



FINANCIAL STIMULUS ACCOUNTABILITY GROUP

March 23, 2022

Agenda

- Tennessee Resiliency Plan – Overview
- External Requests: Recommendations
- State Agency Recommendations
 - Dept of Mental Health
- Update: State Broadband, Water, and Sewer Program
 - TDEC
 - ECD



Tennessee Resiliency Plan

Beginning Fiscal Recovery Fund Balance	\$ 3,725,832,113
Phase 1 Tennessee Resiliency Plan + Amendments to Plan Approved in 2021	\$ 3,123,777,479
Balance Remaining (Available for 2022 Planning)	\$ 602,054,634
A. Set Aside for External Relief	\$ 275,000,000
B. Other Unallocated Balance	\$ 327,054,634

A. External Relief Set-Aside	\$ 275,000,000
Recommendations for Health Care Supports	\$ 230,000,000
Recommendations for Supports to Disproportionately Impacted Pop's	\$ 32,830,000
B. Other Unallocated Balance	\$ 327,054,634
Recommendations for Dept of Mental Health Requests	\$ 41,239,716

External Requests - Approach

- 60+ requests; Approximately \$650 million requested;
- Overview and full proposals posted to FSAG Website;
- Approach and philosophy to align with FSAG principles
 - Support long-term resiliency of the state;
 - Prioritize forward-looking investments;
 - Provide for generally applicable criteria wherever possible; avoid picking winners and losers.
- Major Categories for Prioritization
 - Healthcare
 - Services to Disproportionately Impacted Individuals and Communities
 - Academic, Childcare, and Mental Health Supports

External Requests - Overview

<u>Recommended Today</u>		
Healthcare, Pandemic Preparation:	Healthcare Resiliency Program (FY23-FY26)	\$ 230,000,000
Disproportionately Impacted Pop. (Housing):	Habitat for Humanity (FY23-FY25)	\$ 15,000,000
Disproportionately Impacted Pop. (Education Recovery):	Teach for America (FY23-FY25)	\$ 5,830,000
Disproportionately Impacted Pop. (Workforce Recovery):	Excel Center (FY23-FY26)	\$ 12,000,000
<u>Deferred for Further Review and Development</u>		
Childcare Provider Support		TBD
Workforce and Academic Supports		TBD
Mental Health Providers		TBD



Strategic Investments to Enhance Healthcare Capacity in Tennessee

Through Targeted Use of American Rescue Plan Funding

March 2022



State Healthcare Resiliency Program

Overview

- 65% of requests came from healthcare industry and covered a variety of uses and strategies to respond to COVID.
- Recommendation will be for Department of Health to administer a \$230 million statewide program for direct support to healthcare industry with two specific program areas:
 - 1) Capital Investment
 - 2) Practice Transformation (*prioritization for small rural hospitals*)
 - eICU, hospital at home, virtual specialty care, transition to different service delivery models, etc
- Within those two program areas, specific set asides will be established for:
 - 1) Acute Care Hospitals
 - 2) Long Term Care Providers
 - 3) Other Healthcare Providers
- Awards will be competitively distributed based on;
 - Community need (35 points), Approach (35 points), Maximum Utilization in 2021 (10 points), Project Evaluation Plan (10 points), Proposed Budget (10 points)

State Healthcare Resiliency Program

Aligning TN Strategies



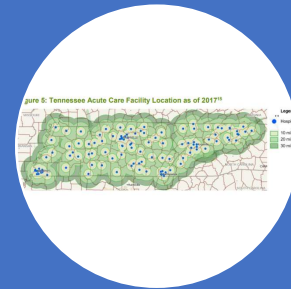
ARP Eligibility



FSAG & Governor Lee Funding Priorities



Departmental Strategic Plans



TN Rural Hospital Transformation Program and other HC Modernization Efforts in TN



State Healthcare Resiliency Program



State Healthcare Resiliency Program

Summary

\$230M

<u>PART 1: \$145M</u> 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	
<u>PART 2: \$75M</u> Practice Transformation and Extension Grants Technology, Practice Upgrade, 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



State Healthcare Resiliency Program

Next Steps

- FSAG Discussion / Approval
 - +3 months (~July 2022)
 - Development and roll out of LOI and RFP process
 - Technical Assistance, Program Education and Support Provided for Potential Grantees
 - +9 months (~January 2023)
 - Awards Made
- Funds must be obligated by CY24 and spent by CY26
- Outreach to stakeholders is ongoing



Recommendations for Disproportionately Impacted Pop's

Housing – Habitat for Humanity

- **Recommended for funding of \$15 million* for FY23-FY25**
 - *Funding amount can be adjusted by this group after assessment of progress prior to FY24
- Eligible expenditure as housing will go only to serving low-income or other “disproportionately impacted populations”

