



# FINANCIAL STIMULUS ACCOUNTABILITY GROUP

July 13, 2023

## Agenda

- **Overview**
- **Recommendations**
  - TAHRA/FAHE Housing Proposal
  - TN Healthcare Resiliency Grant Program
  - Conclusion of meetings/Allocation of excess funds
  - Deferred Projects
- **Federal update**
- **Reporting**
  - Treasury performance report
  - Statewide spending dashboard

# Tennessee Resiliency Plan

|                                                                 |                         |
|-----------------------------------------------------------------|-------------------------|
| <b>Beginning Fiscal Recovery Fund Balance</b>                   | <b>\$ 3,725,832,113</b> |
| 2021 Tennessee Resiliency Plan Approved Projects                | (\$ 3,123,777,479)      |
| 2022 Amendments to Plan (Approved in March)                     | (\$ 304,069,716)        |
| 2022 Amendments to Plan (Approved in July)                      | (\$ 115,493,440)        |
| 2022 Amendments to Plan (Approved in September)                 | (\$ 33,596,000)         |
| 2023 Amendments to Plan (Approved in February)                  | (\$ 92,000,000)         |
| 2023 Amendments to Plan (Approved in March)                     | (\$ 26,294,057)         |
| <b>Unallocated Fiscal Recovery Fund Balance as of July 2023</b> | <b>\$ 30,617,421</b>    |

## Reminders

- \$3.69 billion across 40 projects planned in the Tennessee Resiliency Plan.
- ARP Fiscal Recovery Funds must be obligated no later than Dec 31, 2024.
- Funds must be spent/liquidated no later than Dec 31, 2026.



# Recommendations

| <u>Agency</u> | <u>Project</u>                                                                                                   | <u>Cost</u>         |
|---------------|------------------------------------------------------------------------------------------------------------------|---------------------|
| THDA          | TAHRA/FAHE Housing Request                                                                                       | \$10,000,000        |
| TDH           | Health Resiliency Program – Expansion of practice transformation grants prioritizing distressed/at-risk counties | \$20,617,421        |
|               | <b>Total Recommended</b>                                                                                         | <b>\$30,617,421</b> |
|               | Balance remaining after recommended                                                                              | \$0                 |

# Recommendations - Overview

## 1. Housing - \$10 million

(Page 12)

- 147 units at an average state investment of \$68,027 per unit
- Previous FSAG investment in housing: Habitat for Humanity at \$15 million

## 2. Health Resiliency Program - \$20 million

(Page 27)

- Original plan for program divided funds with
  - \$145 million set aside for Capital;
  - \$75 million set aside for Practice Transformation/Extension;
- Capital and LTCF PTE program results in surplus of \$21.5 remaining after all high-quality applications are funded;
- Practice Transformation/Extension (PTE) significantly oversubscribed;
  - \$37 million in quality applications for practice transformation over and above \$75 million available.
- With additional investment from FSAG of \$20 million for Practice Transformation/Extension, TDH can expand and fully fund 18 projects prioritizing at-risk and distressed counties.

# Recommendation for Excess Funds

- **Conclusion of Meetings**

- With all available funds planned for the Tennessee Resiliency Plan, we will conclude regular meetings and will move regular public reporting.

- **What if programs underspend going forward?**

- Significant surplus or unspent funds are not anticipated, as current expenditures remain on timeline.
- Excess funds will be allocated on a ratio of 75% to Health programs, 25% to Housing\*
  - New expenditures on housing shall not exceed \$4 million
- If excess funds exceed \$10 million in any quarter, FSAG will reconvene.
- Specific use of funds approved by F&A Commissioner, Speakers and Finance Chairs.

# Next Steps for Deferred Projects

- **Rutherford County Forensic Center** (Page 45)
  - Goal: To meet growing demand for forensic medical examiner services in Tennessee
  - FSAG findings from previous meetings:
    - Population growth in middle Tennessee driving demand for new services;
    - Statewide network of forensic centers currently operate independently without central statewide coordination.
  - *Questions Remaining:*
    - What possibility for growth is available for existing Nashville center?
    - Unknown impact of Knox and Hamilton County expansions on statewide needs (i.e., can growth Middle TN demand be re-directed?)
  - *Action Steps:*
    - Department of Health to provide a formal report assessing statewide network and to quantify the impact of Knox and Hamilton County expansions on statewide needs; Report will inform consideration by general assembly in FY25 budget.

# Impact of Recent Federal Omnibus

- **FRF funds and other state awarded funds currently in progress remain unaffected by recent federal action.**
  - On June 3, President Biden signed into law the Fiscal Responsibility Act of 2023 (FRA, Public Law 118-5), which suspends the limit on federal debt through January 1, 2025, and makes several changes that affect federal spending and revenues.
  - Within the “FRA,” Congress adopted a budget including rescissions of unobligated federal funds. These rescissions were limited to funds yet to be obligated by federal agencies.
  - Funding already awarded to states/localities are not affected. e.g., ARP Fiscal Recovery Fund, ESSER education funds

# Reporting

- **Treasury Performance Report**

- On July 1, the state delivered its first performance report to US Treasury.
- This and future reports will be shared with FSAG members by email and the link will be provided on the FSAG homepage.

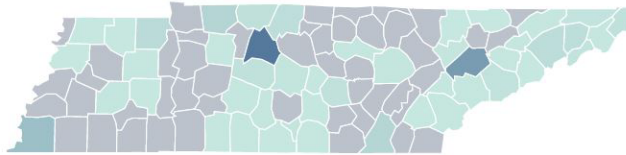
- **Projects Dashboard**

- On July 21, the State will launch the ARPA Fiscal Recovery Fund project dashboard.
- This dashboard will provide citizens with a line-item, county-by-county insight into how ARP Fiscal Recovery Fund projects are proceeding by obligation and expenditure.
- The dashboard will complement the Tennessee Resiliency Plan, which will continue to serve as state's federal report.

# Preview: State ARP FRF Dashboard

## ARPA State Fiscal Recovery Funds

Award Amount and Awards by County



| State Agency                                                    | Statewide Budgeted Amount | Obligations             | Expenditures            | Expended %    |
|-----------------------------------------------------------------|---------------------------|-------------------------|-------------------------|---------------|
| <b>Agriculture</b>                                              | <b>\$137,372,600.00</b>   | <b>\$50,787,545.43</b>  | <b>\$787,545.43</b>     | <b>0.57%</b>  |
| Ag Veterinary Lab                                               | \$5,122,600.00            | \$787,545.43            |                         | 15.37%        |
| Commercial Agriculture & Forestry Supply Chain Enhancements     | \$50,000,000.00           |                         |                         |               |
| TSU - Ag Research and Education                                 | \$32,250,000.00           |                         |                         |               |
| UT - Ag Research and Education                                  | \$50,000,000.00           | \$50,000,000.00         | \$0.00                  | 0.00%         |
| <b>Arts Commission</b>                                          | <b>\$80,000,000.00</b>    | <b>\$72,000,129.00</b>  | <b>\$29,489,547.43</b>  | <b>36.86%</b> |
| Support for TN Arts Organizations                               | \$80,000,000.00           | \$72,000,129.00         | \$29,489,547.43         | 36.86%        |
| <b>Correction</b>                                               | <b>\$13,050,000.00</b>    | <b>\$176,132.09</b>     | <b>\$149,847.79</b>     | <b>1.15%</b>  |
| Electronic Health Records Project and Supporting Infrastructure | \$13,050,000.00           | \$176,132.09            | \$149,847.79            | 1.15%         |
| <b>Economic and Community Development</b>                       | <b>\$500,000,000.00</b>   | <b>\$311,257.27</b>     | <b>\$301,239.32</b>     | <b>0.06%</b>  |
| Broadband Infrastructure                                        | \$500,000,000.00          | \$311,257.27            | \$301,239.32            | 0.06%         |
| <b>Education</b>                                                | <b>\$5,830,000.00</b>     | <b>\$1,943,400.00</b>   | <b>\$0.00</b>           | <b>0.00%</b>  |
| Teach for America                                               | \$5,830,000.00            | \$1,943,400.00          | \$0.00                  | 0.00%         |
| <b>Environment and Conservation</b>                             | <b>\$1,351,922,145.00</b> | <b>\$113,829,228.18</b> | <b>\$871,509.00</b>     | <b>0.06%</b>  |
| Enhancements to Water and Wastewater Infrastructure             | \$1,351,922,145.00        | \$113,829,228.18        | \$871,509.00            | 0.06%         |
| <b>Finance and Administration</b>                               | <b>\$46,680,000.00</b>    | <b>\$2,049,722.50</b>   | <b>\$2,049,722.50</b>   | <b>4.39%</b>  |
| Administrative Costs                                            | \$19,680,000.00           | \$2,049,722.50          | \$2,049,722.50          | 10.42%        |
| Goodwill Excel Center                                           | \$12,000,000.00           |                         |                         |               |
| Habitat for Humanity                                            | \$15,000,000.00           |                         |                         |               |
| <b>Finance and Administration - Internal Audit</b>              | <b>\$1,333,943.00</b>     | <b>\$1,019,016.27</b>   | <b>\$1,019,016.27</b>   | <b>76.39%</b> |
| Electronic Workpapers for Remote Workforce                      | \$1,333,943.00            | \$1,019,016.27          | \$1,019,016.27          | 76.39%        |
| <b>Finance and Administration - OEI</b>                         | <b>\$2,000,000.00</b>     | <b>\$1,669,045.00</b>   | <b>\$333,809.00</b>     | <b>16.69%</b> |
| Accelerating Project Inventory                                  | \$2,000,000.00            | \$1,669,045.00          | \$333,809.00            | 16.69%        |
| <b>Finance and Administration - STS</b>                         | <b>\$196,805,000.00</b>   | <b>\$14,310,288.38</b>  | <b>\$14,310,288.38</b>  | <b>7.27%</b>  |
| Business Process Automation                                     | \$20,000,000.00           | \$2,734,808.23          | \$2,734,808.23          | 13.67%        |
| <b>Total</b>                                                    | <b>\$3,474,920,635.00</b> | <b>\$417,712,405.36</b> | <b>\$128,002,166.90</b> | <b>3.68%</b>  |

