FINANCIAL STIMULUS ACCOUNTABILITY GROUP

May 23, 2022

Agenda

- Tennessee Resiliency Plan – Overview

- New Requests
    - Department of Treasurer
    - Department of Agriculture

- CARES Coronavirus Relief Fund Final Report

- Next Meeting

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)
Amendments to Plan Approved in March 2022	($	304,069,716)
Unallocated Fiscal Recovery Fund Balance	*$*	*297,984,918*

May Proposals for Addition to Plan		
Tennessee Department of Treasury - 3 projects	($	58,750,000)
Department of Agriculture – TSU Food and Animal Sciences Center	($	32,250,000)
Department of Agriculture – Lab Capability & Admin System Enhance	($	5,122,600)
Subtotal Departments of Treasury, Agriculture	*($*	*96,122,600)*
Balance Remaining After May Proposals	**$**	**201,862,318**

STATE OF TENNESSEE

Department of Treasury
American Rescue Plan FRF Proposal

5/23/2022

Treasury – Infrastructure

- **Objective:** In the remote work environment during the COVID pandemic, operational reliance and demand for network infrastructure, secure devices, and remote maintainability has increased. Additional investments are needed to further secure, optimize, and maintain user connectivity, devices, and information systems infrastructure through this transition.

- **Cost:** $4,150,000

- **Project Length:** 4 years

Treasury – Infrastructure

The Challenge:

- The time it takes to procure infrastructure equipment has been the primary driver in increased lead time for IT Projects, resulting from staff needing to work remotely during the COVID pandemic

- Users continue to face challenges with connection disruptions, slowness, and reduced performance

- Infrastructure and application issues associated with a single application can affect other Treasury applications

- While users are performing their work in a remote environment, devices and information are more vulnerable

The Benefits:

- Faster equipment delivery to user base

- More secure and efficient connectivity in maintaining system updates and network connections

- Real-time access to data and information along with improved disaster recovery and business continuity needs in a remote environment

- Increased levels of security and protection on Treasury devices while remote

Projects:

Requested Funding Description	
Virtualization - Workstation and Servers	$2,700,000
Public Facing Services	$750,000
Enterprise Infrastructure	$500,000
Remote Security and Device Management	$200,000
	$4,150,000

Treasury – Operational Technologies

- **Objective:** The Treasurer has challenged Information Systems to become a world-class organization.   To help accomplish this, it is necessary to make the appropriate investments in the tools that our team members use to develop new applications and upgrade currently operational technologies for reducing risk. Executing these varying projects will result in a higher degree of operational efficiency and enhance process controls as a remote environment, which has taken place as a result of the COVID pandemic.

- **Cost:** $3,300,000

- **Project Length:** 4 years

Treasury – Operational Technologies

The Challenge:

- Limited reporting and data availability technologies

- Collaborating and sharing information using existing tools remotely is not efficient

- Current versions of document repositories will no longer be supported, effecting access to electronic documents

- Software development controls in certain areas are manual

- Paper forms still exist that require manual storage and lookup

The Benefits:

- Tools, licenses and resources to implement broad data reporting and metrics for business operations

- Development of new applications and support efficiency will be improved

- Provide and improve continuous accessibility to electronic documents

- Further automate software deployments and controls for efficiency

- HR documents will be scanned and digitized for remote reference

Projects:

Requested Funding Description	
Data Visualization	$2,550,000
Software Development Work Management Tool	$530,000
Perceptive Content Upgrade	$100,000
Software - Code Control Tools	$100,000
Human Resource Document Scanning	$20,000
	$3,300,000

Treasury – Project ARIS – Future of Concord

- **Overview:** The Tennessee Consolidated Retirement System relies on the Concord system for administration of the pension program including employer contribution reporting, benefit payroll, work management, document storage, self-service features, and various regulatory reporting. Since the COVID pandemic, the demand for digital service offerings in Concord have increased significantly. With emerging technologies, legislative requirements, and increased operational demand, TCRS and Treasury Information Systems realizes risks with Concord and necessity to pursue opportunities in updating or replacing. This project will analyze and outline target state product requirements, evaluate product viability and vendor options, and implement the decided course.

- **Cost:** $51,300,000

- **Project Length:** 4.5 years

Treasury – Project ARIS – Future of Concord

The Challenge:

- The Concord system's original technology and architecture is largely outdated and not specifically designed for custom development thereafter. Since 2014, multiple projects' implementation has realized ongoing functional and system reliability, scalability, and extensibility risks and issues.

The Benefits:

- Business Process Analysis and Engineering

- Target State Product Requirements

- Implementation of optimized business processes

- Modernized features and automation

- Upgraded technologies and infrastructure

Projects:

Requested Funding Description	
Business Process Analysis/Engineering	$3,300,000
Product Replacement Implementation	$48,000,000
	$51,300,000

STATE OF TENNESSEE

Department of Agriculture –
American Rescue Plan FRF Proposals

5/23/2022

Lab Capability & Administrative System Enhancements

- Objective: To enhance laboratory infrastructure and equipment and implement new licensing, permitting, and virtual mapping systems for strengthening emergency preparedness and traceability for food-borne and animal disease outbreaks. Upgrading laboratory systems will directly support animal health, food, feed, and pesticide regulation and diagnostic testing.

