Agenda

• 2021 Review

• 2022 New Planning
  ▫ Agency Requests – Mental Health and Substance Abuse Services
  ▫ External Requests – Timeline and Process

• Review of Final Rule
Tennessee Resiliency Plan – 2021 Summary

• **Beginning Balance:** $3.725 billion

• **Phase 1 Allocations:** $2.876 billion
  - December 11 – Reported to US Treasury;
  - December 15 – Reported to State Finance Committees.

• **Phase 1 Amendments:** $246 million
  - December 21 – Additions to plan approved by FSAG
    - University of Tennessee Ag Research and Education - $50 million
    - STS Projects - $196.8 million

• **Total Allocated to Date:** $3.123 billion

• **Remaining for 2022 Planning:** $603 million
  - $275 million reserved for External Relief;
  - $328 million additional remaining unallocated for health capital or other eligible purposes.
To address increased behavioral health needs exacerbated by the COVID-19 pandemic, this proposal will increase access to Tennessee’s crisis continuum, specifically crisis walk-in triage and crisis stabilization services. Through the TDMHSAS provider network, funds will be used to support additional infrastructure and operations that directly respond to pandemic-related mental health and substance abuse issues. This proposal will create three (3) new Crisis Walk-In/Crisis Stabilization Units which will serve approximately 12,750 Tennesseans from Montgomery County, Obion County, Maury County, and contiguous counties annually.

**Total Cost: $34,939,716**

- **Infrastructure Development (FY22):** $5,000,000 (x3): $15,000,000
- **Equipment/Supplies (FY22):** $500,000 (x3): $1,500,000
- **Operating Costs (FY23 and FY24)***: $3,073,286 annually (x3): $9,219,858 annually
  - $18,439,716 for two years

***Will potentially require local match

**Length of Project:** Three (3) Years (i.e., FY 22, FY23, and FY24)

**Temporary # of Employees:** Zero (0) TDMHSAS Employees. TDMHSAS will partner with CMHCs.
The requested funds will support the creation of three (3) new crisis walk-in centers/crisis stabilization units.

The funds will support the infrastructure to create these facilities, with initial funding provided to support necessary medical and clinical staff (e.g., nurse practitioners, therapists/counselors, peer support specialists, security, etc.) as well as necessary equipment and supplies.

Operational costs beyond ARP funding will be supported by reimbursement from TDMHSAS, TennCare, other payor sources, and a likely local match.

This proposal further ensures easy access to evidence-based care in areas of the state where options are limited.

This proposal will decrease overutilization of higher levels of care (i.e., hospitalization), the need for law enforcement transport, emergency department boarding, and most importantly, this proposal will save lives.

Average diversion rate for mobile crisis providers with CSU/WIC resources is 63.9%

TDMHSAS work with F&A to determine local match amount.
Project Rural Recovery – Integrated Mobile Health

- This proposal will expand Project Rural Recovery which provides mobile integrated primary care, behavioral healthcare, and substance use services. Counties served are rural and whose residents experience poor health outcomes and have limited access to regular care. It is anticipated 2k Tennesseans will be served annually by the two (2) additional mobile clinics.

- **Total Cost:** $6,300,000

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Health Unit (2)</td>
<td>$700,000</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Salaries, Benefits</td>
<td>$1,250,000</td>
<td>$1,300,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Supplies/travel/insurance/other</td>
<td>$260,000</td>
<td>$260,000</td>
<td>$260,000</td>
</tr>
<tr>
<td>Indirect</td>
<td>$290,000</td>
<td>$290,000</td>
<td>$290,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,500,000</td>
<td>$1,850,000</td>
<td>$1,950,000</td>
</tr>
</tbody>
</table>

- **Length of Project:** Three (3) Years (i.e., FY 22, FY23, and FY24)
- **Temporary # of Employees:** Zero (0) TDMHSAS Employees.
This funding would allow the expansion of the project to include **two (2) additional units** serving **five (5) counties in West Tennessee** and **five (5) counties in East Tennessee** increasing the scope of the overall project to 20 counties. **Counties to be served include Lauderdale, Crockett, Haywood, Fayette, Hardeman, Morgan, Fentress, Scott, Campbell, and Union.**

By removing access-related challenges, this mobile, integrated model of care will improve health outcomes for **up to ten patients per day** per mobile health clinic in those counties with poor health outcomes and limited access to regular care.

**Project Rural Recovery Goals**

- Provide integrated primary care, mental health, and substance use services.
- Provide preventative health screening and testing for TB, Hepatitis, and HIV.
- Refer and link clients to needed services such as utility assistance, housing assistance, smoking cessation, and substance use disorder treatment.
- Decrease the number of individuals seeking care at emergency departments in the counties served.
- Provide nutrition and/or exercise interventions.
- Assist clients with improving blood pressure, body mass index, waist circumference, and diabetes management.
Requests for Relief by External Entities

• 60+ requests; Total of approximately $650 million requested;

• Overview Document and Full Proposals Posted to FSAG Website;

• Administration will share recommendations at February FSAG meeting and solicit member feedback and consideration.
  ▫ Recommended proposals will be reviewed for eligibility;
  ▫ Others will not be reviewed unless specifically requested.

