



# FINANCIAL STIMULUS ACCOUNTABILITY GROUP

January 26, 2022

# Agenda

- 2021 Review
- 2022 New Planning
  - Agency Requests – Mental Health and Substance Abuse Services
  - External Requests – Timeline and Process
- Review of Final Rule

# Tennessee Resiliency Plan – 2021 Summary

- **Beginning Balance: \$3.725 billion**
- **Phase 1 Allocations: \$2.876 billion**
  - December 11 – Reported to US Treasury;
  - December 15 – Reported to State Finance Committees.
- **Phase 1 Amendments: \$246 million**
  - December 21 – Additions to plan approved by FSAG
    - University of Tennessee Ag Research and Education - \$50 million
    - STS Projects - \$196.8 million
- **Total Allocated to Date: \$3.123 billion**
- **Remaining for 2022 Planning \$603 million**
  - \$275 million reserved for External Relief;
  - \$328 million additional remaining unallocated for health capital or other eligible purposes.



# AGENCY PRESENTATION

Department of Mental Health and Substance Abuse Services

# Crisis Continuum Enhancement

- To address increased behavioral health needs exacerbated by the COVID-19 pandemic, this proposal will **increase access to Tennessee's crisis continuum, specifically crisis walk-in triage and crisis stabilization services**. Through the TDMHSAS provider network, funds will be used to support additional infrastructure and operations that directly responds to pandemic-related mental health and substance abuse issues. This proposal will create **three (3) new Crisis Walk-In/Crisis Stabilization Units** which will serve approximately **12,750 Tennesseans from Montgomery County, Obion County, Maury County, and contiguous counties annually**.

**Total Cost: \$34,939,716**

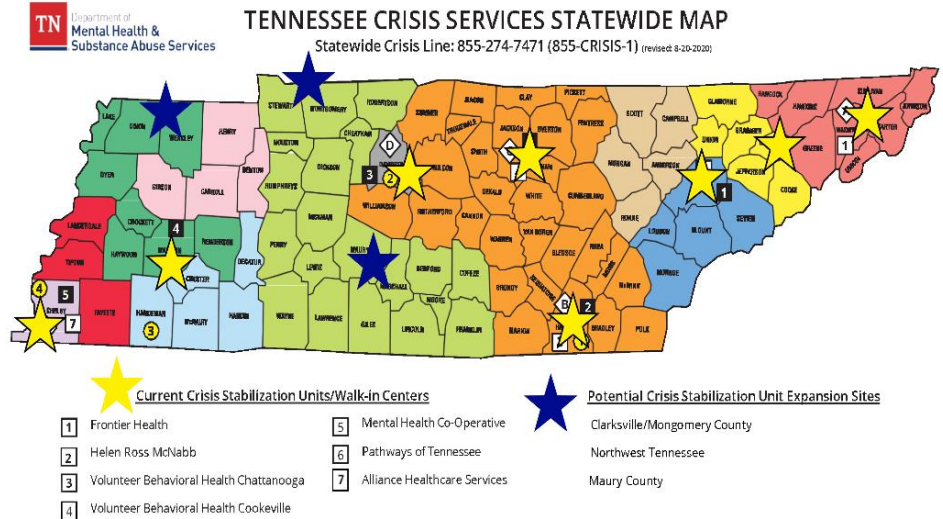
*Infrastructure Development (FY22):*  
\$5,000,000 (x3): \$15,000,000

*Equipment/Supplies (FY22):*  
\$500,000 (x3): \$1,500,000

*Operating Costs (FY23 and FY24)\*\*:*  
\$3,073,286 annually (x3): \$9,219,858 annually  
\$18,439,716 for two years

*\*\*Will potentially require local match*

- Length of Project:** Three (3) Years (i.e., FY 22, FY23, and FY24)
- Temporary # of Employees:** Zero (0) TDMHSAS Employees. TDMHSAS will partner with CMHCs.