- Cost: $5,122,600

- Length of project: 4 years

- Temporary # of employees: 0

Lab Capability & Administrative System Enhancements

- This request will fund the implementation of a **new licensing, permitting, invoicing, geographic mapping, and laboratory management system** for the Divisions of CIS and Animal Health.

- Moreover, acquisition of a geospatial intelligence system (GIS) will allow staff to input data from animal care and trade facilities across the state and integrate that data into the new administrative management system.

- Further, the Cotton Ivy Lab facility was constructed approximately 27 years ago. The requested funding will be used to **upgrade key laboratory infrastructure (electrical, ventilation, medical grade gases), replace aged/obsolete equipment, and procure additional equipment** needed in a modern analytical laboratory.

- Put simply, these enhancements and equipment are **mission critical** and using ARP dollars will save TDA from having to use state dollars.

TSU Food & Animal Sciences Center

- Objective: To enable our partners at the TSU College of Agriculture to research and develop practical solutions to mitigate the negative impacts on food supply chains, public health, and economic prosperity that Tennesseans have encountered during the COVID-19 pandemic and in potential future large-scale disruptions.

- Cost: $32,250,000

- Length of project: 3 years

- Temporary # of employees: None

TSU Food & Animal Sciences Center

- TSU would construct a **Center for Food and Animal Sciences** to house and develop much-needed advanced technologies addressing key areas of human and animal health, food safety and production, and enhance ongoing research efforts at TSU.

- The Center would include 3 core facilities, consisting of roughly 60,000 sq. ft.
  - Food and Animal Science building;
    - Includes 14 research labs to house research, academic, and extension programs.
  - The Center for Food Safety and Process Innovation;
    - Pilot plant facility: food unit operations (dry & wet), product safety testing.
  - Sensory Science and Product Development Center (consumer education and food testing / development)
    - Testing kitchens, sensory booths, sensory panel rooms, incubation suites.

TSU Food & Animal Sciences Center

- This investment in infrastructure and equipment will allow TSU to enhance research capabilities and develop new technologies designed to:
    - minimize food supply chain disruptions (e.g., through automation);
    - increase food independence through locally grown food (e.g., urban ag);
    - sustain local economic prosperity; and
    - maintain jobs and thus family income through diversified employment opportunities.
- The proposed Center will fill a critical gap in research capacities by providing cutting-edge technologies and infrastructure to local food companies in Tennessee. Moreover, the proposed facility will also empower researchers at neighboring institutions in Tennessee.
- These challenges will persist well beyond the pandemic, and innovations and solutions discovered now will have lasting impact on the state's top industry.

TN

TN Department of
Finance &
Administration

| THANK YOU

CARES Act Coronavirus Relief Fund

- Passed in March 2020, provided state with $2.3 billion in funds that could only be used in response to COVID pandemic.

- Deadline for spending funds when passed was Dec. 31, 2020. New congressional action in December 2020 extended deadline to 2021.

- FSAG approved multiple programs and expenditures for various economic, community and individual relief programs, public health response costs, and direct costs to state government.

- In June 2021 report to FSAG, we reported that we were on track to use all funds prior to deadline. Reporting on the CARES Coronavirus Relief Fund to US Treasury continued into this year

- Final report to Treasury will be issued in June of this year.

- After final reconciliation we can confirm all funds have been spent.

CARES Coronavirus Relief Fund – Closing

	Estimated June 2021	Actual June 2022
TN CRF Allocation	**$2,363,433,874**	**$2,363,433,874**
Economic, Community, and Individual Relief Programs	$1,743,970,523	$1,721,749,984
Public Health Response Costs	$286,616,995	$295,569,571
State Government Costs *(includes eligible payroll costs for health & safety)*	$334,401,229	$346,114,318
Total	**$2,363,433,274**	**$2,363,433,874**
Remaining	$600	$0

Economic, Community, and Individual Relief

PROGRAM	PROJECTED FEB 2021	PROJECTED JUNE 2021	ACTUAL JUNE 2022	DIFFERENCE (JUNE 21 TO JUNE 22)
U.I. Trust Fund	$939,000,000	$939,000,000	$939,000,000	$ -
TBRP Business Relief	$200,752,500	$200,752,500	$201,060,500	$308,000.00
SERG (Business Relief)	$125,000,000	$117,000,000	$108,189,166	$(8,810,834)
Community CARES	$143,454,168	$135,000,000	$141,240,309	$6,240,309
Local Government	$113,597,816	$113,486,123	$113,486,123	$ -
K-12	$76,750,000	$68,777,256	$69,316,664	$539,408
Higher Education	$21,450,000	$21,450,000	$21,418,306	$(31,694)
Emergency Broadband	$61,300,000	$59,620,000	$51,156,288	$(8,463,712)
Agriculture and Forestry	$55,384,644	$55,384,644	$43,441,709	$(11,942,935)
Tourism/DMO Support	$25,000,000	$25,000,000	$24,803,382	$(196,618)
L&W AJC & Re-Employment Services	$8,500,000	$8,500,000	$8,637,536	$137,536
Subtotal	**$1,770,189,128**	**$1,743,970,523**	**$1,721,749,984**	**$(22,220,538)**

Next Meeting

- July date TBD
- Goals
  - Finalize plan for funds and additional projects;
  - Discuss strategy for implementation and reporting structure of approved projects;
  - Review Initial Plan for Coronavirus Capital Projects Fund ($215 Million)