Funding Overview



| County                                         | Award Amount            | Awards     |
|------------------------------------------------|-------------------------|------------|
| <b>Statewide</b>                               | <b>\$87,132,154.84</b>  | <b>103</b> |
| <b>Anderson</b>                                | <b>\$1,673,380.00</b>   | <b>5</b>   |
| Healthcare Facility Staffing Assistance Grants | \$1,296,000.00          | 1          |
| Support for TN Arts Organizations              | \$377,380.00            | 4          |
| <b>Blount</b>                                  | <b>\$1,045,300.46</b>   | <b>2</b>   |
| Healthcare Facility Staffing Assistance Grants | \$786,980.46            | 1          |
| Support for TN Arts Organizations              | \$258,320.00            | 1          |
| <b>Campbell</b>                                | <b>\$260,918.50</b>     | <b>2</b>   |
| Healthcare Facility Staffing Assistance Grants | \$199,468.50            | 1          |
| Support for TN Arts Organizations              | \$61,450.00             | 1          |
| <b>Cannon</b>                                  | <b>\$560,800.00</b>     | <b>1</b>   |
| Support for TN Arts Organizations              | \$560,800.00            | 1          |
| <b>Carroll</b>                                 | <b>\$527,610.00</b>     | <b>1</b>   |
| Support for TN Arts Organizations              | \$527,610.00            | 1          |
| <b>Carter</b>                                  | <b>\$969,260.15</b>     | <b>1</b>   |
| Healthcare Facility Staffing Assistance Grants | \$969,260.15            | 1          |
| <b>Claiborne</b>                               | <b>\$417,282.38</b>     | <b>1</b>   |
| Healthcare Facility Staffing Assistance Grants | \$417,282.38            | 1          |
| <b>Cocke</b>                                   | <b>\$68,140.00</b>      | <b>1</b>   |
| Support for TN Arts Organizations              | \$68,140.00             | 1          |
| <b>Total</b>                                   | <b>\$417,712,405.36</b> | <b>335</b> |

# Preview: State ARP FRF Dashboard

The dashboard will support county by county views of grant participation.

| County                                         | Award Amount    | Awards |
|------------------------------------------------|-----------------|--------|
| <input type="checkbox"/> Hamilton              | \$15,477,383.42 | 17     |
| Crisis Continuum Enhancement                   | \$7,279,000.00  | 1      |
| Healthcare Facility Staffing Assistance Grants | \$5,011,150.42  | 6      |
| Support for TN Arts Organizations              | \$3,187,233.00  | 10     |
| Total                                          | \$15,477,383.42 | 17     |

| County                                              | Award Amount    | Awards |
|-----------------------------------------------------|-----------------|--------|
| <input type="checkbox"/> Shelby                     | \$35,409,606.44 | 38     |
| Enhancements to Water and Wastewater Infrastructure | \$4,383,304.44  | 3      |
| Healthcare Facility Staffing Assistance Grants      | \$7,776,000.00  | 9      |
| Support for TN Arts Organizations                   | \$23,250,302.00 | 26     |
| Total                                               | \$35,409,606.44 | 38     |



## **Presentation 1 – Fahe/TN Association of Housing and Redevelopment Authorities**

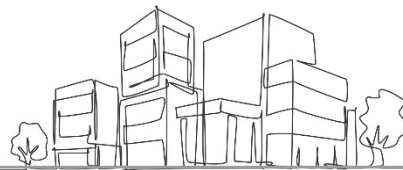
# Investing in Housing that Working Families Can Afford

Fahe, NeighborWorks Alliance of TN, and TAHRA

Proposal for ARPA Funds



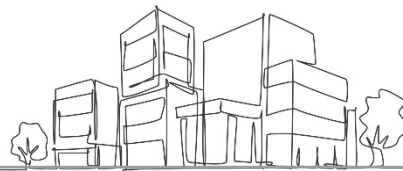
# Notes:



- This is version 3 of the Fahe, TAHRA, NeighborWorks Alliance of TN
- Recognizing this is a large ask, we are revising our proposal once more to provide 3 different options:
  - \$10 million investment;
  - \$14 million investment and
  - \$21.9 million investment.
- Using information available today- which is subject to change based on timelines – we have also provided greater detail on the geography and households served by the proposed projects.

**What follows is a list of potential, shovel ready projects that could be funded.**

# The Challenge:



Covid-19 reinforced how important access to a safe and stable home is. Yet, in TN:



We are short 133,000  
Affordable Rental Units



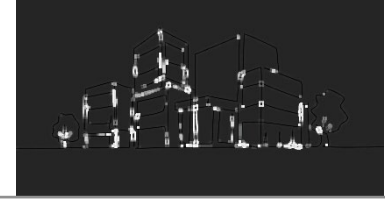
Housing supply is down  
24%



Demand for housing has  
increased 19%

If we're going to protect against future public health emergencies, increase health and wellness indicators for vulnerable populations, strengthen our economy, and build pathways to generational wealth- **we have to invest in quality, stable housing, working families can afford.**

# The Proposal:



## Population:

Given ARPA's flexibility, and our partners ability to stack funding, we're able to serve a broad swath of Tennessee residents. Renters and buyers can earn anywhere between 0% to 300% Federal Poverty Guidelines. **For the purposes of this proposal, vulnerable populations include:**

- Retiree residents seeking to age in place
- Rent Burdened Households (paying >30% of their income to housing)
- Veterans, the disabled, those in recovery or in the process of re-entry and DV survivors.

## Funding Will Be Used For:

- Predevelopment work (surveys, water/sewage and roads etc.)
- Repair, renovation and weatherization to preserve existing stock
- New Multi-Family Housing
- New Single Family Housing (stick built or modular depending on community need)
- Affordable housing preservation (purchase of market rate rentals)

# Economic Benefits of Investments in Housing

- **Cost-burden and unmet housing needs inhibit economic growth.** A 1% increase in homeowner cost burden is significantly correlated with a reduction in the numbers of retail, information, and professional establishments. **Nationwide, the shortage of affordable housing costs the American economy about \$2T annually in lower wages and productivity.**
- **Housing investments create and retain jobs.** Tennessee has a large shortage of affordable housing as well as an aging housing stock. Addressing this through investments in housing construction, energy efficiency, and repair can keep a sizeable workforce in the state for years to come. **The creation of nearby housing can help companies retain qualified entry- and mid-level employees.**
- **More affordable housing will increase consumer spending power.** The 26% of Tennessee homes that are cost-burdened have less disposable income to contribute to the local economy. **In 2020, severely cost-burdened renters spent 38% less on food and 70% less on healthcare.**
- **A large investment in housing could substantially increase state and local tax revenue.** A recent study estimates that an annual investment of **\$20M** in the **Alabama Housing Trust Fund** over 10 years could yield over **\$151M** in additional state and local tax revenue

# Flexible Investments in Affordable Housing Pay Off.

We can look towards Tennessee's past to see how investments in housing benefit the economy. More recent studies from neighboring states indicate an investment could yield an even greater impact today.

## Economic impact of \$34.35M annual investment in Tennessee Housing Trust Fund, 2006-2011



Impact of over \$100M



Generated in \$34.5M in personal income/wages



Direct employed 409 jobs,  
indirectly employed 412 jobs



Produced an additional \$1 in business revenue for every \$1 in spending

## Projected economic impact of \$20M annual investment in Alabama Housing Trust Fund over 10 years



Impact of over \$1.1B



\$151.5 M in additional revenue collected at state and local levels

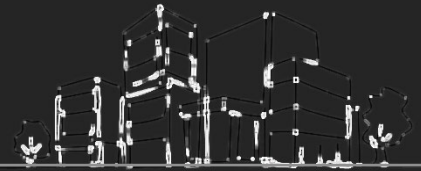


Create and sustain 6,500 full-time jobs



Create and rehab more than 7,100 homes

# \$10 Million Investment Option:



## Potential Partners

- Eastern 8
- Clinch Powell
- Jackson Housing Authority
- Lexington Housing Authority
- McMinnville Housing Authority/Warren Co. Development Corp
- Mountain TOP
- United Housing, Inc.



