Agenda

• Welcome and Opening
  ▪ Commissioner Butch Eley, Department of Finance & Administration
  ▪ Lt. Governor Randy McNally
  ▪ Speaker Cameron Sexton

• Governor’s Remarks - Governor Bill Lee

• Updates
  ▪ Local Government - Tony Niknejad & Horne LLP
  ▪ TN Community CARES Program - Commissioner Barnes

• New Proposals
  ▪ Small Business - Commissioner Gerregano
  ▪ Agriculture & Forestry - Commissioner Hatcher
  ▪ Tourism industry - Commissioner Ezell
  ▪ Workforce Development - Commissioner McCord

• Lookahead - Tony Niknejad

• Closing - Commissioner Butch Eley
Local Government CRF Program - Status

• Total eligible jurisdictions – 424 jurisdictions
• Jurisdictions logged in to TN CAMS – 232 jurisdictions
• Jurisdictions that did not attend a town hall training - 41 jurisdictions
• Requests for Funds:
  ▫ 13 Initial Requests for Advance (RFA)
    – Two cancelled/converted to reimbursement; Nine requiring more information.
    – Two authorized for a total of $42,787 so far.
  ▫ 22 Request for Funding (RFF) totaling $345,681
• 10 Local Government Coordinators available to support local govts
• Updated FAQs are live on tncaresact.tn.gov/local-government-faq
Local Government CRF Program - Deadlines

• **August 21st** - Recipients must register in TN CAMS and attend required Town hall or risk losing their allocation. (Deadline extended from Aug 15)

• **September 1st** – Deadline to request advance, if advance is desired.

• **September 30th** - 30% must be spent and documented in system, or remaining funds may be subject to de-obligation and reallocation.

• **November 1st** - Deadline to submit RFFs requesting reimbursement.
Non-Profit Program Update

- Over 2,000 attendees attended webinars for interested non-profits
- As of yesterday, 431 applications requesting $88 million
- Application period open until August 15th at 11:59pm
- Deadline for grant administrators to notify DHS of funding recommendations is August 24th
- After application approval, funds will be awarded on a reimbursement basis, to be approved within 5 business days of receipt of reimbursement requests
- Award amounts to range from $25,000 to $2 million
- Eligible expenses can date back to March 1, 2020
Proposals for New Programs

- Small Business Relief Program Expansion
- Agricultural Relief Program
- Tourism
- Labor and Workforce
Update on Business Relief Program
(Week of 8/11)

- Business relief payments have been issued to 14,432 businesses, totaling roughly $110 million
- Approximately 70% of payments have been issued to businesses with annual gross sales of $500,000 or less
- 1,521 payments to minority-owned businesses
- 2,754 payments to women-owned businesses
Expansion of Business Relief Program

- Estimated **10,765** new eligible businesses
- Approximately **$84 million** in additional payments
- Additional businesses round out the retail and rental sector
- Other tourism-related industries, such as travel agencies and transportation services, will now be included
- Additional music industry businesses will be added, such as recording studios and music publishers
Additional Industries

- Caterers, mobile food services, and food service contractors
- Wedding and event planners
- Convention and trade show organizers
- Wedding and banquet hall and similar property rental
- Linen supply services
- Photography studios
- Travel agencies and travel arrangement Services
- Car, truck, trailer, and RV rental
- Sightseeing and tour operators
- Taxi, limousine, bus, and other transportation services
- Recreational vehicle and vacation camps
- Sports and recreation instruction
- Fine arts instruction, exam prep, driving schools, and other similar instruction
- Motion picture and video production and distribution services
- Music production, distribution, and publishing services
- Sound recording studios
Additional Industries with 25% Test

- Florists
- Party and banquet equipment and other supply rental
- Formal wear and costume rental
- Consumer electronics and appliances rental
- General rental centers and other consumer goods rental
- Gasoline stations and convenience stores
- Warehouse clubs and general merchandise stores
- Home centers, hardware stores, and paint stores
- Household appliance and electronics stores
- Nurseries, garden centers, and outdoor power equipment stores
- Pharmacies and drug stores
- Optical goods stores

- Cosmetics, beauty supply, and perfume stores
- Supermarkets and other grocery stores
- Baked goods and other specialty food stores
- Beer, wine, and liquor stores
- Food supplement stores
- Vending machine operators
- New and used car dealers
- Recreational vehicle, boat, and other vehicle dealers
- Automotive parts and accessories stores
- Tire dealers
- Online stores (selling from a Tennessee location)
- Other direct selling establishments
Agricultural & Forestry Relief

• $50 million administered by the Department of Agriculture
• Applicants must be a Tennessee entity, or have a project based in Tennessee.
• Created for Agricultural and Forestry businesses who have not received COVID-19 funding.
• Funds must be used within the following categories:
  ▫ Business Disruption
  ▫ Costs Associated with Pandemic Response
  ▫ Strengthen the Food and Fiber Supply Chains
  ▫ Increased Meat Processing Capacity
• Funds will be distributed on a reimbursement basis.
• Appropriate documentation must be provided to substantiate expenses and receive payment.
• Program will launch next week, closing on August 31
Eligible Ag/Forestry Industries in Program