• We will seek to finalize an FSAG approved list in March;

• Funds and Grant Contracts process for approved entities to begin no sooner than July.
  ▫ Accountability: Entities recommended will be assigned to most relevant agencies for admin, monitoring and oversight.
US Treasury Final Rule

- “Interim Final Rule” issued in May 2021 to govern eligible and ineligible uses of State and Local Fiscal Recovery Funds.

- Final Rule, incorporating several changes to the interim final rule issued on January 6, 2022.
  - Final Rule takes effect on April 1, 2022. Until that time, the IFR remains in effect. However, recipients can choose to take advantage of final rule flexibilities immediately.

- Additional detail on changes available from:
  - US Treasury: Final Rule Overview (Link) and Additional Resources (Link)
  - Comptroller: Memorandum issued on Jan 11 (Link)
  - F&A: Local Government Technical Assistance Program Webinar Jan 12 (Link)
Final Rule Overview: Changes Impactful to Locals

- **Replacing Lost Public Sector Revenue**
  - Greatly expanded ability of entities to add funds to general revenue;
  - The final rule offers a standard allowance for revenue loss for up to $10 million, which allows recipients to presume up to that amount for revenue loss. (i.e., its available even if revenue grew during pandemic)
  - Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.
  - *Up to 64 counties, 9 metros and 314 small cities could use this flexibility for their entire amount.*

- **Premium Pay**
  - Provides more specific options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification
State ARP Matching Programs: Responding to Final Rule

- State of Tennessee strongly encourages local governments to use windfall federal revenues on transformational projects through matching programs at TDEC, ECD, & Health. Use of the standard allowance will not make a community ineligible to participate.

- **Water/Sewer:** TDEC’s revised local co-funding requirements better align with final rule and encourage participation:
  - Will continue to allow match from any local funds;
  - Reduced co-funding requirements for all grant applicants by 5%;
  - Local match requirement is now **15% to 35%** based on community ability-to-pay index;
  - Communities will not have to specify that they are investing local ARP funds in the project, simplifying the process;
  - To date, we have received interest from:
    - 154 utility systems starting an infrastructure scorecard
    - Over 300 local government attendees in January 2022 TDEC webinar series.

- **Broadband:** ECD will continue to permit match from any source of local funds:
  - Local match of 30% required
  - Over $1.4 billion in projects described in letters of intent received to date

- **Health:** TDH County Health Department capital improvement program will permit match from any local funding Source:
  - Local match of 25% (capped at 10% of local ARP allocation)
  - 60 of 89 eligible counties have expressed some level of interest
Final Rule Overview: Changes Relevant to State Planning

• **Public Health**
  ▫ In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response.
  ▫ More details provided on the types of health benefits and services that can be provided in the form of individual assistance to households.

• **Water, Sewer & Broadband Infrastructure**
  ▫ Broadens eligible areas for broadband investment to address higher-speed needs with broadband access, affordability, and reliability;
    – Now a *requirement* that broadband providers receiving funds enroll in a low-income subsidy program or provide similar “commensurate” benefit to consumers;
  ▫ For Water, more specifics added as to the broader range of lead remediation and stormwater management projects.
Final Rule Overview: Changes Relevant to State Planning

• Economic Impact
  ▫ For Household Assistance:
    - Now permitted to use some means-tested program eligibility as proxy for low-income status and rely on that to presume an individual or community to be impacted;
    - New categories of services eligible (e.g., Addressing learning loss for K-12 students);
  ▫ For Small Business and Non-profits, more details given on how to test and assess impact on an individualized basis to determine eligibility.
  ▫ For Industry-wide assistance, new 8% employment loss test available for assessing whether an industry other than tourism, travel, or hospitality was affected.

• Public Sector Hiring
  ▫ Broadens eligibility for reimbursing costs (on a one-time basis) of increasing public sector employment:
    - May use funds to pay for payroll of budgeted FTE’s up to a 7.5% increase over the “pre-pandemic baseline.”
  ▫ May use funds for certain “reasonable” worker retention incentives.
Capital Expenditures

- Requires recipients to provide additional written justification of capital expenditures greater than $1 million;
- Recipients must describe why appropriate and superior to alternative capital solutions to the problem;
- Treasury will presume the following to be ineligible:
  - New Correctional Facilities or Congregate Facilities to Decrease Spread of COVID;
  - Construction of convention centers, stadiums, or other large capital projects for general economic development or aid to impacted industries.