



**FINANCIAL STIMULUS  
ACCOUNTABILITY GROUP**  
February 2, 2021

# Agenda

- Budgeting and Process for Federal Funds in CY 2021
- Snapshot / Status
- Impact of Federal Funding
- Planning for Remaining Funds

# Federal Appropriation Budget Expansions

- For FY21, the general assembly authorized Finance and Administration, on an emergency basis, to process budget expansions necessary to implement the CARES Act and related federal appropriations.
- Beginning this month, F&A will process budget expansions resulting from new federal appropriations through the traditional process with the Senate and House Finance committees.

# Program Update and Costs Report - Overview

<b>EXPENSE CATEGORY</b>	<b>PROJECTED</b>
Economic, Community and Individual Relief Programs	\$1,770,189,128
Public Health Response Costs (as of Jan 31, 2020)	\$347,773,154
State Government Costs (as of Jan 31, 2020)	\$25,431,533
<b>SUBTOTAL</b>	<b>\$2,143,393,815</b>
<i>CRF PROJECTED REMAINING FOR CY 2021</i>	<i>\$220,040,059</i>

# Economic, Community, and Individual Relief

PROGRAM	PROJECTED	STATUS	DETAILS
U.I. Trust Fund	\$939,000,000	<b>OPEN</b>	No new funds necessary for January. Feb and beyond TBD
TBRP Business Relief	\$200,752,500	CLOSED	Program closed on 9/30. 27,973 individual businesses.
SERG (Business Relief)	\$125,000,000	<b>OPEN</b>	\$30m paid as of Jan 28.
Community CARES	\$143,454,168	<i>CLOSING</i>	At program end: \$154.5m budgeted, \$149m in requests at program end. Since program end: \$10m rejected, \$105m paid, \$33m pending, \$4m in fees.
Local Government	\$113,597,816	<i>CLOSING</i>	\$2m in funds declined by local. \$98m paid to date. \$15m under review.
K-12	\$76,750,000	<i>CLOSING</i>	Technology, reopening, wi-fi, equitable services costs.
Higher Education	\$21,450,000	CLOSED	Awards fully utilized and complete.
Emergency Broadband	\$61,300,000	<i>CLOSING</i>	*\$6m still in review process; Possible savings from incomplete projects
Agriculture and Forestry	\$55,384,644	<i>CLOSING</i>	Meat supply processing projects extended until June 30.
Tourism/DMO Support	\$25,000,000	<i>CLOSING</i>	4 local entities pending final review.
L&W AJC & Re-Employment Services	\$8,500,000	<b>OPEN</b>	Local RESEA grant funds still in award process.
<b>Subtotal</b>	<b>\$1,770,189,128</b>		

# SEREG Program Update (As of 1/28/21)

- \$30 million (1,300 applications) total paid to date.
  - \$6.5 million (275 applications) to diverse business enterprises
- Average Applicant Response Time: 5.97 days from notification.
- Average Processing Time (per app): 5.77 days from completion.
- Common Customer Work Items:
  - Need for customers to login and complete their application (38% of applications require additional information)
  - Submitting supporting documentation (e.g., financial statements, loss)
  - Impact of Paycheck Protection Program (Federal guidelines treat forgivable loans as revenue. This can reduce individual eligible grant amount.)

# Pandemic Response and State Expenses

EXPENSE	PROJECTED	NOTES
Public Health Response (TDH, UCG)*	\$144,017,721	<ul style="list-style-type: none"> <li>Reduced projected costs for contact tracing from December.</li> <li>Hospital staffing and ambulance support programs ongoing.</li> </ul>
TEMA COVID Response	\$203,755,433	<ul style="list-style-type: none"> <li>Jan 21 executive order directed to FEMA to expand eligibility and cost-share. Still pending action from FEMA. May lead to savings and reduced projections.</li> </ul>
Direct State Expenses	\$25,431,533	Telework, STS, Administration, Courts.
<b>State Total</b>	<b>\$373,204,687</b>	

# Applying Remaining CRF to Expenses in 2021

- On Dec. 27, the prior CRF deadline was extended from Dec. 30, 2020 to Dec. 30, 2021.
  - No new funds were appropriated.
- Approximately \$220 million in Tennessee Coronavirus Relief Funds projected remaining.

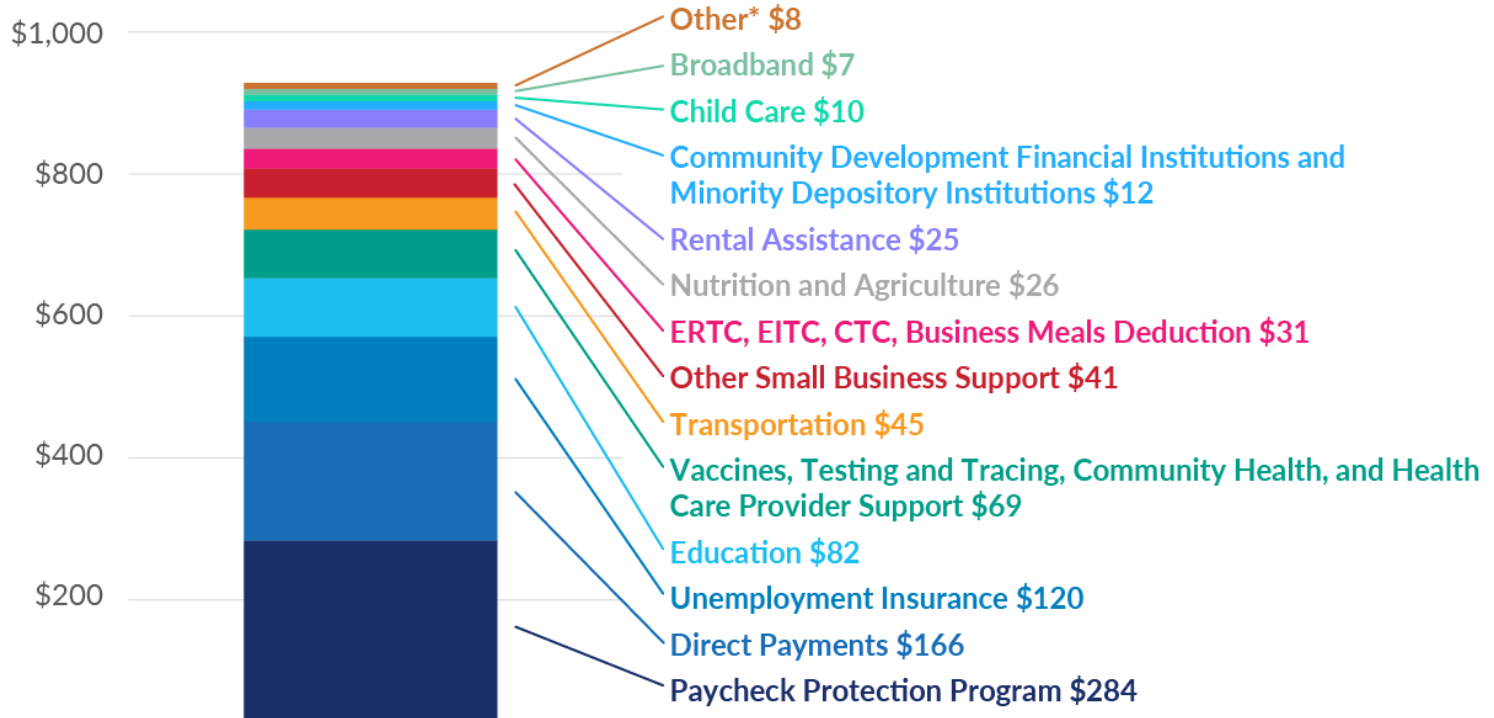
<u>OPTIONS FOR GROUP TO CONSIDER</u>	<u>AMOUNT</u>
• 2020 July - Dec State Payroll Reimbursement (Actual)	\$187,170,048
• 2021 Jan - June State Payroll Reimbursement (Estimated)	\$185,000,000
• Public Health Expenses (For costs uncovered by other Federal funds)	TBD
• Unemployment Insurance Trust Fund (Feb - Dec)	TBD
• One-time State Expenses for further adaptation to operations	TBD
• Additional costs incurred by local governments	TBD
• Emergency Broadband expansion	TBD
• Additional K-12 Education Support (Over and above ESSER)	TBD



# Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) aka “CARES 2.0”

## What's in the second round of coronavirus-related relief?

*Topline summary of relief in billions of dollars*



# CRRSAA (aka CARES 2) – Notable Impacts on State

*\*Preliminary, pending final federal award and guidance.*

## Education (TDOE/THEC)

- **ESSER 2 (Direct to LEAs):** \$996 Million
- **ESSER 2 (State):** \$110 million
- **GEER 2 (State):** \$27 million
- **EANS (Non-Public):** \$72 million
- **HEER 2 (Higher Ed)** \$404 million

## Healthcare (TDH)

- **Vaccine Support:** \$61 million
- **ELC** \$393 million

## Mental Health (DMHSAS)\*

- **Mental Health Grant:** \$31 million
- **Substance Abuse Grant:** \$29 million

## Transportation (TDOT)\*

- **Airport Improvement Grants:** \$39 million
- **Highways Lost Revenue & Grants:** \$209 million

## Housing (THDA)

- **Emergency Rental Assistance:** \$383 million
- Shelby, Memphis, Nashville, Rutherford, Knox directly certified to administer separately, reducing state allocation of \$456 million.

## Human Services (DHS)\*

- **Child Care Development Grant:** \$234 million

# Steps Ahead

- Close 2020 programs and account for any savings realized;
- Complete accounting of federal grants and process for budget expansions;
- Analyze impact of Executive Actions to direct changes in FEMA policy;
- Identify needs and develop new strategies for remaining CRF funds.

# Questions?