- Agricultural Fairs/Events/Expos
- Agriculture, Food & Forest Product Exporters
- Agritourism Operations
- Cheese Processors
- Community Food Kitchens
- Commodity Groups
- Co-Packing Businesses
- Cotton Gins
- Craft Breweries
- Distilleries
- Farmers Markets
- Food Banks
- Food Distributers
- Food Processors
- Forest Product Manufacturers
- Grain Elevators
- Hemp Processors
- Horse Trails
- Horticultural Producers
- Livestock & Horse Shows
- Loggers
- Meat Processors
- Milk Processors
- Sawmills
- Specialty Crop Producers
- Transportation Providers
- Urban Ag Businesses Serving Food Deserts
- Wineries
Tourism

NEED: Getting Jobs Back & Restoring Revenue

Getting jobs back in Tourism restores livelihoods and reduces UI Claims.

Share of Tennessee Jobs Impacted by Sector (March 1 - August 1)

- Arts, Entertainment, & Recreation: 58% of jobs impacted
- Accommodation & Food Services: 55.155 jobs impacted
- Administrative & Waste Services: 44% of jobs impacted
- Manufacturing: 28,994 jobs impacted
- Wholesale Trade: 22% of jobs impacted
- Retail Trade: 35,968 jobs impacted
- Construction: 19% of jobs impacted
- Transportation & Warehousing: 19% of jobs impacted
- Professional, Scientific, & Tech Services: 29,242 jobs impacted
- Health & Social Services: 71,973 jobs impacted
- Other: 70,657 jobs impacted

UI Claims as Share of Employment

In June Sales Tax Revenue Collections:
- Top Seven Sectors by Total Change over FY19:
  - Hotels & Lodging Places: -17,750,128
  - Eating & Drinking Places: -16,454,351
- Top Seven Sectors by % Loss over FY19:
  - Hotels & Lodging Places: -65%
  - Motion Pictures: -57%

Travel/Hospitality are the main drains on revenue and need to be addressed.
### Total Tourism CARES Act Funding Request

#### DMO Pass Through Grants to all 95 Counties
- Grants to Destination Marketing Organizations (DMOs) to promote safety, restore consumer demand, tax revenue and jobs
- Funding will be distributed to the top 44 counties based on the average percentage of 2018-2019 state tax revenue (US Travel)
- Davidson - 31.23%, Shelby - 15.88%, Sevier - 12.37%, Hamilton - 6.03%, Knox - 5.4%, Williamson - 2.52% ($4.4M - $359K)
- Counties 7 - 44 would be eligible for grants ranging from $25K - $282K
- Remaining 51 counties would all be eligible for grants up to $25K

#### TDTD Managed Campaign
- Demonstrate to in-state and drive-market travelers how they can safely enjoy activities and attractions
- Promote activities travelers view as safe such as camping, fishing, boating and other outdoor activities
- “For the Love of Tennessee” campaign messaging around masks, social distancing and sanitization

#### Welcome Center Communication Enhancements
- Communicate safety messaging to 15M travelers who visit centers annually
- Digital screens and infrastructure installed at all 16 Welcome Centers

#### Tourism Partners
- Tennessee State Parks,
- Regional Tourism Offices and
- Tennessee Wildlife Resources Agency

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<thead>
<tr>
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<th>Budget</th>
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<tr>
<td>DMO Pass Through Grants to all 95 Counties</td>
<td>$15,000,000</td>
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<tr>
<td>TDTD Managed Campaign</td>
<td>$7,175,000</td>
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<td>Welcome Center Communication Enhancements</td>
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<td>TN State Parks</td>
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<td>Regional Tourism Offices</td>
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<td>TN Wildlife Resources Agency</td>
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<tr>
<td>Total</td>
<td>$25,000,000</td>
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Tourism Program - Eligibility

Eligibility of contemplated Tourism Marketing and Branding Efforts:

- **Necessary expenditures due to the public health emergency**
  - YES – clearly intended to assist tourism-related businesses that have experienced significant financial impact during the pandemic, by encouraging tourists to resume travel to their region.

- **Not accounted for in the most recently approved budget**
  - YES - marketing expenses for this level of effort were not previously budgeted.

- **Expense incurred between March 1 and December 30, 2020**
  - YES - NOTE only items or services purchased and delivered by Dec 30 are eligible.
  - Some campaigns may contemplate continuation after Dec 30, but any portion of items or services provided after Dec 30 must be funded from other sources.
Labor and Workforce Proposed Activities

- $4,000,000 - Reemployment Service and Eligibility Assessment (RESEA) Program Expansion (providing reemployment services to a proposed 15,000 participants)
- $3,500,000 - Career and Training Services (providing employment and training services to a proposed 1,292 participants)
- $2,000,000 – Infrastructure Expansion of the Virtual American Job Center (increasing virtual service capacity by 25%)
Lookahead / Key Decisions

• **Next 1-2 weeks**
  - Review broadband investments
  - Review strategies for other priorities
  - Updates for existing programs
  - Evaluation of spending trajectory of existing programs
  - Account for federal changes

• **Next 2-4 weeks**
  - Potential reallocation of programs underspent
  - Next steps / future for small business relief
  - Launch next round of projects for launch