



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**TENNESSEE STATE FUNDING BOARD  
NOVEMBER 24, 2020  
(Reconvened from November 18, 2020)  
AGENDA**

1. Reconvene meeting from November 18, 2020
2. Consideration and approval of State Funding Board minutes from the meeting held on September 21, 2020
3. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:
  - **Babynov USA LLC – Red Boiling Springs (Macon Co.)**  
FastTrack Economic Development Grant \$ 2,000,000
  - **Moldex-Metric Inc. – Lebanon (Wilson Co.)** FastTrack  
Job Training Assistance Grant \$ 2,125,000
  - **General Motors LLC – Spring Hill (Maury Co.)**  
FastTrack Job Training Assistance Grant \$35,000,000
4. Consideration and approval of staff recommendation of state revenue projections
5. Consideration and approval of staff recommendation of lottery revenue projections
6. Acknowledge receipt of notification from the Tennessee Education Lottery Corporation pursuant to Tennessee Code Annotated Section 4-51-111(a)(3)
7. Report from the Tennessee State Veterans Home Board  
Mr. Ed Harries, Executive Director  
Ms. Danielle Brown, Controller
8. Report on State Pooled Investment Fund and Intermediate Term Investment Fund  
Mr. Tim McClure, Asst. CIO/Director of Cash Management,  
State of Tennessee Department of Treasury
9. Consideration and approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$252,950 and Canceling Authorized Bonds”
10. Adjourn

URL for video stream: [http://tnga.granicus.com/MediaPlayer.php?publish\\_id=6df26e3e-92fe-43d0-b6f3-d6d1662f30d7](http://tnga.granicus.com/MediaPlayer.php?publish_id=6df26e3e-92fe-43d0-b6f3-d6d1662f30d7)

**TENNESSEE STATE FUNDING BOARD**  
**September 21, 2020**

The Tennessee State Funding Board (the “Board”) met on Monday, September 21, 2020, at 1:45 p.m., via WebEx Events with certain members being physically present in the Tennessee State Capitol, Executive Conference Room, Ground Floor, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State  
Commissioner Butch Eley, Department of Finance and Administration

The following member participated electronically via WebEx Events:

The Honorable David Lillard, State Treasurer

The following member was absent:

The Honorable Bill Lee, Governor

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the meeting held on August 28, 2020. Mr. Wilson made a motion to approve the minutes, and Mr. Hargett seconded the motion. Mr. Wilson then asked Ms. Sandra Thompson, Assistant Secretary of the Board and Director of the Division of State Government Finance (“SGF”) to conduct a roll call vote:

Mr. Eley – Aye  
Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Lillard – Aye

The motion was unanimously approved.

Mr. Wilson then recognized Mr. Bob Rolfe, Commissioner of the Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the August 28, 2020, board meeting, the FastTrack balance was \$297,229,697.66. Since that time, \$250,000.00 in funds were deobligated; \$18,240,000.00 in new loans had been approved; and \$270,804.65 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$278,968,893.01 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of \$210,762,139.24, resulting in an uncommitted FastTrack balance of \$68,206,753.77. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$6,000,000.00, and if these projects were approved, the uncommitted balance would be \$62,206,753.77 and the total committed balance would be \$216,762,139.24, which represented 77.7% of the FastTrack balance.

Mr. Rolfe then presented the following FastTrack projects:

- **Domtar Paper Company LLC – Kingsport (Sullivan Co.)**  
FastTrack Economic Development Grant \$ 1,500,000
- **Aphena Pharma Solutions - Tennessee, LLC – Cookeville (Putnam Co.)**  
FastTrack Economic Development Grant \$ 1,000,000
- **Access Dental Lab TX, LLC – Columbia (Maury County)**  
FastTrack Economic Development Grant \$ 1,500,000
- **Cannon Automotive Solutions – Bowling Green, Inc. DBA: Cannon Automotive Solutions-Cleveland – Cleveland (Bradley Co.)**  
FastTrack Economic Development Grant \$ 2,000,000

The board member packets included signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Rolfe. Mr. Wilson inquired if the information provided by ECD in the packets was true and correct, and Mr. Rolfe responded affirmatively. Mr. Wilson also inquired if the companies that had signed the incentive acceptance forms fully understood the agreements and Mr. Rolfe responded affirmatively. Mr. Rolfe further responded that all the projects also included accountability agreements which provide protections to the State in the event the entities could not fulfill the agreement. Mr. Wilson then asked what the unemployment rate was in Maury County. Ms. Jamie Stitt, Assistant Commissioner of Business and Workforce Development, ECD, replied that the rate was approximately 8.0%. Mr. Hargett made a motion to approve the FastTrack projects that were presented, and Mr. Wilson seconded the motion. Ms. Thompson called the roll:

Mr. Eley – Aye  
Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Lillard – Aye

The motion was unanimously approved.

Mr. Wilson then deferred the consideration and approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$252,950 and Canceling Authorized Bonds” to the next Board meeting.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this \_\_\_\_ day of \_\_\_\_\_ 2020.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

# FastTrack Report to State Funding Board

11/20/2020

1. Previous FastTrack Balance, as of Last Report	278,968,893.01
2. + New Appropriations:	0.00
3. + Newly Deobligated Funds:	1,334,540.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	(3,867,520.70)
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(13,175,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(2,018,500.00)
8. - FastTrack Administration	(133,980.04)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	261,108,432.27
10. Total Amount of Commitments:	195,526,653.74
11. Uncommitted FastTrack:	65,581,778.53
12. Percentage Committed:	74.9%
13. Amount of Proposed Grants or Loans:	39,125,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	26,456,778.53
15. Percentage Committed:	89.9%

See next page for explanations of the above questions.

I have reviewed the above and believe it to be correct:

*Robert W. Rolf*

Commissioner of Economic and Community Development

Date:

11/20/20



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Lee  
Governor

November 24, 2020

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

**1. Babynov USA LLC – Red Boiling Springs (Macon County)**

Founded in 1999, Global Baby provides ready-to-feed baby milks and prepared food products, such as fruit and vegetable purees, full meals and milk-based desserts. The group is headquartered in Paris, France. The Macon County facility will be the company's first in North America.

Babynov USA is a new division of Global Baby, a French organic baby food manufacturer. The company will renovate an existing facility in Red Boiling Springs in order to expand its market to the United States.

Babynov USA LLC has committed to create 147 net new jobs and make a \$44,900,000 capital investment within 5 years. The company will have an average hourly wage of \$18.72 for the new positions.



FastTrack Economic Development Grant funds will help offset expenses incurred in building retrofit and building improvements. **(\$2,000,000)**

**Total FastTrack funds for this project - \$2,000,000**

## **2. Moldex-Metric Inc. – Lebanon (Wilson County)**

Headquartered in Culver City, Calif., Moldex is the second largest manufacturer of N95 respirators in North America and has been manufacturing NIOSH approved respirators and hearing protection products for almost 40 years. Moldex products are made using proprietary technology and have been granted more than 50 patents.

Moldex is expanding its N95 respirator capacity to meet the surge in demand due to the COVID-19 pandemic as well as future market demand. The company plans to retrofit an existing building in Lebanon, which will be its first manufacturing facility in Tennessee. Beyond the capacity increase, Moldex also intends to build an additional distribution center on the 21-acre site.

Moldex-Metric Inc. has committed to create 220 net new jobs and make a \$25,250,000 capital investment within 5 years. The company will have an average hourly wage of \$18.68 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the 220 new employees. **(\$2,125,000)**

**Total FastTrack funds for this project - \$2,125,000**

## **3. General Motors LLC– Spring Hill (Maury County)**

The Spring Hill plant will be GM's third electric vehicle manufacturing site, and the first outside of the state of Michigan. Through this investment, GM's Spring Hill paint and body shops will undergo major expansions, and general assembly will receive comprehensive upgrades, which include new machines, conveyors, controls and tooling.

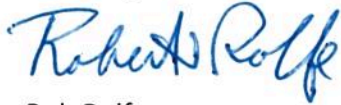
Renovation and construction will begin immediately. In addition to the new, fully electric Cadillac LYRIQ, traditionally powered Cadillac products, including the XT6 and XT5, will continue to be built in Spring Hill. GM's Spring Hill manufacturing plant is the automaker's largest facility in North America.

General Motors LLC has committed to assign 2,000 full-time jobs for a new EV project and make a \$1,717,000,000 capital investment within 5 years. The company will have an average hourly wage of \$31.79 for the positions.

FastTrack Job Training Assistance Program funds will be used to re-train the 2,000 full-time employees for the new EV project. **(\$35,000,000)**

**Total FastTrack funds for this project - \$35,000,000**

Sincerely,

A handwritten signature in blue ink that reads "Robert Rolfe". The signature is written in a cursive style with a large, stylized "R" at the beginning.

Bob Rolfe

BR/js

## State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	Macon County Government	\$2,000,000	
TOTAL		\$2,000,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Babynov USA LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

### GENERAL STATUTORY COMPLIANCE

- Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). ☐ Yes ☒ No
- Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
- Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? ☒ Yes ☐ No
- Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? ☒ Yes ☐ No

Identify which of the following apply:

- Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
  - Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)? ☐
  - Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)? ☐
  - Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale. ☐

Applicant must answer "Yes" to a or b.

- Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation. ☒
  - Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale. ☐



### TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? ☐ Yes ☐ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? ☐ Yes ☐ No

### INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? ☐ Yes ☐ No

#### **Applicant must answer "Yes" to a or b.**

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)? ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale. ☐

### ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? ☒ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? ☐ Yes ☒ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? ☒ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☒ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. ☒ Yes ☐ No

I have reviewed this document and believe it to be correct.

