

FINANCIAL STIMULUS ACCOUNTABILITY GROUP

Agenda

- Welcome and Opening
 - Commissioner Butch Eley, Department of Finance & Administration
 - Lt. Governor Randy McNally
 - Speaker Cameron Sexton
- Governor's Remarks Governor Bill Lee
- Updates
 - Local Government
 - TN Community CARES Program
- Tony Niknejad & Horne LLP
 - Commissioner Barnes

New Proposals

Lookahead

- Small Business
- Agriculture & Forestry
- Tourism industry
- Workforce Development
 - Tony Niknejad
- Closing Commissioner Butch Eley

- Commissioner Gerregano
- Commissioner Hatcher
- Commissioner Ezell
- Commissioner McCord



Local Government CRF Program - Status

- Total eligible jurisdictions 424 jurisdictions
- Jurisdictions logged in to TN CAMS 232 jurisdictions
- Jurisdictions that did not attend a town hall training 41 jurisdictions
- Requests for Funds:
 - 13 Initial Requests for Advance (RFA)
 - Two cancelled/converted to reimbursement; Nine requiring more information.
 - Two authorized for a total of \$42,787 so far.
 - 22 Request for Funding (RFF) totaling \$345,681
- 10 Local Government Coordinators available to support local govts
- Updated FAQs are live on tncaresact.tn.gov/local-government-faq



Local Government CRF Program - Deadlines

- August 21st Recipients must register in TN CAMS and attend required Town hall or risk losing their allocation. (Deadline extended from Aug 15)
- September 1st Deadline to request advance, if advance is desired.
- September 30th- 30% must be spent and documented in system, or remaining funds may be subject to de-obligation and reallocation.
- November 1st- Deadline to submit RFFs requesting reimbursement.



Non-Profit Program Update

- Over 2,000 attendees attended webinars for interested non-profits
- As of yesterday, 431 applications requesting \$88 million
- Application period open until August 15th at 11:59pm
- Deadline for grant administrators to notify DHS of funding recommendations is August 24th
- After application approval, funds will be awarded on a reimbursement basis, to be approved within 5 business days of receipt of reimbursement requests
- Award amounts to range from \$25,000 to \$2 million
- Eligible expenses can date back to March 1, 2020



Proposals for New Programs

- Small Business Relief Program Expansion
- Agricultural Relief Program
- Tourism
- Labor and Workforce

Update on Business Relief Program

(Week of 8/11)

- Business relief payments have been issued to 14,432 businesses, totaling roughly \$110 million
- Approximately 70% of payments have been issued to businesses with annual gross sales of \$500,000 or less
- 1,521 payments to minority-owned businesses
- 2,754 payments to women-owned businesses



Expansion of Business Relief Program

- Estimated 10,765 new eligible businesses
- Approximately \$84 million in additional payments
- Additional businesses round out the retail and rental sector.
- Other tourism-related industries, such as travel agencies and transportation services, will now be included
- Additional music industry businesses will be added, such as recording studios and music publishers



Additional Industries

- Caterers, mobile food services, and food service contractors
- Wedding and event planners
- Convention and trade show organizers
- Wedding and banquet hall and similar property rental
- Linen supply services
- Photography studios
- Travel agencies and travel arrangement Services
- Car, truck, trailer, and RV rental
- Sightseeing and tour operators

- Taxi, limousine, bus, and other transportation services
- Recreational vehicle and vacation camps
- Sports and recreation instruction
- Fine arts instruction, exam prep, driving schools, and other similar instruction
- Motion picture and video production and distribution services
- Music production, distribution, and publishing services
- Sound recording studios



Additional Industries with 25% Test

- Florists
- Party and banquet equipment and other supply rental
- Formal wear and costume rental
- Consumer electronics and appliances rental
- General rental centers and other consumer goods rental
- Gasoline stations and convenience stores
- Warehouse clubs and general merchandise stores
- Home centers, hardware stores, and paint stores
- Household appliance and electronics stores
- Nurseries, garden centers, and outdoor power equipment stores
- Pharmacies and drug stores
- Optical goods stores

- Cosmetics, beauty supply, and perfume stores
- Supermarkets and other grocery stores
- Baked goods and other specialty food stores
- Beer, wine, and liquor stores
- Food supplement stores
- Vending machine operators
- New and used car dealers
- Recreational vehicle, boat, and other vehicle dealers
- Automotive parts and accessories stores
- Tire dealers
- Online stores (selling from a Tennessee location)
- Other direct selling establishments



Agricultural & Forestry Relief

- \$50 million administered by the Department of Agriculture
- Applicants must be a Tennessee entity, or have a project based in Tennessee.
- Created for Agricultural and Forestry businesses who have not received COVID-19 funding.
- Funds must be used within the following categories:
 - Business Disruption
 - Costs Associated with Pandemic Response
 - Strengthen the Food and Fiber Supply Chains
 - Increased Meat Processing Capacity
- Funds will be distributed on a reimbursement basis.
- Appropriate documentation must be provided to substantiate expenses and receive payment.
- Program will launch next week, closing on August 31



