

FINANCIAL STIMULUS ACCOUNTABILITY GROUP

March 22, 2023

FSAG March 22nd

Agenda

- Overview
- USDOE EANS/GEER Program
 - TDOE Recommendation

ARP Projects for Approval

- F&A/SHB Local Government Plan COVID Claim Offset
- UT/TDA Meat Industry Workforce Training Facility

ARP Projects for Discussion

- THDA TAHRA/FAHE Housing Request
- Health Rutherford County Forensic Center
- F&A STS Projects



Tennessee Resiliency Plan

Beginning Fiscal Recovery Fund Balance		3,725,832,113
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)
Unallocated Fiscal Recovery Fund Balance as of March 2022	\$	56,895,478

<u>Reminders</u>

- \$3.66 billion across 38 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.

March Recommendations

<u>Agency</u>	Projects for Approval	<u>Amount</u>
TDOE	EANS	(USDOE Program/ No impact on ARP Funds)
F&A/SHB	Local Government Plan COVID Claim Offset	\$13,794,057
UTK/TDA	Meat Industry Workforce Training Facility	\$12,500,000
	TOTAL Recommended	\$26,294,057
	Remaining Balance After Recommended	\$30,601,421

Agency	Projects for Discussion	<u>Amount</u>
тдон	Rutherford County Forensic Center	\$16,000,000
THDA	TAHRA/FAHE Housing Request	\$21,900,000
F&A	STS Projects	\$36,500,000
	TOTAL for Discussion	\$74,400,000



Recommended Projects

1. TDOE – EANS

(Slide 8)

(Slide 17)

- TDOE recommendation to use USDOE GEER funds to replicate the EANS program through a per pupil distribution.
- 2. F&A Benefits Admin. Local Government Plan COVID Claim Offset
 - Recommendation to only offset increased cost premiums for the Local Government Plan (\$13.8 million)
 - COVID-19 had a higher cost impact per member on the Local Government Plan than the other Plans in the state group insurance program
 - Today is last possible opportunity for group to have impact on next year's premiums
- 3. TDA/UTIA Meat Industry Workforce Development and Training Facility (Slide 21)
 - Project to establish a meat processing facility to increase the capacity of The University of Tennessee Institute of Agriculture to enhance workforce development and support the growing meat industry in the state.
 - The facility will increase the adaptability and resiliency of the TN's meat industry.



Projects for Discussion

4. Health – Rutherford County Forensic Center

 \$16 million in state funding to establish a new state forensic center in Rutherford County (\$5.5 million in funds and \$2.5 million in real estate contributed from local government)

5. FAHE / TAHRA / NeighborWorks Alliance of TN

- Overseen by THDA
- Updated proposal reduces total amount to \$21.9 million to focus on 27 projects in 5 distressed counties and 5 at-risk counties, while investing in 4 housing projects to support Blue Oval City. 20 of 27 projects focus on at-risk or vulnerable populations.

6. F&A – STS Projects

- \$77.5 million in 7 potential projects.
- \$36.5 million cost for top three priority projects related to cloud.



(Slide 25)

(Slide 39)



PRESENTATIONS



TDOE – EANS

Federal Stimulus Accountability Group

EANS 2 and Supplemental Grant Proposals for Non-public Schools March 22, 2023



EANS 2: Background

- More restrictive federal requirements under the Biden administration
 - Restrictions limited non-public schools' eligibility and use of funds
 - USEd denied TDOE's request for flexibility denied
- Outreach to over 300 non-public schools yielded 44 applications
 - 22 of these were deemed eligible
- States had to award EANS 2 within first six months of grant (by 11/22)
 - Remainder (\$63,056,729.25) must be obligated for "GEER" purposes



EANS 2 versus GEER

EANS2	GEER	Notes
Limited by strict eligibility requirements	Significantly more flexibility in eligibility and use of funds	Both grants have same period of performance.
TDOE was required to contract for services on behalf of nonpublic schools.	 Contracting for services on behalf of nonpublic schools is not required but schools should understand the funding types available: Direct funding Services procured by TDOE 	 Each nonpublic school must select from two available funding types: Direct funding makes a nonpublic school a direct recipient. Services via TDOE does not.
Nonpublic schools are not considered a direct recipient- per USEd guidance.	Direct funding (as opposed to TDOE contracting for services) would make a nonpublic school a direct recipient and subject to Title IX and other restrictions.	Participating schools would need to review the Title IX and other requirements to make informed decision.