  
Commissioner of Economic and Community Development

  
Date



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

July 8, 2020

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Babynov USA LLC intends, in good faith, to create 147 private sector jobs in Red Boiling Springs, Macon County and make a capital investment of \$44,900,000 in exchange for incentives that will be memorialized in a grant agreement between Babynov USA LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 2,000,000
<b>Total ECD Commitment:</b>	<b>\$ 2,000,000</b>

Please sign your name in the space below to signify Babynov USA LLC's acceptance of ECD's offer set forth above and return it by October 6, 2020 to:

Tennessee Department of Economic and Community Development  
Attn: Caleb Knight  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Caleb.Knight@tn.gov

**Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.**

Signature: \_\_\_\_\_  
(Authorized Representative of Company)

*Benoit P. Monnier, CEO*

Date: 21<sup>st</sup> July 2020



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Lee  
Governor

November 24, 2020

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Macon County Government for the benefit of Babynov USA LLC in the amount of \$2,000,000 to offset the costs Babynov USA LLC will incur in building retrofit and building improvement. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of high wage jobs and significant capital investment. Babynov USA LLC has committed to create 147 net new jobs and to make a \$44,900,000 capital investment within five years. The company will have an average wage of \$18.72 per hour for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink that reads "Robert Rolfe". The signature is stylized with a large, flowing "R" and "R".

Bob Rolfe

BR/js



## State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
<b>INFRASTRUCTURE</b>			
<b>TRAINING*</b>	<b>Moldex-Metric Inc.</b>	<b>\$2,125,000</b>	
<b>ECONOMIC DEVELOPMENT</b>			
<b>TOTAL</b>		<b>\$2,125,000</b>	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Moldex-Metric Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

### GENERAL STATUTORY COMPLIANCE

- Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). ☐ Yes ☒ No
- Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
- Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? ☒ Yes ☐ No
- Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? ☒ Yes ☐ No

### **Identify which of the following apply:**

- Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
  - Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)? ☐
  - Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)? ☐
  - Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale. ☐

### **Applicant must answer "Yes" to a or b.**

- Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation. ☒
  - Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale. ☐

### TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? ☒ Yes ☐ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? ☐ Yes ☒ No

### INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? ☐ Yes ☐ No

#### **Applicant must answer "Yes" to a or b.**

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)? ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale. ☐

### ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☐ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. ☐ Yes ☐ No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

11/20/20  
Date





## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

August 18, 2020

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Moldex-Metric, Inc. intends, in good faith, to create 220 private sector jobs in Lebanon, Wilson County and make a capital investment of \$25,250,000 in exchange for incentives that will be memorialized in a grant agreement between Moldex-Metric, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

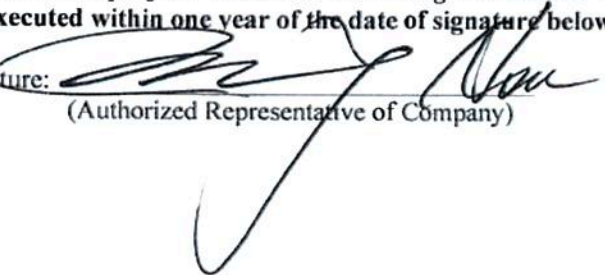
#### ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 2,125,000.00
<b>Total ECD Commitment:</b>	<b>\$ 2,125,000.00</b>

Please sign your name in the space below to signify Moldex-Metric, Inc.'s acceptance of ECD's offer set forth above and return it by November 17, 2020 to:

Tennessee Department of Economic and Community Development  
Attn: Jamie Stitt  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Jamie.Stitt@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature:   
(Authorized Representative of Company)

Date: Sept 16, 2020

## State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	General Motors LLC	\$35,000,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$35,000,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** General Motors LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

### GENERAL STATUTORY COMPLIANCE

- Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). ☐ Yes ☒ No
- Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
- Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? ☒ Yes ☐ No
- Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? ☒ Yes ☐ No

### **Identify which of the following apply:**

- Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
  - Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)? ☐
  - Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)? ☐
  - Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale. ☐

### **Applicant must answer "Yes" to a or b.**

- Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation. ☒
  - Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale. ☐



### TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? ☐ Yes ☒ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? ☒ Yes ☐ No

### INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? ☐ Yes ☐ No

#### **Applicant must answer "Yes" to a or b.**

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)? ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale. ☐

### ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? ☐ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☐ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. ☐ Yes ☐ No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development



Date



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

October 14, 2020

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that General Motors intends, in good faith, to assign 2,000 full-time jobs for a new EV project within five years, and to make a capital investment of \$1,717,000,000 within five years in exchange for incentives that will be memorialized in a grant agreement between General Motors and the State of Tennessee.

#### ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 35,000,000
<b>Total ECD Commitment:</b>	<b>\$ 35,000,000</b>

Please sign your name in the space below to signify General Motors's acceptance of ECD's offer set forth above and return it by December 31, 2020 to:

Tennessee Department of Economic and Community Development  
Attn: Joey Viola  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Joey.Viola@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: Mark McLean  
(Authorized Representative of Company)  
(MARK McLEAN)

Date: 10/14/2020

## Estimated Revenues Based on Recurring Growth Rates

### FUNDING BOARD MEETING - NOVEMBER 24, 2020

	<u>Recurring Actual FY 2019-2020</u>	<u>FY 2020-2021</u>	<u>Growth Rate</u>	<u>FY 2021-2022</u>	<u>Growth Rate</u>
<b>Total Taxes</b>				\$ 16,140,500,000	2.50%
		\$ 15,746,800,000	1.00%	\$ 16,219,200,000	3.00%
	\$ 15,590,922,800			\$ 16,172,500,000	2.50%
		\$ 15,778,000,000	1.20%	\$ 16,251,300,000	3.00%
		<i>Spread</i>	<i>0.20%</i>		<i>0.50%</i>
<b>General Fund</b>				\$ 13,542,000,000	2.70%
		\$ 13,186,000,000	1.50%	\$ 13,608,000,000	3.20%
	\$ 12,991,134,400			\$ 13,575,400,000	2.70%
		\$ 13,218,500,000	1.75%	\$ 13,641,500,000	3.20%
		<i>Spread</i>	<i>0.25%</i>		<i>0.50%</i>

### Presenter Estimates - Recurring Only

		<u>FY 2020-2021</u>	<u>Growth Rate</u>	<u>FY 2021-2022</u>	<u>Growth Rate</u>
Total Taxes	Dr. Fox	\$ 15,714,700,000	0.79%	\$ 16,184,600,000	2.99%
	Revenue Dept.	\$ 15,796,200,000	1.32%	\$ 16,345,300,000	3.48%
	Fiscal Review	\$ 15,907,756,000	2.03%	\$ 16,649,360,000	4.66%
	Dr. Smith	\$ 16,525,935,000	6.00%	\$ 17,180,365,000	3.96%
General Fund	Dr. Fox	\$ 13,197,200,000	1.59%	\$ 13,606,900,000	3.10%
	Revenue Dept.	\$ 13,223,100,000	1.79%	\$ 13,726,900,000	3.81%
	Fiscal Review	\$ 13,307,256,000	2.43%	\$ 13,989,760,000	5.13%
	Dr. Smith	\$ 13,883,435,000	6.87%	\$ 14,460,465,000	4.16%



**Net Lottery Proceeds Estimates**  
**Actual 2019-2020 and Estimated 2020-2021 Through 2024-2025**  
**November 24, 2020**

	<b>2019-2020 Actual</b>	<b>2020-2021 Revised</b>	<b>%</b>	<b>2021-2022 Estimated</b>	<b>%</b>	<b>2022-2023 Estimated</b>	<b>%</b>	<b>2023-2024 Estimated</b>	<b>%</b>	<b>2024-2025 Estimated</b>	<b>%</b>
Lottery Corporation											
Low	420,624,000	436,793,000	3.84%	446,000,000	2.11%	453,000,000	1.57%	461,000,000	1.77%	469,000,000	1.74%
High	420,624,000	449,861,000	6.95%	461,000,000	2.48%	472,000,000	2.39%	482,000,000	2.12%	493,000,000	2.28%
Fiscal Review Staff											
Low											
Median	420,624,000	435,723,900	3.59%	449,884,500	3.25%						
High	420,624,000	441,541,600	4.97%	458,310,100	3.80%	469,765,000	2.50%	481,509,000	2.50%	493,546,700	2.50%
	420,624,000	447,359,300	6.36%	466,736,700	4.33%						
<b>Recommended Range</b>											
<b>Low</b>	<b>420,624,000</b>	<b>436,400,000</b>	<b>3.75%</b>	<b>446,200,000</b>	<b>2.25%</b>	<b>454,000,000</b>	<b>1.75%</b>	<b>461,900,000</b>	<b>1.75%</b>	<b>470,000,000</b>	<b>1.75%</b>
<b>High</b>	<b>420,624,000</b>	<b>446,900,000</b>	<b>6.25%</b>	<b>461,400,000</b>	<b>3.25%</b>	<b>471,800,000</b>	<b>2.25%</b>	<b>482,400,000</b>	<b>2.25%</b>	<b>493,300,000</b>	<b>2.25%</b>
<b>Spread</b>	<b>-</b>	<b>10,500,000</b>	<b>2.50%</b>	<b>15,200,000</b>	<b>1.00%</b>	<b>17,800,000</b>	<b>0.50%</b>	<b>20,500,000</b>	<b>0.50%</b>	<b>23,300,000</b>	<b>0.50%</b>



November 16, 2020

Honorable Bill Lee, Governor of the State of Tennessee  
Justin P. Wilson, Comptroller  
Tre Hargett, Secretary of State  
David H. Lillard, Jr., Treasurer  
Butch Eley, Commissioner of Finance & Administration

Re: Net Lottery Proceeds for Fiscal Year 2021

Dear State Funding Board Members:

The Tennessee Education Lottery Corporation (“TEL”) has as its statutory mission the responsibility to maximize the dollars available for the education programs funded by the corporation. The Tennessee Education Lottery Implementation Law at TCA §4-51-111(a)(3) provides the corporation with the ability to make a determination that returning a specific percentage of revenues as net proceeds (35%) would not result in the maximum dollars of net proceeds being achieved.

The TEL is hereby providing notification of its determination that an amount that maximizes net lottery proceeds to the State of Tennessee Lottery for Education Account is less than thirty-five percent (35%) of lottery proceeds for fiscal year 2021. The amount currently projected for the fiscal year ranges from \$437 million to \$450 million.

