



FINANCIAL STIMULUS ACCOUNTABILITY GROUP

July 1, 2020

Agenda

- Welcome and Opening –
 - Commissioner Butch Eley, Department of Finance & Administration
 - Lt. Governor Randy McNally
 - Speaker Cameron Sexton
- Governor’s Remarks – Governor Bill Lee
- Report on Funds and Guidance
 - Director David Thurman, Department of Finance & Administration, Division of Budget
 - Tony Niknejad, Policy Director, Office of the Governor
- Proposed Additional COVID-19 Relief Programs: Commissioner Butch Eley, Tony Niknejad
 - Local Governments
 - Agriculture and Forestry
 - Non-Profits
 - K12 Education
 - Higher Education
 - Workforce
- Closing – Commissioner Butch Eley

Federal Funds: Tennessee

Federal COVID Funds - TENNESSEE

(Millions)

AGRICULTURE	\$ 5.2
AGING	22.2
ARTS COMMISSION	0.5
CHILDRENS SERVICES	5.4
HUMAN SERVICES	127.5
ECD	34.8
EDUCATION	398.6
FINANCE & ADMINISTRATION	2,378.1
HEALTH	202.2
HIGHER EDUCATION	193.0
LABOR	3,222.2
MENTAL HEALTH	2.8
SECRETARY OF STATE	8.6
DEPARTMENT OF TRANSPORTATION	70.1
TENNESSEE EMERGENCY MANAGEMENT AGENCY	102.2
TENNCARE	327.3
THDA	62.2
TOTAL - TENNESSEE	\$7,163.0

71 Federal Awards to be administered by **17 State Agencies**

Received Guidance / Notice of Award on 63 of the 71 Federal Awards

Federal Funds: Tennessee

Federal COVID Funds - TENNESSEE

Guidance/Notice of Awards

PROGRAM

Emergency Food Program (TEFAP)	Family Violence Prevention and Services Formula Grant:	UI Supplemental Budget
Congregate Meals and Home Delivered Meals	Coronavirus Relief Fund	UI Emergency Relief - Employer Reimbursement
Home and Community-Based Supportive Services	Hospital Preparedness Program	Waiting Week Funds
Family Caregivers	Grants to states, localities, and tribes - Health	Emergency Response Activities
Aging and Disability Resource Centers	Emerging Infections Program	Suicide Prevention Programs
Protection of Vulnerable Older Americans	Telehealth and Rural Health Grants	Election Security Grants
National Endowment for the Arts (NEA)	Community Health Centers	LSTA State Grants
National Endowment for the Arts (NEA) - Regional	Ryan White HIV/AIDS	Transit Infrastructure Grants - NonUrbanized Area
Child Welfare Services	Core State Violence and Injury Prevention Programs	Transit Infrastructure Grants - Growing States
Child Care and Development Block Grant	ELC - Testing	Grants-in-Aid to Airports
Community Services Block Grant	Education Stabilization Fund - Higher Education	Grants-in-Aid to Airports via Block Grant
SNAP Contingency Reserve	HBCU and PBI Funds	Disaster Relief Fund
Child and Adult Food Care Program	SIP Funds	Emergency Management Performance Grants
Summer Food Program	National Science Foundation RAPID Grants	Enhanced FMAP
Community Development Block Grant	UI administration	100% payment Covid-19 testing costs - TennCare
Education Stabilization Fund - K12 (ESSER Grant)	Dislocated Workers Assistance	Low Income Home Energy Assistance Program
Education Stabilization Fund - Governor's Fund	UI Benefits - PUA	Emergency Solutions Grants
Child nutrition	UI Benefits - FPUC	Tenant-Based Rental Assistance
Byrne Justice Assistance Grants (JAG)	UI Benefits - PEUC	

Federal Funds: Tennessee

Federal Funds Awarded - to-Date

(Millions)