Follow-up from 11/22 and 02/23 FSAG Meetings

- November 2022 FSAG Request: Solicit interest among non-publics and present options
 - Intent to Participate
 - 362 forms sent
 - 137 nonpublic schools responded
 - 135 of 137 expressed interest (represents 39,600 students)
- February 2023: Initial discussion and projected allocations provided on options of awarding remainder of EANS2 funding.
- Decision on how to award the remaining \$63M scheduled for March FSAG meeting



EANS 2 /GEER Supplemental Grant Options for Non-public Schools

- Survey to solicit interest in new grant opportunity yielded 135 schools (39,600 students)
- \$63M in remaining EANS funds now under GEER guidelines
- Decision needed on how to award remaining funds



Options for Consideration and Recommendation

- Option 1: Per Pupil Allocation Method
 - Equitably divides all available funds to all interested schools
 - 100% of schools would receive an award
 - \$63M/~39,600 participating students = \$1,589
 - \$1,589 x Enrollment = School Allocation

Option 2: EANS 1 Weighted Model

- Aligns with original purpose and amounts of EANS 1 under President Trump
- Allocates weighted amount to economically disadvantaged students, but still provides some funding to all students

Department Recommendation: Option 1. Per Pupil Allocation Method

- Acknowledges that pandemic impacted all families and school communities
- Treats all nonpublic schools consistently



Next Steps

• Timeline

- April 2023: Grant application rollout and support
- May 2023: Applications approved
- June 2023: Awards made and grant period opens
- Reminders:
 - Schools will have 15 months remaining to obligate funds.
 - All funding is based on reimbursements (like public schools)





Proposal 2 - Benefits Administration

State Group Insurance Program







Local Government Insurance Plan Support

- Benefits Administration asks consideration of a reduced allocation of funds focused exclusively on the Local Government Plan **\$13,794,057.46**.
- The funds would offset the actual COVID-19 costs incurred by the Plan from March 3, 2021 October 31, 2022.
- Most participating Local Government Plan agencies are rural counties, municipalities, utility districts, 911 agencies, and quasi-governmental entities.
 - Currently, approximately 18% are non-profit grantees of various state departments or other entities permitted eligibility when the Plan was first established.
- As a self-funded plan, any savings resulting from premium reduction will inure to the benefit of the Local Government Plan agencies and members.



Why Local Only?

- COVID-19 had a higher cost impact per member on the Local Government Plan than the other plans in the state group insurance program.
- Through November 2022, the Local Government Plan COVID-19 costs per member were \$530.93 21% higher than for the State/Higher Education Plan and 20% higher than for the Local Education Plan.
- The Local Government Plan is relatively small (~26,000 members) and is not able to spread costs over many lives. Therefore, extraordinary costs, such as COVID-19, have a higher negative impact on the Plan than with the State or Local Education Plans.
- The Local Government Plan has historically and consistently had higher premiums than the other two Plans due to a higher risk profile of the population; as most are small and/or rural, they are less able to afford comprehensive health coverage.



Impact to Local Government Employees

- The table below shows the potential CY2024 annual premium reduction in the Premier PPO for the Local Government Plan if COVID-19 costs are reimbursed.
- The three premium levels in the Local Government Plan reflect the higher costs associated with the age demographics of the group.

Local Government	Employee	Employer	Total
Level 1	\$140.38	\$140.38	\$280.76
Level 2	\$147.38	\$147.38	\$294.76
Level 3	\$154.37	\$154.37	\$308.74

2024 Annual Premium Savings – Premier PPO





Proposal 3 – University of Tennessee Institute of Agriculture - Meat Industry Workforce Development and Training Facility

TDA-Meat Industry Workforce Development and Training Facility

- Objective: This project establishes a meat processing Extension, teaching, and research facility to increase the capacity of The University of Tennessee Institute of Agriculture to enhance workforce development and support the growing meat industry in the state. The meat processing facility will increase the adaptability and resiliency of the Tennessee meat industry.
- Cost: \$12,500,000
- Length of project: 3 years
- Temporary # of employees: 0