The reasons for this determination are as follows:

1. The TEL offers two types of lottery products—instant tickets (games in which players can instantly view the symbols printed and determine if they won a prize) and terminal based drawing-style games (games in which a player must wait until a drawing is held to determine if the ticket is a winner). Instant tickets are more popular with Tennessee players and as of October 31, 2020 represents 85.2% of the TEL’s product mix in fiscal year 2021 thus far. In fact, throughout the lottery industry, instant ticket revenues have steadily grown over the most recent fiscal years, while multi-jurisdictional drawing-style games have remained stagnant or declining year over year.

One of the reasons for the growth in instant ticket revenues is the product offers players more price point options, from \$1 to \$30 in Tennessee (and as much as \$75 in other jurisdictions), compared to drawing-style games which offer price points of generally \$.50 to \$2 per play. With the variable instant game price points, players are able to choose the entertainment value based on the price point of the ticket. A higher price point game generally offers higher entertainment value through the increased amount, and dollar value, of the prizes within a game.

In Tennessee, the players are choosing to purchase higher price point games, as evidenced by the growth in the \$5, \$10, \$20, \$25 and \$30 game revenues experienced over the last fiscal years. Revenues at these price points increased by \$112 million from fiscal year 2019 to fiscal year 2020. Overall, instant ticket revenues in Tennessee grew from \$1.449 billion in fiscal year 2019 to \$1.556 billion in fiscal year 2020, which represents approximately 7.4% growth year over year. We are projecting continued growth in this product category in fiscal year 2021.

As players have migrated to the higher price point instant games, the overall prize payout has increased from 62.1% in fiscal year 2005 to 67.7% in fiscal year 2020. TEL management is projecting it will be approximately 67.8% for fiscal year 2021. As a result of the current instant games payout percentage, the percentage of net lottery proceeds compared to total lottery proceeds for all games is projected to be approximately 24.7% for fiscal year 2021.


Actual gross profits from instant games have increased year over year, increasing from \$153.8 million in fiscal year 2005 to \$330.4 million in fiscal year 2020. Since fiscal year 2005, instant game gross revenues have increased an average of 6.6% annually, with a corresponding increase in actual gross profits of an average of 5.5% annually. Gross profit is based on net ticket revenues, less direct costs of cash prizes, retailer commissions and major gaming vendor fees.

2. In reviewing the industry-wide instant games prize payouts as part of our budgetary process, all empirical evidence indicates that a reduction in payout will result in a reduction in revenues and a corresponding reduction in net proceeds. To the contrary, the experience of other states, as well as Tennessee, indicates that increasing the percentage of the prize payout over time has resulted in increased revenues and more importantly, increased net proceeds.
3. In reviewing the practices of other jurisdictions, the results of a survey conducted by the North America Association of State and Provincial Lotteries reveals that of the 46 U.S. jurisdictional lotteries, Tennessee is among the few that has not eliminated the outdated statutory annual minimum percentage of revenues return requirement.

If after reviewing our analysis you have any questions, please do not hesitate to contact us for further discussion.

We continue to take very seriously our statutory charge to maximize the net proceeds of the Tennessee Education Lottery Corporation. We believe this determination is consistent with that charge.

Sincerely,



Rebecca Hargrove, President & CEO  
Tennessee Education Lottery Corporation

cc: Susan Leigh Lanigan, Chair of Board of Directors, Tennessee Education Lottery Corporation

**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
November 24, 2020**

Financial Summary July 2020 through October 2020

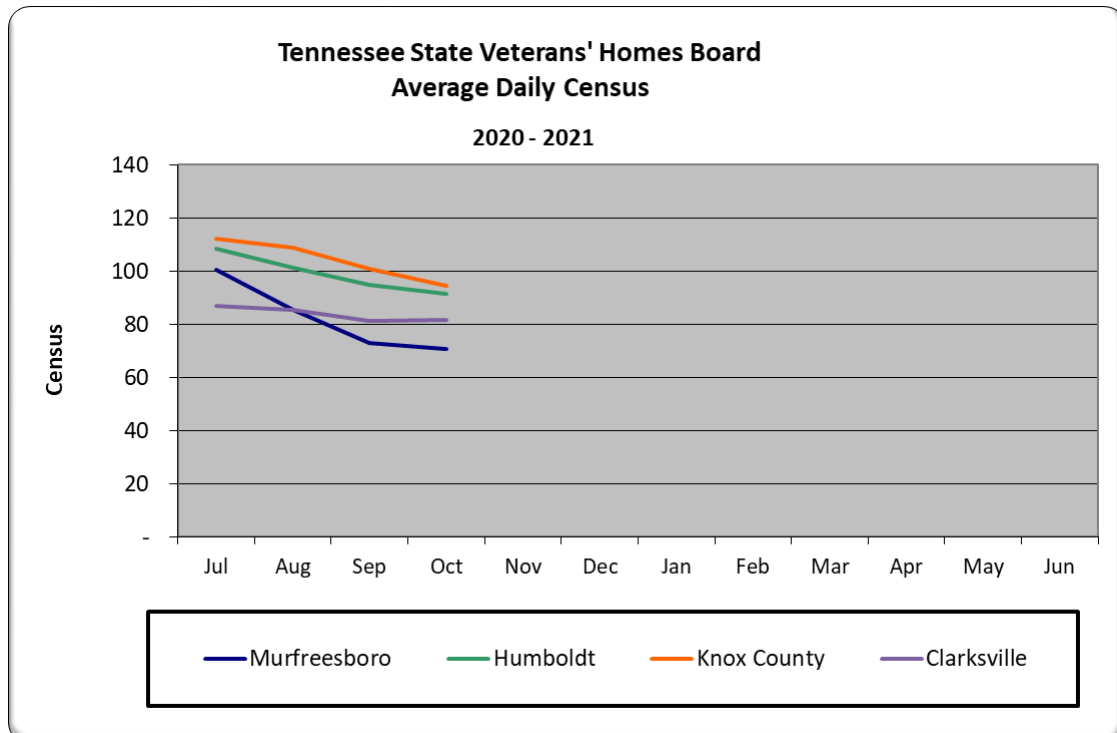
**Year to Date Summary of Financial Operations**

The financial summary covers year-to-date operations through October 2020 for home office and facilities.

<u>Year-to-Date</u>	<u>Home Office</u>	<u>Murfreesboro</u>	<u>Humboldt</u>	<u>Knox County</u>	<u>Clarksville</u>	<u>Total</u>
<b>Actual</b>	22,860	(566,297)	(906,845)	(610,679)	(888,729)	(2,949,690)
<b>Budget</b>	1,414	320,807	(166,442)	51,495	(242,375)	(35,101)
<b>Difference</b>	<b>21,446</b>	<b>(887,104)</b>	<b>(740,403)</b>	<b>(662,174)</b>	<b>(646,354)</b>	<b>(2,914,589)</b>

Net income reported is less than budget due to the COVID-19 pandemic. Occupancy rates have dropped in Tennessee dramatically due to the COVID-19 pandemic. The occupancy rates at two TSVH facilities continue to exceed the state occupancy rate of 67%. The Murfreesboro home is below the average due to the impact of the pandemic on community admission availability and restrictions. TSVHB received \$805,600 from the CARES act during the first quarter of fiscal year ended June 30, 2021.

The following chart shows the average daily census for the four homes. Murfreesboro, Humboldt and Knox County each has 140 beds dually certified for Medicaid and Medicare. Clarksville has 108 dually certified for Medicaid and Medicare



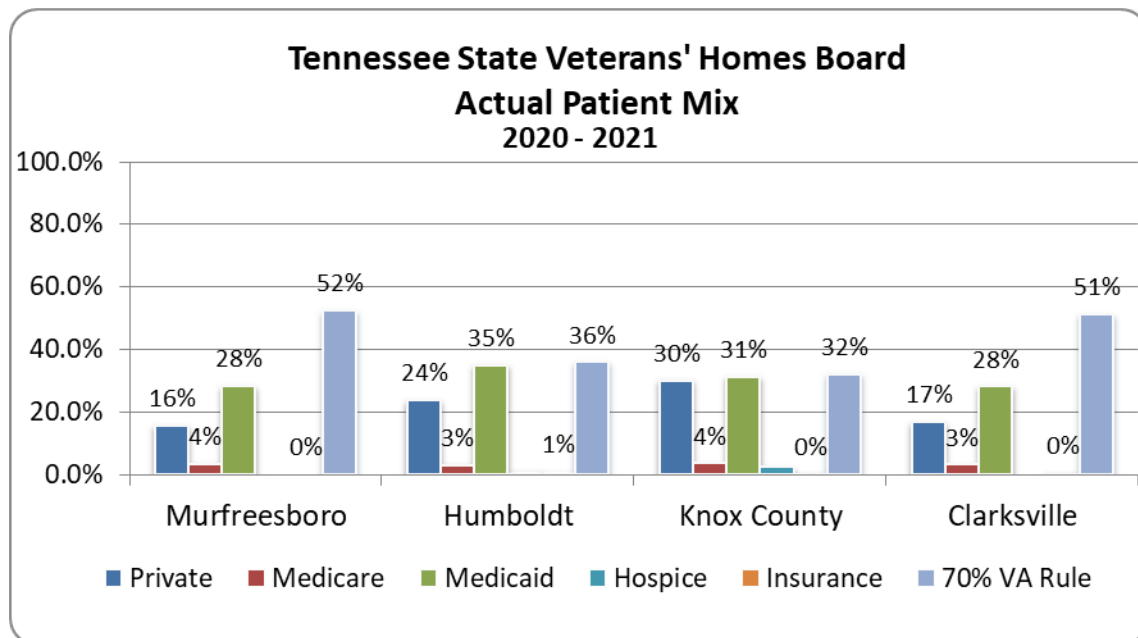
**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
November 24, 2020**

For the month of October 2020, each facility is reporting the following average daily census (ADC) and occupancy information:

<u>Facility</u>	<u>ADC</u>	<u>Occupancy</u>
Murfreesboro	70	50.3%
Humboldt	92	65.4%
Knox County	95	67.6%
Clarksville	82	75.5%

The occupancy rate at the three established facilities exceeds the state occupancy rate of 67%.

