



FINANCIAL STIMULUS ACCOUNTABILITY GROUP

Sept 21, 2022

September 21st Agenda

Fiscal Recovery Fund

- Tennessee Resiliency Plan – Overview
- Adjustments to Tennessee Resiliency Plan
- Additions to Tennessee Resiliency Plan
 - Department of Education

Other Federal Award Program Update

- TDOE - US DOE Emergency Assistance for Non-Public Schools (“EANS”)

Tennessee Resiliency Plan Project Status Updates

- TDEC - Sewer and water investment
- Executive summary of remaining 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)
Unallocated Fiscal Recovery Fund Balance as of Sept 21	\$ 182,491,478

September Additions and Adjustments TN Resiliency Plan	
Department of Education – Learning Loss Summer Interventions	(\$ 102,016,000)
Adjustments to Prior Approved Projects (Savings)	\$ 68,420,000
Balance Remaining After September Actions	\$ 148,895,478

Adjustments to TRP - Summary

- TDOT Projects – (1) US 411 (SR35); (2) Aspire Park
 - Ruled ineligible by January 2022 guidance; Recent attempts to identify alternative federal sources unsuccessful
 - Projects to be completed without ARP Fiscal Recovery Funding
 - \$58.1M returned to Fiscal Recovery Fund balance
- Finance and Administrative Costs Adjustments
 - Allocated at \$30M. New projection is \$19.68M.
 - \$10.32M returned to Fiscal Recovery Fund balance.

TDOT – Aspire Park Support Project, Anderson County

- May 2021 – US Treasury issued “Interim Final Rule” to govern eligible and ineligible uses of ARPA State and Local Recovery Funds.

TDOT proposed \$6M in ARPA funds to improve access between Historic Downtown Clinton and Aspire Park through construction of multi-modal path adjacent to US 25W.

- Jan 2022 – US Treasury issued Final Rule, incorporating several changes to interim final rule and making Aspire Park ineligible.

Attempt then made to make eligible for ARPA Capital Projects Fund (must meet workforce, education, and health monitoring criteria).

- Aug 2022 – US Treasury advised that **strict asphalt-type projects likely ineligible** unless strong broadband component and otherwise meet criteria.

TDOT currently completing project with state dollars appropriated for FY23, listed in year 1 for construction in current TDOT Three-Year Plan.

TDOT – US 411 (SR 35); Sevier County

On September 2, 2021, TDOT proposed to use fiscal recovery funds to support Tourism recovery by improving access between I-40 near Newport in Cocke County and the Great Smoky Mountains National Park (Gatlinburg, Pigeon Forge, and Sevierville) through completion of 4.5 miles of US 411.

- Project ineligible for ARPA State Recovery or Capital Project Fund dollars for same reasons as Aspire Park.

However, project funded for construction in year 1 of current TDOT Three-Year Plan. IMPROVE Act project, estimated cost \$52.1M and completion Dec 2026.

F&A - Accounting and Compliance Costs

- November 2021 FSAG approved **\$30 million** allocation for third party accounting and compliance support, believe now **\$10.32 million** can be returned for allocations to other projects.
- With most ARPA-SLFRF funding allocated, agencies are engaging their own program administrative support consultants as needed.
- We anticipate current consulting contract obligations will cover anticipated services through end of ARPA in 2026.
- Suggest allotting a portion of these administrative funds to cover Comptroller Single Audit charges for agencies administering SLFRF programs.
- Will reevaluate consultant and audit spending as we approach 12/2024 for additional potential savings.

F&A - Accounting and Compliance Costs

FSAG Accounting and Compliance Allocation	\$30M
Less: current consultant contract maximum liability	(\$16.18M)
Less: agency single audit cost for Comptroller	(\$3.5M)
Total available to reallocate to other projects/needs	\$10.32M



TDOE - LEARNING LOSS RECOVERY

TDOE - Learning Loss Remediation Camps



- Remediating learning loss and serving students impacted by COVID disruptions is an eligible use of the American Rescue Plan Fiscal Recovery Fund.
- The Tennessee Learning Loss Remediation and Student Acceleration Act, codified at Tenn. Code Ann. §§ 49-6-1501-1511 requires all school districts in Tennessee to offer in-person learning loss remediation and student acceleration programs, including summer learning camps, after-school learning mini-camps, and learning loss bridge camps.
- In 2021, the state legislature approved a plan to blend TANF funds and state funds to support local costs for implementing these programs.
- This proposal would replace state funds allocated to this program with Fiscal Recovery Fund dollars to be used from FY23 – FY26 (4 fiscal years)