Additional Background: Emergency Rental Assistance

- Two separate US Treasury programs; “ERA 1” passed in CARES; “ERA 2” passed in ARP
- ERA funds were legally restricted to “rental assistance” for tenants who “lost income due to COVID” and could not go to generally low-income individuals.
- \$515m to State of TN available to Tennessee across both programs;
\$303m made available to large metros

Recommendations for Disproportionately Impacted Pop's

Education Recovery- Teach for America

- **Recommended for Funding at \$5.83 million**
- TFA is a leading teacher pipeline in Tennessee in terms of academic achievement growth, number of teachers recruited, diversity, and fulfillment of high-demand endorsement areas.
- TFA focuses exclusively on placing teachers in hard-to-staff schools that primarily serve economically disadvantaged students. TFA annually receives top ratings by the State Board and has a network of over 2,000 leaders in TN, the vast majority of whom work directly in K-12 public education.
- Funding will support the operations of TFA's teacher training and development program with an objective of Teach For America corps members serving at least 2,100 students across Tennessee each summer.
- Budget:
 - Year 1 (FY23): \$1,943,334
 - Year 2 (FY24): \$1,943,333
 - Year 3 (FY25): \$1,943,333

Recommendations for Disproportionately Impacted Pop's

Workforce Recovery – Goodwill Excel Center (Memphis)

- **Recommended for Funding at \$12 million from FY23-FY25**
- The Excel Center in Memphis is the most successful of 31 centers in the country and has graduated over 764 thru October of 2020 with another 109 students projected to graduate in June 12, 2021 for a total 873 during a 6-year period.
- This anti-poverty program is contributing to the Memphis economy by providing a workforce, while directing students toward other educational and career opportunities and supporting their psycho-social needs as they transition from high school to a new life as an educated adult.
- Budget:
 - Facility Cost - \$8 Million; Renovation and New Construction - \$1,500,000
 - Workforce Development Programs - \$750,000
 - Direct Support to Program Participants - \$1,750,000
 - Transportation, Child Care Programming, Life Coaching, Career Counseling

Categories Deferred for Further Development

- **Childcare Providers**
 - \$1.214 billion distributed to Tennessee for childcare under the CARES, CRRSSA & ARP Childcare Development Funds for use from 2020 to 2024;
 - Other programs created or expanded by Congress: Childcare Stabilization Grant, Child Care for Essential Employees.
 - We will work with DHS to evaluate childcare support requests against existing federal childcare funds, assess feasibility and need for additional support for childcare providers.
- **Academic Providers, Workforce Development, Institutions of Higher Education**
 - Requests for programming that support the educational recovery for youth or workforce;
 - Administration will work to assess feasibility of a statewide competitive program for organizations that provide services to students and youth.
- **Mental Health Support Providers**
 - Multiple organizations that provide mental health services to Tennessee requested support in upgrading equipment and responding to pandemic;
 - We will work with Mental Health to develop a strategy for maximizing existing funds or targeting appropriate support for these providers.



**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

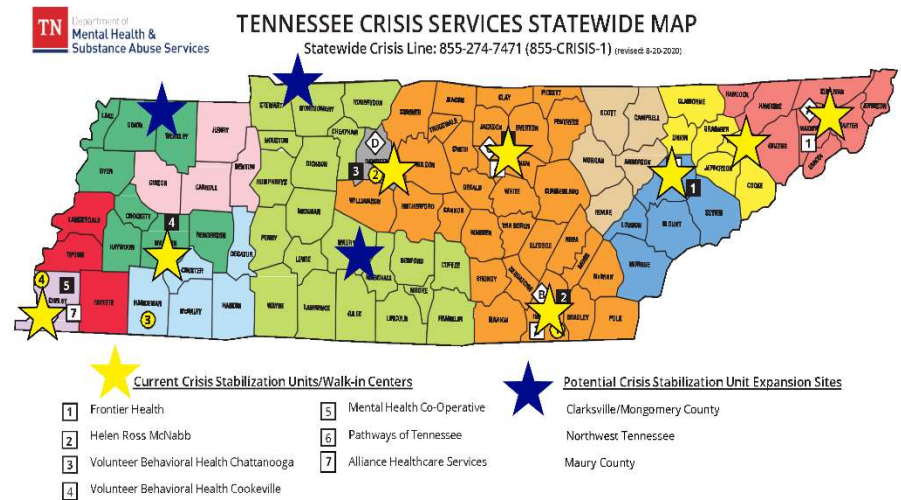
Infrastructure Development (FY22):
\$5,000,000 (x3): \$15,000,000

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 23, FY24, and FY25)
- 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
Total	\$ 2,500,000	\$ 1,850,000	\$ 1,950,000

- **Length of Project:** Three (3) Years (i.e., FY 23, FY24, and FY25)
- **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.



STATE INFRASTRUCTURE PROGRAM UPDATE

Water Infrastructure Investment Update

- **Non-Competitive Phase**
 - ~\$1 billion allocated to counties and eligible cities that are incorporated and operate/manage a drinking water or wastewater system or a permitted stormwater system
 - Robust engagement across the state – including many collaborative, regional discussions that include TDEC, local leaders, and General Assembly members
 - TN Water Infrastructure Scorecard
 - A prerequisite for the grant application
 - ~70% of utility systems have started or completed the scorecard since release in December 2021
 - » 303 out of 435 utility systems
 - » Distributed over all 95 counties
 - Notice of Intent to Apply for Non-Competitive Grants
 - Released on March 11th with deadline to respond by March 31st



Water Infrastructure Investment – Phase 1 Non-Competitive Formula-Based Grants

*Publish Water
Infrastructure
Investment Plan
& Open
Infrastructure
Scorecard
Portal*

**December
2021**

*Host Grant
Training
Workshops
(10 in-person
& 1 virtual)*

April 2022

*Close Non-
Competitive
Grant Solicitation*

**Fall / Winter
2022**

*Publish Non-
Competitive
Formula-
Based Grant
Manual*

March 2022

*Open Non-
Competitive
Grant
Application
Portal*

April 2022



Water Infrastructure Investment Update

- **State Strategic Projects and Competitive Grant Phases**
 - Intended to support priorities and unmet critical needs that are not addressed through the non-competitive grant phase
 - Significant interest expressed by communities that have identified projects that exceed funds available in the non-competitive phase
 - Investment plan for these subsequent phases will be presented to FSAG at a future meeting
- **What's Next? *Continued Community Engagement***
 - Encourage systems to complete the Infrastructure Scorecard
 - Encourage local communities to submit a Notice of Intent to Apply
 - Be a resource in local conversations about collaborative solutions, prioritizing needs, and leveraging funding



Visit the TDEC ARP Website: tn.gov/environment/arp

Water Infrastructure Investment Program – Years 2-6



Comparison of Water Infrastructure Funding Opportunities

American Rescue Plan

- Grants;
- Awards made within 90 days of a complete application;
- Individual projects greater than \$10 million must meet additional reporting requirements.

State Revolving Fund & Bipartisan Infrastructure Law

- Loans
- Limited Grant Opportunities
- Financial sufficiency review
- Loan execution can take over 12 months
- Must comply with:
 - NEPA-like environmental review
 - American Iron & Steel
 - Build America, Buy America
 - Davis Bacon wage requirements

ARP Tennessee Emergency Broadband Funds

- \$500 million set aside by FSAG for broadband infrastructure and programming;
 - \$400 million for broadband infrastructure grants;
 - \$100 million to support affordability and adoption initiatives
- ECD application window closed Tuesday, March 15
 - Received \$1.3 billion in funding requests including 215 applications from 57 providers

ARP Tennessee Emergency Broadband Funds

Next Steps for Tennessee

- TN Emergency Broadband – ARP
 - Proposed Service Areas will be available for public comment from April 4 – April 15
 - Award announcements will be made in late summer
- Adoption funding – ARP
 - Plans for \$100M in adoption funding to be rolled out this summer
- TNECD Broadband Coverage Map
 - State-developed map will be released on March 28 for public comment

ARP Tennessee Emergency Broadband Funds

Bipartisan Infrastructure Law – “B.E.A.D.” program

- Administered by Department of Commerce
 - Department Agency of National Telecommunications and Information Administration
- Each state will receive at least \$100M
 - \$42B to be distributed to states based on formula TBD by NTIA. Formula will “consider the number of unserved and high-cost locations” in the state.
 - Based on FCC maps coming this fall
- Highlights
 - 5-year Action Plan with public input required to be approved by NTIA before funds can be released (5% admin available)
 - Likely to continue with 100/20 speed requirements
 - Adoption activities eligible

Use of Funds Comparison: ARP vs Bipartisan Infrastructure Law

	American Rescue Plan	BEAD (Bipartisan Infrastructure Law)
Federal Agency Oversight	US Department of Treasury	Department of Commerce NTIA
Match	30% (TNECD requirement)	25% (can be paid by grantees)
Timeline	Construction complete 3 years from contract start date this summer	State awards expected this fall; Funds available next Spring; Longer spending period allowed
Providers Required to Provide a Low-cost option	Yes, must participate in federal low-income program or offer a similar benefit	Yes, must participate in federal program
Federal limits on Project Execution: <i>(Davis-Bacon wage rates, Environmental Review, etc.)</i>	No	Yes
Federal Agency Pre-Approval Required	No, State must only report on spending	Yes, state may only expend funds after plan is approved by federal govt
Digital Equity Plan required	No	Yes
Staffing plan required	No	Yes



APPENDIX

US Treasury Final Rule - Resources

- “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.
- Sources for Detailed Review of Changes:
 - US Treasury Final Rule Overview ([Link](#)) and Other Resources ([Link](#))
 - Comptroller Memorandum issued on Jan 11 ([Link](#))
 - FSAG Local Technical Assistance Program Webinar Jan 12 ([Link](#))