Patient mix is a key factor and drives revenues for the homes. Patient mix year to date at October 31, 2020 is shown below.





**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
November 24, 2020**

**LGIP Funds**

Per State law, all funds of the Board are to be held at the Local Government Investment Pool (LGIP). As of October 31, 2020, cash balances at LGIP for the facilities and home office are as follows:

<u><b>LGIP Funds</b></u>	<u><b>Home Office</b></u>	<u><b>Murfreesboro</b></u>	<u><b>Humboldt</b></u>	<u><b>Knox County</b></u>	<u><b>Clarksville</b></u>	<u><b>Total</b></u>
Revenue Fund	\$ 4,224,762					4,224,762
Repair & Replacement		798,169	803,874	801,268	\$512,179.84	2,915,491
Debt Service Fund		84,104	155,168		\$33,203.84	272,476
Operating Reserve	7,778,305					7,778,305
Technology	920,379					920,379
Special Funds	\$ 2,722,243					2,722,243
Contributions	45,537					45,537
<b>Total</b>	<b>\$ 15,691,226</b>	<b>\$ 882,272</b>	<b>\$ 959,042</b>	<b>\$ 801,268</b>	<b>\$ 545,384</b>	<b>\$18,879,192</b>

**Future Development**

State Veterans' Homes are constructed with a combination of State and Federal money. The Federal portion of the cost of construction, 65%, is provided through the U.S. Department of Veterans Affairs pursuant to U.S. Code Title 38, Chapter 81, Part 59.

Currently there are two projects with applications for Grants to States for Construction or Acquisition of State Homes.

- Cleveland-Bradley County is currently under construction. The current estimated substantial completion date is fall/winter 2021. This is a 108 bed intermediate and skilled care nursing facility.
- A grant application for Arlington-Shelby County was submitted in April, 2018. This project is for the construction of a 126 bed intermediate and skilled care nursing facility in Arlington, Shelby County. Property for this project has been purchased. The project is currently in the construction documents phase of design. Construction start is dependent upon the availability of Federal Funding. It is currently ranked #37 on the VA Priority List, Priority 1 Sub-priority 7. (1.7)
- A grant application for renovations to the Murfreesboro facility was submitted in April, 2019. It is currently in the Program Verification Phase of design. It is ranked #24 on the VA Priority List, Priority 1 Sub-priority 4D. (1.4D)
- A grant application for renovations to the Humboldt facility was submitted in April, 2019. It is currently in the Program Verification Phase of design. It is ranked #23 on the VA Priority List, Priority 1 Sub-priority 4D. (1.4D)
- A grant application for renovations to the Knoxville facility was submitted in April, 2019. It is currently in the Program Verification Phase of design. It is ranked #25 on the VA Priority List, Priority 1 Sub-priority 4D. (1.4D)
- A grant application for new construction (addition) for the Murfreesboro executive offices was submitted in April 2020. This is to address the growth in support staff required for the addition of new homes in Cleveland and Arlington as well as storage needs for the executive office and the Murfreesboro facility.

**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
November 24, 2020**

- Sullivan County has begun the process for developing a State Veterans' Home. A steering committee has formed.

#### State Audit

Audit for Fiscal Year Ended June 30, 2019

State audit has completed the audit for fiscal year June 30, 2019. TSVHB received one audit finding for fiscal year ended June 30, 2019. This finding pertains to timely preparation of financial statements.

Management remains committed to continued improvements in financial reporting, internal controls, and fiscal responsibility. The Board's Audit Committee takes proactive measures in dealing with issues identified by management's review of internal controls as well as those identified from other sources.

#### Performance Audit

On October 31, 2018, Performance Audit issued its report on the operational efficiency and effectiveness of the Board. Although improvement was noted the report includes 12 findings in five areas as follows:

- Resident Care
- Quality Control
- Human Resources
- Resident Admissions
- General Administration

Management is in the process of implementing policy and procedures to eliminate concerns noted by Performance audit.

Management remains committed to continued improvements in financial reporting, internal controls, and fiscal responsibility. The Board's Audit Committee takes proactive measures in dealing with issues identified by management's review of internal controls as well as those identified from other sources.

#### Regulatory Compliance

The Knoxville Humboldt and Clarksville homes are rated at five stars overall. The Murfreesboro home is rated at four stars overall.

The Five-Star Quality Rating System was created to help consumers, their families, and caregivers compare nursing homes more easily. This rating system is based on continued efforts as a result of the Omnibus Reconciliation Act of 1987 (OBRA '87), a nursing home reform act, and more recent quality improvement campaigns such as the Advancing Excellence in America's Nursing Homes, a coalition of consumers, health care providers, and nursing home professionals.

**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
November 24, 2020**

Nursing home ratings are taken from the following four sources of data:

- Health Inspections
- Quality Measures
- Staffing
- Registered Nurse Staffing

CMS provides a star rating for each of these sources. These ratings are combined to calculate an overall rating.

The Tennessee Department of Health has conducted its annual survey of each facility.

The Knoxville survey was completed in April 2019. There were two minor citations. One involved a lack of certified nurse aide input in the care plan process; the other was for an inaccurate fall risk assessment.

The TSVH home in Humboldt had their survey in February 2020. There were no health deficiencies.

The Murfreesboro survey was completed in August 2019. This survey had 7 minor deficiencies. The first, second and third involved the lack of a stop date on a PRN medication. The fourth involved the medication error rate exceeding 5%. The fifth was for an expired medication and improper storage. The sixth was cited when a staff member touched a cracker. The seventh involved failing to properly dispose of an IV bag.

The Clarksville survey was completed in June 2019. There were three minor citations. One involved not delivering medication in a private setting, one was for an inaccurate MDS assessment, and the last related to insulin administration.

The average number of health deficiencies cited in Tennessee's long term care facilities standard survey process is 3.6 and nationally at 8.3.

The Department of Veterans Affairs conducted annual operational and clinical reviews in all of the homes to ascertain if all requirements of inspection were met: January 2020 (Humboldt) – one deficiency for lack of a shared services agreement between TSVH and VHA. October 2019 (Clarksville) - two administrative issues: The first involved the lack of a shared services agreement between TSVH and VHA. The second involved the late closure of a resident trust account. March 2019 (Knoxville) – Deficiency Free. June 2019 (Murfreesboro) – Deficiency Free.

#### Executive Committee

The clinical and financial operation of the Tennessee State Veterans' Homes is closely monitored by the TSVHB Executive Committee. Current financial information shows that implemented cost control efforts, efficiency progress, as well as revenue and census improvements have had their expected and desired results.

The Board, management and staff remain committed to continued improvements in the financial and clinical operations of the Tennessee State Veterans' Homes.

# **REPORT ON THE STATE POOLED INVESTMENT FUND**

**For The Fiscal Year Ended June 30, 2020**



PREPARED FOR THE  
**STATE FUNDING BOARD**

November 24, 2020

PREPARED BY  
TREASURY DEPARTMENT  
CASH MANAGEMENT DIVISION

Tim McClure, CTP

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XIV.	Cost of Administration	11
	Stress Test Results June 30, 2020	Attachment



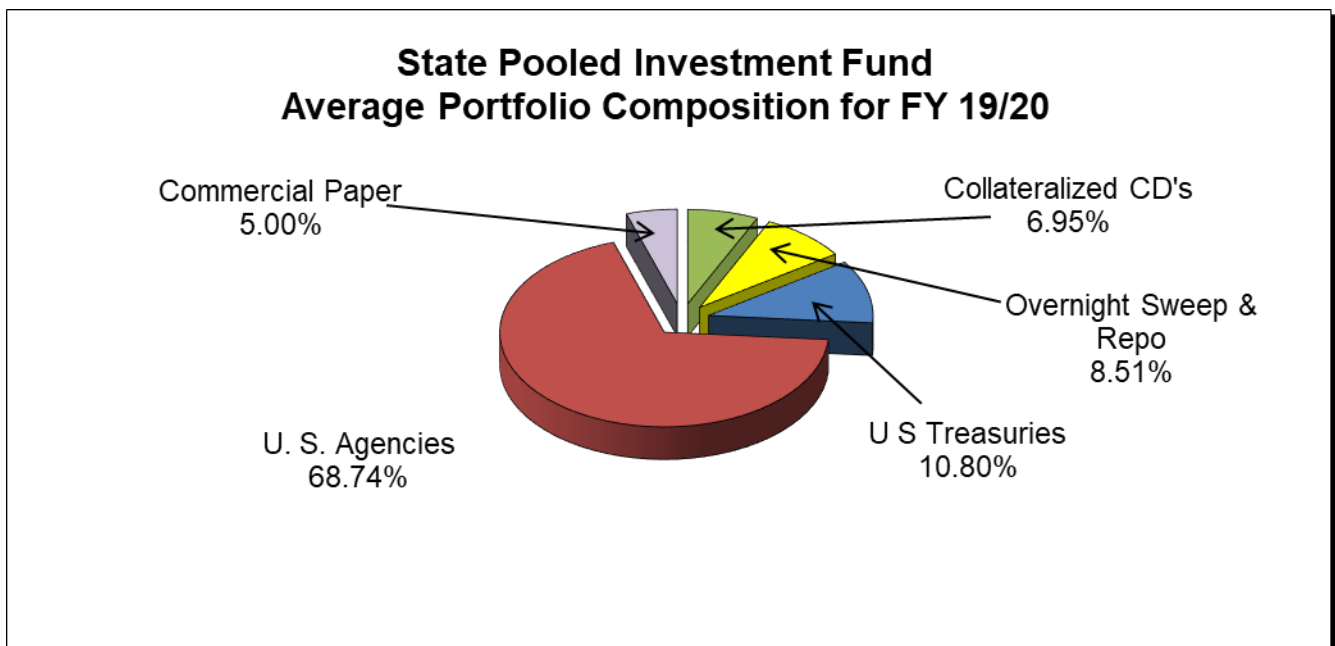
**TENNESSEE TREASURY DEPARTMENT**  
**State Pooled Investment Fund Report**  
For the fiscal year ended June 30, 2020

**I. INVESTMENT POLICY**

The investment policy for the State Pooled Investment Fund is set by the State Funding Board. The board is composed of the Governor, Commissioner of Finance and Administration, Comptroller, Secretary of State, and Treasurer. The investment objective for the state pooled investment fund is to obtain the highest available return on investments consistent with the preservation of principal, while maintaining sufficient liquidity for state expenditures and other withdrawals from the state pooled investment fund. On April 7, 2016, the State Funding Board voted to adopt an Investment Policy that is in compliance with GASB Statement 79 in order to maintain a fund that could operate at a stable dollar.