## Populations Served:

- Retirees
- Veterans
- Workforce Housing
- Re-Entry and Recovery
- Blue Oval City



## Impact:

- 10 Projects
- 64 units built
- 83 units preserved
- 413 Individuals housed



## Total Costs & Commitments:

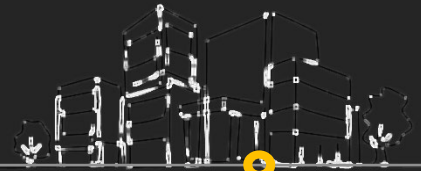
- \$16,010,000
- \$2.99 million committed

## Total Leverage:

- \$6.01 million in private funding

We are willing to discuss an investment of less than \$10 million to demonstrate what these groups are able to deliver; but please know that the impact at lower funding levels becomes diluted fairly quickly.

# \$14 Million Investment Option:



## Potential Partners:

- Aid to Distressed Families of the Appalachian Counties (ADFAC)
- Chattanooga Neighborhood Enterprise
- Cleveland Housing Authority
- Clinch Powell
- Creative Compassion, Inc.
- Eastern Eight CDC
- Franklin Housing Authority
- Jackson Housing Authority
- Homesource East TN
- Lexington Housing Authority
- McMinnville Housing Authority/Warren Co. Development Corp
- Morristown Housing Authority
- Mountain TOP
- Oak Ridge Housing Authority
- United Housing, Inc.



## Populations Served:

- Retirees
- Veterans
- Workforce Housing
- Re-Entry and Recovery
- Disenabled
- First Responder and Educators
- Low to moderate income
- Blue Oval City



## Impact:

- 18 projects
- 137 units built
- 1,152 units preserved
- 2,681 Individuals Housed



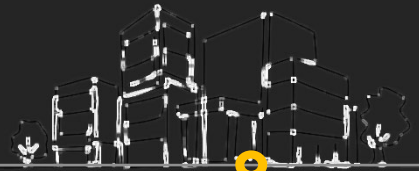
## Total Costs & Commitments:

- \$76,921,009
- \$21.1 million committed

## Total Leverage:

- \$56.820 million in private funding

# \$21.9 Million Investment Option:



## Potential Partners

- Aid to Distressed Families of the Appalachian Counties (ADFAC)
- Chattanooga Neighborhood Enterprise
- Cleveland Housing Authority
- Clinch Powell
- Creative Compassion, Inc.
- Eastern Eight CDC
- Franklin Housing Authority
- Jackson Housing Authority
- Homesource East TN
- Lexington Housing Authority
- McMinnville Housing Authority/Warren Co. Development Corp
- Morristown Housing Authority
- Mountain TOP
- Oak Ridge Housing Authority



## Populations Served:

- Retirees
- Veterans
- Workforce Housing
- Re-Entry and Recovery
- Disenbled
- First Responder and Educators
- Low to moderate income
- Blue Oval City



## Impact:

- 28 projects
- 224 units built
- 549 units preserved
- 3,185 Individuals housed



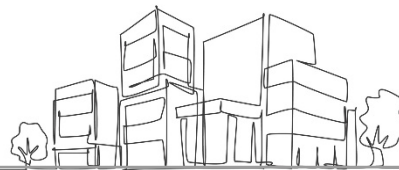
## Total Costs & Commitments:

- \$82,369,272
- \$23.1 million committed

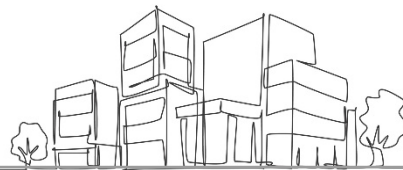
## Total Leverage:

- \$59.3 million in private funding

# The Timeline & Key Benchmarks:



# Why Fahe as an Intermediary:



## Fahe has 40 years of finance, development and intermediary experience in the region:

- Since 1980 Fahe has invested \$1.05B generating \$1.6B in finance.
- This investment was channeled through our Members and community partners, directly changing the lives of 687,183 people.

## Fahe can scale quickly & alleviate the administrative burden on reporting for the State:

- Fahe will apply its experience in designing and implementing programs, and federal funds compliance to disseminate funding quickly and effectively.
- Fahe will identify a lead staff member to serve as a single point of contact for the State for all financial, administrative and compliance requirements.

## Fahe has strong community connections:

- We will be community-focused to identify and meet local needs, provide program administration support.
- Coalition members will focus on outreach and partnership with local governments and landowners to identify and secure property that meet community needs.

## Our Tennessee members and partners do this work every day:

- Between 2018 and 2020, Fahe and Neighborworks America partners deployed \$343,506,049 in public and private funding.
- In that same 3 year period, we created 4,343 units of housing for 8,548 Tennesseans.

# Considerations in the development of this proposal:

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- The projects we've outlined below and attached do not reflect the entire universe of need, or opportunities for housing development or preservation on the horizon. This is a single, snap shot of shovel ready projects.
- For the purposes of this proposal, “shovel ready” means projects with a start date in 2023 or the first quarter of calendar year 2024.
- To the best extent possible, we asked partners to prioritize projects in the Blue Oval City footprint, At-risk and Distressed Counties, those serving special populations and/or responding to excessive housing demand in under-served parts of the state.
- With regard to the at-risk and distressed counties: **Our proposal for these communities seeks to remain proportional to demand.** The reality is that due to the depressed economic environments of Distressed and At-Risk counties; demand is limited.
- For the purposes of this proposal, “households” means both individuals and families.

# Considerations in the development of this proposal:

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- All projected costs are based on current dollars and interest rates, and are subject to change.
- We have not included administrative fee estimates. This expense will vary depending on the final funding and scope of work needed to disburse and track sub-grants; and manage reporting. Partners are aware that their final awards may be lower than projected to account for these costs.
- Within each scenario, we've included a mix of Fahe Members, TAHRA members and Neighborworks affiliates.
- What is detailed in the attached memo is an estimate of what can be produced using ARPA funding as of January 2023. Given the unpredictability of the current market and a lack of certainty about when ARPA funding would be received, some of these projects may be in a different stage of development by the time funding is available. **Therefore, what is listed in this summary proposal is not guaranteed for selection. For final award decisions, Fahe will strive to fund a mix of projects serving similar counties, at similar income levels, for similar special populations and with a similar scope of units built or preserved.**

# About us:



**About Fahe & NWA:** Fahe TN is comprised of 15 nonprofit housing developers and the TN NeighborWorks affiliates. Members serve across the state of TN covering specifically the Appalachian counties in the Upper Cumberland region, the NE region of the State of TN NWA organizations cover additional communities in and around Chattanooga, Hamilton County; Davidson County; Memphis and Shelby County

- Affordable Housing Resources
- Aid to Distressed Families of Appalachian Counties (ADFAC)
- Appalachia Habitat for Humanity □ Appalachia Service Project
- Blount County Habitat for Humanity
- Chattanooga Neighborhood Enterprises
- Clinch-Powell RC&D Council
- Creative Compassion
- Crossville Housing Authority
- Eastern Eight Community Development Corp.
- HomeSource East Tennessee
- Kingsport Housing and Redevelopment Authority
- Knoxville Habitat for Humanity □ Knoxville Leadership Foundation
- Loudon County Habitat for Humanity
- Mountain T.O.P.
- Oak Ridge Housing Authority
- Tennessee Community Assistance Corp.
- United Housing Inc.

**About TAHRA:** The Tennessee Association of Housing and Redevelopment Authorities (TAHRA) is the premier organization providing assistance and support to Tennessee public and affordable housing agencies. Founded in 1939, TAHRA has members in every county and collectively leverages and deploys hundreds of millions of dollars annually to create and preserve housing working families can afford.

Questions: Maggie Riden, Fahe, [mrident@fahe.org](mailto:mrident@fahe.org)



## Presentation 2 – Department of Health Healthcare Resiliency Program



# TN Healthcare Resiliency Program

## Review and Final Award Summary

# Agenda

- HRP Program Background
- Tranche 1 Funding Summary
- Tranche 2 Expectations
- Next Steps / Timeline



# TN Healthcare Resiliency Program

\$230M

## PART 1: \$145M

### Capital Investments in Healthcare Facilities

Adult and Pediatric ICU and Floor Beds

#### 1a. Acute Care Hospitals (\$120M)

Adult and Pediatric ICU and Floor Beds

#### 1b. Long-Term Care (\$25M)

Facility Upgrades and Infection Control

## PART 2: \$75M

### Practice Transformation and Extension Grants

Technology, Practice Upgrades, Delivery Models Focused on Improving Access

#### 2a. Acute Care Hospitals (\$30M)

#### 2b. Long-Term Care (\$25M)

#### 2c. Other Health and Healthcare (\$20M)

**\$10M Administration, Evaluation, Compliance**



# Program Summary: Awards in Tranche 1

- In the Healthcare Resiliency Program's first round of awards ("tranche 1"), announced May 5<sup>th</sup>, TN obligated \$120.8m to 54 projects across the state.

