Agenda

• Welcome and Opening

• Tennessee Resiliency Plan - Updates
  ▫ Proposals

• Remaining Treasury Program Funds Planning
  ▫ Fiscal Recovery Fund – External Requests
  ▫ Coronavirus Capital Projects Fund

• IIJA Federal Highway Funding (TDOT)
**Tennessee Resiliency Plan**

- Phase 1 of the Tennessee Resiliency Plan programs $2.876 billion to 17 specific projects and programs.
  - This has been reported to US Treasury in State Recovery Plan and State Finance Committees as follow up to 2021 budget expansion approval.

- $848 million of state’s allocation is not programmed to specific projects in the Phase 1 plan. Of the $848 million:
  - $275 million has been set aside remains reserved for relief to affected industries or external organizations;
  - $573 million remains unallocated.
Proposals for Discussion

• **University of Tennessee - Ag Research and Education**
  - $50 million to UT for 10 AgResearch and Education Centers across the state
  - Note: TSU has requested increases to the cost estimate for the Center for Food and Animal Sciences proposal (originally $18.32). Will be reviewed and discussed in January.

• **STS**
  - $196 million in technology improvements across 5 strategic priorities in response to COVID's impact on state operations.

• **Health Capital Project: East TN Regional Health Office and Lab**
  - $85 million requested for replacement of out-of-date current public health facility
  - Will maintain state health lab capability, mutual redundancy with Nashville, and expand capacity for emergency response and meeting expanded demand for lab testing.

For discussion next month:
• **THDA – Low Income Rental Housing Development Subsidies**
  - $90 million to offset cost increase in building supplies for affordable rental developments
Remaining Planning for External Requests

• External applications for relief from affected industries were accepted until Nov 30.

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

• Primarily non-profit health, social service organizations and public entities

• Large percentage are local efforts (few with statewide application)

• Requests have not been reviewed by state for eligibility within federal guidelines (some may not be eligible).

• We will post and distribute proposals for FSAG review in January.
Coronavirus Capital Projects Fund (CCPF) - $215 million

- Released by US Treasury on September 23; State must apply by Dec 27, 2021 (application has been submitted);
- Must submit a grant plan by Sep 24, 2022; Must expend funds by Dec 31, 2026.
- For a capital project to be an eligible CCPF expense, it must meet all of the following criteria:
  - The capital project invests in capital assets designed to directly enable work, education, and health monitoring.
  - The capital project is designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency.
  - The capital project is designed to address a critical need of the community to be served by it.
- CCPF guidelines have been released. We will begin planning process in January with presentation to FSAG of a recommended state plan.
TDOT Update on Federal Highway Funding

• Bipartisan Infrastructure Deal (IIJA) became law on Nov 15

• Extends FY2021 enacted levels through FY2022 for federal-aid highway, transit, and safety programs;

• Reauthorizes for FY2023-FY2026 several surface transportation programs, including the federal-aid highway program, transit programs, highway safety, motor carrier safety, and rail programs; Enacts new programs.
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<th>Fast Act</th>
<th>IIJA</th>
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## Fast Act vs. IIJA

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<th>Fast Act</th>
<th>IIJA</th>
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<td>CARBON REDUCTION</td>
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<td>FERRY BOATS</td>
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<td>↑ 38.9%</td>
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• IIJA appropriates TN $1.7B more than the Fast Act over 5 years
  o $1.0B in core programs (NHPP, STBG, HSIP, RR, CMAQ, Metro Plan, Freight)
  o $0.7B in new programs (Carbon/Green Initiatives, Protect/Resiliency, Bridge Rehab, Electric Vehicle Infrastructure, Ferry Boats)
• Our core programs for roads & bridges are NHPP & STBG
  o IIJA increases $927M BUT these programs accounted for 85.9% of the Fast Act vs. 81.6% of the IIJA (if we include new bridge program with NHPP & STBG)
• A 5-year bill helps DOTs with continuity in project planning
• Increased funding will help deliver planned projects
Concerns

- The Highway Trust Fund continues to give out more than it receives
- 5-year FAST ACT required $70B General Fund transfer to keep HTF solvent
- 5-year IIJA required $118B General Fund transfer to keep HTF solvent
- No action to address a long-term sustainable solution for revenue shortfall
- According to the Congressional Budget Office estimate on August 1, 2021, the IIJA will add $256B to projected deficits over the 2021-2031 period...likely leads to inflation
- No firm answers on eligibility of new programs
- Many unknowns for STBG set-asides; we may get less under IIJA
- Many $ in grant programs vs. formula allocation to states