**II. Portfolio Composition**

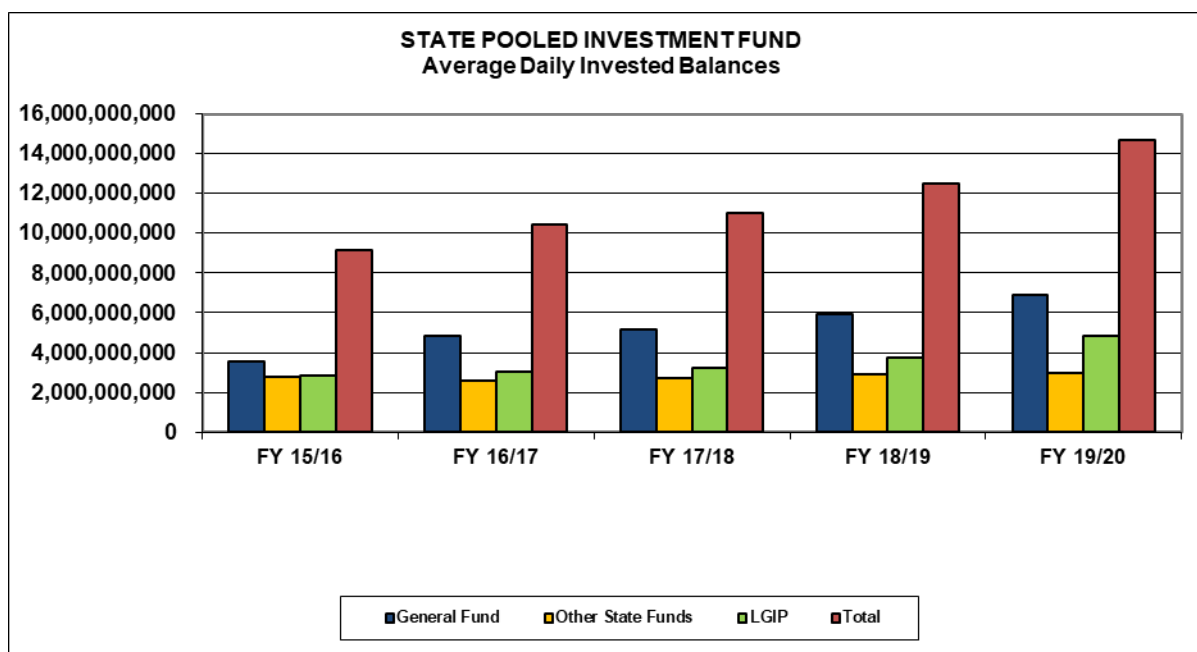
The State Pooled Investment Fund had a monthly average of \$14.7 billion invested for the fiscal year ended June 30, 2020. The following chart shows the composition of the average portfolio.



The reduced availability of commercial paper that meets the strict credit quality requirements of the SPIF is evidenced by the 5.00% average investment during the fiscal year. Bank demand for State funds has increased slightly, but is still down from levels before the financial crisis in 2008. Repurchase agreements were added back to the portfolio in 2018 and has increased overnight liquidity. Agency exposure, including floating rate securities, has increased to improve daily and

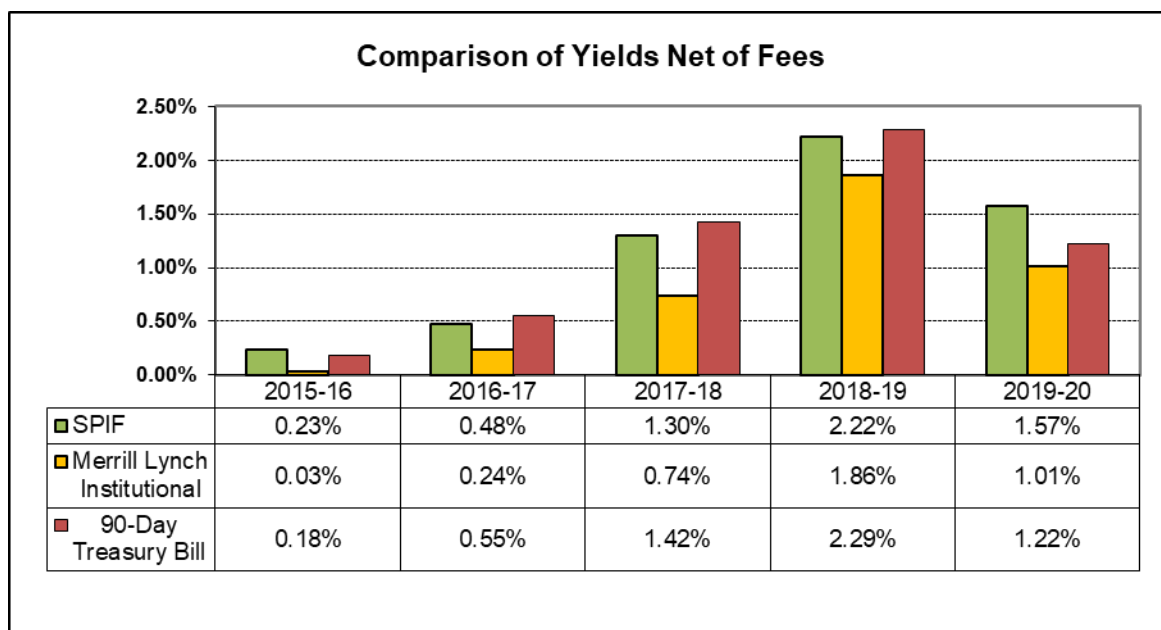
weekly liquidity and to assist the portfolio in meeting the WAM and WAL requirements imposed by GASB 79.

### III. Average Daily Balances



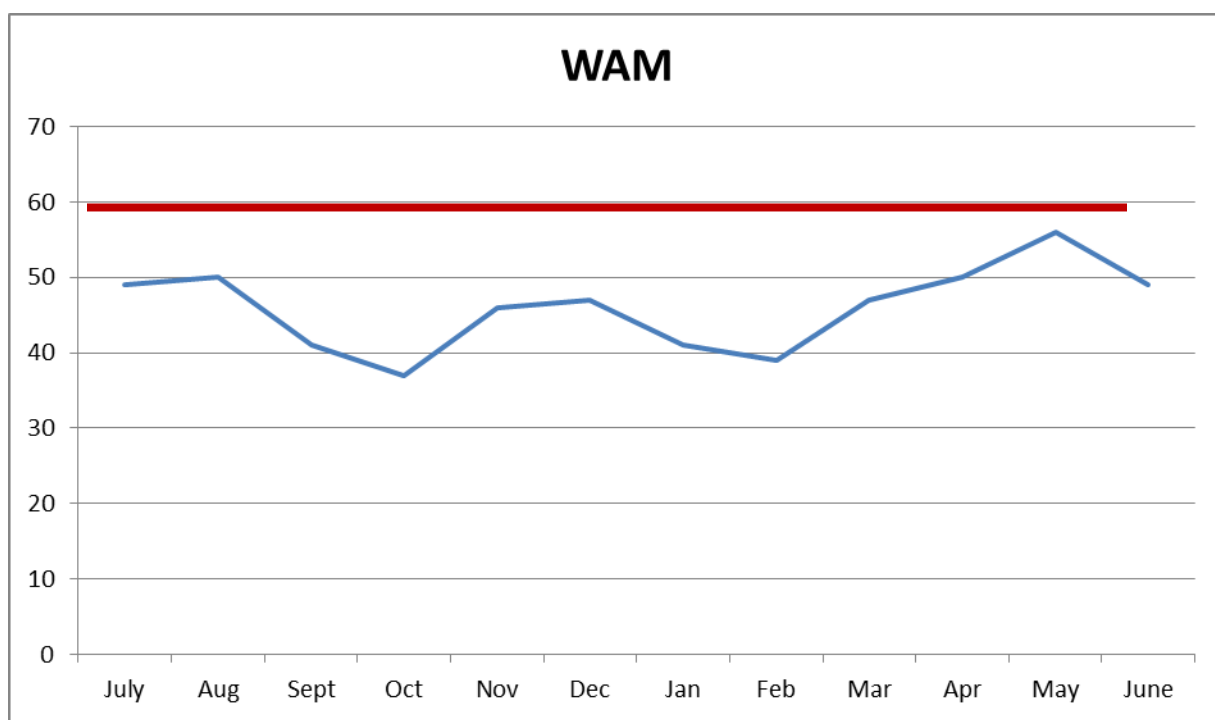
### IV. Performance

The chart below shows how the SPIF has performed over the last 5 years when compared to the 90-day US Treasury Bill and the Blackrock Institutional Investment Fund (ticker symbol MLIXX).