## Allocation, Total Request, and Tranche 1 Obligation

|                 | <u>Allocated</u>     | <u>Total Request</u> |                      | <u>Obligated in Tranche 1</u> |                      |
|-----------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|
|                 | \$                   | # Applications       | \$                   | # Applications                | \$                   |
| CI-Hospitals    | \$120,000,000        | 24                   | \$209,845,921        | 8                             | \$50,870,997         |
| CI-LTCF         | \$25,000,000         | 30                   | \$21,438,887         | 9                             | \$7,423,961          |
| PTE - Hospitals | \$30,000,000         | 18                   | \$51,587,840         | 10                            | \$30,000,000         |
| PTE - LTCFs     | \$25,000,000         | 19                   | \$24,444,585         | 10                            | \$12,518,938         |
| PTE - Other     | \$20,000,000         | 78                   | \$145,819,407        | 17                            | \$20,000,000         |
| <b>TOTAL</b>    | <b>\$220,000,000</b> | <b>169</b>           | <b>\$453,136,640</b> | <b>54</b>                     | <b>\$120,813,896</b> |

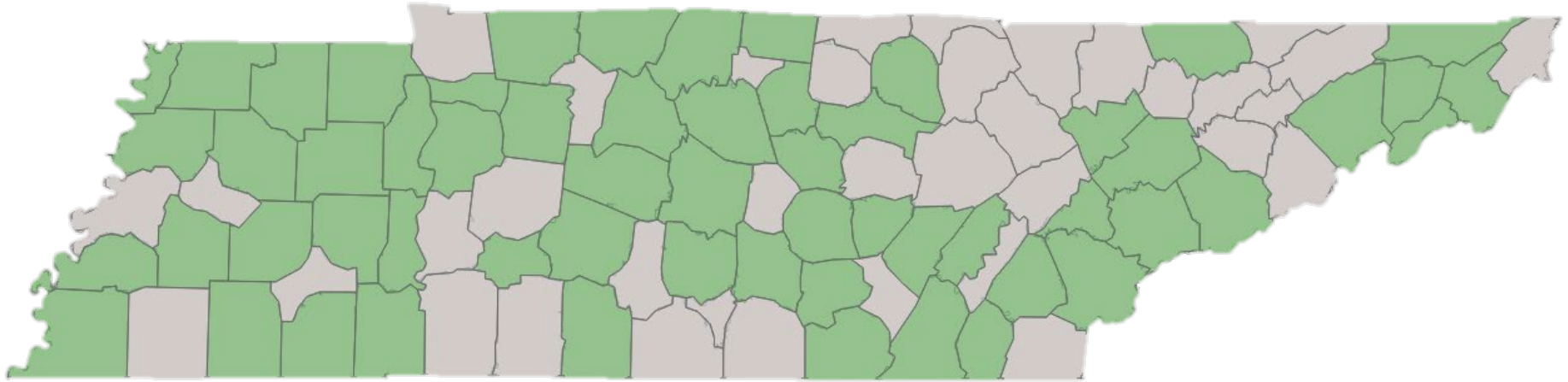
\*PTE (Practice Transformation and Extension)

# Application Summary and Themes

- Adoption of Telemedicine, Technology Pilots, Remote Connections & “Center of Command” Approaches
- Addressing SDOH, Referrals, Partnerships, and Care Integration and Coordination
- TN Program noted as “further reaching” than most state responses to recent challenges in Healthcare

# HRP: Tranche 1 Award Summary

Awards went to facilities in 58 Counties, representing all regions of Tennessee



Tranche 2 funding is expected provide ~25-30 awards, which will go to ~25-30 counties, including several (~5-10) not included in the first round of funding

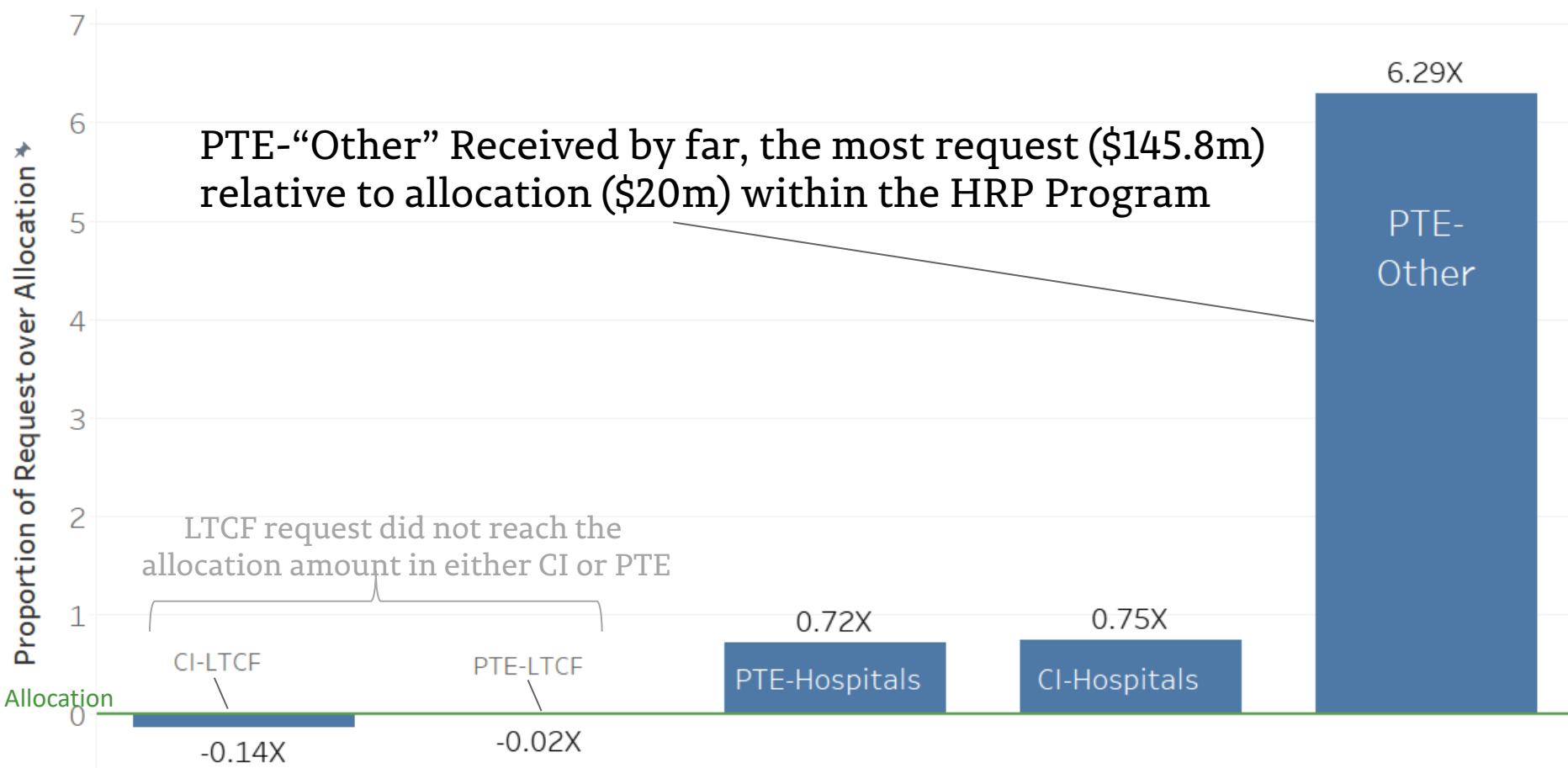
# Tranche 1: Towards Distressed / At Risk Counties

Roughly 1/3 of Tranche 1 projects and dollars will directly touch At-Risk & Distressed Counties

|                  | # Projects | \$ Amount | % of t1 Award |
|------------------|------------|-----------|---------------|
| Capital-Hospital | 1          | \$5m      | 9.8%          |
| Capital-LTCF     | -          | -         | -             |
| PTE-Hospital     | 3          | \$16.7m   | 55.8%         |
| PTE-LTCF         | 6          | \$10.4m   | 83.4%         |
| PTE-Other        | 7          | \$7.5m    | 37.7%         |

\*PTE (Practice Transformation and Extension)

# Health Resiliency Plan Request, Relative to Allocation



## Recommendation: Additional Funding for PTE-O High Quality Projects

- The 9-person internal TDH review team unanimously supported re-directing surplus funds to PTE-Other Projects
- Re-Directing \$21.5m to PTE-O would award or expand awards for 10 projects which;
  - Support increased primary care outreach to rural, low-income, and minority residents
  - Embed Community Health Workers in At-Risk/Distressed counties to address SDOH
  - Address access to mental health services in rural areas, including telehealth services
- Adding \$20m to the \$21.5m to PTE-O would fund 8-10 additional projects meeting this criteria.