## Crisis Continuum Enhancement

- The requested funds will support the creation of **three (3) new crisis walk-in centers/crisis stabilization units.**
- The funds will support the **infrastructure to create these facilities**, with initial funding provided to support necessary **medical and clinical staff** (e.g., *nurse practitioners, therapists/counselors, peer support specialists, security, etc.*) as well as necessary **equipment and supplies.**
- Operational costs beyond ARP funding will be supported by **reimbursement from TDMHSAS, TennCare, other payor sources, and a likely local match.**
- This proposal further ensures **easy access to evidence-based care in areas of the state where options are limited.**
- This proposal will **decrease overutilization of higher levels of care (i.e., hospitalization), the need for law enforcement transport, emergency department boarding,** and most importantly, this proposal **will save lives.**
- Average **diversion rate** for mobile crisis providers **with CSU/WIC** resources is **63.9%**
- TDMHSAS work with F&A to determine local match amount.

# Project Rural Recovery – Integrated Mobile Health

- This proposal will **expand Project Rural Recovery** which provides **mobile integrated primary care, behavioral healthcare, and substance use services**. Counties served are rural and whose residents experience poor health outcomes and have limited access to regular care. It is anticipated **2k Tennesseans will be served annually** by the **two (2) additional mobile clinics**.

- **Total Cost:** \$6,300,000

Expenses	Year 1	Year 2	Year 3
Mobile Health Unit (2)	\$ 700,000	\$ -	\$ -
Salaries, Benefits	\$ 1,250,000	\$ 1,300,000	\$ 1,400,000
Supplies/travel/insurance/other	\$ 260,000	\$ 260,000	\$ 260,000
Indirect	\$ 290,000	\$ 290,000	\$ 290,000
<b>Total</b>	<b>\$ 2,500,000</b>	<b>\$ 1,850,000</b>	<b>\$ 1,950,000</b>

- **Length of Project:** Three (3) Years (i.e., FY 22, FY23, and FY24)
- **Temporary # of Employees:** Zero (0) TDMHSAS Employees.



*Buffalo Valley PRR Mobile Clinic*

# Project Rural Recovery – Integrated Mobile Health

- This funding would allow the expansion of the project to include **two (2) additional units** serving **five (5) counties in West Tennessee** and **five (5) counties in East Tennessee** increasing the scope of the overall project to 20 counties. **Counties to be served include Lauderdale, Crockett, Haywood, Fayette, Hardeman, Morgan, Fentress, Scott, Campbell, and Union.**
- By removing access-related challenges, this mobile, integrated model of care will improve health outcomes for **up to ten patients per day** per mobile health clinic in those counties with poor health outcomes and limited access to regular care.



McNabb Center PRR Mobile Clinic

## Project Rural Recovery Goals

- Provide integrated primary care, mental health, and substance use services.
- Provide preventative health screening and testing for TB, Hepatitis, and HIV.
- Refer and link clients to needed services such as utility assistance, housing assistance, smoking cessation, and substance use disorder treatment.
- Decrease the number of individuals seeking care at emergency departments in the counties served.
- Provide nutrition and/or exercise interventions.
- Assist clients with improving blood pressure, body mass index, waist circumference, and diabetes management.



# Requests for Relief by External Entities

- **60+ requests; Total of approximately \$650 million requested;**
- Overview Document and Full Proposals Posted to FSAG Website;
- Administration will share recommendations at February FSAG meeting and solicit member feedback and consideration.
  - Recommended proposals will be reviewed for eligibility;
  - Others will not be reviewed unless specifically requested.
- We will seek to finalize an FSAG approved list in March;
- Funds and Grant Contracts process for approved entities to begin no sooner than July.
  - Accountability: Entities recommended will be assigned to most relevant agencies for admin, monitoring and oversight.