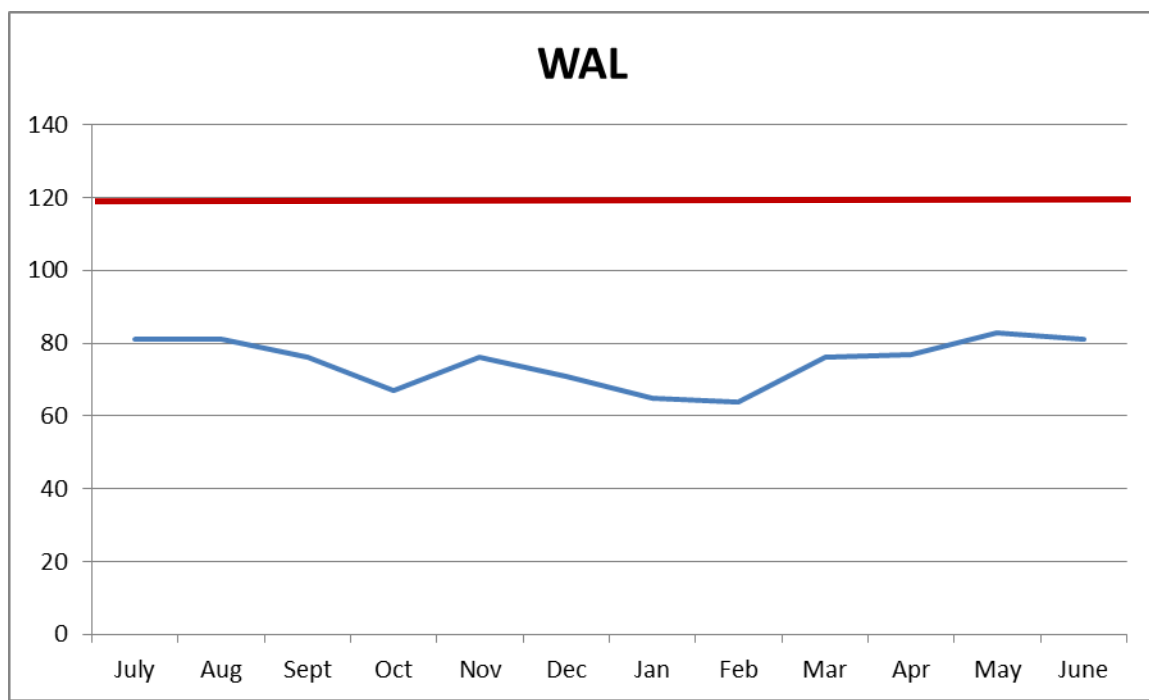
## V. Weighted Average Maturity (WAM)

The weighted average maturity (WAM) measure expresses investment time horizons – the time when investments become due and payable – in the case of the SPIF, days weighted to reflect the dollar size of individual investments. GASB Statement 79 allows the use of certain maturity shortening features to be utilized when measuring the WAM such as interest rate resets. The SPIF holds floating-rate securities issued by various US government agencies that typically have maturities of less than 397 days but have indexed interest rates that reset each month. The use of those securities provides a level of protection against changes in interest rates as well as reduces the WAM of the SPIF portfolio. In order to maintain compliance with GASB Statement 79 requirements, the WAM of a portfolio cannot exceed 60 days. The chart below shows the WAM of the SPIF portfolio during the year. At no point in time did the WAM exceed the 60 day limit.



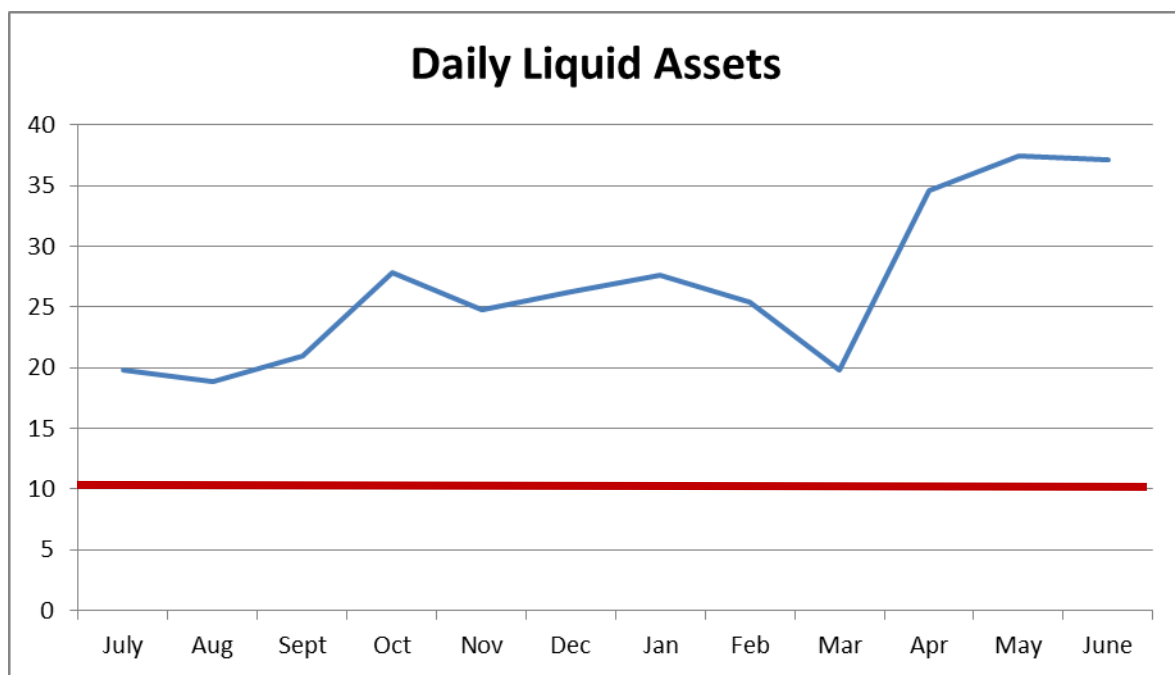
## VI. Weighted Average Life (WAL)

The weighted average life (WAL) measure expresses the average length of time that each dollar of principal remains unpaid without taking into account the maturity shortening features used in calculating the weighted average maturity. In other words, the WAL is the stated maturity of each security within the portfolio. In order to maintain compliance with GASB Statement 79 requirements, the WAL of a portfolio cannot exceed 120 days. The chart below shows the WAL of the SPIF portfolio during the year. At no point in time did the WAL exceed the 120 day limit.



## VII. Daily Liquid Assets

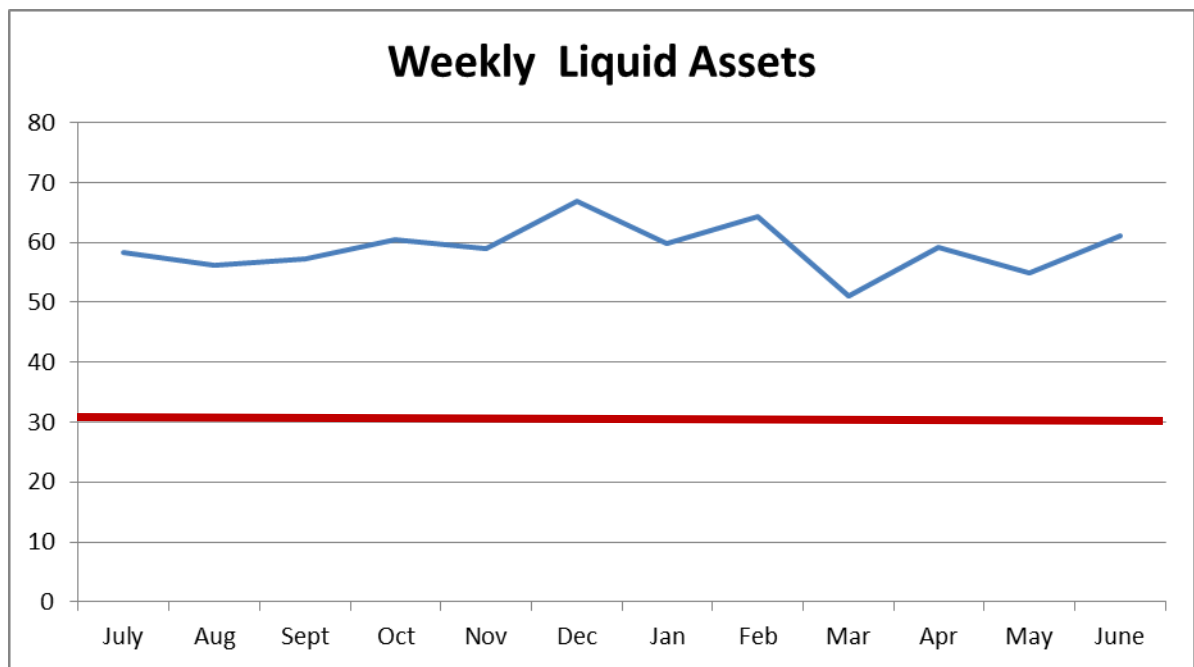
In order to provide for reasonably foreseeable redemptions, or withdrawals, GASB Statement 79 requires that all funds hold no more than 5% of the portfolio in illiquid investments. The SPIF does not hold any illiquid securities. GASB Statement 79 also requires that a portfolio maintain at least 10% of the portfolio in securities that are defined as daily liquid securities. Examples of daily liquid securities that are held in the SPIF include cash, demand deposits at banks, certificates of deposit that are scheduled to mature the next business day, direct obligations of the US government, and any other security that has a stated maturity date of the next business day. Below is a chart showing the daily liquidity of the SPIF during the year.





## VIII. Weekly Liquid Assets

The SPIF must also maintain a portfolio that has at least 30% invested in weekly liquid assets. Examples of weekly liquid assets that might be held in the SPIF are cash, demand deposits or certificates of deposit that mature within 5 business days, direct obligations of the US government, all securities that mature within 5 business days, and securities that are US government securities but not direct obligations of the US government that are issued at a discount and mature within 60 days. Below is a chart that shows the level of weekly liquid assets held during the year by the SPIF.