# Health Resiliency Plan Final Steps

|                 | Awards    | Obligated               | Remaining              |
|-----------------|-----------|-------------------------|------------------------|
| <b>TOTAL</b>    | <b>69</b> | <b>\$198,324,055.64</b> | <b>\$21,675,944.36</b> |
| <i>CI-H</i>     | <i>18</i> | <i>\$120,000,000</i>    | <i>-</i>               |
| <i>CI-LTCF</i>  | <i>12</i> | <i>\$10,669,853.04</i>  | <i>\$14,330,146.96</i> |
| <i>PTE-H</i>    | <i>10</i> | <i>\$30,000,000</i>     | <i>-</i>               |
| <i>PTE-LTCF</i> | <i>12</i> | <i>\$17,654,202.60</i>  | <i>\$7,345,797.40</i>  |
| <i>PTE-O</i>    | <i>17</i> | <i>\$20,000,000</i>     | <i>-</i>               |

| Final Allocations                                |                     |              |
|--------------------------------------------------|---------------------|--------------|
| Awards                                           | Award Amount        | Remaining    |
| Fully Award JMC GH (PTE-H)                       | \$185,987           | \$21,489,956 |
| Fully Award Dayton City Schools (PTE-O)          | \$26,171            | \$21,463,785 |
| Fully Award Henderson Co Hosp (CI-H)             | \$104,332           | \$21,359,452 |
| <i>Surplus available to fund PTE-O Projects</i>  | <i>\$21,359,452</i> |              |
| <i>Additional ARPA Funding to PTE-O projects</i> | <i>\$20,617,421</i> |              |

# Recommendation: Addition to Practice Transformation

## Prioritizing At-Risk/Distressed Counties (1 of 2)

| Awards                                                  | Obligation     | State TOTAL  |
|---------------------------------------------------------|----------------|--------------|
| Oneida Special School District (Scott)                  | \$485,755.00   | \$485,755    |
| Maury Regional Health Network LLC (Maury)               | \$2,432,200.00 | \$2,917,955  |
| University Health System, Inc. (UHS) d/b/a UTMC         | \$5,243,110.00 | \$8,161,065  |
| Ascension Medical Group (Saint Thomas Medical Partners) | \$4,223,899.00 | \$12,384,964 |
| Ignite Healthcare                                       | \$500,000.00   | \$12,884,964 |
| Madisonville Primary Care Group, PLLC (Monroe)          | \$2,153,335.35 | \$15,038,299 |
| McKenzie Medical Center, P.C. (Carroll)                 | \$1,527,592.00 | \$16,565,891 |
| Benton County School System                             | \$1,017,194.00 | \$17,583,085 |
| Rhea Medical Center                                     | \$1,517,663.00 | \$19,100,748 |

\* - Partial Obligation



## Recommendation: Additional Funds for PTE-O Prioritizing At-Risk/Distressed Counties (2 of 2)

| Awards                                                            | Obligation     | State TOTAL  |
|-------------------------------------------------------------------|----------------|--------------|
| Medical Foundation of Nashville                                   | \$1,019,149.50 | \$20,119,898 |
| University Community Health Services, Inc. d/b/a Connectus Health | \$2,997,305.00 | \$23,117,203 |
| Habitat for Humanity of Greater Memphis, Inc.                     | \$2,313,300.00 | \$25,430,503 |
| Tennessee Kidney Foundation                                       | \$150,000.00   | \$25,580,503 |
| Tri State Community Health Center                                 | \$3,904,100.00 | \$29,484,603 |
| Raleigh Group PC                                                  | \$253,601.84   | \$29,738,205 |
| Hope Family Health                                                | \$2,893,802.80 | \$32,632,007 |
| University of Tennessee at Chattanooga School of Nursing          | \$2,635,200    | \$35,267,207 |
| Cumberland Pediatric Foundation*                                  | \$2,731,916    | \$37,999,123 |

\* - Partial Obligation



**Thank you**  
Office of Strategic Initiatives



## TDOH – Overview of State Forensic Centers

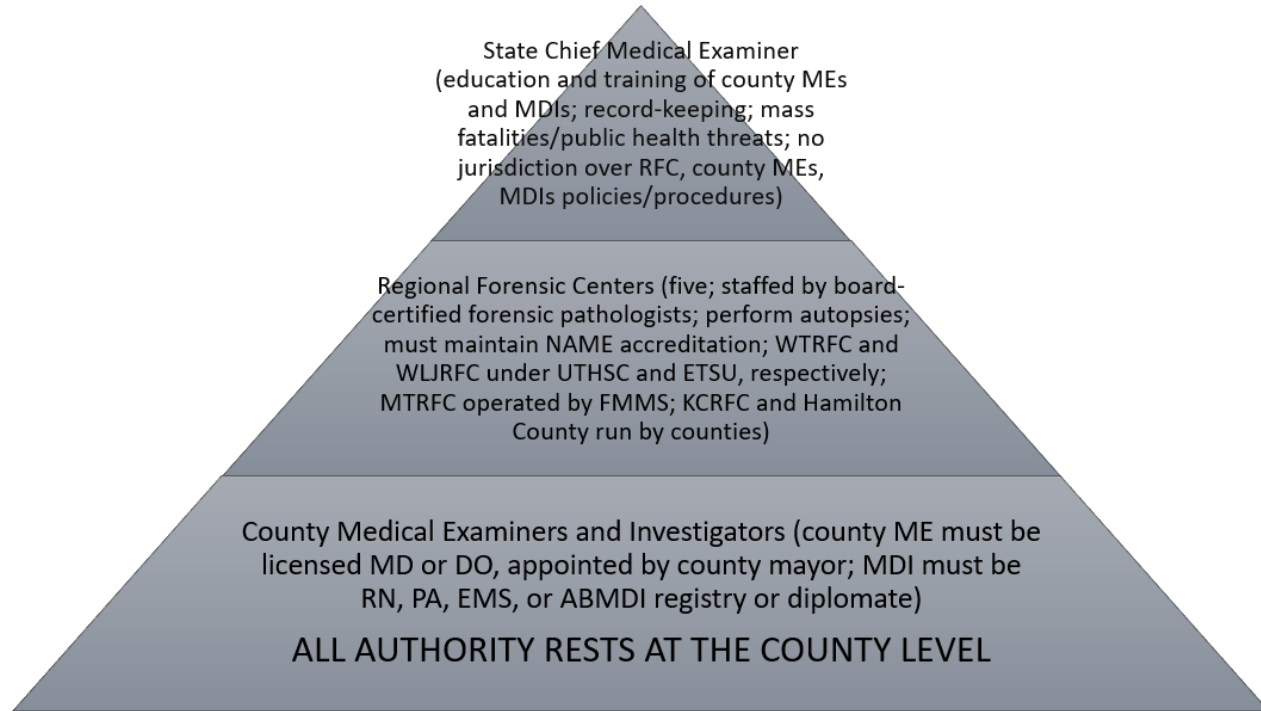


Department of  
**Health**

# The Tennessee Medical Examiner System

Adele Lewis, MD  
[adele.lewis@tn.gov](mailto:adele.lewis@tn.gov)  
April 26, 2023

# Organization



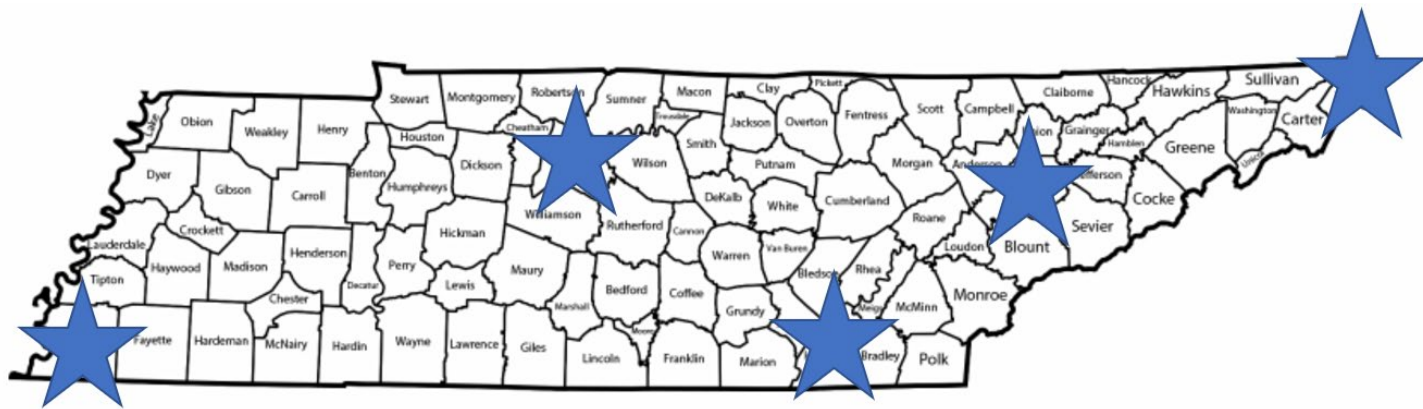
# OSCE Statutes

- Title 38, Chapter 7, Parts 1 and 2: Postmortem Act
  - Education and training of county MEs and MDIs
  - Record-keeping (CMS); ME and toxicology reports are public records
  - Assist in mass fatalities or threats to public health (e.g. Waverly flood 2021, COVID deaths)
  - Medical examiner advisory council
- Title 68, Chapter 3, Part 5: Vital Records Act (Deaths)
- Title 68, Chapter 4: Disposition of Dead Bodies
- Title 68, Chapter 142: Child Fatality Review and Prevention Act of 1995
- Title 68, Chapter 1, Part 11: Sudden, Unexplained Child Death Act