# US Treasury Final Rule

- “Interim Final Rule” issued in May 2021 to govern eligible and ineligible uses of State and Local Fiscal Recovery Funds.
- Final Rule, incorporating several changes to the interim final rule issued on January 6, 2022.
  - Final Rule takes effect on April 1, 2022. Until that time, the IFR remains in effect. However, recipients can choose to take advantage of final rule flexibilities immediately.
- Additional detail on changes available from:
  - US Treasury: Final Rule Overview ([Link](#)) and Additional Resources ([Link](#))
  - Comptroller: Memorandum issued on Jan 11 ([Link](#))
  - F&A: Local Government Technical Assistance Program Webinar Jan 12 ([Link](#))

# Final Rule Overview: Changes Impactful to Locals

- **Replacing Lost Public Sector Revenue**
  - Greatly expanded ability of entities to add funds to general revenue;
  - The final rule offers a standard allowance for revenue loss for up to **\$10 million**, which allows recipients to presume up to that amount for revenue loss. (i.e., its available even if revenue grew during pandemic)
  - Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.
  - *Up to 64 counties, 9 metros and 314 small cities could use this flexibility for their entire amount.*
- **Premium Pay**
  - Provides more specific options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification

# State ARP Matching Programs: Responding to Final Rule

- State of Tennessee strongly encourages local governments to use windfall federal revenues on transformational projects through matching programs at TDEC, ECD, & Health. Use of the standard allowance will not make a community ineligible to participate.
- **Water/Sewer:** TDEC's revised local co-funding requirements better align with final rule and encourage participation:
  - Will continue to allow match from any local funds;
  - Reduced co-funding requirements for all grant applicants by 5%;
  - Local match requirement is now **15% to 35%** based on community ability-to-pay index;
  - Communities will not have to specify that they are investing local ARP funds in the project, simplifying the process;
  - To date, we have received interest from:
    - 154 utility systems starting an infrastructure scorecard
    - Over 300 local government attendees in January 2022 TDEC webinar series.
- **Broadband:** ECD will continue to permit match from any source of local funds:
  - Local match of 30% required
  - Over \$1.4 billion in projects described in letters of intent received to date
- **Health:** TDH County Health Department capital improvement program will permit match from any local funding source:
  - Local match of 25% (capped at 10% of local ARP allocation)
  - 60 of 89 eligible counties have expressed some level of interest

# Final Rule Overview: Changes Relevant to State Planning

- **Public Health**

- In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response.
- More details provided on the types of health benefits and services that can be provided in the form of individual assistance to households.

- **Water, Sewer & Broadband Infrastructure**

- Broadens eligible areas for broadband investment to address higher-speed needs with broadband access, affordability, and reliability;
  - Now a requirement that broadband providers receiving funds enroll in a low-income subsidy program or provide similar “commensurate” benefit to consumers;
- For Water, more specifics added as to the broader range of lead remediation and stormwater management projects.

# Final Rule Overview: Changes Relevant to State Planning

- **Economic Impact**

- For Household Assistance:
  - Now permitted to use some means-tested program eligibility as proxy for low-income status and rely on that to presume an individual or community to be impacted;
  - New categories of services eligible (e.g., Addressing learning loss for K-12 students);
- For Small Business and Non-profits, more details given on how to test and assess impact on an individualized basis to determine eligibility.
- For Industry-wide assistance, new 8% employment loss test available for assessing whether an industry other than tourism, travel, or hospitality was affected.

- **Public Sector Hiring**

- Broadens eligibility for reimbursing costs (on a one-time basis) of increasing public sector employment:
  - May use funds to pay for payroll of budgeted FTE's up to a 7.5% increase over the "pre-pandemic baseline."
- May use funds for certain "reasonable" worker retention incentives.

# Final Rule Overview: Changes Relevant to State Planning

- **Capital Expenditures**

- Requires recipients to provide additional written justification of capital expenditures greater than \$1 million;
- Recipients must describe why appropriate and superior to alternative capital solutions to the problem;
- Treasury will presume the following to be ineligible:
  - New Correctional Facilities or Congregate Facilities to Decrease Spread of COVID;
  - Construction of convention centers, stadiums, or other large capital projects for general economic development or aid to impacted industries.