



FINANCIAL STIMULUS ACCOUNTABILITY GROUP

August 3, 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

- Funding Dashboard
 - Commissioner Butch Eley
 - Director Clifton Peay, Customer Focused Government

- Strategic Spending Plan
 - Commissioner Butch Eley
 - Tony Niknejad

- Analysis of Congressional proposals
 - Tony Niknejad

- 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	195.1
HIGHER EDUCATION	192.7
LABOR	3,222.7
MENTAL HEALTH	2.8
MILITARY	1.2
SECRETARY OF STATE	8.6
DEPARTMENT OF TRANSPORTATION	70.1
TENNESSEE EMERGENCY MANAGEMENT AGENCY	102.2
TENNCARE	372.0
THDA	62.2
TOTAL - TENNESSEE	<u><u>\$7,202.0</u></u>

69 Federal Awards to be administered **by 18 State Agencies**

Received Guidance / Notice of Award on 68 of the 69 Federal Awards



Federal Funds: Tennessee

Federal COVID Funds - TENNESSEE Guidance/Notice of Awards

PROGRAM

Emergency Food Program (TEFAP)
Congregate Meals and Home Delivered Meals
Home and Community-Based Supportive Services
Family Caregivers
Aging and Disability Resource Centers
Protection of Vulnerable Older Americans
National Endowment for the Arts (NEA)
National Endowment for the Arts (NEA) - Regional
Child Welfare Services
Child Care and Development Block Grant
Community Services Block Grant
SNAP Contingency Reserve
Child and Adult Food Care Program
Summer Food Program
Community Development Block Grant
Education Stabilization Fund - K12 (ESSER Grant)
Education Stabilization Fund - Governor's Fund
Child nutrition
Byrne Justice Assistance Grants (JAG)

Family Violence Prevention and Services Formula Grant
Coronavirus Relief Fund
Hospital Preparedness Program
Grants to states, localities, and tribes - Health
Emerging Infections Program
Telehealth and Rural Health Grants
Community Health Centers
Ryan White HIV/AIDS
Core State Violence and Injury Prevention Programs
ELC - Testing
Education Stabilization Fund - Higher Education
HBCU and PBI Funds
SIP Funds
National Science Foundation RAPID Grants
UI administration
Dislocated Workers Assistance
UI Benefits - PUA
UI Benefits - FPUC
UI Benefits - PEUC

UI Supplemental Budget
UI Emergency Relief - Employer Reimbursement
Waiting Week Funds
Emergency Response Activities
Suicide Prevention Programs
Election Security Grants
LSTA State Grants
Transit Infrastructure Grants - NonUrbanized Area
Transit Infrastructure Grants - Growing States
Grants-in-Aid to Airports
Grants-in-Aid to Airports via Block Grant
Disaster Relief Fund
Emergency Management Performance Grants
Enhanced FMAP
100% payment Covid-19 testing costs - TennCare
Low Income Home Energy Assistance Program
Emergency Solutions Grants
Tenant-Based Rental Assistance
Armories Maintenance



Federal Funds: Tennessee

Federal Funds Awarded - to-Date (Millions)