# OSCME Activities

- County Medical Examiner Handbook
- Mass Fatality Plan
- Trainings
  - Death investigation 101
  - Justice Assistance Grant trainings
  - Prevention through Understanding
  - Death certification training for physicians
- National Violent Death Reporting System
  - \$1.8 M grant
- Constituent assistance
- Statewide case management system
  - In use by Shelby, Knox, Hamilton, Washington Counties' jurisdictions
- Medical Examiner Advisory Council
- Testimony/Legal assistance
- Autopsy performance
- Mortality review teams

# Regional Forensic Centers



# Middle Tennessee Regional Forensic Center

- When building was constructed, Dr. Bruce Levy was both the Metro Nashville/Davidson County and State Chief ME; all functions of both offices performed at MTRFC
- Dr. Levy left his positions in March 2010; a forensic pathologist in Washington County was subsequently named state chief ME
- Office of the State Chief Medical Examiner (OSCME) established as a full-time office in Nashville in 2016 housed in TDH

# Middle Tennessee Regional Forensic Center

- Overhead costs evenly divided between TDH (OSCME) and Metro Nashville/Davidson County (Metro Public Health Department)
- Building construction completed in Fall 2000 at state expense; Metro Nashville/Davidson County to reimburse state by issuing bonds
- Staffed by private practice group (Forensic Medical Management Services, PLLC) who contract with Metro Nashville/Davidson County
  - FMMS also administers and staffs offices in Kansas City, KS and Beaumont and Tyler, TX; headquarters in Nashville facility
- Performs autopsies for ~ 53 counties in Middle Tennessee
- Freezer expansion project underway

# West Tennessee Regional Forensic Center

- When building was constructed, the Shelby County Chief ME was an FMMS employee and FMMS contracted with Shelby County to provide autopsy services; now UTHSC provides autopsy and administrative services
- Overhead costs evenly divided between TDH (OSCME) and Shelby County
- Building construction completed in June 2012 at state expense; Shelby County to reimburse state by issuing bonds
- Staffed by UTHSC employees; UTHSC contracts with Shelby County to provide services
- Performs autopsies for ~ 12 counties in West Tennessee

## Northeast Tennessee Regional Forensic Center

- Housed in a Washington County facility maintained by ETSU located on Mountain Home VA property
- Staffed by ETSU employees
- Counties of the First Development District (8) pay a flat annual fee for autopsy and death investigation services based on population; all other RFCs charge counties a set rate per autopsy
- ETSU bears maintenance expenses
- Perform autopsies for the 8 counties of the First Development District

# Knox County Regional Forensic Center

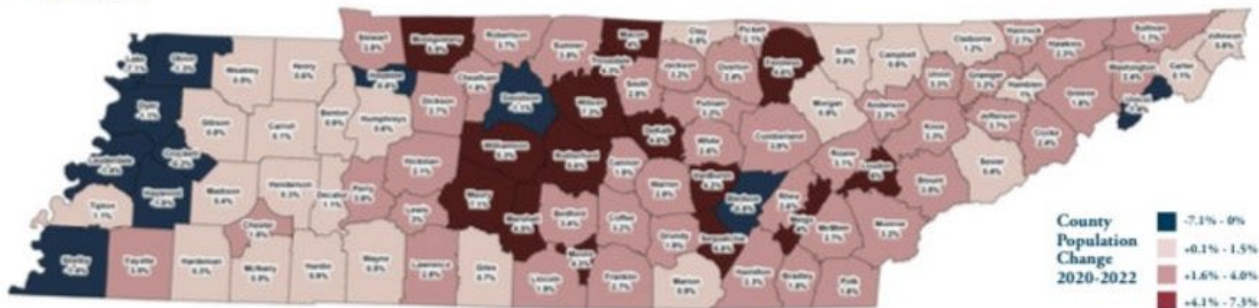
- Knox County bears all expenses
- Current building remodeled in 2015 with \$4.25 million grant from state; remainder paid by Knox County
- Staffed by Knox County employees
- Performs autopsy services for ~22 counties

# Hamilton County Regional Forensic Center

- Hamilton County bears all expenses
- Current facility constructed in 1989
- Staffed by Hamilton County employees
- Performs autopsies for those injured in Hamilton County; occasionally will perform autopsies for a fee for Bradley County

## TENNESSEE IS ON THE RISE

### Population Tops 7 Million for the First Time



Total Population - 7,051,339

**5 TENNESSEE COUNTIES**  
IN THE TOP 100 IN THE  
U.S. FOR GROWTH BY  
NUMBER SINCE 2020

43. RUTHERFORD :: +19,138  
60. KNOX :: +15,593  
67. MONTGOMERY :: +15,207  
75. WILLIAMSON :: +13,082  
89. WILSON :: +10,808

TENNESSEE  
WAS THE **7<sup>TH</sup>**  
FASTEST GROWING STATE BY  
NUMBER FROM 2020-2022



TENNESSEE  
IS NOW THE  
**15<sup>TH</sup>** MOST POPULOUS STATE  
SURPASSING MASSACHUSETTS



11. NEW JERSEY  
12. VIRGINIA  
13. WASHINGTON  
14. ARIZONA  
15. TENNESSEE  
16. MASSACHUSETTS

**140,553** NEW TENNESSEE  
RESIDENTS  
FROM 2020-2022

Source: U.S. Census Bureau

# Rutherford County Regional Forensic Center

- Collaboration with OSCME
  - Autopsy performance
  - Training facilities
- Mass fatality staging site
- MTSU forensic anthropology partnership
- Rutherford County to assume operating expenses and cost escalations
- Rutherford County to donate 10-acre plot of land near Smyrna airport



## **Presentation– Rutherford County Forensic Center**

# **RUTHERFORD COUNTY REGIONAL FORENSIC CENTER PROPOSAL**



# Current State of Medicolegal Death Investigation System

## ➤ Currently only 5 Regional Forensic Centers (RFCs) in Tennessee

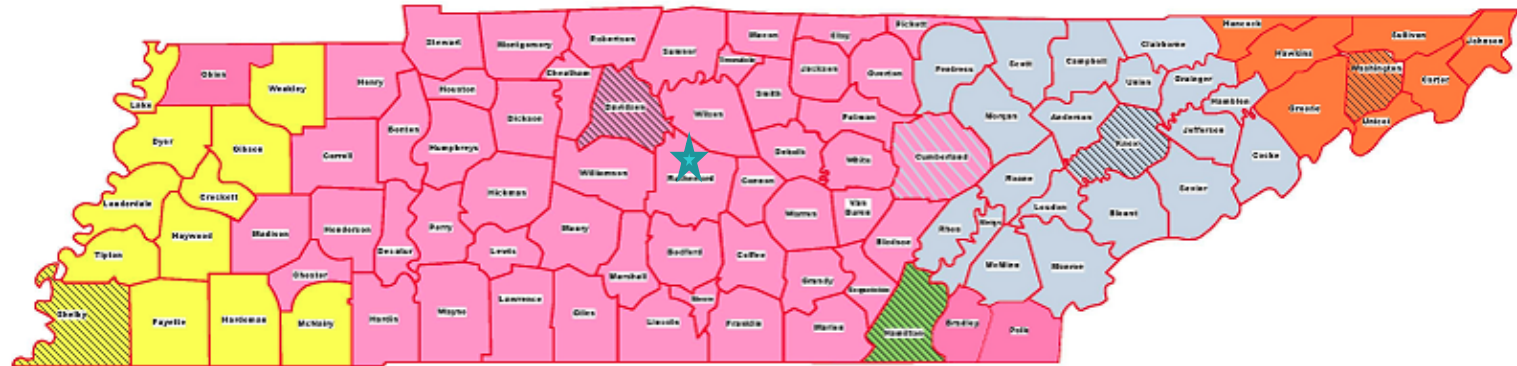
- **East:**
  - Knox County RFC @ Knox County MEO (current service area ~**22 counties**)
  - Southeast TN RFC @ Hamilton County MEO (current service area ~**1 county**)
  - Northeast TN RFC @ ETSU (current service area ~**8 counties**)
- **Middle:**
  - Middle TN RFC operated by FMMS, PLC (current service area ~ **53 counties**)
- **West:**
  - West TN RFC @ UTHSC (Memphis) (Service area ~**11 counties**)

## ➤ Need for an additional RFC

- Tennessee population growth and the continued drug overdose crisis, exacerbated by the Covid-19 pandemic
- Middle Tennessee had the largest growth gain
  - Population of Rutherford County, Tennessee in 2021 was 352,182, 33.5% up from 263,721 in 2010
  - US population grew 7.3% and Tennessee's population grew 9.8% during that period. (Source: usafacts.org).

