56,251	10,308	3,780	1,090	3,780	1,090
Expenditures	17,292	12,183	23,881	8,976	8,976	8,976	8,976	8,976
Biennial Change in Expenditures				3,382		(14,905)		(14,905)
Biennial % Change in Expenditures				11		(45)		(45)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.01	6.23	6.38	7.00	7.00	7.00	7.00	7.00

3000 - Federal

Iron Range Resources and Rehabilitation

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
Receipts				2,200	2,894	2,891	2,894	2,891
Expenditures				2,200	2,894	2,891	2,894	2,891
Biennial Change in Expenditures				2,200		3,585		3,585
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

4600 - Giants Ridge Golf & Ski Resort

Balance Forward In	3,345	4,199	11,460	7,813	877	959	877	959
Receipts	7,358	8,465	8,295	7,219	7,940	8,190	7,940	8,190
Transfers In	7,581	17,239	12,260	11,561	7,637	7,545	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	959	1,049
Expenditures	12,020	15,366	22,930	25,716	15,495	15,645	15,495	15,645
Biennial Change in Expenditures				21,260		(17,506)		(17,506)
Biennial % Change in Expenditures				78		(36)		(36)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.16	2.22	2.14	2.00	2.00	2.00	2.00	2.00

Iron Range Resources and Rehabilitation

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Open				
Fund: 1000 - General				
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)
February Forecast Adjustment	13	17	22	39
Forecast Base	2,544	2,601	2,577	5,178
Total Governor's Recommendations	2,544	2,601	2,577	5,178
Dedicated				
Fund: 2370 - Iron Range Resources & Rehab				
Planned Spending	131,089	86,322	57,201	143,523
Forecast Base	131,089	86,322	57,201	143,523
Total Governor's Recommendations	131,089	86,322	57,201	143,523
Fund: 2380 - Douglas J Johnson Econ Protect				
Planned Spending	8,976	8,976	8,976	17,952
Forecast Base	8,976	8,976	8,976	17,952
Total Governor's Recommendations	8,976	8,976	8,976	17,952
Fund: 3000 - Federal				
Planned Spending	2,200	2,894	2,891	5,785
Forecast Base	2,200	2,894	2,891	5,785
Total Governor's Recommendations	2,200	2,894	2,891	5,785
Fund: 4600 - Giants Ridge Golf & Ski Resort				
Planned Spending	25,716	15,495	15,645	31,140
Forecast Base	25,716	15,495	15,645	31,140
Total Governor's Recommendations	25,716	15,495	15,645	31,140
Revenue Change Summary				
Dedicated				
Fund: 2370 - Iron Range Resources & Rehab				
Forecast Revenues	106,746	88,746	57,746	146,492
Total Governor's Recommendations	106,746	88,746	57,746	146,492
Fund: 2380 - Douglas J Johnson Econ Protect				

Iron Range Resources and Rehabilitation

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Forecast Revenues	9,099	11,425	15,191	26,616
Total Governor's Recommendations	9,099	11,425	15,191	26,616
Fund: 3000 - Federal				
Forecast Revenues	2,200	2,894	2,891	5,785
Total Governor's Recommendations	2,200	2,894	2,891	5,785
Fund: 4600 - Giants Ridge Golf & Ski Resort				
Forecast Revenues	7,219	7,940	8,190	16,130
Total Governor's Recommendations	7,219	7,940	8,190	16,130

Department of Iron Range Resources & Rehabilitation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Federal Highway Administration (FHWA) 20.200	ATTAIN #693JJ32450026 - goMARTI - Minnesota's Autonomous Rural Transit Initiative	\$ -	\$ 2,200	\$ 2,894	\$ 2,891	MOE	22.4 / 5.6 per year
Federal Fund – Agency Total		\$ -	\$ 2,200	\$ 2,894	\$ 2,891		5.6

Narrative

Minnesota Autonomous Rural Transit Initiative (MARTI)

The U.S. Department of Transportation’s Federal Highway Administration (FHWA) awarded the Department of Iron Range Resources & Rehabilitation a \$9.3 million Advanced Transportation Technology and Innovation (ATTAIN) program grant.

The Minnesota Department of Transportation awarded the Department of Iron Range Resources & Rehabilitation a \$2.3 million IJJA match grant as part of the IJJA Discretionary Match Program. The total project budget is \$11,628,515.

The Department of Iron Range Resources and Rehabilitation will use the funding to continue and expand current operations of the MARTI pilot, a free on-demand automated micro-transit service in Grand Rapids, to make transit services more reliant, convenient and accessible in rural communities, including for wheelchair users.

1. For new grants, provide a narrative description of the short- and long-term commitments required, including whether the continuation of any full-time equivalent positions will be a condition of receiving the federal award.

All grant administration commitments related to Department of Iron Range Resources & Rehabilitation will be absorbed via existing FTE positions spread across the agency including Community Development, Legal, Finance, & Communications. The MARTI project itself will support 22.4 FTE positions in the community for the 4-year period of performance (POP).

The long term and short-term commitments from the Department of Iron Range Resources & Rehabilitation include:

- Community Development Department serves as project lead and primary point of contact for the project. Community Development staff will review monthly reimbursement submittals are eligible under the contracts and approved for reimbursement. Additionally, Community Development will ensure other contractual requirements such as reporting and deliverables as required by contracts are completed and submitted.
- Legal Department support for for contract development/execution and additional legal questions that may arise during the duration of the project.
- Finance Department for integration of Delphi system, other financial reporting, and setup necessary to request funds and pay contractors via the federal and state funding.
- Communications to serve on the communications team and serve as primary point of contact for any media inquiries and communications as it relates to the project.

2. Maintenance of effort levels (MOE)

The project budget is clearly identified in contracts with MNDOT & FHWA. The FHWA ATTAIN grant contract requires an 80-20 cost share with 20% being local match. The 20% local match is being provided via MNDOT’s IJJA matching grant program. FHWA requires the project to meet minimum match requirements at the end of the project and this will be tracked at every reimbursement as part of the reimbursement detail submitted to FHWA & MNDOT.

3. Agency legal authority to spend other than M.S. 3.3005 for executive branch agencies.

The Department of Iron Range Resources & Rehabilitation is authorized under Minn. Stat. 298.2211 to apply for and expend grant and loan funding made available from federal sources and federally funded programs.

4. Changing funding levels or trends that may impact future awards

NA

5. Major state funding related to federal awards

The Minnesota Department of Transportation awarded the Department of Iron Range Resources & Rehabilitation a \$2.3 million IJJA match grant as part of the IJJA Discretionary Match Program.

6. Indicate whether the federal funding has flexibility in how the funds are spent.

No. The Department of Iron Range Resources has entered into a contract with the FHWA for the project. The MNDOT contract is anticipated to be executed by December 1, 2024. The project funding provided by FHWA & MNDOT is to directly support the continuation of the current MARTI project which is funded via the MNDOT CAV-X. The project scope and deliverables (to continue operations and expand) were part of the original application submittal to the FHWA ATTAIN & IJA Discretionary matching grant programs. The budget detail submitted and approved by the FHWA and the project scope required by MNDOT as part of contracting clearly identifies how funding will be spent to continue and expand MARTI in rural northeastern MN.