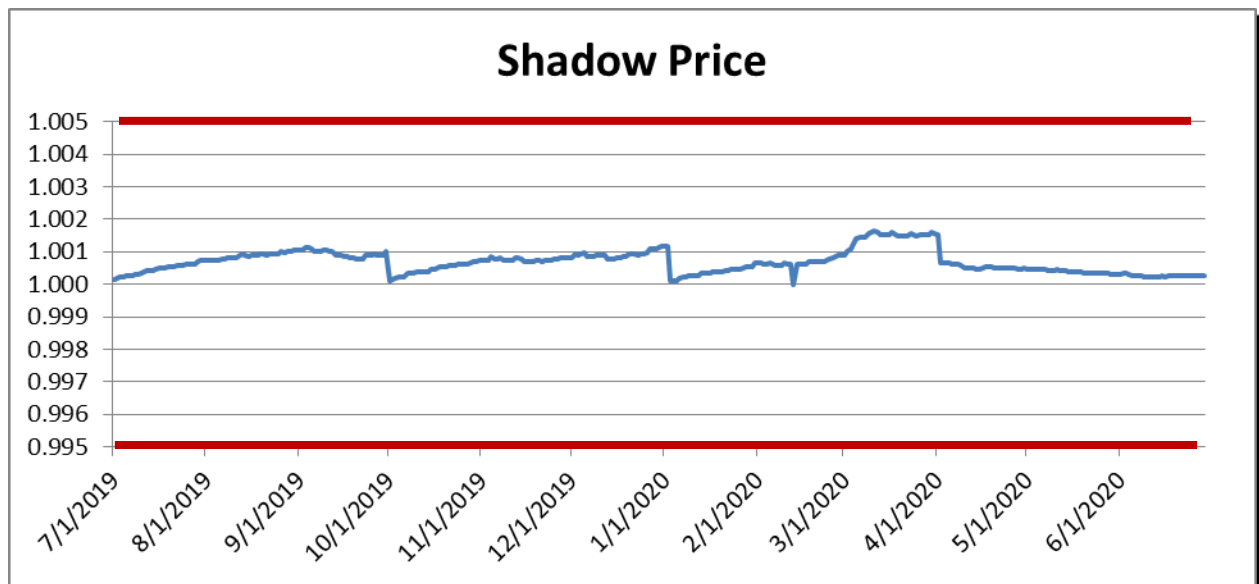
## IX. Credit Quality and Diversification

During FY 19/20, the SPIF held direct and indirect obligations of the US government that were all rated AAA/Aa+. All of the commercial paper held by the SPIF was rated no less than A1/P1. Further, holdings of commercial paper was limited to less than 5% of the total value of the SPIF portfolio or less than 5% of the issuer's total approved limit.

## X. Shadow Pricing

The shadow price is the net asset value per share of the fund calculated using total investments measured at fair value as of the calculation date. GASB Statement 79 requires that a fund calculate the shadow price at least one time each month, no sooner than 5 days before the last day of the month and no later than the last working day of each month. The SPIF calculates the shadow price daily. In order for a fund to be considered a stable dollar fund, the shadow price must be between \$.995 to \$1.005 at all times. If a fund ever has a shadow price outside those parameters, the fund is considered to have “broken the buck”.

The chart below shows the daily shadow price of the SPIF throughout the year.



The chart reflects the very close range of the SPIF valuation during FY20. The red lines at the top and bottom of the chart shows the upper and lower limits permitted in the valuation. The lowest valuation for the SPIF during the year was \$1.000000 per share on February 13, 2020. The highest valuation for the SPIF was \$1.001626 per share on March 11, 2020. During FY20, the SPIF was valued above \$1 per share every day during the year.

## **XI. Stress Testing**

At month's end, the SPIF is stress tested utilizing a model developed by S&P. The model considers the balance of the fund, weighted average maturity, weighted average life, shadow price, credit spread, and percent of total credit excluding US government and agencies. Based upon the information entered, the model then considers the effect on the fund if the 10 largest shareholders were to redeem their shares in one day, considers the impact of a redemption in one day of the largest 5 day historical redemption, and the impact of both events occurring on the same day. The model then measures the impact if on the same day there was a movement in interest rates to determine how much stress the fund can handle before the fund has a variance in value greater than one half of 1%, or "breaking the buck".

During each month of FY20, the SPIF was capable of handling the impact of the above-described events without breaking the buck. In fact, in most cases the SPIF could handle the combined redemption events and a change in interest rates of 250 basis points or greater without breaking the buck. This is due to the conservative credit position and enhanced liquidity of the portfolio. (The actual stress test as of June 30, 2020, is attached to the end of this document.)

## **XII. Investment Policy Review**

Implementation of GASB Statement 79 required an extensive re-write of the Investment Policy for the State Pooled Investment Fund. The Board voted on April 7, 2016 to adapt the necessary changes to ensure that the SPIF was in full compliance with GASB. While the content and the appearance of the SPIF Investment Policy changed, the actual day-to-day operation of the SPIF did not change appreciably. The changes improve transparency and liquidity without having a negative impact on performance. One of the more significant changes is the recognition of the reset date as the maturity date for floating-rate securities. GASB also requires more frequent reporting that includes the shadow price, daily and weekly liquidity, and weighted average maturity and weighted average life of the portfolio. Staff is making no request to modify the investment policy at this time.

## **XIII. Investment Strategy**

The fiscal year began with the Fed Funds rate at a range of 2.25% to 2.50%, and then lowered the rate at the July 31, 2019, meeting to a range of 2.00% to 2.25%. The FOMC lowered the rate 4 more times thru March 3, 2020. Then, on March 15, 2020, the FOMC lowered the rate to the current level of 0.00% to 0.25% as a reaction to the economic shutdown caused by the pandemic. Staff will continue to seek ways to generate as much revenue as possible and remain in compliance with the Investment Policy. Staff will continue to maintain a diversified portfolio of CDs, bank deposits, US Government obligations, and commercial paper. The yield curve, actions taken by the Federal Reserve Bank, regulatory changes, and other market conditions will be considered when managing the asset mix and average maturity of the portfolio. The SPIF remains a safe investment for state funds and monies invested by local government officials. There has been no loss of funds due to credit exposure and no liquidity concerns.

#### **XIV. Cost of Administration**

The SPIF charges 4 basis points to all participants to administer the program. The fee covers the total cost of program management, including:

- Investment of portfolio
- Maintenance of collateral
- Collateral pool administration
- Cash concentration
- Bank reconciliations and resolution of reconciling items
- LGIP program
- Warrant reconciliation
- Accounting and recordkeeping
- Support cost such as internal audit, payroll, personnel, etc.

# Principal Stability Fund Rating Sensitivity Matrix

WAM (R)	49	Copyright© 2012 by Standard & Poor's Financial Services LLC (S&P) a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.
WAM (F)	81	
Shares Outstanding:	17,469,926,249.00	
Total Fund Assets:	17,474,810,318.00	
Market Value (NAV):	1.000280	
Credit Spread Movement (bps):	5	
% Total Credit (Non Gov't) Securities (of portfolio)	16%	
% Corporate Floaters (of portfolio)	0%	

FILL IN/ADJUST AREAS SHADED GREEN TO RUN SCENARIOS

STANDARD  
& POOR'S

June 30, 2020

Total \$ Loss: \$0  
Total \$ Gain: \$4,891,579

Basis Point Shift	Selected Shareholders	Largest Redemption over 5 consecutive business days							Gain (Loss)
250	0.996341	0.996502	0.995771	0.996570	0.996751	0.996913	0.997060	0.997428	(53,927,987)
225	0.996739	0.996882	0.996231	0.996943	0.997104	0.997249	0.997380	0.997707	(48,064,793)
200	0.997137	0.997263	0.996691	0.997316	0.997457	0.997584	0.997699	0.997987	(42,201,598)
175	0.997534	0.997643	0.997151	0.997689	0.997810	0.997920	0.998019	0.998267	(36,338,404)
150	0.997932	0.998023	0.997610	0.998062	0.998164	0.998256	0.998339	0.998546	(30,475,209)
125	0.998330	0.998404	0.998070	0.998435	0.998517	0.998591	0.998658	0.998826	(24,612,015)
100	0.998728	0.998784	0.998530	0.998808	0.998870	0.998927	0.998978	0.999106	(18,748,821)
75	0.999126	0.999164	0.998990	0.999180	0.999224	0.999262	0.999298	0.999385	(12,885,626)
50	0.999524	0.999545	0.999449	0.999553	0.999577	0.999598	0.999617	0.999665	(7,022,432)
25	0.999921	0.999925	0.999909	0.999926	0.999930	0.999934	0.999937	0.999945	(1,159,237)
0	1.000319	1.000305	1.000369	1.000299	1.000283	1.000269	1.000256	1.000224	4,703,957
-25	1.000717	1.000685	1.000829	1.000672	1.000637	1.000605	1.000576	1.000504	10,567,152
-50	1.001115	1.001066	1.001288	1.001045	1.000990	1.000940	1.000896	1.000784	16,430,346
-75	1.001513	1.001446	1.001748	1.001418	1.001343	1.001276	1.001215	1.001063	22,293,540
-100	1.001910	1.001826	1.002208	1.001791	1.001697	1.001612	1.001535	1.001343	28,156,735
-125	1.002308	1.002207	1.002668	1.002164	1.002050	1.001947	1.001855	1.001623	34,019,929
-150	1.002706	1.002587	1.003127	1.002537	1.002403	1.002283	1.002174	1.001902	39,883,124
-175	1.003104	1.002967	1.003587	1.002910	1.002756	1.002619	1.002494	1.002182	45,746,318
-200	1.003502	1.003348	1.004047	1.003282	1.003110	1.002954	1.002814	1.002462	51,609,513
-225	1.003900	1.003728	1.004507	1.003655	1.003463	1.003290	1.003133	1.002742	57,472,707
-250	1.004297	1.004108	1.004966	1.004028	1.003816	1.003625	1.003453	1.003021	63,335,901
Redemptions/Subscriptions	-16%	-12%	-27%	-10%	-5%	0%	5%	20%	
Shares Outstanding	14,738,252,035	15,417,209,915	12,753,046,162	15,722,933,624	16,596,429,937	17,469,926,249	18,343,422,561	20,963,911,499	

Shift Upon NAV = NAV - (WAM/365) \* (Bp/10,000)  
Dilution Upon NAV = (NAV + Change) / (1 + Change)