## ➤ RFC accrediting body recommends ~1 autopsy per 1,000 capita

# LOCATION OF THE CURRENT 5 REGIONAL FORENSIC CENTERS WITH IDENTIFICATION OF THE COUNTIES THEY PROVIDE AUTOPSY SERVICE



|                                   |
|-----------------------------------|
| Nashville Forensic Center         |
| Memphis Forensic Center           |
| Knoxville Forensic Center         |
| Chattanooga Forensic Center       |
| Eastern Tennessee Forensic Center |



**Proposed Rutherford County RFC** with easy access via 3 major interstates; strategic location for mass fatality staging at Smyrna Airport with close proximity to National Guard Headquarters

# Background

- **The current number of RFCs has not changed in over 20 years and the RFCs have not been able to keep pace with needs of infrastructure or personnel to meet the needs for standardized death investigation**
  - High daily caseloads negatively impact the ability to provide quality forensic services to the county partners
- **With continued population growth and the drug overdose epidemic, significantly impacted by the Covid-19 pandemic, demand for forensic services is only expected to increase**
- **The pandemic made clear that preparedness is needed for health-related crises, natural disasters, or other large-scale crises**
  - A dire need exists for surge capacity storage in the event of a mass fatality

# Project Scope

- **Build and establish a new regional forensic center (RFC)**

- Alleviate the strain on the existing 5 RFCs at or exceeding capacity
- To provide Rutherford and other counties (~1,000,000 population catchment area) with a long term, sustainable, cost-effective means of providing quality forensic autopsy service for a rapidly growing population

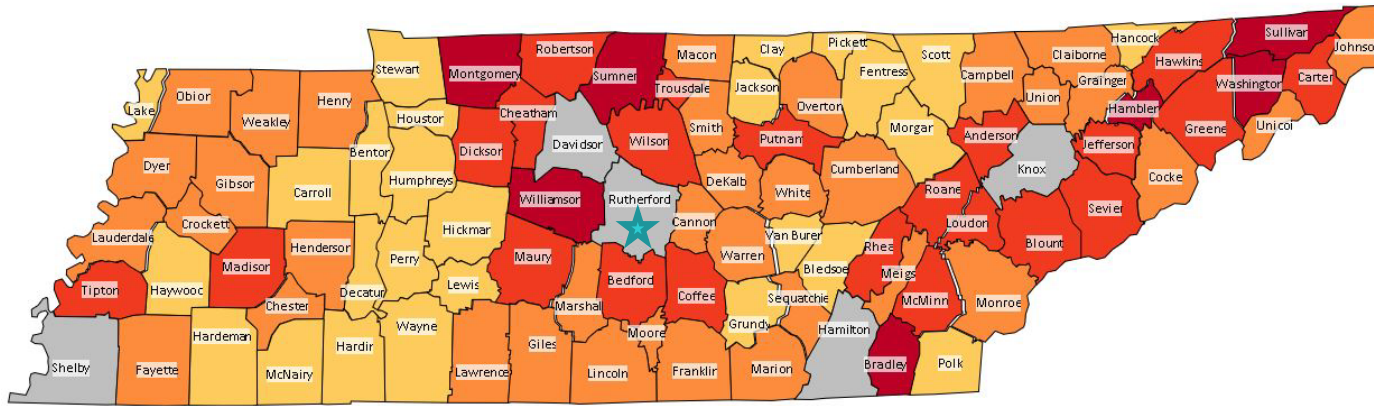
- **Construct mass fatality response operational base**

- To provide the state/region with a forensic center capable of providing surge capacity and staging area during a mass fatality incident (MFI)

- **Secondary Objective**

- **To provide the region/state with a training facility for county medical examiners, medicolegal investigators, and other forensic professionals**
  - Partner with the Office of the State Medical Examiner
  - Collaborate with MTSU and Meharry Medical College

# Why Rutherford?

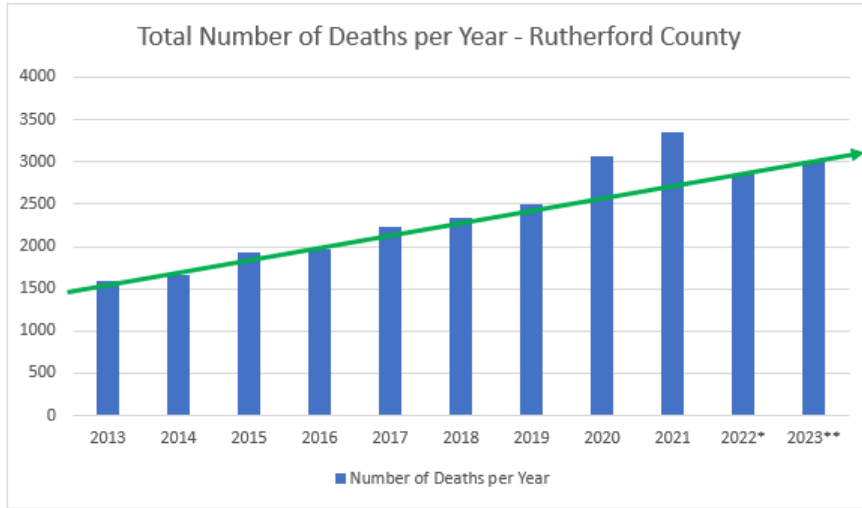


Population  
Density  
(Per Square Mile)  
Min. Max.

|     |      |
|-----|------|
| 20  | 50   |
| 50  | 100  |
| 100 | 300  |
| 300 | 500  |
| 500 | 1500 |

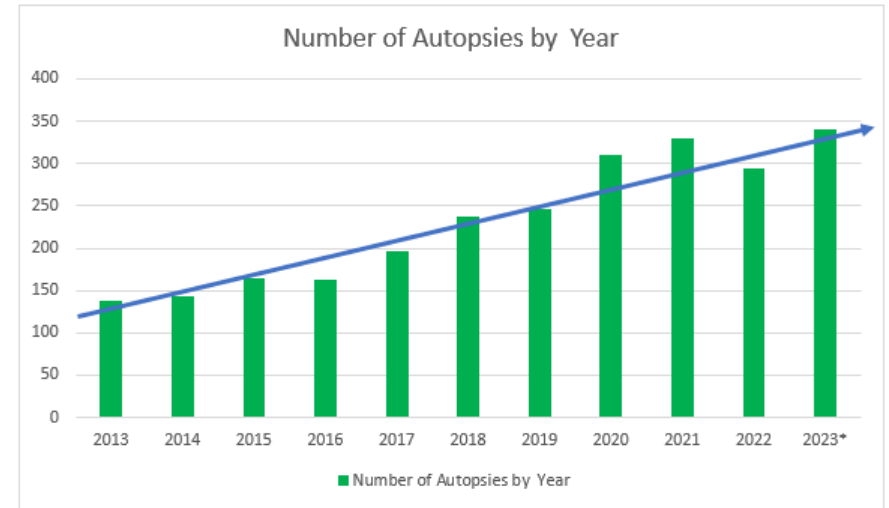
- **Rutherford County is the 5<sup>th</sup> largest TN County, by population** (according to US Census data, Rutherford County projected to be the 4<sup>th</sup> largest in 2024)
- **Rutherford County is the fastest growing county**
- **Rutherford County deemed a high impact area (HIA) for drug overdose/opioid-related deaths; 5<sup>th</sup> highest**
- **Supportive of creating an RFC to service other counties (up to 1,000,000 pop. catchment area)**
- **Rutherford County to donate 10 acres of county-owned commercial land**
- **Rutherford County to provide operational management of the facility**