Learning Loss Remediation Camps: ARP FRF Spending Strategy



- It is estimated that the annual cost for these camps is approximately \$36M.
 - Each district charges a percentage of costs to TANF, in proportion to the amount of economically disadvantaged students eligible for the program.
 - State budget for FY23 provides \$25.5 million annually to cover the costs not covered by TANF.
- To replace the appropriated \$25.5 million in state spending, we would allocate a maximum of \$102 million for the duration of the fiscal recovery fund grant from FY23-FY26.
- In each fiscal year, state will recognize a non-recurring savings from this action of \$25.5 million per year. It is recommended that this savings be re-invested into new educational expenses incurred.
- Each year, TDOE and F&A will report expenditures to this group. Should TANF expenditures be higher than anticipated, we will de-obligate Fiscal Recovery Funds accordingly.



TDOE – EANS 1.0 AND 2.0

Overview of EANS 1.0 and 2.0



- The purpose of the Emergency Assistance for Non-Public Schools (EANS) program is to provide services or assistance to eligible non-public schools to address educational disruptions caused by COVID-19
- USDOE established eligibility guidelines for states and defined eligible expenses for the EANS program as part of CRSSA for EANS 1.0 and then again under ARP for EANS 2.0
- For each program, non-public schools submitted an application to TDOE to determine program eligibility and then the department procured contracts with vendors to provide contracted services for allowable expenses

Overview of EANS 1.0 and 2.0



- CRSSA (EANS 1.0)
 - Awarded to 108 eligible non-public schools through 191 contracts
 - About 83% of these funds have been spent down
 - Grant period closes Sept. 30, 2023
- ARP (EANS 2.0)
 - Awarded to 22 eligible non-public schools through 107 contracts
 - About 7% of these funds have been spent down
 - Grant period closes Sept. 30, 2024

Overview of EANS 1.0 and 2.0



- Changes from EANS 1.0 to 2.0
 - USDOE restricted funds to non-public schools that enroll a “significant percentage” of students from low-income families, which was 40%
 - TDOE petitioned to use 33%, the average from EANS 1.0, which was granted as part of our application
 - TDOE could not use proportionality to calculate school poverty, and required individual student income data
 - TDOE cannot provide direct reimbursements to any non-public schools



THANK YOU



State Water Infrastructure Grants: TDEC ARP Update

September 2022

TDEC ARP Water Infrastructure Investment Plan



Progress for Phase 1 – Non-Competitive Grants

Notice of Intent: March 2022

278 Responses

Funding Request of \$858,264,365

Applications In-Progress as of September 14, 2022

209 Applications

Funding Request of \$550,140,715

Complete Applications as of September 14, 2022

15 Applications

Funding Request of \$69,304,595

Phase 2 - State Strategic Projects

Strategy	Allocation Amount	Timeline and Administering Agency
1. Grant Program: Community Water Infrastructure <ul style="list-style-type: none"> a) Regionalization b) Water Reuse c) Resource Protection 	\$200M total \$100M \$50M \$50M	Timeline: Develop grant program and launch in early 2023 Administering Agency: TDEC with Third-Party Contractor Support
2. Grant Program: Septic Management	\$6.5M	Timeline: Engage contractor in 2023 Administering Agency: Third-Party Contractor
3. Enterprise-Scale Infrastructure Investments <ul style="list-style-type: none"> a) Tennessee State Parks b) Tennessee Department of Transportation 	\$57M total \$40M \$17M	Timeline: In progress Administering Agencies: TSP and TDOT
4. Development of Technical Assistance and Information Technology (IT) Solutions	\$2M	Timeline: Likely 2023 Administering Agency: TDEC with Third-Party Contractor Support
5. Supplemental Funding for Non-Competitive Grant	\$3.5M	Timeline: No Further Action Required Administering Agency: TDEC
Total State Strategic Funding	\$269M	