PROGRAM	Funding	PROGRAM	Funding
UI Benefits - FPUC	\$3,317.37	Emergency Food Program (TEFAP)	\$ 5.2
Coronavirus Relief Fund	2,363.49	SIP Funds	4.8
Enhanced FMAP - TennCare	323.00	Home and Community-Based Supportive Services	4.1
Education Stabilization Fund - K12 (ESSER Grant)	259.00	Transit Infrastructure Grants - Growing States	4.0
UI Benefits - PUA	206.06	Community Health Centers	3.2
SNAP Contingency Reserve	169.88	Telehealth and Rural Health Grants	3.2
Education Stabilization Fund - Higher Education	168.20	UI Emergency Relief - Employer Reimbursement Funds	3.2
ELC - Testing	155.00	Emerging Infections Program	2.7
Waiting Week Funds	103.90	Grants-in-Aid to Airports	2.6
Child Care and Development Block Grant	82.40	Family Caregivers	2.0
Child nutrition	76.00	Emergency Response Activities	2.0
Education Stabilization Fund - Governor's Fund (GEER)	64.00	Grants-in-Aid to Airports via Block Grant	1.9
Emergency Solutions Grants	33.59	Armories Maintenance (Army Natl Guard)	1.2
Transit Infrastructure Grants - NonUrbanized Area	28.80	Tenant-Based Rental Assistance	1.2
Grants to states, localities, and tribes	26.04	Aging and Disability Resource Centers	1.1
UI administration	19.60	Ryan White HIV/AIDS	1.1
Community Services Block Grant	19.43	Child Welfare Services	1.0
Low Income Home Energy Assistance Program	18.10	Hollings Manufacturing Extension Program	1.0
HBCU and PBI Funds	16.70	UI Supplemental Budget	0.8
Child and Adult Food Care Program	16.40	Family Violence Prevention and Services Formula Grants	0.7
Congregate Meals and Home Delivered Meals	14.61	Hospital Preparedness Program	0.6
Byrne Justice Assistance Grants (JAG)	13.94	LSTA State Grants	0.6
UI Benefits - PEUC	11.39	National Science Foundation RAPID Grants	0.5
Summer Food Program	9.00	National Endowment for the Arts (NEA)	0.5
Election Security Grants	7.98	Protection of Vulnerable Older Americans	0.4
Dislocated Workers Assistance	6.00	National Endowment for the Arts (NEA) - South Arts Regional	0.1
			\$ 7,579.60



Stimulus Fund Dashboard

Stimulus Funding Related to COVID-19

Last Update: 8/3/2020



Award Type	
Airport Improvement Program	\$122,650,776
Child and Adult Care Food Program	\$5,309,941
Child and Adult Care Program	\$4,529,904
Child Care and Development Fund	\$50,414,325
Community Health Centers	\$1,654,873
EDA Recovery Assistance	\$2,318,000

Grant Awards by Recipients

Funding Source: County: Award Type:

County	Recipient Name	Award Type	Award
Grand Total			\$13,182,625,958
Anderson	All Other Amusement and Recreation Industries	Tennessee Business Relief Program	\$15,000
	All Other Home Furnishings Stores	Tennessee Business Relief Program	\$2,500
	All Other Miscellaneous Store Retailers (except Tobacco St..	Tennessee Business Relief Program	\$7,500



<https://www.tn.gov/finance/looking-for/cares-act-awards-.html>

Update: Non-Profit and Local Government

Local Governments (\$115 million)

- Funds are in addition to \$75M held to cover Local FEMA claims
- Training townhalls held last week (Additional possible)
- Portal for submitting expenses will be open this week
- Funds will be distributed as early as August 17 (30% advance)
- Sept 30 deadline to document 30% of expenses.

Non-Profit (\$150 million)

- 6 grant administrators selected
- Two-week initial application period for grantees
- Grant application will be available this week
- If oversubscribed for any region, grants may be competitively ranked, reduced, or reallocated to other administrators
- If funds remaining, additional application periods possible.