Eligible Ag/Forestry Industries in Program

- Agricultural Fairs/Events/Expos
- Agriculture, Food & Forest Product Exporters
- Agritourism Operations
- Cheese Processors
- Community Food Kitchens
- Commodity Groups
- Co-Packing Businesses
- Cotton Gins
- Craft Breweries
- Distilleries
- Farmers Markets
- Food Banks
- Food Distributers
- Food Processors
- Forest Product Manufacturers

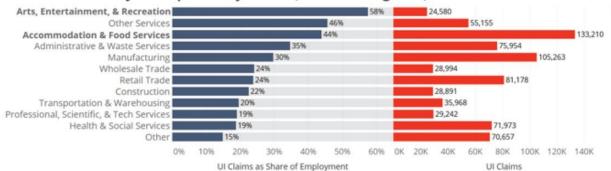
- Grain Elevators
- Hemp Processors
- Horse Trails
- Horticultural Producers
- Livestock & Horse Shows
- Loggers
- Meat Processors
- Milk Processors
- Sawmills
- Specialty Crop Producers
- Transportation Providers
- Urban Ag Businesses Serving Food Deserts
- Wineries



Tourism

NEED: Getting Jobs Back & Restoring Revenue





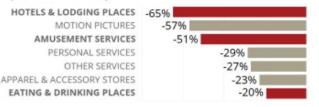
Getting jobs back in Tourism restores livelihoods and reduces UI Claims.

Travel/
Hospitality are
the main drains
on revenue and
need to be
addressed.

June Sales Tax Revenue Collections Top Seven Sectors by Total Change over FY19



June Sales Tax Revenue Collections Top Seven Sectors by % Loss over FY19



Total Tourism CARES Act Funding Request

DMO Pass Through Grants to all 95 Counties

- Grants to Destination Marketing Organizations (DMOs) to promote safety, restore consumer demand, tax revenue and jobs
- Funding will be distributed to the top 44 counties based on the average percentage of 2018-2019 state tax revenue (US Travel)
- Davidson 31.23%, Shelby 15.88%, Sevier 12.37%, Hamilton 6.03%, Knox 5.4%, Williamson 2.52% (\$4.4M \$359K)
- Counties 7 44 would be eligible for grants ranging from \$25K \$282K
- Remaining 51 counties would all be eligible for grants up to \$25K

TDTD Managed Campaign

- Demonstrate to in-state and drive-market travelers how they can safely enjoy activities and attractions
- Promote activities travelers view as safe such as camping, fishing, boating and other outdoor activities
- "For the Love of Tennessee" campaign messaging around masks, social distancing and sanitization

Welcome Center Communication Enhancements

- Communicate safety messaging to 15M travelers who visit centers annually
- Digital screens and infrastructure installed at all 16 Welcome Centers

Tourism Partners

- Tennessee State Parks,
- · Regional Tourism Offices and
- Tennessee Wildlife Resources Agency

DMO Pass Through Grants to all 95 Counties	\$15,000,000
TDTD Managed Campaign	\$7,175,000
Welcome Center Communication Enhancements	\$2,000,000
TN State Parks	\$500,000
Regional Tourism Offices	\$225,000
TN Wildlife Resources Agency	\$100,000
Total:	\$25,000,000

Tourism Program - Eligibility

Eligibility of contemplated Tourism Marketing and Branding Efforts:

- Necessary expenditures due to the public health emergency
 - YES clearly intended to assist tourism-related businesses that have experienced significant financial impact during the pandemic, by encouraging tourists to resume travel their region
- Not accounted for in the most recently approved budget
 - YES marketing expenses for this level of effort were not previously budgeted
- Expense incurred between March 1 and December 30, 2020
 - YES NOTE only items or services purchased and delivered by Dec 30 are eligible.
 - Some campaigns may contemplate continuation after Dec 30, but any portion of items or services provided after Dec 30 must be funded from other sources.



Labor and Workforce Proposed Activities

- \$4,000,000 Reemployment Service and Eligibility
 Assessment (RESEA) Program Expansion (providing reemployment services to a proposed 15,000 participants)
- \$3,500,000 Career and Training Services (providing employment and training services to a proposed 1,292 participants)
- \$2,000,000 Infrastructure Expansion of the Virtual American Job Center (increasing virtual service capacity by 25%)



Lookahead / Key Decisions

Next 1-2 weeks

- Review broadband investments.
- Review strategies for other priorities
- Updates for existing programs
- Evaluation of spending trajectory of existing programs
- Account for federal changes

Next 2-4 weeks

- Potential reallocation of programs underspent
- Next steps / future for small business relief
- Launch next round of projects for launch