PROGRAM	Funding	PROGRAM	Funding
Coronavirus Relief Fund	\$ 2,363.5	Emergency Food Program (TEFAP)	\$ 5.2
UI Benefits - FPUC	2,248.0	SIP Funds	4.5
Enhanced FMAP - TennCare	323.0	Home and Community-Based Supportive Services	4.1
Education Stabilization Fund - K12 (ESSER Grant)	259.0	Transit Infrastructure Grants - Growing States	4.0
Education Stabilization Fund - Higher Education	168.2	Community Health Centers	3.2
ELC - Testing	155.0	Telehealth and Rural Health Grants	3.2
SNAP Contingency Reserve	120.0	UI Emergency Relief - Employer Reimbursement Funds	3.2
UI Benefits - PUA	107.0	Emerging Infections Program	2.7
Waiting Week Funds	103.9	Grants-in-Aid to Airports	2.6
Child Care and Development Block Grant	82.4	Family Caregivers	2.0
Child nutrition	76.0	Emergency Response Activities	2.0
Education Stabilization Fund - Governor's Fund (GEE)	64.0	Grants-in-Aid to Airports via Block Grant	1.9
Emergency Solutions Grants	33.6	Tenant-Based Rental Assistance	1.2
Transit Infrastructure Grants - NonUrbanized Area	28.8	Aging and Disability Resource Centers	1.1
Grants to states, localities, and tribes - Health	26.0	Ryan White HIV/AIDS	1.1
UI administration	19.6	Child Welfare Services	1.0
Community Services Block Grant	19.4	Family Violence Prevention and Services Formula Grants	0.7
HBCU and PBI Funds	16.7	Hospital Preparedness Program	0.6
Child and Adult Food Care Program	16.4	LSTA State Grants	0.6
Congregate Meals and Home Delivered Meals	14.6	National Science Foundation RAPID Grants	0.5
Byrne Justice Assistance Grants (JAG)	13.9	UI Supplemental Budget	0.5
Summer Food Program	9.0	National Endowment for the Arts (NEA)	0.5
Election Security Grants	8.0	Protection of Vulnerable Older Americans	0.4
UI Benefits - PEUC	6.8	National Endowment for the Arts (NEA) - South Arts Regional	0.1
Dislocated Workers Assistance	6.0	TOTAL	\$6,335.8



Coronavirus Relief Fund

Expended (FY20)	\$ 443.00
Unemployment Insurance Trust Fund Solvency (May Distribution)	269.00
Unemployment Insurance Trust Fund Solvency (June Distribution)	131.00
Small and Rural Hospital Grants	10.00
Unified Command Group	1.09
FEMA Cost-Share	18.65
Necessary One-Time Unbudgeted Cost Increases to Operations (F&A + Other agencies)	14.18
Projected / Obligated	\$ 1,231.35
Unemployment Insurance Trust Fund Solvency (Second June/July Distribution)	150.00
Unemployment Insurance Trust Fund Solvency (Aug - Dec)	389.00
Dept of Health, Unified Command Group (uncovered ELC costs)	13.40
Unified Command Group (TEMA) / PPE lookahead (non-FEMA eligible)	12.58
TEMA, Unified Command Group / FEMA Cost-Share	46.37
Local Cost-Share for FEMA Public Assistance (Covered by State)	75.00
Payroll Expenses for Health, Safety, and Correction Employees (Mar-Dec)	280.00
Necessary One-Time Unbudgeted Cost Increases to Operations	25.00
One-Time Payroll Shifts Due to COVID-19	25.00
Tennessee Small Business Relief Program	215.00
Remaining	\$687.74

Update on Coronavirus Relief Fund Guidance

- **FEMA / Stafford Act:** Fund may be used to meet the state share for Stafford Act assistance to the extent such that such assistance is COVID-19 related.
- **Public Health and Safety Payroll:** The FAQ affirms that straight-time payroll cost for health and safety employees dedicated to COVID-19 is a reimbursable expense
- **Overtime for USDA Inspectors:** If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense
- **Remarketing Convention and Tourism Industry:** State may use fund remarket the recipient's convention facilities and tourism industry if COVID-related. e.g., Costs to publicize the resumption of activities and steps taken to ensure a safe experience.
 - However, expenses related to long-term efforts to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency.

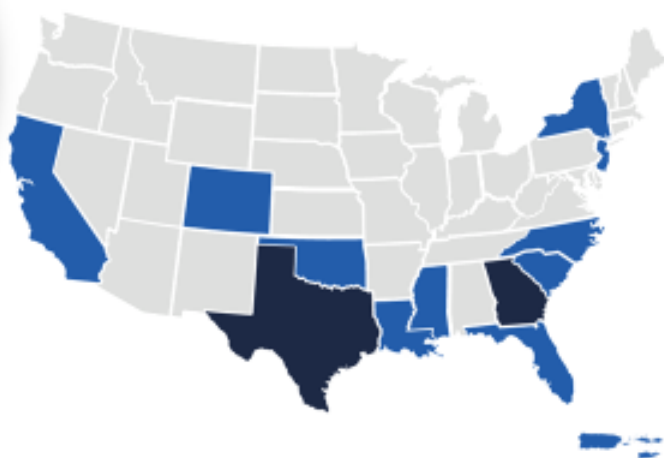
WE DELIVER
RESULTS

CRF EXPERIENCE AND LESSONS LEARNED

\$53 BILLION
FEDERAL FUNDING OVERSIGHT

\$5.95B Coronavirus Relief Funding Oversight

\$82.6M Coronavirus Relief Funding Disbursed



\$1.85B

**TEXAS DIVISION OF
EMERGENCY MANAGEMENT**

Coronavirus Relief Program Administration

TDEM's program supports over 1,200 subrecipients in counties across Texas.



\$4.1B

**GEORGIA'S OFFICE OF
PLANNING AND BUDGET**

Coronavirus Relief Program Administration

GA's program supports 159 counties and 535 municipalities.



WE DELIVER
RESULTS



TN
®

HORNE'S SCOPE AND CRITICAL PATH

CONTRACTED SCOPE

- Support final allocation plan for Tennessee's \$2.3 Billion Coronavirus Relief Plan
- Verify eligibility
- Confirm internal controls and expedited delivery model for allocated funds
- Administer compliant programs as tasked by Tennessee

CRITICAL PATH

- Collaborate with stakeholders and identified state agencies to confirm unmet needs and eligibility for CRF allocations
- Analyze all federal funding available to optimize leverage for Tennessee's relief
- Assess capacity for administration of programs

- ✓ **By 7/31/20**, a Strategic Spending Plan will be finalized allocating all \$2.3 Billion.
- ✓ **By 12/30/20**, all \$2.3 Billion will be expended compliantly for the relief of Tennesseans ensuring \$0 is returned to the US Treasury.

Planning Underway

- Diverse Business Enterprises
- Local Government
- Non-Profit Organizations
- Agriculture and Forestry
- K12 Education
- Higher Education
- Workforce
- Additional Business Relief

Impact of Stafford Act (FEMA) Cost-Share

- **Local Government & Non-Profit Organizations**

- Eligible extraordinary expenses covered dating to start of pandemic (Jan 20)
- Currently underway with 267 eligible entities (157 local govts and 102 private non-profits)
- 75% Federal / 25% state. (Historically locals match 12.5%)
- CRF is eligible to cover match (i.e., \$1 dollar of CRF into \$4 of impact for eligible recipients) until Dec 30.
- Projecting \$75 million in CRF would cover this benefit for local governments.

Less helpful in:

- **Agriculture and Forestry**

- Direct economic relief not covered expense under FEMA, so CRF will be required.
- Food supply chain stabilization efforts will also be part of strategy.

- **K12 Education, Higher Education, Workforce**

- FEMA can cover PPE, physical space adjustments and sanitization.
- Cannot cover prospective expenses such as technology, distance learning. CRF funds will be needed for that.