TDA-Meat Industry Workforce Development and Training Facility

- The facility will be focused on:
 - **workforce development** for Tennessee's meat fabrication and processing industry,
 - education for students in the Herbert College of Agriculture and the College of Veterinary Medicine,
 - **research** that will enhance the quality and safety of Tennessee meat products, and
 - *increased industry adaptability and resiliency* during times of duress (e.g., responding to a national health crisis).
- As an economic development engine, the UTIA meat processing facility will provide training to prospective and established meat processing firms to help ensure improved product quality, increased processing efficiency, improved producer and processor decision-making, strengthen the meat supply chain, and grow interest in meat processing in Tennessee.



TDA-Meat Industry Workforce Development and Training Facility

Key components of the facility will include:

- Meat Harvest
- Meat Fabrication
- Meat Processing
- Poultry Processing
- Carcass Chilling
- Thermal Processing

- Product Development/ Demonstration Kitchen
- Packaging
- Quality/ Safety Laboratory
- Classroom and Seminar spaces
- Retail Store.

"Serve, support, and promote agriculture and forestry." - TDA Mission Statement





Proposal 4 – 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

o 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

- o 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







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

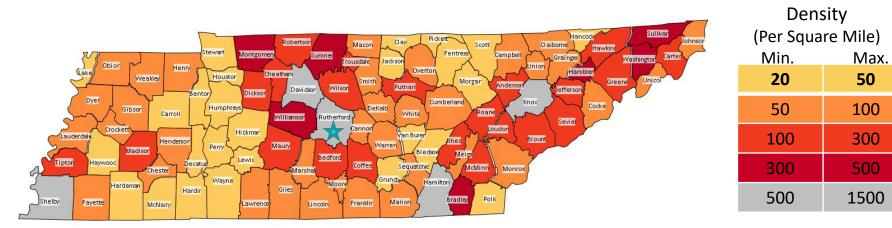
Construct mass fatality response operational base

 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

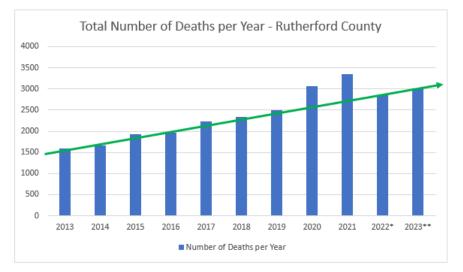
Why Rutherford?

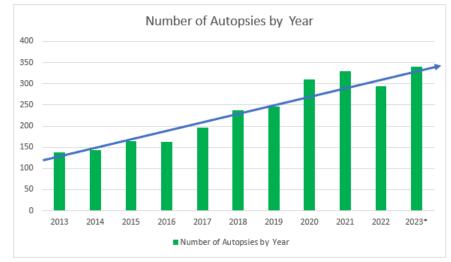


- **Rutherford County is the 5th largest TN County, by population** (according to US Census data, Rutherford County projected to be the 4th largest in 2024)
- Rutherford County is the fastest growing county
- Rutherford County deemed a high impact area (HIA) for drug overdose/opioid-related deaths; 5th 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

Population

DEATH AND AUTOPSY STATISTICS

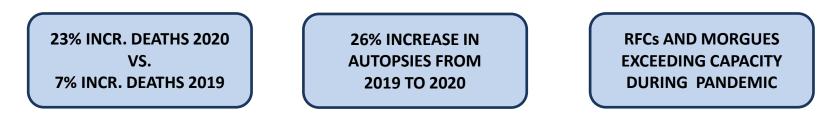




* Preliminary

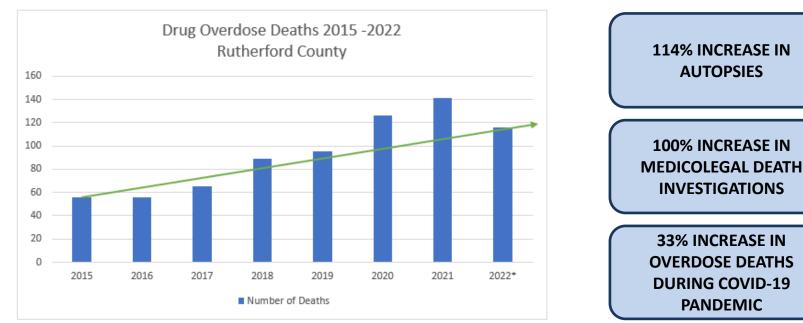
** Projected

*Projected



Key Metrics: 2015 to 2022

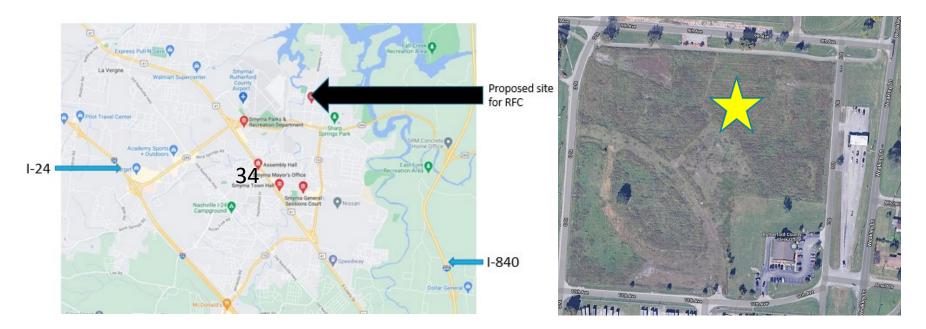




* Preliminary data

33% INCREASE IN OVERDOSE DEATHS 2020 FROM 2019

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
TOTAL COST	\$21,500,000

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



Proposal 5 – 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





ALLIANCE OF TENNESSEE



Revised Proposal Process:

The following proposal was developed by querying coalition partners on shovel ready projects. Fahe asked members to focus on projects that serve:

- At-risk and distressed counties,
- The areas around Blue Oval City,
- Special populations and
- Counties with high workforce housing demand and minimal capacity in the current market.

It is important to note, what is detailed below are 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.

The Proposal:

With an investment of \$21.9 million Fahe members can deliver:

- \$82.3 million in housing,
- Creating or preserving 773 units
- Serving 1,435 households or individuals.

Funding Will Be Used For:

- Land acquisition
- 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)

The Proposal: Impact

Combined, these projects:

- Deliver **27 finished projects** by June of 2026
- Expand housing capacity in 20 counties;
- Build 224 new units
- Preserve 549 affordable units
- Benefit 1,435 households
- Provide immediate investments in 5 distressed counties and 5 at-risk counties
- Support 4 Blue Oval City adjacent projects
- Create housing options for special populations 20 projects have an explicit focus on special populations

The Proposal: Leverage

To maximize ARPA funding, nonprofit community development organizations will align and stack existing federal and state resources and private capital investments.

Partners have already exceeded a 1:1 match for what we're requesting in ARPA Funding; receiving commitments for \$24.8 million.

Leveraging these commitments and ARPA dollars will enable coalition partners to quickly close the remaining funding gap. Fahe's lending department can assist with this aspect of the work.

Individuals and Households to be Served:

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:

- Elderly and 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, DV survivors, and low income and housing cost burdened households.

Project Assessment Criteria:

Again, what is proposed is not guaranteed to receive funding. However, final project decisions will mirror the priorities that have been used to develop this proposal including:

- Project alignment with income eligibility guidelines for ARPA or other funding restrictions (depending on the funds utilized in each project) as well as State priorities focused on distressed and at-risk counties and Blue Oval City footprint,
- Geographic diversity: beyond the above communities, we will prioritize statewide reach,
- Current and future housing demand data,
- Communities with limited access to private investment for housing development,
- The degree to which a project is shovel ready (able to start in 2023 or early 2024),
- Projects with the greatest return on investment (ROI defined by the number of units created or preserved).

Projects: A statewide effort



Note: Some projects have flexibility on their final location. This map only indicates the primary location.

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.

The Timeline & Key Benchmarks:



Considerations in the development of this proposal:

- 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 underserved 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:

- 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.

Questions & Comments



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 2 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 2 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, mriden@fahe.org