Update: Expenses to Date

Confirmed (FY20)		Projected or Obligated (First half of FY21)		Total by Category
UI Trust Fund Solvency (May Distribution)	269.00	UI Trust Fund Solvency (July Distributions)	150.00	Unemployment Costs \$939.00
UI Trust Fund Solvency (June Distribution)	131.00	UI Trust Fund Solvency (Aug (est))	150.00	
		UI Trust Fund Solvency (Sep - Dec)*	239.00	
Small and Rural Hospital Grants	10.00	UCG - Communications PSAs	10.00	Unified Command Response, Disaster Relief and Provider Support \$251.53
Dept of Health, UCG	9.42	Dept of Health, UCG (uncovered ELC costs)	59.52	
		TEMA, UCG / PPE non-FEMA costs	22.58	
TEMA, UCG / FEMA Cost-Share	18.65	TEMA, UCG / FEMA Cost-Share	46.37	
		Cost-Share for Local FEMA Public Assistance (Covered by State)	75.00	
		Payroll Expenses for Health, Safety, and Correction (Mar-Dec)	280.00	Reimbursement and One-Time Costs to State \$344.18
Necessary Unbudgeted Cost Increases	14.18	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**	225.00	Programs Providing Relief to Third Parties \$585.00
		COVID K-12 Grants and Programming (including WI-FI)***	75.00	
		COVID Higher Education Reopening Grants	20.00	
		Grants to Local Governments for COVID related expenditures.	115.00	
		COVID Non-Profits Program Support	150.00	
Total FY20	\$452.24	Total FY21 Thru Dec	1,667.47	
Remaining for New Expenses (Assuming Flat Economic Recovery):			243.29	
Remaining for New Expenses (Assuming V-Shaped Recovery in Aug):			482.29	

Planning for Remaining CRF Funds

- Remaining funds projected between **\$243 million** to **\$482 million**
 - Range depends on September-December figures for Unemployment;
- Assuming no additional funds from Congress or ability to replace revenue at state or local level;
- **Objective is to ensure readiness to direct funds in response to changing circumstances including:**
 - **Federal changes to existing funds or duplication of funding priorities;**
 - **Marked improvement or deterioration of economic indicators;**
 - **Significant shift in demand for public health resources.**

Scenario 1 – Flat Economic Recovery

- **Beginning Balance: \$243 million**

- Assuming:

- (i) No additional funds or flexibilities from Congress; and
 - (ii) Flat jobless claims through year-end

- **Potential Expenses:**

▫ Additional Business Relief (Second Phase): <i>(Inclusive of targeted relief for diverse business enterprises)</i>	\$75 million
▫ Agricultural Industry Relief:	\$50 million
▫ Broadband (informal estimate):	\$35 million (est)
▫ Workforce Development:	\$7.5 million
▫ Housing/Rental Assistance Support: <i>(Pending needs analysis)</i>	\$20 million (est)
▫ Tourism Industry Recovery:	\$20 million (est)
<u>Total</u>	<u>\$207.5 m</u>

- **Remaining Balance: \$35.5 million**

Scenario 2 – Moderate Recovery

- **Remaining Balance: \$362.79 million**
 - Assumptions:
 - No additional funds or flexibilities from Congress,
 - Average 50% decrease in jobless claims through year-end
- **Potential Expenses:**
 - All Scenario 1 expenses: \$207.5 million
 - Additional Business Relief (Third Phase): \$100 million
- **Remaining: \$55 million**



Potential Congressional Changes

- **May directly change the Coronavirus Relief Fund w/r/t:**
 - USES: Providing some limited capacity for revenue replacement;
 - Limitations may reduce amount of benefit to Tennessee (formula, mandates)
 - TIME: Extend grant end-date into end of 2021 fiscal year;
 - AMOUNT: Appropriate new funds for state and locals.
- **Make other appropriations that could duplicate or impact CRF plans:**
 - Extension of some enhanced Unemployment Insurance benefit;
 - Expansion of programs that overlap with majority of identified Tennessee priorities (e.g., business relief, education, workforce, medical provider relief);
 - Appropriate new funds that would address other priorities (childcare, agriculture, behavioral and mental health).

Framework for Adapting to Congressional Changes

- Account for any new CRF funds that could be appropriated;
- Model impact on Unemployment Insurance Trust Fund;
- Re-order priorities to eliminate or reduce those duplicated by Congress;
- Consider designating funds for State and Local Revenue Replacement if formula and terms applicable to Tennessee;
- Lengthen time horizon of existing programs if applicable;



THANK YOU