# DEATH AND AUTOPSY STATISTICS



\* Preliminary

\*\* Projected



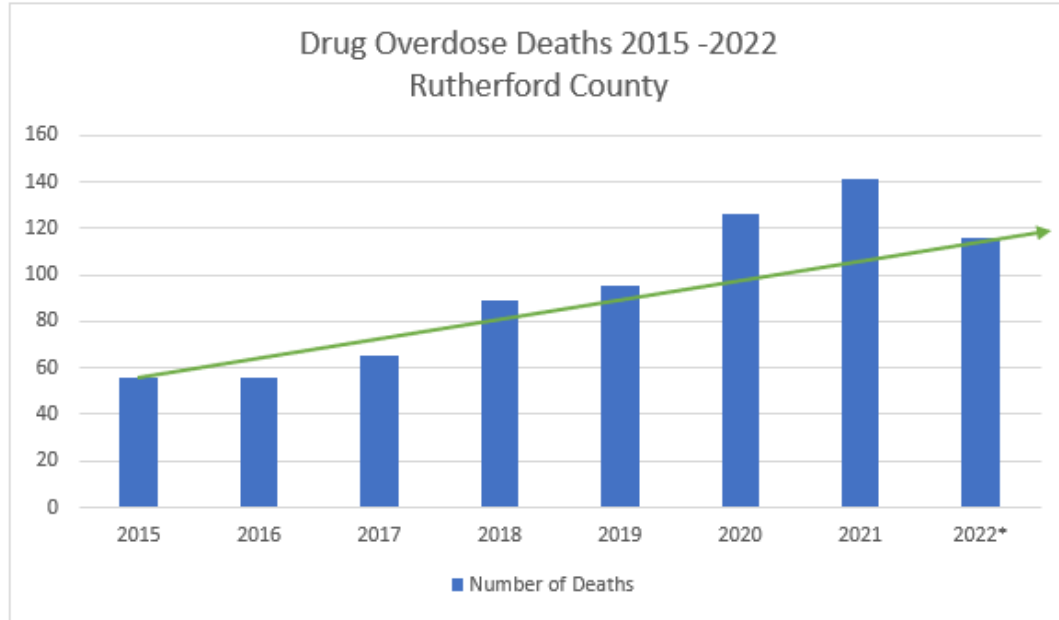
\*Projected

**23% INCR. DEATHS 2020  
VS.  
7% INCR. DEATHS 2019**

**26% INCREASE IN  
AUTOPSIES FROM  
2019 TO 2020**

**RFCs AND MORGUES  
EXCEEDING CAPACITY  
DURING PANDEMIC**

# Key Metrics: 2015 to 2022



\* Preliminary data

**33% INCREASE IN OVERDOSE DEATHS 2020 FROM 2019**

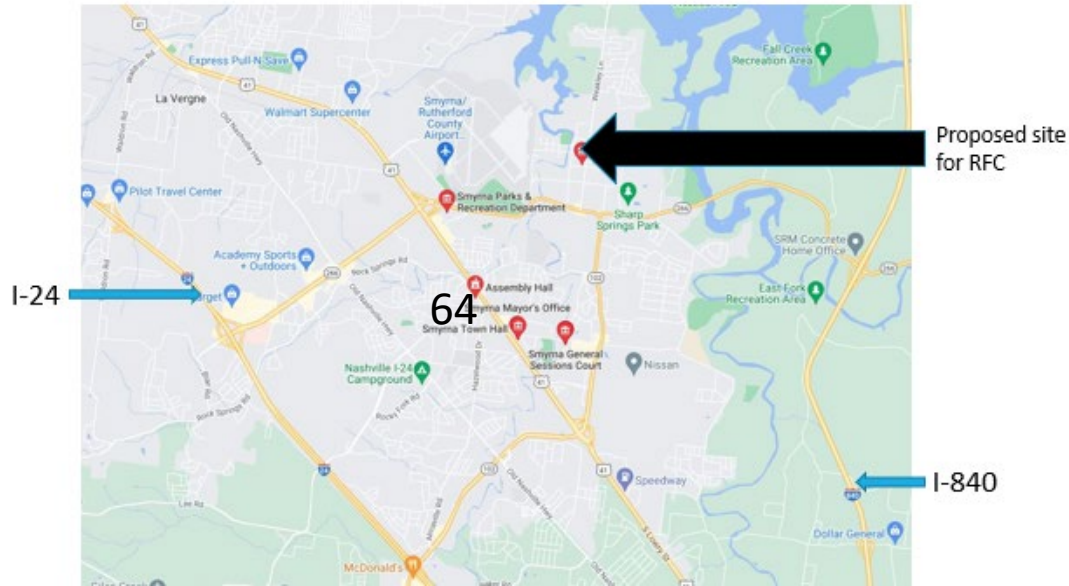
## 2015 VS 2022

**114% INCREASE IN  
AUTOPSIES**

**100% INCREASE IN  
MEDICOLEGAL DEATH  
INVESTIGATIONS**

**33% INCREASE IN  
OVERDOSE DEATHS  
DURING COVID-19  
PANDEMIC**

# Proposed Site



**Approximately 10 acres; easily accessible by 3 major interstates (I-24/I-40/I-840), adjacent to the Tennessee National Guard headquarters and the Smyrna Airport (both integral for MFI planning and management).**

# Project Timeline

- Site is build-ready
- Architect Selection (RFQ) – 3 months
- Design – 3 months
- Bid & Award – 3 months
- Construction – 12 months
- Total Time After Project Approval – approx. 21 to 24 months

# Proposed Staffing Analysis

## Initial Phase (Rutherford County)

### Year 1:

- 1.3 Forensic Pathologists (1 F/T, 1 P/T)
- 1 Chief Medicolegal Death Investigator
- 1 Deputy Medicolegal Death Investigator
- 4 Medicolegal Death Investigators
- 3 Forensic Technicians
- 1 Administrative Support

## 2nd Phase (Regional ~1M catchment area)

### Year 2:

- 4 Forensic Pathologists
- 1 Chief Medicolegal Death Investigator
- 1 Deputy Medicolegal Death Investigator
- 6 Medicolegal Death Investigators
- 6 Forensic Technicians
- 2 Administrative Supports

# RFC Estimated Operating Budget & Revenue Sources

| BUDGET: \$2,940,000 (est.)    |             |        |
|-------------------------------|-------------|--------|
| Salaries & Benefits           | \$2,300,000 | 78.23% |
| Other Operating Expenses:     | \$ 640,000  | 21.77% |
| Medical Services & Contracts  | \$350,000   |        |
| Maintenance                   | \$120,000   |        |
| Supplies                      | \$120,000   |        |
| Insurance & Licensing         | \$ 40,000   |        |
| Travel, Training, & Education | \$ 10,000   |        |

| Cost Recovery (est.)          |             |        |
|-------------------------------|-------------|--------|
| Rutherford County             | \$ 756,000  | 25.72% |
| Partner Counties              | \$1,344,000 | 45.72% |
| Private & Hospital Cases      | \$ 250,000  | 8.50%  |
| State of TN*                  | \$ 350,000  | 11.90% |
| Cremation Permits & Records   | \$ 150,000  | 5.10%  |
| External Training & Education | \$ 90,000   | 3.06%  |

\* State of TN currently reimburses/pays all RFCs: \$150/autopsy, \$1,250/infant autopsy, \$25/ROI, est. \$100K toxicology share; does not include potential cost-sharing of space with OSCME and MTSU)

## SAMPLE COST OF SERVICES

Autopsies - \$2,100 ME Ordered (currently paying \$2,300)

Exams - \$950 ME Ordered (currently paying \$1,500)

\$5,000 Private Full

\$3,000 Private Partial

\$30 Cremation Permits

\$30 Report Fee

# Proposed Building To Meet Demand

| Facility Space          | Proposed                    |
|-------------------------|-----------------------------|
| Total Square Footage    | 25,000 sq. ft.              |
| Main Cooler             | 125 bodies                  |
| Special Cooler          | 25 bodies                   |
| Main Storage Capacity   | 1,250 sq. ft.               |
| Special Cooler Capacity | 250 sq. ft.                 |
| Total Storage Capacity  | 150 Decedents               |
| Autopsy Suite           | 2,700 sq. ft. w/ 6 stations |
| Special Autopsy Room    | 500 sq. ft. w/1 station     |
| Anthropology Room       | 1,000 sq. ft.               |
| Training Rooms          | 2,000 sq. ft                |
| State Medical Examiner  | 1,000 sq. ft.               |
| Family Assistance Room  | 750 sq. ft. w/restrooms     |

# State Funds Are Needed To Achieve This Result

## COST OF CONSTRUCTION

|                                 |                     |
|---------------------------------|---------------------|
| Programming Space Needed        | 25,000 sq. ft.      |
| Estimated Price Per Square Foot | \$600               |
| FF&E and Other Fees             | \$5,500,000         |
| <b>TOTAL COST</b>               | <b>\$21,500,000</b> |

We respectfully request the **State of Tennessee consider appropriating \$16 million of one-time funding** for the capital costs associated with the construction of this facility.

**Rutherford County to invest \$5.5 million**, absorb any additional cost escalations, and will donate the approximately 10 acres of land valued at **\$2.5M**; for a **total County investment of \$8 million**.

**Total combined project investment by the State and Rutherford County of \$24M**

