



# FINANCIAL STIMULUS ACCOUNTABILITY GROUP

August 13, 2020

# 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 - Tony Niknejad & Horne LLP
  - TN Community CARES Program - Commissioner Barnes
- **New Proposals**
  - Small Business - Commissioner Gerregano
  - Agriculture & Forestry - Commissioner Hatcher
  - Tourism industry - Commissioner Ezell
  - Workforce Development - Commissioner McCord
- **Lookahead** - Tony Niknejad
- **Closing** - Commissioner Butch Eley

# 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](https://tncaresact.tn.gov/local-government-faq)

# Local Government CRF Program - Deadlines

- **August 21<sup>st</sup>** - Recipients must register in TN CAMS and attend required Town hall or risk losing their allocation. (Deadline extended from Aug 15)
- **September 1<sup>st</sup>** – Deadline to request advance, if advance is desired.
- **September 30<sup>th</sup>**- 30% must be spent and documented in system, or remaining funds may be subject to de-obligation and reallocation.
- **November 1<sup>st</sup>**- 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 15<sup>th</sup> at 11:59pm
- Deadline for grant administrators to notify DHS of funding recommendations is August 24<sup>th</sup>
- 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 Distributors
- 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

Share of Tennessee Jobs Impacted by Sector (March 1 - August 1)



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

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

# 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