THANK YOU

Slides for FAQ

Local Government

- Reimburse local government COVID-19-related expenditures. Cannot be used for general operations, economic development, revenue replacement.
- Key considerations:
 - **Maximizing other funds:** FEMA Public Assistance is 25% non-federal match. Covering local cost-share of 12.5% is estimated at \$75M (from CRF).
 - **Need:** Response from local government survey is \$11m statewide in reported expenditures.
 - **De-obligation:** States that have released funds are now considering how and when to claw back allocation for unused funds.
- Path ahead:
 - Continue to maximize FEMA public assistance and cover local match.
 - Determine need for actual expenses not covered by FEMA.

Agriculture and Forestry Relief

- Agriculture and Forestry industries are not caught in sales tax data.
- Disruptions to food supply chain will continue as volatility in restaurant-service industry continues.
- Relief would be targeted to address losses due to COVID and to stabilize food supply chain.
 - Application-based process (without sales tax data, more intensive review process will be required to document use of funds).
 - Dept of Agriculture will oversee review of applications with standards aligned to Treasury guidelines.

Education K-12

- CRF funds may be used to support distance learning, pandemic-related supports for child wellbeing, and other costs associated with safe re-opening of schools.
- Key Considerations:
 - July 24 is date for district-level reopening plans. Funds now can be integrated into that planning.
 - Per-pupil distribution vs adjusting for income/economically disadvantaged populations.
 - Targeting an end date for funds availability (to ensure funds do not go unspent.)
 - Ensuring easy process to document and reimburse eligible expenses in conjunction with FEMA-eligible expenses, e.g., PPE.

Higher Education

- Distance learning, technology an eligible use of funds.
- Sanitization (Dormitory, mass dining settings) and PPE also a need, but in some cases could be covered by Stafford Act.
- HEER fund supports general academic expenses, is being directed by majority of public institutions financial aid and student-level supports.
- Plan would focus on:
 - Public 2-year and 4-year institutions;
 - Regionally accredited not-for-profit and public 2-yr and 4-yr institutions.
 - Allocated based on share of low-income students (consistent with HEER).

Non-Profits

- Services and populations that fall within COVID-19 guidance:
 - Individuals who have been impacted by a loss of income or economic/housing insecurity as a result of COVID-19;
 - Disabled or other vulnerable populations to address impact of COVID-19;
 - Public health or pandemic response;
 - Economic relief for losses or increased costs due to COVID-19 (will require more intensive review and monitoring).
- Key Considerations:
 - In some situations, non-profits can be eligible for FEMA public assistance;
 - Review process of applying CRF limitations to applications;
 - Availability of third-party subrecipient partners who can distribute funds (e.g., community foundations)

Workforce Training

- Opportunities to expand scale of existing workforce training programs.
- Would expand existing Labor and Workforce programs to support re-employment efforts:
 - RESEA (Reemployment Service and Eligibility Assessment) within Tennessee's 52 American Job Centers
 - Career and Training Services for On-the-job training (OJT), Incumbent worker training (IWT), and Work Experience opportunities.

Medical Providers

- Industry Needs
 - Lost revenue from elective procedures
 - Additional costs may be required to keep populations safe in: long-term care, nursing home, special needs populations
- Challenges
 - Data: HHS provider relief still not fully distributed or available
 - Clarity: For-profits have less access to FEMA than non-profits. FEMA is also be limited in what kind of costs may be covered (e.g., revenue loss due to idle or empty beds).
 - Restrictions: Treasury describes as ineligible those expenses that will be reimbursed by other federal funds (i.e., HHS, FEMA) or those that will be reimbursed by insurance.

Diverse Business Enterprises

- For non-profits, places of worship
 - Technical assistance and support to work through the FEMA public assistance process
- Businesses
 - Small business administration program guidance
 - Capturing demographic data in TDOR program
 - Future programs can consider what a DBE reserve or set-aside can accomplish