Top 10 Shareholders		% of Fund	Stress Redemption
METRO NASHVILLE	812,777,145.36	4.65%	Yes
SHELBY COUNTY TRUSTEE	519,137,823.11	2.97%	Yes
CITY OF KNOXVILLE	379,696,984.30	2.17%	Yes
HAMILTON COUNTY	314,483,662.68	1.80%	Yes
LOTTERY CORP	145,598,600.63	0.83%	Yes
TENNESSEE BOARD OF REGENTS	145,455,042.64	0.83%	Yes
EAST TENNESSEE STATE UNIVERSITY	130,427,879.01	0.75%	Yes
TENNESSEE TECH UNIVERSITY	121,467,959.89	0.70%	Yes
MIDDLE TENNESSEE STATE UNIVERSITY	85,997,074.53	0.49%	Yes
NASHVILLE STATE COMM COLLEGE	77,395,736.70	0.44%	Yes
Stress Top 10	\$ 2,732,437,908.85	15.64%	Yes
Total Fund Assets	\$ 17,474,810,318.00	100%	2,732,437,908.85

Largest Five Day Redemption (%)	11.75%
03/28-04/01/05	



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# **REPORT ON THE Intermediate Term INVESTMENT FUND**

**For The Fiscal Year Ended June 30, 2020**



PREPARED FOR THE  
**STATE FUNDING BOARD**

November 24, 2020

PREPARED BY  
TREASURY DEPARTMENT  
CASH MANAGEMENT DIVISION

Tim McClure, CTP

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Portfolio as of June 30, 2020	3

**TENNESSEE TREASURY DEPARTMENT**  
**Intermediate Term Investment Fund Report**  
For the fiscal year ended June 30, 2020

**I. COMPLIANCE WITH INVESTMENT POLICY**

The investment policy for the Intermediate Term Investment Fund (ITIF) is set by the State Funding Board. The board is composed of the Governor, Commissioner of Finance and Administration, Comptroller, Secretary of State, and Treasurer. The investment objective for the ITIF is to offer a longer term investment option for the State and any entity that is eligible to invest in the LGIP. Returns of a fund with a longer term investment horizon are expected to outperform liquidity funds such as the SPIF, but there are risks associated with longer term investments. If interest rates increase, the value of investments will decline. Investors should consider the risks involved, including the lack of liquidity provided from a fund such as the ITIF, before making a decision to participate.

Portfolio Composition

The ITIF was launched on July 22, 2013, when the first participant invested \$200 million. As of June 30, 2020, there was one additional investment of \$11.76 million and three participant withdrawals totaling \$204.44 million since inception. Investment policy permits investments in US Government and Agency securities, repurchase agreements, prime commercial paper, prime banker's acceptances, and the State Pooled Investment Fund (as a source of liquidity or uninvested idle cash, if necessary). During the fiscal year, investments were only made in government agency securities with idle cash invested in the SPIF. The average composition during the year ended June 30, 2020, was 79.17% US agencies and 20.83% idle cash in the SPIF. Because of the sudden change in interest rates during this year, idle cash from the call or maturity of securities was re-invested at the most advantageous times.

Maturity

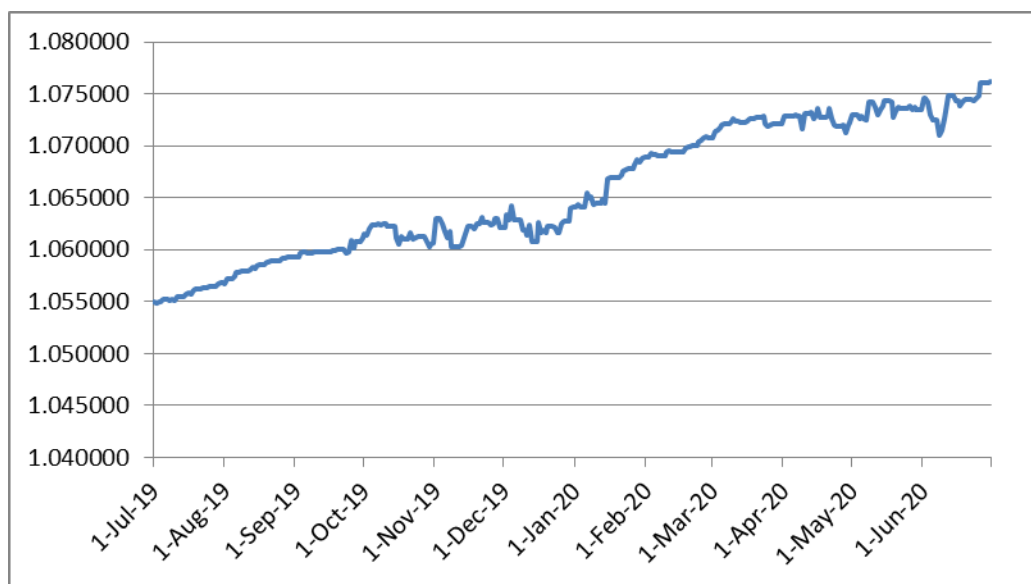
The objective of the ITIF is to take advantage of the expected additional return from investing farther out on the yield curve. The Investment Policy permits investments up to five years with an average maturity of three years. The weighted average maturity (WAM) of the ITIF began the year at 2.70 years and ended the year at 2.59 years. During the year, the WAM ranged from 2.07 years to 2.91 years. At the beginning of the fiscal year, the Fed Funds rate was at a range of 2.25% to 2.50%. The rate was lowered six times, with the rate being set at .25% due to the pandemic at the March meeting. The FOMC forecast is for rates to remain at this level through calendar year 2021.

Liquidity

This fund is not designed to provide liquidity. As a result, the fund will not maintain a significant position in cash equivalent securities for the sole purpose of providing liquidity. Investors are encouraged to only invest funds that are not going to be needed for short term liquidity purposes. Withdrawals are limited to the first working day of each quarter, as long as notice is provided at least 30 days prior to the withdrawal date.

## II. PORTFOLIO PERFORMANCE

For the period July 22, 2013 thru June 30, 2020, the Intermediate Term Investment Fund has had a market value increase of 7.61%. During fiscal year 2020, the fund increased in value 1.98% net of expenses. During the same period, the SPIF returned 1.56%, the Vanguard Short Term Federal Fund (VSGBX) returned 4.78%, and the Barclays US Treasury Bond Fund Index returned 4.05%. During fiscal year 2020, the net asset value (NAV) ranged from a low of 1.054887 on July 2, 2019, to 1.076154 on June 30, 2019. The graph below demonstrates the daily change in net asset value during the year.



## III. INVESTMENT POLICY REVIEW

No Investment Policy changes are anticipated during the current fiscal year. The fund has operated as planned and there have been no concerns that have arisen. Also, there are no market regulations that impact funds of this nature being discussed at this time.

## IV. INVESTMENT PLAN

During FY 20, there were several rate changes by the FOMC. The rate at the beginning of the year was 2.25% to 2.50%. The rate was lowered on July 31, September 18, October 30, and at an inter-meeting called on March 3. Then, the FOMC lowered the rate to the current level of .00% to .25% at the March 15 meeting in order to assist in stimulating the economy due to the pandemic. While the safety and liquidity offered from money market funds outweighs the risks of investing in funds with longer maturities for many investors, those that have funds not needed for short term liquidity can benefit from a fund similar to the Intermediate Term Investment Fund (ITIF). There are risks associated with investing in the ITIF. The investment policy of the fund attempts to minimize the risks by limiting investments to securities that possess little credit risk and by limiting deposits and



withdrawals to the first business day of each quarter and requiring a 30 day notice before a withdrawal can be made. Rising interest rates can have a negative impact on performance, while declining rates can increase the market value of securities held in a portfolio. Staff will continue to monitor the movement in interest rates as well as other market conditions that could impact the fund and make changes as needed to maintain a competitive investment option for public entities across the State.

## V. COST OF ADMINISTRATION

The cost to operate the ITIF are minimal due to the efficiencies gained by utilizing many of the same resources as are used to manage other funds within Treasury. The costs of operations are funded from a 5 basis point charge for assets invested. Most commercial funds charge substantially more than 5 basis points. Also, the costs of operations include more than investment management. The 5 basis points finances:

- Investment of portfolio
- Software and hardware support and maintenance
- Accounting and recordkeeping
- Support cost such as internal audit, payroll, personnel, etc.

## VI. PORTFOLIO AT JUNE 30, 2020

DESCRIPTION	ACCRD-INCOME	MARKET-VALUE	MATURITY	MKT PRICE	PAR	INC PURCHASED	RATE	CUSIP
FFCB	5,130.00	3,013,080.00	11/25/2022	100.265	3,000,000	142.50	1.710	3133ELAU8
FFCB	13,097.22	5,018,447.22	4/9/2025	100.107	5,000,000		1.150	3133ELWC4
		8,031,527.22						
	Cash	4,032,235.36						
		12,063,762.58						
	SHARES	11,210,073.10						
	NAV	1.076154						

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE  
FUND TO THE CAPITAL PROJECTS FUND \$252,950 AND  
CANCELING AUTHORIZED BONDS**

**RECITALS**

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the "2007 Act") to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars (\$295,000,000) of which One Hundred Thirty-Eight Million, Five Hundred Thousand Dollars (\$138,500,000) is allocated pursuant to Section 4(1) of the 2007 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the "2007 Act Bonds").

By memorandum dated November 6, 2020, the Commissioner of Finance and Administration has notified the Funding Board that Two Hundred Fifty-Two Thousand, Nine Hundred Fifty Dollars (\$252,950) is available for the 2007 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2007 Act Bonds be canceled.

**Be It Resolved by the Funding Board of the State of Tennessee:**

1. The projects authorized to be financed by the 2007 Act Bonds have been financed in whole or in part with commercial paper and the commercial paper has been retired in whole or in part without the issuance of bonds and Two Hundred Fifty-Two Thousand, Nine Hundred Fifty Dollars (\$252,950) is no longer needed to fund such authorized projects.
2. Two Hundred Fifty-Two Thousand, Nine Hundred Fifty Dollars (\$252,950) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion on the 2007 Act Bonds.
3. In accordance with authority provided by Tennessee Code Annotated Section 9-9-205 and 9-9-208, and memorandum from the Commissioner of Finance and Administration dated November 6, 2020, the Funding Board hereby cancels Two Hundred Fifty-Two Thousand, Nine Hundred Fifty Dollars (\$252,950) of the principal amount authorized by the 2007 Act for the 2007 Act Bonds.
4. This resolution shall be effective as of November 24, 2020 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on November 24, 2020.

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JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD