



JASON E. MUMPOWER
Comptroller

**TENNESSEE STATE FUNDING BOARD
NOVEMBER 25, 2024
AGENDA**

1. Reconvene meeting from November 4, 2024, establish that there is a physical quorum, and receive public comment on actionable agenda items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Consideration and approval of staff recommendations of state revenue projections
3. Consideration and approval of staff recommendations of lottery revenue projections
4. Acknowledge receipt of notification from the Tennessee Education Lottery Corporation pursuant to Tennessee Code Annotated Section 4-51-111(a)(3)
5. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **DENSO Manufacturing Athens Tennessee, Inc. – Athens (McMinn County)**
FastTrack Job Training Assistance \$1,800,000
 - **TruGreen Limited Partnership; Highwoods Realty Limited – Franklin (Williamson County)**
FastTrack Economic Development Grant \$1,000,000
 - **Schneider Electric USA, Inc. - Mount Juliet (Wilson County)**
FastTrack Economic Development Grant \$4,000,000
6. Report from Tennessee Central Economic Authority
Mr. Charly Lyons, President & CEO
Ms. Kelsey Givens, Development Coordinator
7. Report from Tennessee State Veterans Home Board
Mr. Ed Harries, Executive Director
Mr. Adam Fleming, Director of Finance
8. Report on State Pooled Investment Fund (SPIF)
Mr. Markus Klar, Director of Fixed Income
Ms. Mary Collins, Director of Investment Operations
State of Tennessee Treasury Department, Investment Division
9. Adjourn

Estimated Revenues Based on Recurring Growth Rates

Funding Board Meeting - November 25, 2024

	<u>Recurring Actual FY 2023-2024</u>	<u>FY 2024-2025</u>	<u>Growth Rate</u>	<u>FY 2025-2026</u>	<u>Growth Rate</u>
Total Taxes				\$ 22,037,000,000	1.25%
		\$ 21,764,900,000	-1.68%		
				\$ 22,232,800,000	2.15%
	\$ 22,136,772,800			\$ 22,113,200,000	1.25%
		\$ 21,840,200,000	-1.34%		
			\$ 22,309,800,000	2.15%	
		<i>Spread</i>	<i>0.34%</i>		<i>0.90%</i>
General Fund				\$ 18,907,900,000	1.00%
		\$ 18,720,700,000	-2.50%		
				\$ 19,095,100,000	2.00%
	\$ 19,200,703,200			\$ 19,022,800,000	1.00%
		\$ 18,834,500,000	-1.91%		
			\$ 19,211,200,000	2.00%	
		<i>Spread</i>	<i>0.59%</i>		<i>1.00%</i>

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR FISCAL YEAR 2024 - 2025

(Accrual - Basis Estimates)

		2024-2025									
DEPARTMENT OF REVENUE TAXES		2023-2024		% Change		% Change		% Change		% Change	
SOURCE OF REVENUE	Actual Year	July 1, 2024	Over	UT - BCBER	Over	Fiscal Review	Over	Dept. of Revenue	Over	ETSU	Over
	Budget Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate
Sales and Use Tax ¹	\$ 13,802,143,900	\$ 14,388,300,000	4.25%	\$ 14,299,000,000	3.60%	\$ 14,466,000,000	4.81%	\$ 14,217,600,000	3.01%	\$ 14,441,000,000	4.63%
Gasoline Tax	880,807,600	901,900,000	2.39%	884,300,000	0.40%	887,000,000	0.70%	881,700,000	0.10%	901,788,000	2.38%
Motor Fuel Tax	320,183,500	318,500,000	-0.53%	321,500,000	0.41%	326,000,000	1.82%	320,500,000	0.10%	327,898,000	2.41%
Gasoline Inspection Tax	72,032,400	72,400,000	0.51%	72,400,000	0.51%	72,900,000	1.20%	73,400,000	1.90%	72,932,000	1.25%
Motor Vehicle Registration Tax	383,475,300	378,500,000	-1.30%	395,000,000	3.01%	405,000,000	5.61%	393,100,000	2.51%	398,959,000	4.04%
Income Tax	1,980,300	-	N/A	-	N/A	-	N/A	1,000,000	-49.50%	-	N/A
Privilege Tax - Less Earmarked Portion ¹	440,104,300	399,900,000	-9.14%	458,100,000	4.09%	457,000,000	3.84%	455,100,000	3.41%	371,953,000	-15.49%
Gross Receipts Tax - TVA	392,057,200	395,900,000	0.98%	396,000,000	1.01%	395,900,000	0.98%	394,300,000	0.57%	383,000,000	-2.31%
Gross Receipts Tax - Other	64,286,100	28,200,000	-56.13%	35,400,000	-44.93%	43,000,000	-33.11%	39,900,000	-37.93%	34,000,000	-47.11%
Beer Tax	17,029,100	17,900,000	5.11%	16,900,000	-0.76%	17,900,000	5.11%	17,600,000	3.35%	17,562,000	3.13%
Alcoholic Beverage Tax	86,379,900	89,900,000	4.08%	87,200,000	0.95%	88,000,000	1.88%	88,500,000	2.45%	87,971,000	1.84%
Franchise & Excise Tax	4,600,464,900	3,887,200,000	-15.50%	3,818,400,000	-17.00%	4,068,000,000	-11.57%	3,818,400,000	-17.00%	4,167,946,000	-9.40%
Inheritance and Estate Tax	30,100	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	195,893,900	195,000,000	-0.46%	190,000,000	-3.01%	187,000,000	-4.54%	192,700,000	-1.63%	188,554,000	-3.75%
Motor Vehicle Title Fees	21,655,000	23,500,000	8.52%	21,900,000	1.13%	23,200,000	7.13%	21,700,000	0.21%	23,298,000	7.59%
Mixed Drink Tax	223,915,000	224,300,000	0.17%	231,800,000	3.52%	233,000,000	4.06%	235,500,000	5.17%	227,064,000	1.41%
Business Tax	345,496,100	309,500,000	-10.42%	345,500,000	0.00%	350,000,000	1.30%	348,400,000	0.84%	338,320,000	-2.08%
Severance Tax	516,900	800,000	54.77%	500,000	-3.27%	500,000	-3.27%	500,000	-3.27%	395,000	-23.58%
Coin-operated Amusement Tax	509,700	400,000	-21.52%	500,000	-1.90%	475,000	-6.81%	500,000	-1.90%	282,500	-44.58%
Unauthorized Substance Tax	11,600	-	N/A	-	N/A	-	N/A	-	N/A	43,000	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 21,848,972,800	\$ 21,632,100,000	-0.99%	\$ 21,574,400,000	-1.26%	\$ 22,020,875,000	0.79%	\$ 21,500,400,000	-1.60%	21,982,965,500	0.61%
TOTAL - RECURRING	\$ 22,136,772,800	\$ 21,840,200,000	-1.34%	\$ 21,782,500,000	-1.60%	\$ 22,228,975,000	0.42%	\$ 21,707,500,000	-1.94%	22,191,065,500	0.25%
GENERAL FUND ONLY²	\$ 18,783,203,200	\$ 18,608,400,000	-0.93%	\$ 18,508,300,000	-1.46%	\$ 18,929,575,000	0.78%	\$ 18,439,700,000	-1.83%	18,894,165,500	0.59%
GENERAL FUND - RECURRING	\$ 19,200,703,200	\$ 18,834,500,000	-1.91%	\$ 18,734,400,000	-2.43%	\$ 19,155,675,000	-0.23%	\$ 18,665,300,000	-2.79%	19,120,265,500	-0.42%
SELECTED TAXES	Actual Year	July 1 Estimate	%	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 13,802,143,900	\$ 14,388,300,000	4.25%	\$ 14,299,000,000	3.60%	\$ 14,466,000,000	4.81%	\$ 14,217,600,000	3.01%	\$ 14,441,000,000	4.63%
FRANCHISE AND EXCISE TAXES	4,600,464,900	3,887,200,000	-15.50%	3,818,400,000	-17.00%	4,068,000,000	-11.57%	3,818,400,000	-17.00%	4,167,946,000	-9.40%
INCOME TAX	1,980,300	-	N/A	-	N/A	-	N/A	1,000,000	-49.50%	-	N/A
ROAD USER TAXES	1,678,153,800	1,694,800,000	0.99%	1,695,100,000	1.01%	1,714,100,000	2.14%	1,690,400,000	0.73%	1,724,875,000	2.78%
ALL OTHER TAXES	1,766,229,900	1,661,800,000	-5.91%	1,761,900,000	-0.25%	1,772,775,000	0.37%	1,773,000,000	0.38%	1,649,144,500	-6.63%

¹ For FY 2023-2024, Sales and Use Tax estimates exclude \$153.5 million and Privilege Tax estimates exclude \$76.2 million for designated earmarked funds.

For FY 2024-2025, Sales and Use Tax estimates exclude \$159 million and Privilege Tax estimates exclude \$78 million for designated earmarked funds.

² F&A calculated the General Fund distribution for all presenters.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2025 - 2026**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE TAXES	2025-2026							
	UT - BCBER		% Change		Fiscal Review		% Change	
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Sales and Use Tax ¹	\$ 14,756,600,000	3.20%	\$ 14,936,000,000	3.25%	\$ 14,715,200,000	3.50%	\$ 15,280,229,539	5.81%
Gasoline Tax	889,600,000	0.60%	897,000,000	1.13%	883,500,000	0.20%	911,678,515	1.10%
Motor Fuel Tax	324,400,000	0.90%	330,700,000	1.44%	326,700,000	1.93%	332,006,013	1.25%
Gasoline Inspection Tax	72,800,000	0.55%	74,000,000	1.51%	74,600,000	1.63%	73,532,990	0.82%
Motor Vehicle Registration Tax	400,900,000	1.49%	418,500,000	3.33%	399,900,000	1.73%	392,293,383	-1.67%
Income Tax	-	N/A	-	N/A	500,000	-50.00%	-	N/A
Privilege Tax - Less Earmarked Portion ¹	481,100,000	5.02%	482,000,000	5.47%	476,000,000	4.59%	367,119,580	-1.30%
Gross Receipts Tax - TVA	399,900,000	0.98%	399,000,000	0.78%	397,100,000	0.71%	391,545,353	2.23%
Gross Receipts Tax - Other	35,400,000	0.00%	45,000,000	4.65%	42,100,000	5.51%	36,531,580	7.45%
Beer Tax	16,800,000	-0.59%	18,500,000	3.35%	17,800,000	1.14%	17,210,776	-2.00%
Alcoholic Beverage Tax	89,000,000	2.06%	89,800,000	2.05%	90,400,000	2.15%	87,641,459	-0.37%
Franchise & Excise Tax	3,841,300,000	0.60%	4,215,000,000	3.61%	3,923,400,000	2.75%	4,306,867,492	3.33%
Inheritance and Estate Tax	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	184,300,000	-3.00%	179,000,000	-4.28%	191,700,000	-0.52%	178,428,914	-5.37%
Motor Vehicle Title Fees	22,300,000	1.83%	23,900,000	3.02%	21,800,000	0.46%	22,525,573	-3.32%
Mixed Drink Tax	239,900,000	3.49%	245,000,000	5.15%	247,300,000	5.01%	229,285,187	0.98%
Business Tax	362,800,000	5.01%	365,000,000	4.29%	364,700,000	4.68%	351,715,748	3.96%
Severance Tax	500,000	0.00%	550,000	10.00%	500,000	0.00%	650,000	64.56%
Coin-operated Amusement Tax	500,000	N/A	550,000	15.79%	500,000	0.00%	279,512	-1.06%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	61,705	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 22,118,100,000	2.52%	\$ 22,719,500,000	3.17%	\$ 22,173,700,000	3.13%	22,979,603,319	4.53%
TOTAL - RECURRING	22,118,100,000	1.54%	22,719,500,000	2.21%	22,173,200,000	2.15%	22,979,603,319	3.55%
GENERAL FUND ONLY²	\$ 19,011,900,000	2.72%	\$ 19,572,200,000	3.39%	\$ 19,068,900,000	3.41%	19,839,703,319	5.00%
GENERAL FUND - RECURRING	19,011,900,000	1.48%	19,572,200,000	2.17%	19,068,600,000	2.16%	19,839,703,319	3.76%

SELECTED TAXES	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 14,756,600,000	3.20%	\$ 14,936,000,000	3.25%	\$ 14,715,200,000	3.50%	\$ 15,280,229,539	5.81%
FRANCHISE AND EXCISE TAXES	3,841,300,000	0.60%	4,215,000,000	3.61%	3,923,400,000	2.75%	4,306,867,492	3.33%
INCOME TAX	-	N/A	-	N/A	500,000	-50.00%	-	N/A
ROAD USER TAXES	1,710,000,000	0.88%	1,744,100,000	1.75%	1,706,500,000	0.95%	1,732,036,474	0.42%
ALL OTHER TAXES	1,810,200,000	2.74%	1,824,400,000	2.91%	1,828,100,000	3.11%	1,660,469,814	0.69%

¹ For FY 2025-2026, Sales and Use Tax estimates and Privilege Tax estimates exclude designated earmarked funds.

² F&A calculated the General Fund distribution for all presenters.

Net Lottery Proceeds Estimates
Actual 2023-2024 and Estimated 2024-2025 Through 2028-2029
November 25, 2024

	<u>2023-2024</u> Actual	<u>2024-2025</u> Revised	<u>%</u>	<u>2025-2026</u> Estimated	<u>%</u>	<u>2026-2027</u> Estimated	<u>%</u>	<u>2027-2028</u> Estimated	<u>%</u>	<u>2028-2029</u> Estimated	<u>%</u>
Lottery Corporation											
Low	501,321,800	455,324,000	-9.18%	463,000,000	1.69%	471,000,000	1.73%	480,000,000	1.91%	488,000,000	1.67%
High	501,321,800	475,166,000	-5.22%	486,000,000	2.28%	497,000,000	2.26%	508,000,000	2.21%	519,000,000	2.17%
Fiscal Review Staff											
Low	501,321,800	463,575,400	-7.53%	464,541,600	0.21%						
Median	501,321,800	470,204,400	-6.21%	474,654,000	0.95%	479,400,540	1.00%	484,194,545	1.00%	489,036,490	1.00%
High	501,321,800	476,833,400	-4.88%	484,766,400	1.66%						
Recommended Range											
Low	501,321,800	456,200,000	-9.00%	460,300,000	0.90%	464,900,000	1.00%	469,500,000	1.00%	474,200,000	1.00%
High	501,321,800	471,200,000	-6.00%	479,200,000	1.69%	488,800,000	2.00%	498,600,000	2.00%	508,600,000	2.00%
Spread		15,000,000	3.00%	18,900,000	0.79%	23,900,000	1.00%	29,100,000	1.00%	34,400,000	1.00%

Net Lottery Proceeds Estimates
Actual 2023-2024 and Estimated 2024-2025 Through 2028-2029
November 25, 2024

	<u>2023-2024</u> Actual	<u>2024-2025</u> Revised	<u>%</u>	<u>2025-2026</u> Estimated	<u>%</u>	<u>2026-2027</u> Estimated	<u>%</u>	<u>2027-2028</u> Estimated	<u>%</u>	<u>2028-2029</u> Estimated	<u>%</u>
Lottery Corporation											
Low	501,321,800	455,324,000	-9.18%	463,000,000	1.69%	471,000,000	1.73%	480,000,000	1.91%	488,000,000	1.67%
High	501,321,800	475,166,000	-5.22%	486,000,000	2.28%	497,000,000	2.26%	508,000,000	2.21%	519,000,000	2.17%
Fiscal Review Staff											
Low	501,321,800	463,575,400	-7.53%	464,541,600	0.21%						
Median	501,321,800	470,204,400	-6.21%	474,654,000	0.95%	479,400,540	1.00%	484,194,545	1.00%	489,036,490	1.00%
High	501,321,800	476,833,400	-4.88%	484,766,400	1.66%						

Recommended Range

Low
High

Spread



November 4, 2024

Honorable Bill Lee, Governor of the State of Tennessee
Jason E. Mumpower, Comptroller
Tre Hargett, Secretary of State
David H. Lillard, Jr., Treasurer
Jim Bryson, Commissioner of Finance & Administration

Re: Net Lottery Proceeds for Fiscal Year 2025

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 sales as net lottery 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 projected less than thirty-five percent (35%) of lottery proceeds for fiscal year 2025. The amount currently projected by the TEL for the fiscal year ranges from \$455 million to \$475 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, 2024 represents 82.8% of the TEL’s product mix since inception to date. In fact, throughout the lottery industry, instant ticket sales have steadily grown over the most recent fiscal years, while drawing-style games have remained stagnant, with the exception of infrequent record setting Powerball and Mega Millions jackpots.

One of the reasons for the growth in instant ticket revenues is the product offers players more price point options, from \$1 to \$50 in Tennessee (and as much as \$100 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, \$30 and most recently \$50 price points.

As players have migrated to the higher price point instant games, the overall prize payout has increased from 62% in fiscal year 2005 to 68.2% in fiscal year 2024. TEL management is projecting it will be approximately 68.5% for fiscal year 2025. 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 25% for fiscal year 2025.

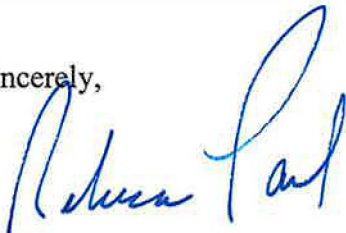
Actual gross profits from instant games have increased year over year, increasing from \$153.8 million in fiscal year 2005 to \$334.1 million in fiscal year 2024 . Since fiscal year 2005, instant game gross revenues have increased an average of 5.4% annually, with a corresponding increase in actual gross profits of an average of 4.2% annually. Gross profit is based on net ticket revenues, less direct costs of cash prizes, retailer commissions and major gaming vendor's fees.

2. In reviewing the industry wide instant games prize payouts as part of our budgetary process, Tennessee continues to maintain one of the lowest aggregated Instant Game prize payouts within the top ten performing lotteries. Empirical evidence indicates that a reduction in payout will result in a reduction in gross revenues and a corresponding reduction in net lottery proceeds. 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 lottery proceeds.

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 Paul, President & CEO
Tennessee Education Lottery Corporation

cc: Will Carver, Chair of Board of Directors, Tennessee Education Lottery Corporation

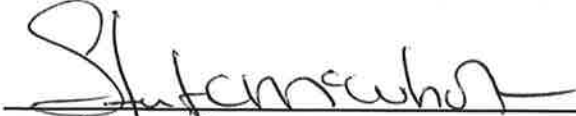
FastTrack Report to State Funding Board

11/25/2024

1. Previous FastTrack Balance, as of Last Report	613,183,244.38	
2. + New Appropriations:	0.00	
3. + Newly Deobligated Funds:	12,120,000.00	
4. + Funds Transferred to FastTrack:	0.00	
5. - Funds Transferred from FastTrack:	0.00	
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(5,624,887.00)	
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(5,292,775.00)	
8. - FastTrack Administration	(238,523.19)	
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:		614,147,059.19
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10. Total Amount of Commitments:	441,611,282.72	
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11. Uncommitted FastTrack:		172,535,776.47
12. Percentage Committed:		71.9%
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13. Amount of Proposed Grants or Loans:	6,800,000.00	
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:		165,735,776.47
15. Percentage Committed:		73.0%

See next page for explanations of the above questions.

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



Commissioner of Economic and Community Development

Date: 11/20/24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

November 25, 2024

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

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. DENSO Manufacturing Athens Tennessee, Inc. – Athens (McMinn County)

Globally headquartered in Kariya, Japan, DENSO is a \$47.2 billion leading mobility supplier that develops advanced technology and components for nearly every vehicle make and model on the road today. With manufacturing at its core, DENSO invests in around 180 facilities worldwide to provide opportunities for rewarding careers and to produce cutting-edge electrification, powertrain, thermal and mobility electronics products, among others, that change how the world moves. In developing such solutions, the company's 162,000 global employees are paving the way to a mobility future that improves lives, eliminates traffic accidents, and preserves the environment.

DENSO first established Tennessee operations in 1988 in Maryville before expanding its presence in the state. In 1997, the company began operations in Athens to produce leading components for vehicle ignition, exhaust and gasoline delivery systems.

The expansion in Athens increases the site's footprint to 879,000 square feet and enables the location's 1,444 employees to manufacture a wider range of DENSO's product portfolio, beginning with the company's latest heating, ventilation and air conditioning (HVAC) product. DENSO's HVAC not only delivers car passengers greater comfort but can also help improve the efficiency of traditional, hybrid and electric vehicles.



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

The activity reflects how DENSO continues to optimize and leverage the strengths of its manufacturing network to meet mobility's evolving needs and pursue the company's mission of contributing to a better world.

DENSO Manufacturing Athens Tennessee, Inc. has committed to create 200 net new jobs and make a \$100,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$31.39 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,800,000. **(\$1,800,000)**

Total FastTrack funds for this project - \$1,800,000

2. TruGreen Limited Partnership; Highwoods Realty Limited – Franklin (Williamson County)

TruGreen offers tailored solutions to meet the needs of client's unique outdoor living space. The company provides lawn, shrub, and tree care services to more than 2.3 million customers in US and Canada. As the leader in the professional lawn care industry, TruGreen helps define responsible lawn care practices, conducts industry-leading education and training.

TruGreen is relocating its headquarters to the Cool Springs area in Franklin, TN in close proximity to the state capitol of Nashville. Previously headquartered in Memphis, the organization still plans to keep this a supporting location as part of the relocation plan. The new office is part of a nationwide consolidation for company executives and is set to open in early 2025, with the Executive team and other departments, such as sales and marketing, occupying the space. This new location will serve as a catalyst for all growth initiatives.

TruGreen Limited Partnership and Highwoods Realty Limited Partnership has committed to create 135 net new jobs and make a \$5,673,722 capital investment within five (5) years. The company will have an average hourly wage of \$72.39 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building improvements and leasehold improvements for a total of \$1,000,000. **(\$1,000,000)**

Total FastTrack funds for this project - \$1,000,000

3. Schneider Electric USA, Inc. – Mount Juliet (Wilson County)

Schneider Electric is a global energy solutions provider that has seen unprecedented growth in the energy sector. The additional investment in Mt. Juliet will strengthen production capacity, allowing Schneider Electric to better meet its customer demand for energy management and automation products.



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Schneider Electric will create new jobs in a second new facility on Maddox Road in Wilson County. Upon completion, Schneider Electric will employ more than 2,300 Tennesseans across its facilities in Franklin, Maryville, Memphis, Smyrna and Mt. Juliet.

Schneider Electric USA, Inc. has committed to create 400 net new jobs and make a \$85,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$26.63 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, fixture improvements, and new building construction for a total of \$4,000,000. **(\$4,000,000)**

Total FastTrack funds for this project - \$4,000,000

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart McWhorter", written in a cursive style.

Stuart McWhorter

SM/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*	DENSO Manufacturing Athens Tennessee, Inc.	\$1,800,000	
	ECONOMIC DEVELOPMENT			
	TOTAL		\$1,800,000	

(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): DENSO Manufacturing Athens Tennessee, 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

1. 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
2. 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
3. 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
4. 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:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. 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)?
- c. 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)?
- d. 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.

6. a. 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.
- b. 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

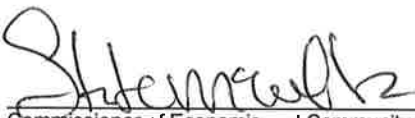
Applicant must answer "Yes" to a or b.

- 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

11/20/24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

June 3, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that DENSO Manufacturing Athens Tennessee, Inc. intends, in good faith, to create 200 private sector jobs in Athens, McMinn County and make a capital investment of \$100,000,000 in exchange for incentives that will be memorialized in a grant agreement between DENSO Manufacturing Athens Tennessee, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 1,444 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 1,800,000
Total ECD Commitment:	\$ 1,800,000

Please sign your name in the space below to signify DENSO Manufacturing Athens Tennessee, Inc.'s acceptance of ECD's offer set forth above and return it by September 1, 2024, to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@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: *Martin Deschene*
(Authorized Representative of Company)
Martin Deschene

Date: 13 June 2024

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	Industrial Development Board of Williamson County, Tennessee	\$1,000,000	
TOTAL		\$1,000,000	

(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): TruGreen Limited Partnership; Highwoods Realty Limited Partnership**

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

1. 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
2. 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
3. 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
4. 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:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. 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)?
- c. 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)?
- d. 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.

6. a. 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.
- b. 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

11/20/24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

July 9, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that TruGreen Limited Partnership intends, in good faith, to create 135 private sector jobs in Franklin, Williamson County and make a capital investment of \$5,673,722 in exchange for incentives that will be memorialized in a grant agreement between TruGreen Limited Partnership 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:	\$ 1,000,000
Total ECD Commitment:	\$ 1,000,000

Please sign your name in the space below to signify TruGreen Limited Partnership's acceptance of ECD's offer set forth above and return it by October 7, 2024 to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@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: 7/17/24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

November 25, 2024

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

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 Industrial Development Board of Williamson County, Tennessee for the benefit of TruGreen Limited Partnership and Highwoods Realty Limited Partnership in the amount of \$1,000,000 to offset the costs TruGreen Limited Partnership and Highwoods Realty Limited Partnership will incur in building retrofit, building improvements and leasehold improvements. 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 net new, high wage jobs and capital investment. TruGreen Limited Partnership and Highwoods Realty Limited Partnership has committed to create 135 net new jobs and make a \$5,673,722 capital investment within five (5) years. The company will have an average hourly wage of \$72.39 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in black ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/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	Industrial Development Board of Wilson County	\$4,000,000	
TOTAL		\$4,000,000	

(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): Schneider Electric USA, 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

1. 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
2. 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
3. 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
4. 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:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. 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)?
- c. 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)?
- d. 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.

6. a. 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.
- b. 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

11/20/24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

November 7, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Schneider Electric USA, Inc. intends, in good faith, to create 400 private sector jobs in Mount Juliet, Wilson County and make a capital investment of \$85,000,000 in exchange for incentives that will be memorialized in a grant agreement between Schneider Electric USA, 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 Economic Development Grant:	\$ 4,000,000
Total ECD Commitment:	\$ 4,000,000

Please sign your name in the space below to signify Schneider Electric USA, Inc.’s acceptance of ECD's offer set forth above and return it by January 5, 2025, to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@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: 11/14/24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

November 25, 2024

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

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 Industrial Development Board of Wilson County for the benefit of Schneider Electric USA, Inc. in the amount of \$4,000,000 to offset the costs Schneider Electric USA, Inc. will incur in building retrofit, building expansion, building improvements, fixture improvements, and new building construction. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

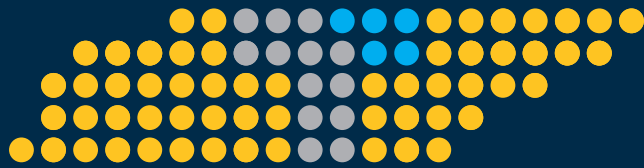
This project will yield a proportionately significant impact on this community due to the number of net new, high wage jobs and capital investment. Schneider Electric USA, Inc. has committed to create 400 net new jobs and make a \$85,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$26.63 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart McWhorter", is written over a printed name.

Stuart McWhorter

SM/js



TENNESSEE CENTRAL
ECONOMIC AUTHORITY

MACON

SMITH

SUMNER

TROUSDALE

WILSON

[TENNESSEECENTRAL.ORG](https://tennesseecentral.org)

2023 2024
ANNUAL REPORT

PRESIDENT'S COMMENTS

Thank you for our opportunity to make a difference with families and lead the Tennessee Central Team. Every year the journey provides possibilities for us to lead and partner with stakeholders that truly care about people, their hope, and their quality of life.

After a step back last year with our team, the Tennessee Central team has enriched its expertise with training and partnership experiences. Kelsey Dansby merited the achievement as a Tennessee Certified Economic Developer, Amanda Sexton has taken every class or training action available to learn economic development and her role in enhancing the communities. During this time, I have worked with the State of Tennessee in both domestic and international recruiting. We continue adjusting our vision and emphasis towards serving the families in our region as important stewards providing results.

The Government Ops Committee extended our funding for another six years until 2030. Additional sites have been developed in PowerCom with the pad improvement on the Cardinal site and the modifications on the Sumner site. In Macon County, we market the expanded industrial property and work with partners to prepare it for new companies.

Our partnership with Forward Sumner and TVA is providing strong workforce programs geared to employers with a \$200,000.00 grant from TCEA.

Parallel with these results, Tennessee Central accepted the Cumberland Valley River Port, LLP proposal to operate the port. We have received our permits and issued a "Request for Proposal" to start the harbor dredging with expectations for the Fall of 2024 to begin outbound shipping of agriculture products.

The outlook for 2024-25 is outstanding reflecting on our existing foundation. Tennessee Central will persevere by seeking new goals, discovering brighter visions, and building on dependable development practices.

Our appreciation cannot be expressed enough in words for TVA, Tennessee ECD, Upper Cumberland Development District, Greater Nashville Regional Council, legislators, MTIDA, and many others that assist, support, and seek ways to strengthen Tennessee Central

It is an honor to serve and share this journey with so many exceptional people.

**May God Bless,
Charly Lyons**



AMANDA, CHARLY, & KELSEY

OUR BOARD & STAFF

OUR STAFF



Chary Lyons
President & CEO



Kelsey Dansby
Development Coordinator



Amanda Sexton
Project Manager

BOARD OF DIRECTORS



Pictured L to R: Back Row: Steve Jones, Jack McCall, Jeff Mason, Bob Rochelle; Front Row: Mae Wright, Heather Bay, John Isbell, Randall Hutto

BOARD OF DIRECTORS



Chairman
Randall Hutto
Wilson County Mayor



Vice Chairman
Steve Jones
Macon County Mayor



Secretary/Treasurer
Jack McCall
Trousdale County Mayor



Sumner County Executive
John Isbell



Smith County Mayor
Jeff Mason



Senate Appointee
Mae Wright



House Appointee
Heather Bay



TCEA Attorney
Bob Rochelle

I would like to express our deepest gratitude and appreciation to our esteemed Board of Directors for their invaluable contributions and guidance. Your dedication, wisdom, and mentorship have been instrumental in shaping the success of our organization.

To each and every one of you, I extend my heartfelt thanks for your unwavering commitment and support. Your insights, advice, and expertise have been invaluable in guiding our decisions and strategies. Your unwavering belief in our mission and vision has inspired us all to reach new heights.

As mentors, you have shared your knowledge, experience, and wisdom with our team, empowering us to grow and excel. Your guidance has been invaluable in developing our skills and capabilities, and we are eternally grateful for your investment in our personal and professional development.

We recognize that your time and efforts are precious, and we are humbled by your willingness to share them with us. Your commitment to our organization is truly commendable, and we are honored to have you as our guiding force.

Thank you for your leadership, dedication, and unwavering support. We are truly fortunate to have all of you on our Board of Directors. On behalf of the entire team, we look forward to continuing to learn from your wisdom and experience in the years to come.

- Charly

SENATORS & REPRESENTATIVES

Legislators, This Annual Report from Tennessee Central Economic Authority provides insight into the financials, daily actions, and results of the fiscal year for 2023-2024. The Annual Report provides Tennessee Central with a formal method to document an accounting for the resources you have provided. As you review the report, please realize the actions and outcomes reflect your visions and expectations for the people you represent.

Your investments in Tennessee Central are providing jobs, capital investments, and stronger communities. The TCEA Report is evidence of your leadership and dedication to uplifting families with career opportunities in Macon, Smith, Sumner, Trousdale, and Wilson Counties.

We know legislators receive more trials and tribulations than known. Please know that Tennessee Central's Board and Staff sincerely value your assistance, time, funding, and your expectations. Our commitment to you is to have responsible stewardship in place to serve you and seek economic development to enhance the quality of life and enrich the prosperity of the citizens.

Our mission is to execute a plan of action that will surpass expectations and lead to greater communities that will rise to a new level of success & lead a new generation.

We look forward to your thoughts, visits, and insights.

Sincerely, Charly

SENATORS:



Paul Bailey



Ferrell Haile



Mark Pody



Ken Yager

REPRESENTATIVES:



Clark Boyd



Johnny Garrett



Michael Hale



Kelly Keisling



Susan Lynn



William Lamberth



William Slater

KEY EVENTS



SEDC



GOVERNOR'S CONFERENCE



2024 TVA ECONOMIC DEVELOPERS FORUM



2024 TVA ECONOMIC DEVELOPERS FORUM



2023 TVA ECONOMIC DEVELOPERS FORUM



2023 TVA ECONOMIC DEVELOPERS FORUM



TVA RURAL LEADERSHIP INSTITUTE

KEY EVENTS

State of Tennessee Funding Board in Nashville
 TVA's Economic Developers' Forum
 GNRC Annual Partnership Meeting
 Governor's Conference for Department of ECD
 Legislative Update at Good Morning Gallatin
 Sunset Review with TN Comptroller
 TVA Rural Leadership Conference
 TCEd Certification with UT-CIS
 Tennessee Economic Partnership Recruiting Japan
 Product Development & Site Planning Meeting
 Association of Tennessee Valley Governments Quarterly
 Tennessee Economic Partnership Quarterly Board Meetings
 Tennessee Economic Partnership-Chicago
 MTIDA Meetings
 Forward Sumner Annual Meeting
 Project Presentations & tours (multiple meetings)
 Tennessee Economic Development Council, Fall Meeting
 Dale Hollow RPO
 Port organizational meeting
 TN Achieves
 TN Economic Resiliency Course-UT CIS
 SEDC Annual Conference, Williamsburg, VA
 TVA Rural Development Roundtable
 SDG Meetings with Tennessee's Dept. of ECD
 Upper Cumberland Economic Developers Summit
 Congressman Rose's Rep. Ray Render
 TCAT Advisory Board Meetings
 Leadership Macon

UT: Center of Industrial Services (4 sessions)
 TVA's Workforce Institute
 GNRC Grant Team for Economic Development
 Trousdale County State of Address
 Tennessee Chamber of Commerce & Industry Annual Meeting
 UCDD Annual Economic Development Meeting: Macon & Smith
 Industrial Appreciation Lunch assisted by TCAT.
 ECD & TVA project Submissions
 GNRC Economic Developers Meeting
 Macon, Smith, Sumner, Trousdale, & Wilson Chamber Meetings
 Upper Cumberland Workforce Board
 Upper Cumberland Workforce Roundtable
 Upper Cumberland ED Summit Planning
 JECDB & IDB meetings (quarterly)
 Re-entry Simulation Training
 TEDC Day on the Hill
 UCDD Export Training
 TCEA Board of Directors Workshop
 Wilson County State of Address
 Site Selector Guild
 TN Economic Development Basic Finance- UT CIS
 TVA strategy session
 Basic Economic Development- UT CIS
 Governor Lee visit to Babynov Macon County
 G.I.V.E. Grant Collaborative
 Economic Development Forum
 Workforce Development TCED
 Smith County Chamber Industry Luncheon



TCED GRADUATES



KELSEY DANSBY RECEIVES TCEcD



TEDC FALL CONFERENCE



TEDC DAY ON THE HILL

INDUSTRY LUNCHEON



GALLATIN ECONOMIC DEVELOPMENT



2023 ANNUAL MEETING



2023 CHRISTMAS MEETING



2023 CHRISTMAS MEETING



OVERVIEW OF THE TCEA REGION



POPULATION GROWTH

2029 Projected: **466,769**

2024 Estimate: **434,495**

POPULATION GROWTH

2024-2029 Projected: **7.43%**

2020-2024 Growth: **8.42%**

2010-2020 Growth: **23.71%**

	MACON	SMITH	SUMNER	TROUSDALE	WILSON	TN CENTRAL	
POPULATION	2010	22,248	19,166	160,643	7,871	114,016	323,944
	2020	25,216	19,904	196,281	11,615	147,737	400,753
	2024	26,810	20,735	209,129	12,694	165,127	434,495
	2029	28,351	21,503	222,224	13,904	180,787	466,769
PERCENTAGE GROWTH	2010-2020	13.34%	3.85%	22.18%	47.57%	29.58%	23.71%
	2020-2024	6.32%	4.17%	6.55%	9.29%	11.77%	8.42%
	2024-2029	5.75%	3.70%	6.25%	9.53%	9.48%	7.43%

	DAVIDSON	RUTHERFORD	WILLIAMSON	TENNESSEE	UNITED STATES	
POPULATION	2010	626,635	262,603	183,199	6,346,016	308,745,377
	2020	715,884	341,486	247,726	6,910,840	331,449,281
	2024	717,924	373,276	269,779	7,149,607	336,157,119
	2029	734,175	403,711	291,238	7,405,821	344,209,992
PERCENTAGE GROWTH	2010-2020	14.24%	30.04%	35.22%	8.90%	7.35%
	2020-2024	0.28%	9.31%	8.90%	3.46%	1.42%
	2024-2029	2.26%	8.15%	7.95%	3.58%	2.40%

Source: Environics & Claritas 2024

EDUCATION OVERVIEW

2022-2023 ACT AVERAGE

Macon County	18.3
Smith County	19.3
Sumner County	20.2
Trousdale County	19.2
Wilson County	20.5
TN Central Region	19.5
Davidson County	17.4
Rutherford County	19.6
Williamson County	24.9
State of Tennessee	19.1
United States ¹	19.5



2022-2023 GRADUATION RATE

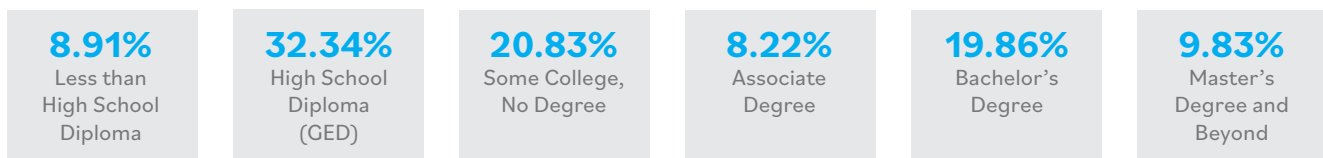
Macon County	92.3%
Smith County	97.4%
Sumner County	95.2%
Trousdale County	98.8%
Wilson County	98.0%
TN Central Region	96.3%
Davidson County	81.6%
Rutherford County	95.4%
Williamson County	97.1%
State of Tennessee	89.8%
United States ²	91.0%

Source: TN Department of Education, 1. ACT.org, 2. 2022-2023 wisevoter.com

UNIVERSITIES & COLLEGES

- Belmont University
- Cumberland University
- Fisk University
- Lipscomb University
- Meharry Medical College
- Middle Tennessee State University
- Tennessee State University
- Tennessee Technological University
- TN College of Applied Technology in Hartsville
- TN College of Applied Technology in Lebanon
- TN College of Applied Technology in Nashville
- TN College of Applied Technology in Portland
- TN College of Applied Technology in Red Boiling Springs
- Trevecca Nazarene University
- Vanderbilt University
- Volunteer State Community College
- Welch College
- Union University

EDUCATIONAL ATTAINMENT OF THE TCEA REGION



Source: Environics & Claritas 2024

2023-2024 PERFORMANCE INDEX

- Cardinal Site Pad Ready
- Sumner Site Up Graded
- Port Operator Agreement Cumberland Valley River Port
- Port Permit for Dredging
- Funding Extended Six Years to 2030
- State Of Tennessee Funding Board Approval
- Macon County-Lafayette Industrial Park Official Closing
- TCEA Promotional Campaign for State of Tennessee Legislatures
- Tennessee Certified Economic Developer Certification-Kelsey Dansby
- International Recruiting with Dept of ECD
- Leadership Macon: Kelsey Dansby
- Property Research Committee Formed for Powercom Future
- Macon County Fam Tour with ECD
- TCEA Website Enhancements Installed
- 16 RFP/RFI Responses to ECD & TVA
- Investprep Site Visit at Macon County/Lafayette
- New Signage Upgrading Powercom
- 3 FDI Site Visits

TCEA'S PARTNERS FOR SUCCESS



2023-2024 FISCAL OVERVIEWS

General Fund (Staff & Office Operations)

REVENUES

\$504,991.72

Rent

\$248,623.81

Other

**TOTAL REVENUES:
\$753,615.53**

EXPENDITURES

\$299,868.89

Salaries & Benefits

\$30,349.53

Contract Services

\$34,776.56

Office Expenses

\$19,068.46

Advertising & Marketing

\$16,122.47

Meeting & Event Expenses

\$27,362.93

Travel

\$2,773.48

Miscellaneous

\$8,624.34

Dues & Fees

**TOTAL EXPENDITURES:
\$438,946.66**

Capital Improvements Fund (PowerCom Industrial Center & Off-Site Development)

REVENUES

\$1,019,177.76

TVA In-Lieu-of-Tax Funding

\$102,422.63

Other

**TOTAL REVENUES:
\$1,121,600.39**

EXPENDITURES

\$218,815.00

Grant Programs

\$126,299.59

Contract Services & Labor

\$585,689.18

PowerCom Expenses

(Infrastructure, Site Development & Repair & Maintenance)

\$189,100.00

Admin Fee & Other Miscellaneous Expenses

\$112,687.62

Port Development

**TOTAL EXPENDITURES:
\$1,232,591.39**

BUSINESS & WORKFORCE DEVELOPMENT



The Tennessee College of Applied Technology Hartsville fully supports the ongoing efforts of the TN Central Economic Authority and serves as the premier supplier of workforce development for Trousdale, Sumner, Wilson, Smith, and Macon Counties. With adult campuses located in both Wilson and Trousdale counties, we work closely with companies such as Lochinvar, Simpson-Strongtie, HighPoint Health System, NIC Global, Insteel Wire, and many others to develop training programs and provide qualified employees.

The College fulfills its mission by:

- » Providing **competency-based training** through superior quality traditional and distance learning instruction methods that qualify completers for employment and job advancement.
- » Contributing to the **economic and community development** of the communities served by training and retraining employed workers.
- » Ensuring that programs and services are **economical and accessible** to all residents of Tennessee.
- » **Building relationships of trust** with community, business, and industry leaders to supply highly skilled workers in areas of need.

At TCAT Hartsville, the focus is on your success in today's ever-changing, state-of-the-market economy. Our faculty and staff believe in providing the highest quality services and instruction to ensure an exciting learning experience. Our Instructors are qualified and dedicated to the responsive changes needed by business and industry, students, and the community. We are proud to train citizens for the skilled careers of today's workforce. Education is about creating new possibilities for career and personal growth. As the economy becomes increasingly global and competitive, the facilities and curriculum at TCAT Hartsville will provide the education and training that are required to compete in the global market. Beginning Monday 5/18 we will go back on a modified schedule. Following the social distancing standards, we will bring back student in small numbers for lab work. We have strict guidelines which will be in place for all who enter our buildings.



The Tennessee Central office assists and houses a satellite location for the Volunteer State Community College TN Small Business Development Center (TSBDC). The Center provides group sessions and one-on-one counseling and training for small business owners and entrepreneurs needing assistance in the Tennessee Central region. Charles Alexander, the Center's Director, can provide private counseling at the following locations in the Tennessee Central Region. Please contact specific location for appointment.

MT. JULIET CHAMBER
615-758-3478

LEBANON CHAMBER
615-444-5503

VSCC
615-230-4780



Charles Alexander
Director
TSBDC

2024-2025 WORK STRATEGIES

ECONOMIC DEVELOPMENT PROGRAM

- » Market & promote the Tennessee Central as a five-county region.
- » Respond to Request for Proposals for the region or individual communities.
- » Apply and execute grants to improve economic development standards.
- » Increase industrial product development in the five-county region.
- » Open a port on the Cumberland River.
- » Engage with the PowerCom Property Committee's Vision.
- » Provide grants for industrial development in our five-county region.
- » Networking assistance to incubator clients as required.
- » Facilitate partnership & cooperation with elected officials, EDOs, and all stakeholders in the region.
- » Manage the PowerCom Industrial Center & Zwirner Building.
- » Participate with RPO and TDOT for regional highway infrastructure.

BUSINESS & WORKFORCE DEVELOPMENT ASSISTANCE

- » Enhance job growth in the region & accelerate Existing Industry.
- » Serve on the Tennessee Economic Partnership Board.
- » Serve on the Upper Cumberland Workforce Board.
- » Partner with SBA's TN Small Business Development Centers to assist entrepreneurs and start-up companies.
- » Create a CEO Roundtable.
- » Serve on the Tennessee College (TCAT)/Hartsville's Advisory Board.
- » Market TCAT, UT CIS, & VSCC training services to regional industries.
- » Assist with job fairs in the region.
- » Assist Workforce Development programs in the Tennessee Central Region.

PROGRAM ADMINISTRATION

- » Comply with reporting requirements of the State of Tennessee (Sunset Review & State Funding Board), Board of Directors, funding agencies, and others as an operating standard.
- » Maintain financial reporting, audits, and budget management.
- » Website support with news updates & resources throughout digital assets.
- » Manage the daily operations of the office and admin processes.
- » Research, pursue, and apply for funding opportunities.
- » Management of the PowerCom Industrial Center and tenant relationships.
- » Maintain professional affiliations with the TNECD, Chambers of Commerce, UT/CTAS, the Greater Nashville Regional Council, MTIDA, the Upper Cumberland Development District, TN Economic Development Council, TVA, TEP, ATVG, USDA, RPO, SEDC, region's electric, utility districts, governments entities, and funding agencies.

ADDITIONAL RESPONSIBILITIES

- » Enhance the public awareness & vision of the TCEA.
- » Establish Tennessee Central internally in the five-county region for economic development.
- » Provide quarterly reports to the Board of Directors.
- » Respond to the Board of Director's request for other regional opportunities.
- » Aggressively pursue new projects and tenants.
- » Partner & support MTIDA's programs for our communities.

GOVERNOR LEE VISITS BABYNOV - MACON



ACROSS THE REGION



WILSON COUNTY MAYOR HUTTO'S OPEN HOUSE



PROJECT RECOVERY SITE VISIT



WILSON COUNTY STATE OF ADDRESS



TCEA STAFF WITH REPRESENTATIVE WILLIAM SLATER



TCEA STAFF WITH SENATOR FERRELL HAILE



LUNCH & LEARN WITH REPRESENTATIVE CLARK BOYD



LUNCH & LEARN WITH REPRESENTATIVE CLARK BOYD



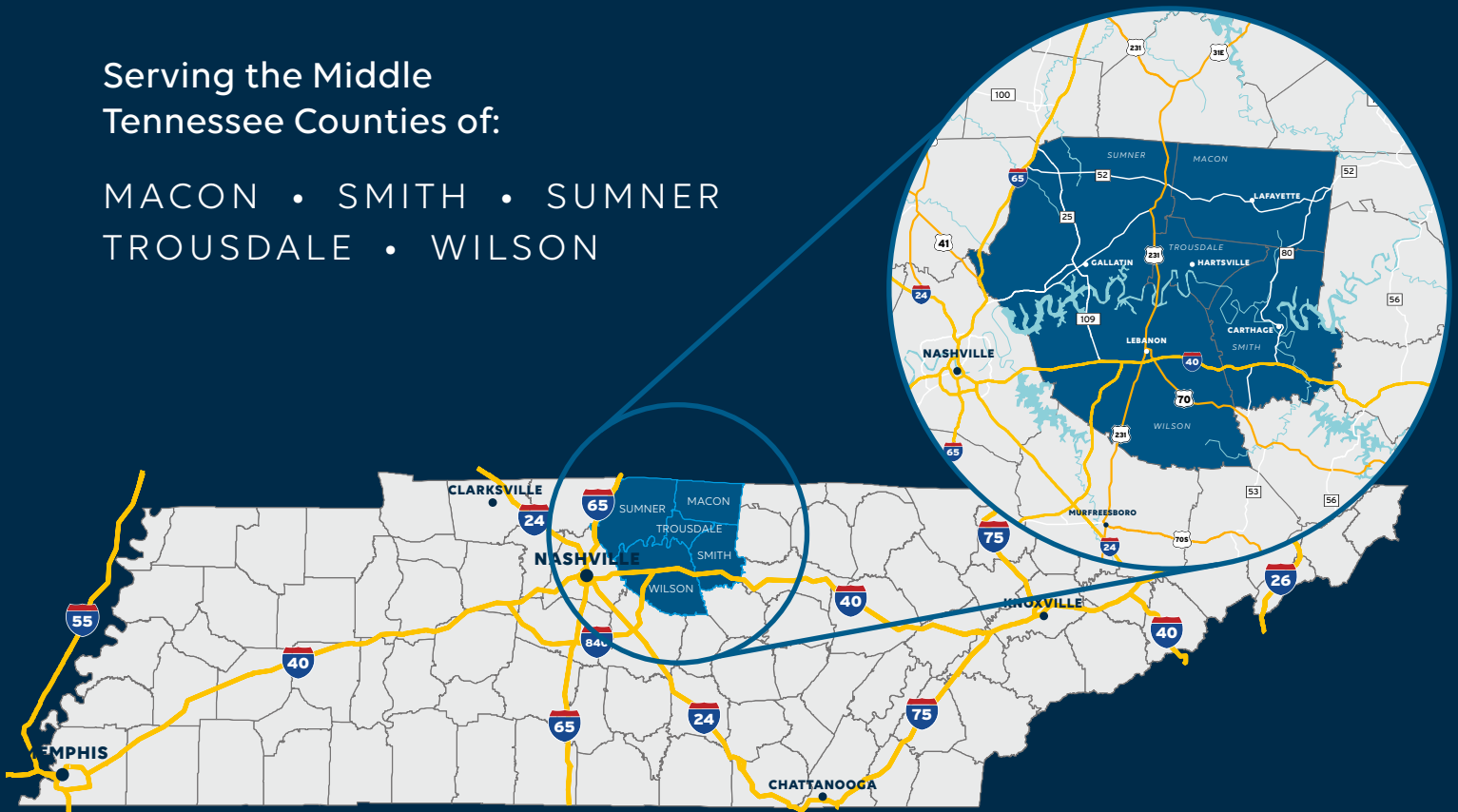
TEP SEUS JAPAN



PROJECT TOPAZ SITE VISIT

Serving the Middle
Tennessee Counties of:

MACON • SMITH • SUMNER
TROUSDALE • WILSON



TENNESSEECENTRAL.ORG

Charly Lyons, President/CEO

P 615.374.4607

C 615.426.2520

F 615.374.4608

702 McMurry Blvd E

Hartsville, Tennessee 37074

clyons@tennesseecentral.org

This institution is an equal opportunity provider and employer.

Capital Improvements

Balance Sheet

As of October 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
113628 9M CD	573,289.10
585103-01 LGIP	2,107,042.20
Money Market Acct	2,540,729.16
NOW Checking Acct	97,644.12
Total Bank Accounts	\$5,318,704.58
Other Current Assets	
12000 Undeposited Funds	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$5,318,704.58
TOTAL ASSETS	\$5,318,704.58
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	149,916.00
Total Accounts Payable	\$149,916.00
Credit Cards	
24100 MASTERCARD	0.00
Total Credit Cards	\$0.00
Total Current Liabilities	\$149,916.00
Long-Term Liabilities	
27200 USDA/RD Loan	0.00
Total Long-Term Liabilities	\$0.00
Total Liabilities	\$149,916.00
Equity	
30000 Opening Balance Equity	0.00
32000 Retained Earnings	6,093,607.06
Net Income	-924,818.48
Total Equity	\$5,168,788.58
TOTAL LIABILITIES AND EQUITY	\$5,318,704.58

Capital Improvements

Budget vs. Actuals: Budget_FY25_P&L - FY25 P&L

July - October, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
43300 In-Lieu-of-Tax Funds		850,000.00	-850,000.00	
46400 Other Types of Income				
46430 Interest	52,131.31	60,000.00	-7,868.69	86.89 %
46440 Reimbursements & Misc		25,000.00	-25,000.00	
Total 46400 Other Types of Income	52,131.31	85,000.00	-32,868.69	61.33 %
Total Income	\$52,131.31	\$935,000.00	\$ -882,868.69	5.58 %
GROSS PROFIT	\$52,131.31	\$935,000.00	\$ -882,868.69	5.58 %
Expenses				
60300 Regional Development				
60310 Select TN/Workforce Dev Grant Program				
60311 Macon County		0.00	0.00	
60312 Smith County		11,130.00	-11,130.00	
60314 Trousdale County		7,749.55	-7,749.55	
60315 Wilson County		20,000.00	-20,000.00	
Total 60310 Select TN/Workforce Dev Grant Program		38,879.55	-38,879.55	
60320 4L ED Grant Program				
60321 Macon County		200,222.43	-200,222.43	
60322 Smith County	100,000.00	133,200.47	-33,200.47	75.07 %
60323 Sumner County		230,000.00	-230,000.00	
60324 Trousdale County	2,644.61	124,092.99	-121,448.38	2.13 %
60325 Wilson County		121,582.72	-121,582.72	
Total 60320 4L ED Grant Program	102,644.61	809,098.61	-706,454.00	12.69 %
Total 60300 Regional Development	102,644.61	847,978.16	-745,333.55	12.10 %
62100 Contract Services				
62140 Legal Fees	1,350.00	30,000.00	-28,650.00	4.50 %
62150 Prof. & Eng. Services	53,364.62	175,000.00	-121,635.38	30.49 %
Total 62100 Contract Services	54,714.62	205,000.00	-150,285.38	26.69 %
62800 PowerCom Expenses				
62810 Property Insurance	8,875.00	18,000.00	-9,125.00	49.31 %
62820 Existing Bldg Upgrades/R&M	23,072.00	525,071.33	-501,999.33	4.39 %
62821 Powercom Building Pads		360,000.00	-360,000.00	
62822 Site Development		800,000.00	-800,000.00	
62831 Waterline Exts/Inst/R&M		500,000.00	-500,000.00	
62835 Sewerline Exts/Inst/R&M		600,000.00	-600,000.00	
62840 Road Upgrades & Maint.	4,464.73	250,000.00	-245,535.27	1.79 %
62850 Dock/Port Development		400,000.00	-400,000.00	
62851 Dredging	748,508.00	850,000.00	-101,492.00	88.06 %
62860 Signs/Gate/Fence Adds/R&M	26,863.12	65,000.00	-38,136.88	41.33 %
62870 Utility Expenses (w/s/g/e)	811.58	9,000.00	-8,188.42	9.02 %
62880 Contract Labor				
62881 Site R&M, Security	6,336.61	30,000.00	-23,663.39	21.12 %

Capital Improvements

Budget vs. Actuals: Budget_FY25_P&L - FY25 P&L

July - October, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
62882 Dozer & Bush Hogging		105,000.00	-105,000.00	
Total 62880 Contract Labor	6,336.61	135,000.00	-128,663.39	4.69 %
62890 Supplies/Equip R&M	307.62	55,000.00	-54,692.38	0.56 %
Total 62800 PowerCom Expenses	819,238.66	4,567,071.33	-3,747,832.67	17.94 %
65100 Other Expenses				
65120 Reserve Funds		600,000.00	-600,000.00	
65160 Other Costs	351.90	40,000.00	-39,648.10	0.88 %
75000 Admin. Services Fee		180,000.00	-180,000.00	
Total 65100 Other Expenses	351.90	820,000.00	-819,648.10	0.04 %
Total Expenses	\$976,949.79	\$6,440,049.49	\$ -5,463,099.70	15.17 %
NET OPERATING INCOME	\$ -924,818.48	\$ -5,505,049.49	\$4,580,231.01	16.80 %
NET INCOME	\$ -924,818.48	\$ -5,505,049.49	\$4,580,231.01	16.80 %

Tennessee Central Economic Authority

Balance Sheet

As of October 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
115710 10M CD	260,668.02
115714 10M CD*	260,668.02
427500 18M CD Wilson	539,786.56
488674 15M CD Wilson	250,000.00
488682 15M CD Wilson*	250,000.00
Checking	65,633.09
Petty Cash	90.00
Savings	358,602.45
Total Bank Accounts	\$1,985,448.14
Accounts Receivable	
11000 Accounts Receivable	0.00
11001 allowance for doubtful accounts	-1,950.00
Total Accounts Receivable	\$ -1,950.00
Other Current Assets	
12000 Undeposited Funds	1,750.00
Total Other Current Assets	\$1,750.00
Total Current Assets	\$1,985,248.14
TOTAL ASSETS	\$1,985,248.14
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
24110 MASTERCARD	4,876.23
Total Credit Cards	\$4,876.23
Other Current Liabilities	
24000 Payroll Liabilities	-8,392.22
Total Other Current Liabilities	\$ -8,392.22
Total Current Liabilities	\$ -3,515.99
Total Liabilities	\$ -3,515.99
Equity	
30000 Opening Balance Equity	0.00
32000 Retained Earnings	1,965,893.24
Net Income	22,870.89
Total Equity	\$1,988,764.13
TOTAL LIABILITIES AND EQUITY	\$1,985,248.14

Tennessee Central Economic Authority

Budget vs. Actuals: FY_2024_2025 - FY25 P&L

July - October, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
44500 Government Grants		1,200.00	-1,200.00	
46400 Other Types of Income				
46410 Interest	22,639.66	25,000.00	-2,360.34	90.56 %
46420 Administrative Services Fee		180,000.00	-180,000.00	
46430 Miscellaneous				
46431 Mtg Lunch Fees (CR to #60910)	480.00	1,050.00	-570.00	45.71 %
46432 Event Sponsors (CR to #60930)	3,000.00	2,000.00	1,000.00	150.00 %
Total 46430 Miscellaneous	3,480.00	3,050.00	430.00	114.10 %
Total 46400 Other Types of Income	26,119.66	208,050.00	-181,930.34	12.55 %
47500 Rentals	151,058.35	407,680.00	-256,621.65	37.05 %
Unapplied Cash Payment Income	0.01		0.01	
Total Income	\$177,178.02	\$616,930.00	\$ -439,751.98	28.72 %
GROSS PROFIT	\$177,178.02	\$616,930.00	\$ -439,751.98	28.72 %
Expenses				
60900 Business Expenses				
60910 Meeting Related Expenses	1,320.88	9,000.00	-7,679.12	14.68 %
60920 Dues/Fees/Renewals	2,234.06	8,000.00	-5,765.94	27.93 %
60930 Events	4,218.18	9,500.00	-5,281.82	44.40 %
60940 Training/Education		4,800.00	-4,800.00	
Total 60900 Business Expenses	7,773.12	31,300.00	-23,526.88	24.83 %
62100 Contract Services				
62110 Accounting Fees	2,900.00	3,200.00	-300.00	90.63 %
62140 Legal Fees	7,880.00	23,640.00	-15,760.00	33.33 %
62150 Other Contract Services	734.00	5,000.00	-4,266.00	14.68 %
Total 62100 Contract Services	11,514.00	31,840.00	-20,326.00	36.16 %
65000 Office Operations				
65010 Rent	4,300.00	12,900.00	-8,600.00	33.33 %
65020 Postage/Printing	526.14	750.00	-223.86	70.15 %
65030 Utilities	2,100.84	6,000.00	-3,899.16	35.01 %
65040 Supplies & Equip.	1,353.70	5,000.00	-3,646.30	27.07 %
65050 Communications	1,807.48	6,500.00	-4,692.52	27.81 %
65060 Computer/Website Upgrades	737.38	2,500.00	-1,762.62	29.50 %
65120 Insurance - Office, D&O, WC	4,193.00	8,500.00	-4,307.00	49.33 %
Total 65000 Office Operations	15,018.54	42,150.00	-27,131.46	35.63 %
65100 Misc.	1,120.81	4,000.00	-2,879.19	28.02 %
65110 Marketing	1,265.68	24,000.00	-22,734.32	5.27 %
66000 Payroll Expenses				
66010 President/CEO	45,600.00	136,800.00	-91,200.00	33.33 %
66020 Project Manager	22,300.00	66,900.00	-44,600.00	33.33 %
66030 Development Coordinator	21,879.76	63,924.00	-42,044.24	34.23 %
66050 Benefits	19,286.26	92,000.00	-72,713.74	20.96 %

Tennessee Central Economic Authority

Budget vs. Actuals: FY_2024_2025 - FY25 P&L

July - October, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total 66000 Payroll Expenses	109,066.02	359,624.00	-250,557.98	30.33 %
68300 Travel	8,548.96	35,000.00	-26,451.04	24.43 %
Total Expenses	\$154,307.13	\$527,914.00	\$ -373,606.87	29.23 %
NET OPERATING INCOME	\$22,870.89	\$89,016.00	\$ -66,145.11	25.69 %
NET INCOME	\$22,870.89	\$89,016.00	\$ -66,145.11	25.69 %

**Tennessee State Veterans Homes Board
Presentation to State Funding Board
November 25, 2024**

Financial Summary July 2024 through October 2024

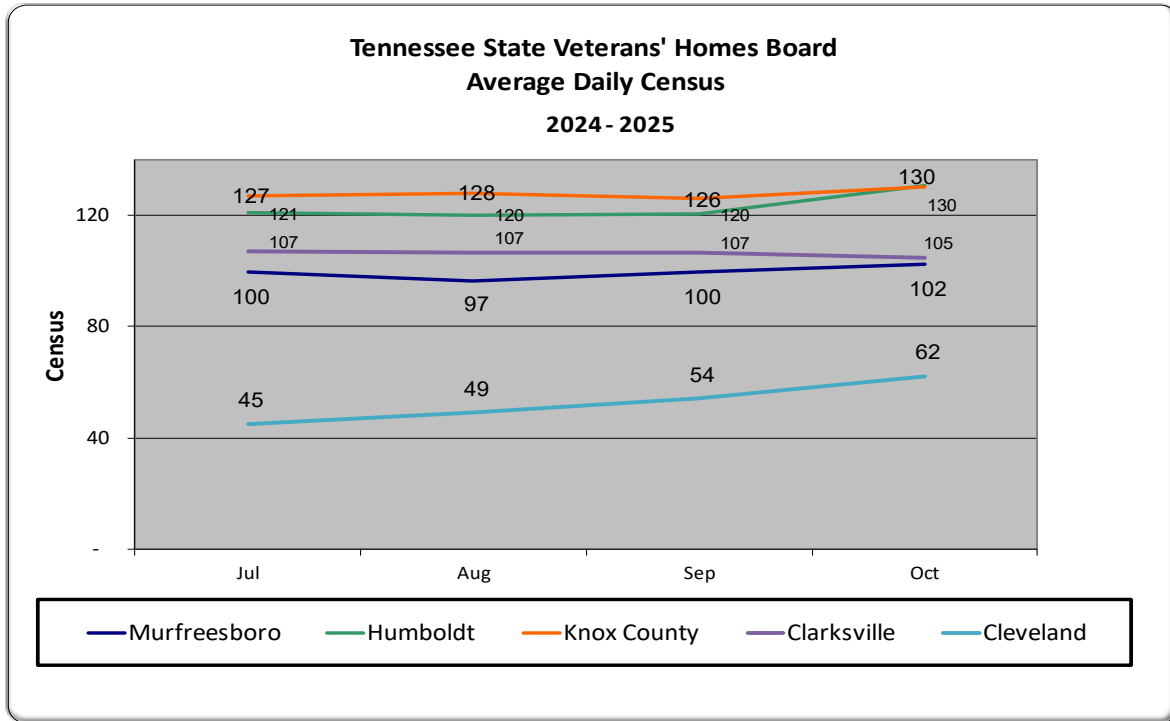
Year to Date Summary of Financial Operations

The financial summary covers year-to-date operations through October 2024 for home office and facilities.

Year-to-Date	Home Office	Murfreesboro	Humboldt	Knox County	Clarksville	Cleveland	Total
Actual	\$0	\$ (692,641)	\$305,236	\$ (195,410)	\$ (400,815)	\$ (95,651)	\$ (1,079,411)

Net income reported is less than budget mainly due to patient mix, occupancy rate, agency nurses cost, startup cost, and inflation. Management continues to control expenses.

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 and Cleveland have 108 dually certified for Medicaid and Medicare.



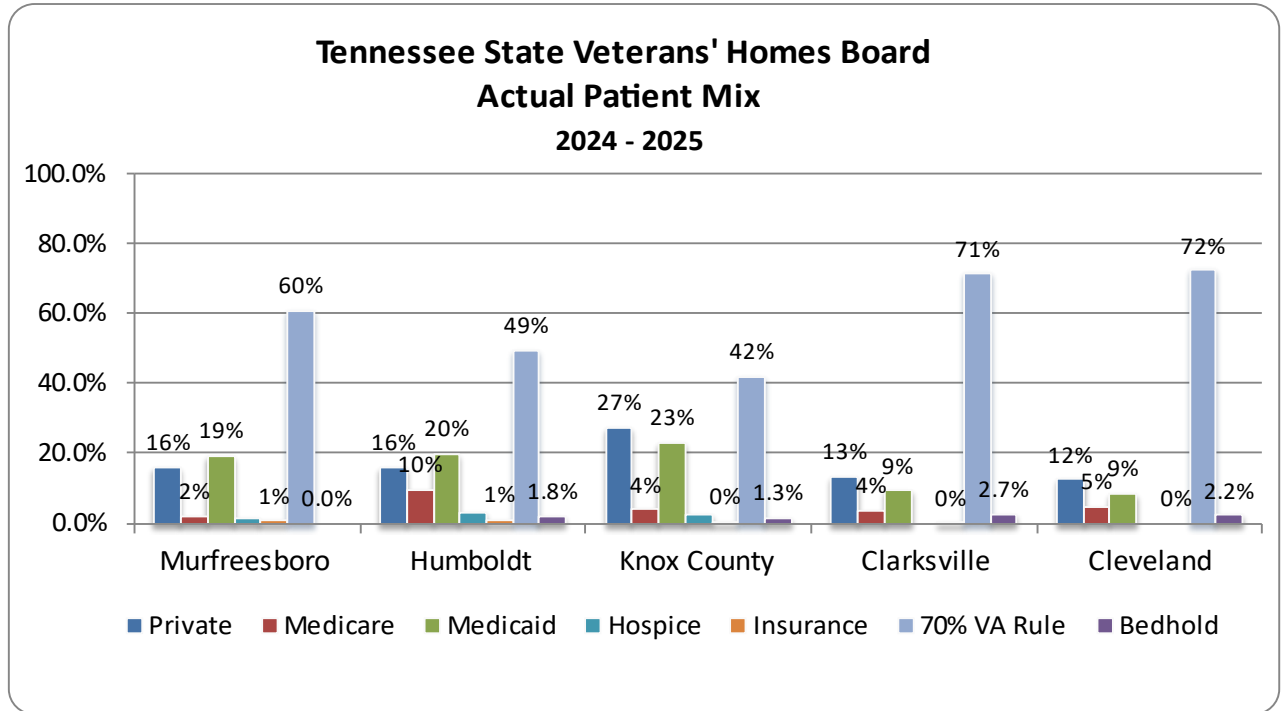
For the month of October 2024, each facility is reporting the following average daily census (ADC) and occupancy information:

<u>Facility</u>	<u>ADC</u>	<u>Occupancy</u>
Murfreesboro	102	73.1%
Humboldt	130	93.2%
Knox County	130	93.2%
Clarksville	105	97.0%
Cleveland	62	57.7%

**Tennessee State Veterans Homes Board
Presentation to State Funding Board
November 25, 2024**

The occupancy rate at four of the five homes exceeds the state occupancy rate of 71.1%.

Patient mix is a key factor and drives revenues for the homes. Patient mix year to date at October 31, 2024 is shown below.



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, 2024, cash balances at LGIP for the facilities and home office are as follows:

<u>LGIP Funds</u>	<u>Home Office</u>	<u>Murfreesboro</u>	<u>Humboldt</u>	<u>Knox County</u>	<u>Clarksville</u>	<u>Total</u>
Revenue Fund	\$ 121,706					\$ 121,706
Repair & Replacement		723,506	209,499	775,739	780,237	2,488,981
Debt Service Fund		62	94		45	201
Operating Reserve	7,651,568					7,651,568
Technology	510,957					510,957
Special Funds	423,053					423,053
Contributions	50,826					50,826
Total	\$ 8,758,110	\$ 723,567	\$ 209,593	\$ 775,739	\$ 780,282	\$ 11,247,292

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.

**Tennessee State Veterans Homes Board
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Currently Tennessee State Veterans' Homes Board has five projects with approved VA Grants to States for Construction or Acquisition of State Homes.

- Construction is complete on the Cleveland-Bradley County facility. This is a 108-bed intermediate and skilled care nursing facility. Total cost: \$47,729,558
- Arlington-Shelby County is currently under construction. This project is for the construction of a 126-bed intermediate and skilled care nursing facility in Arlington, Shelby County. Substantial completion is projected for Fall, 2025. Total cost: \$68,846,485.
- Construction is complete on renovations to the Murfreesboro facility. The project is currently in the grant close out process. The grant application was submitted in April 2019. It involves the installation of an additional generator to power the HVAC chillers, a 1900-gallon emergency water supply, and the replacement of aging resident room doors and windows. Total cost: \$2,005,377.
- Construction is complete on renovations to the Humboldt facility. The project is currently in the grant close out process. It involves the installation of an additional generator to power the HVAC chillers, a 1900-gallon emergency water supply, replacing domestic water return piping and the replacement of aging resident room doors. Total cost: \$1,983,831.
- Construction is complete on updates at the Knoxville facility. The project is currently in the grant close out process. The project includes an additional generator to power the HVAC chillers and replacing its single heating boiler with two high efficiency boilers which reduces the risk of total loss of heating. Total cost: \$493,639.

In addition to the funded grants above, Tennessee State Veterans' Homes board has grant applications in for the following projects:

- A grant application for new construction (addition) for the Murfreesboro executive offices was submitted in April 2020. It has not yet been approved. 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. Total cost if constructed in 2025: \$3.03M.
- A grant application was submitted in April 2024 for the replacement of emergency power generators at the Clarksville facility. Three of five generators had catastrophic failures of similar nature within a few months period. Critical parts and support for the installed models is no longer available per the manufacturer. Project cost if constructed in 2025: \$3,110,000.

Tennessee State Veterans' Homes Board has the following project in the planning stages:

- Sullivan County has begun the process for developing a State Veterans' Home. Estimated project costs: \$159,470,000.

**Tennessee State Veterans Homes Board
Presentation to State Funding Board
November 25, 2024**

State Audit

Audit for Fiscal Year Ended June 30, 2023

State Audit entered the field January 16, 2024, for the audit of fiscal year June 30, 2023.

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 November 29, 2022, Performance Audit issued its report on the operational efficiency and effectiveness of the Board. Although improvement was noted the report includes 4 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 home is rated at five stars overall. The Humboldt home is rated at four stars overall. The Clarksville home is rated at three stars overall and the Murfreesboro home is currently rated at one star overall. The Cleveland home has no star rating.

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.

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

- Health Inspections
- Quality Measures
- Staffing

**Tennessee State Veterans Homes Board
Presentation to State Funding Board
November 25, 2024**

- Registered Nurse Staffing
- Staff Turn-over

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

The Tennessee Department of Health conducts an annual survey of each facility.

The Knoxville survey was completed in February 2024. There were two very minor health deficiencies. The first involved a missing PASRR from 2020. The second involved MDS accuracy.

The TSVH home in Humboldt had their survey in October 2023. There were two minor citations. The first involved a care plan that was not updated. The second involved a staff member touching a bread roll while serving a resident and returning an unused dining tray to the clean tray rack.

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. A complaint survey was conducted in May 2024. This survey resulted five immediate jeopardy citations and two minor level citations. The immediate jeopardy citations involved failure to adequately document wound care and two fall investigations; the next was neglected wound care treatment related to missing documentation; failure to alleviate pain with one resident; next was a failure to report an alleged unknown injury; quality assurance was also cited related to the previous listed citations; administration was cited related to the previous listed citations. TSVH has appealed all of the immediate jeopardy citations. The two minor citations involved care planning and documentation of bathing.

The Clarksville survey was completed in April 2022. There were two citations. One involved a resident fall. The second involved staff not following infection control screening process.

The Cleveland home has successfully completed its TN Licensure survey (November 2023), TNDOH/CMS certification survey (February 2024) and its VA recognition survey (March 2024). All were deficiency free.

The average number of health deficiencies cited in Tennessee's long term care facilities standard survey process is 5.9 and nationally at 9.6.

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: June 2024 (Murfreesboro) – there were 5 minor deficiencies involving medication distribution, a call light not accessible to a resident, an issue with a care plan, a missing order for an enteral feeding change, and a minor medication error. February 2024 (Humboldt) Deficiency Free. March 2024 (Knoxville) – Deficiency Free. September 2024 (Clarksville) – 1 minor citation regarding handwashing.

**Tennessee State Veterans Homes Board
Presentation to State Funding Board
November 25, 2024**

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, 2024



PREPARED FOR THE
STATE FUNDING BOARD

November 25, 2024

PREPARED BY
TREASURY DEPARTMENT
INVESTMENT OPERATIONS DIVISION

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	Stress Test Results June 30, 2024	Attachment

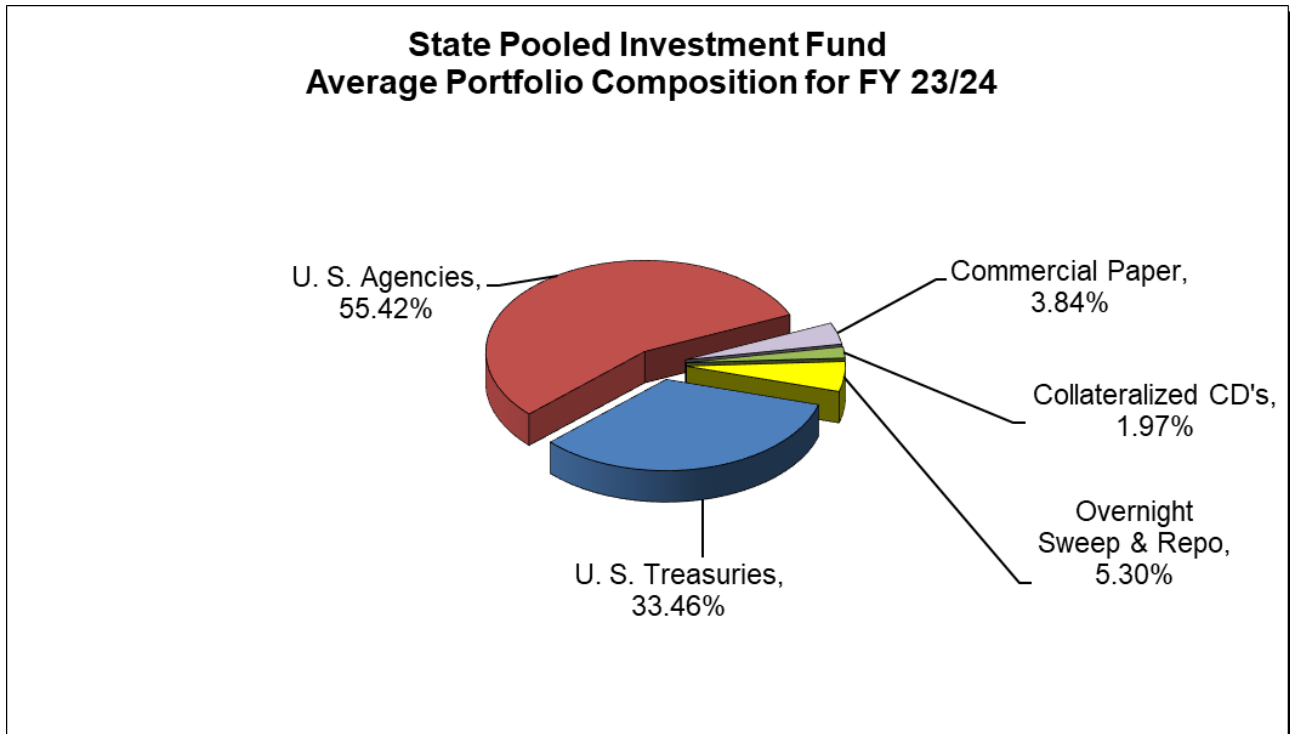
TENNESSEE TREASURY DEPARTMENT
State Pooled Investment Fund Report
For the fiscal year ended June 30, 2024

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 of the Treasury, 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.

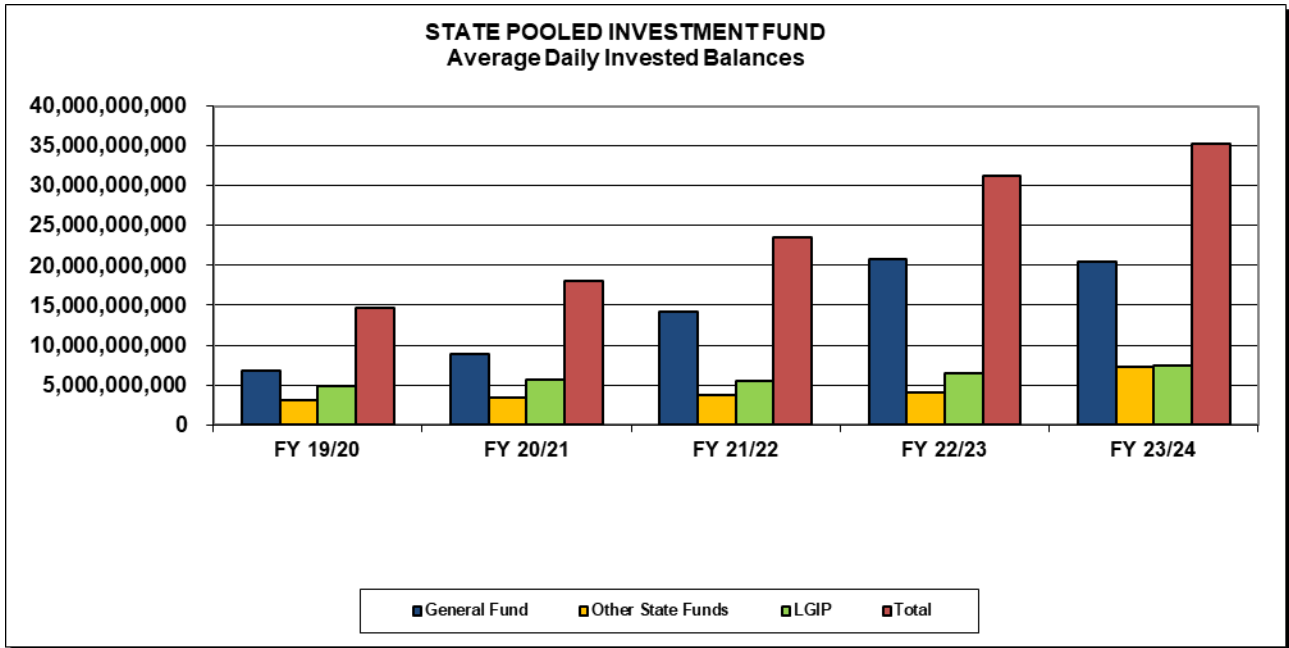
II. Portfolio Composition

The State Pooled Investment Fund had a monthly average of \$35.4 billion invested for the fiscal year ended June 30, 2024. The following chart shows the composition of the average portfolio.



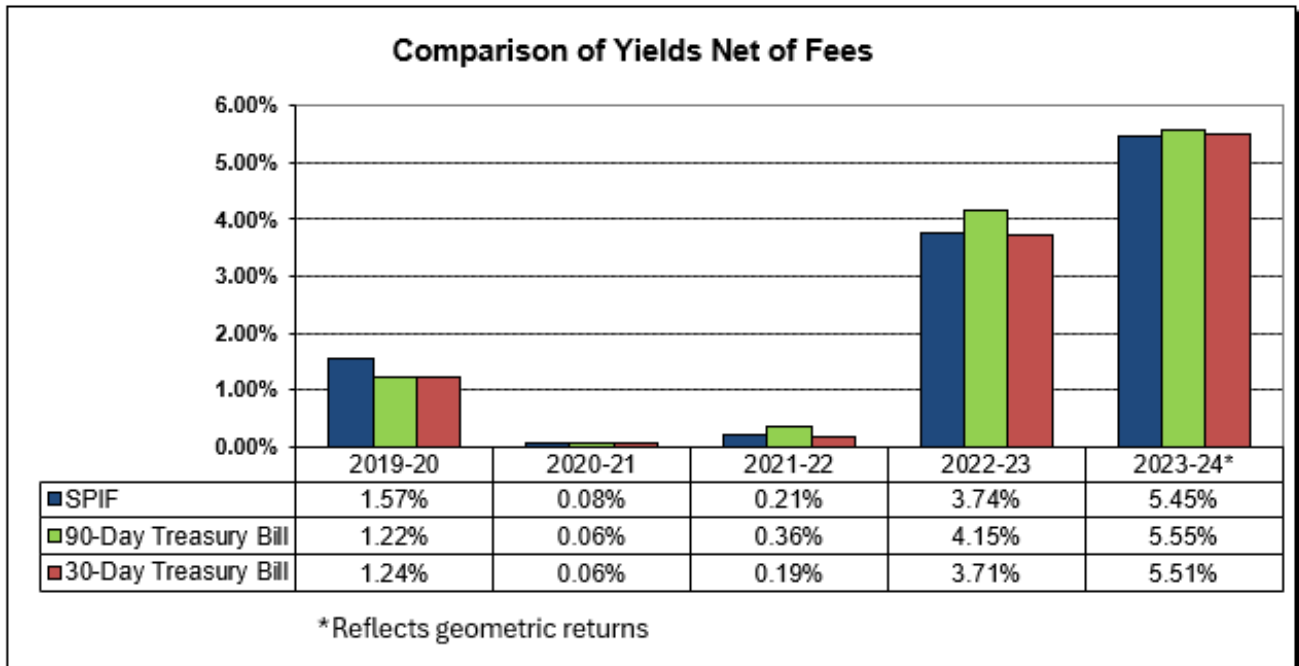
Demand for State funds marginally decreased during the fiscal year. The average investment in Commercial Paper was reduced from 7.08% in FY 2022/2023 to 3.84% in FY 2023/2024 primarily due to its reduced attractiveness compared to alternatives given its liquidity and risk profile. Repurchase agreements were added back to the portfolio in 2018 to increase overnight liquidity. Agency exposure increased.

III. Average Daily Balances



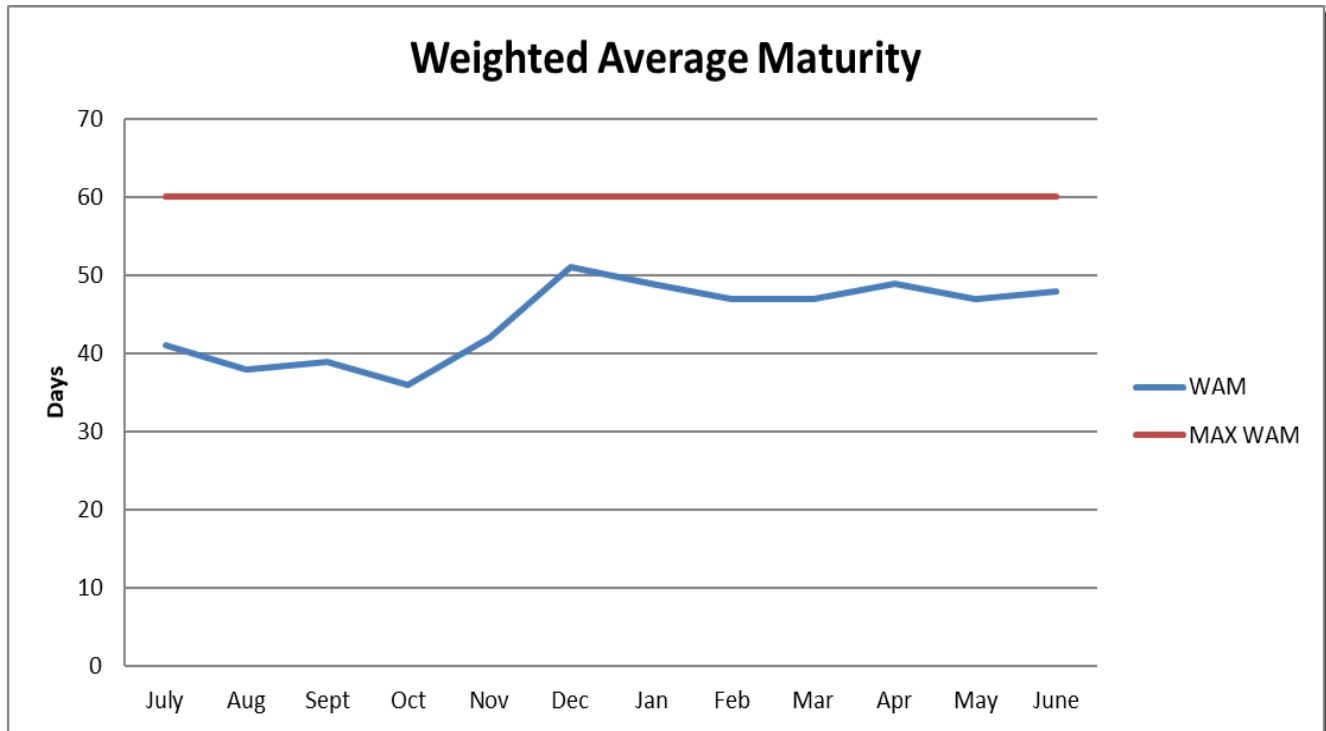
IV. Performance

The chart below shows how the SPIF has performed over the last 5 years as compared to the 30-and 90-day US Treasury Bills. Beginning FYE 2023/2024 performance returns for the SPIF, 30- and 90-day US Treasury Bills are being shown using geometric returns. This presentation methodology is being utilized by peers and takes into account the compounding effects of investment returns to more accurately reflect investment performance over the year.



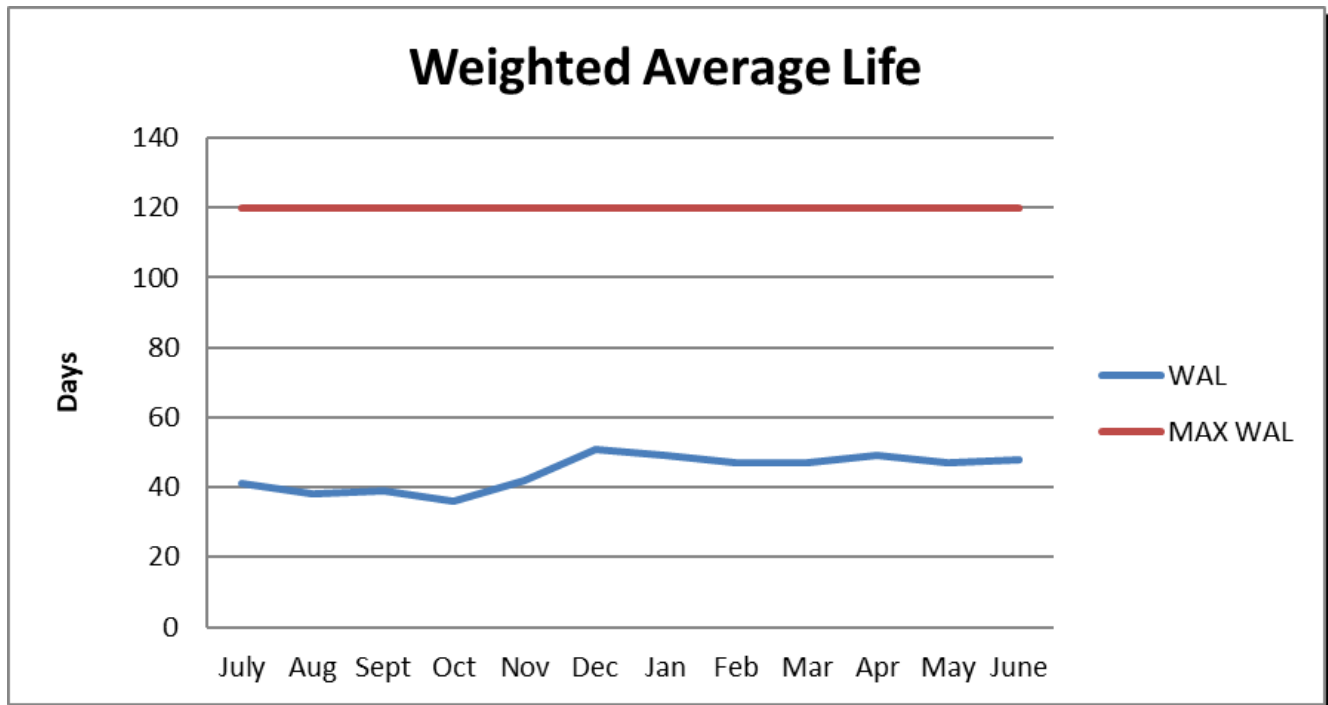
V. Weighted Average Maturity (WAM)

The weighted average maturity (WAM) measures 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 currently does not hold floating-rate securities. Floating-rate securities 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 SPIF stayed below the WAM limit during the fiscal year ended June 30, 2024. The chart below shows the WAM of the SPIF portfolio during the year.



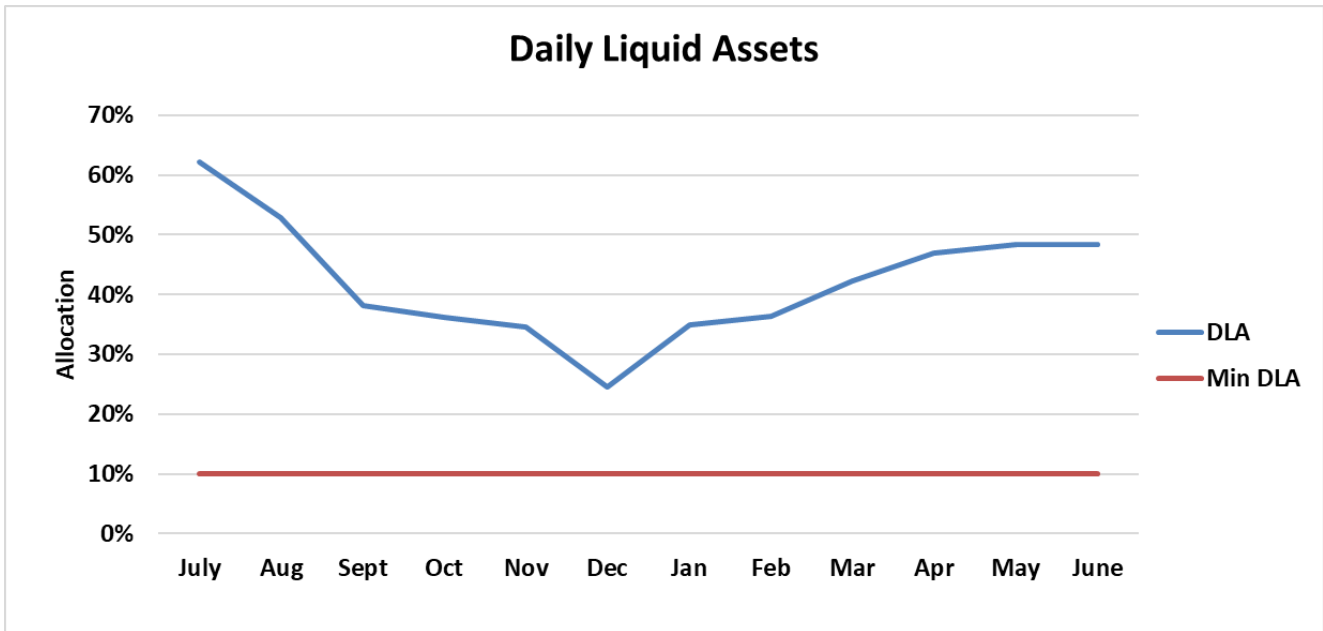
VI. Weighted Average Life (WAL)

The weighted average life (WAL) measures 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 during FY 2024 did the WAL exceed the 120 day limit. The WAM and WAL profile are currently identical, since there are no floating rate bonds in the portfolio.



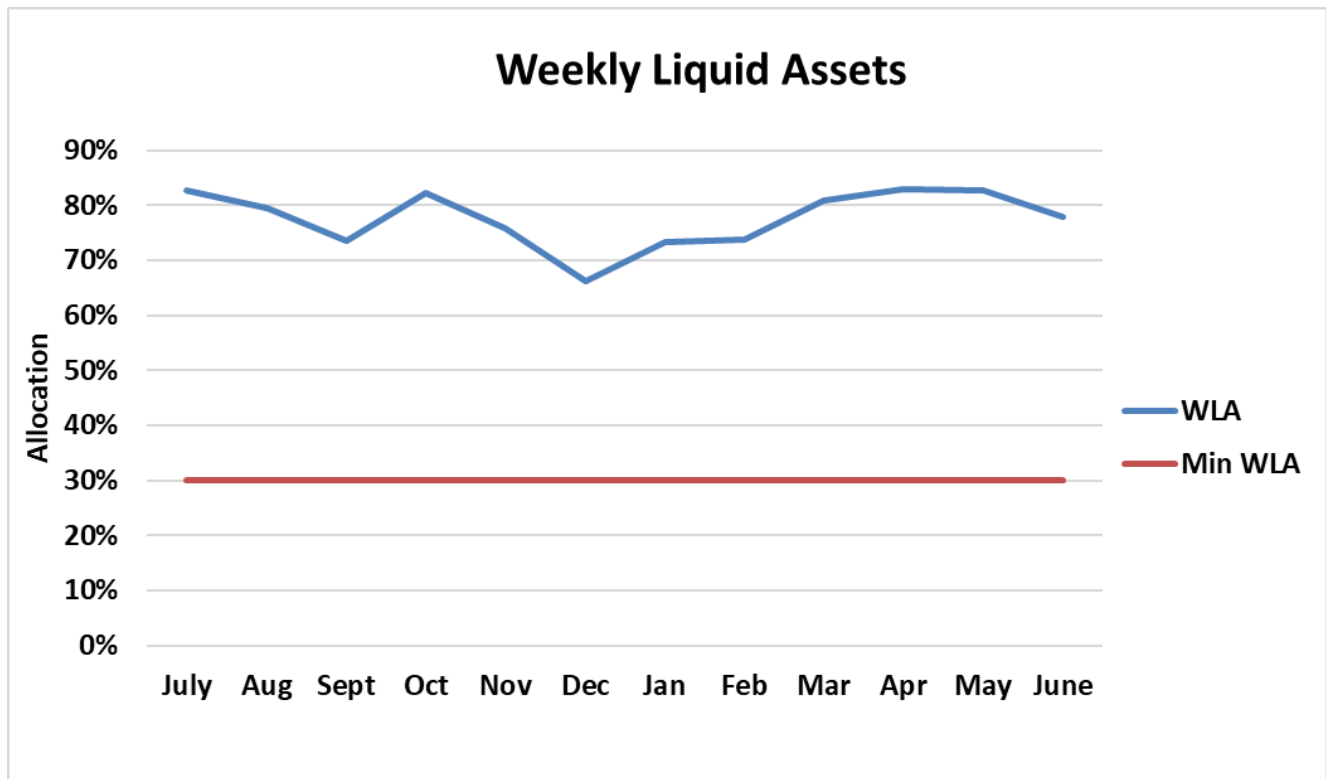
VII. Daily Liquid Assets

In order to provide for reasonably foreseeable redemptions, or withdrawals, GASB Statement 79 requires that a portfolio maintain at least 10.00% of the portfolio in securities that are defined as daily liquid securities. Examples of daily liquid securities 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 30.00% 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.



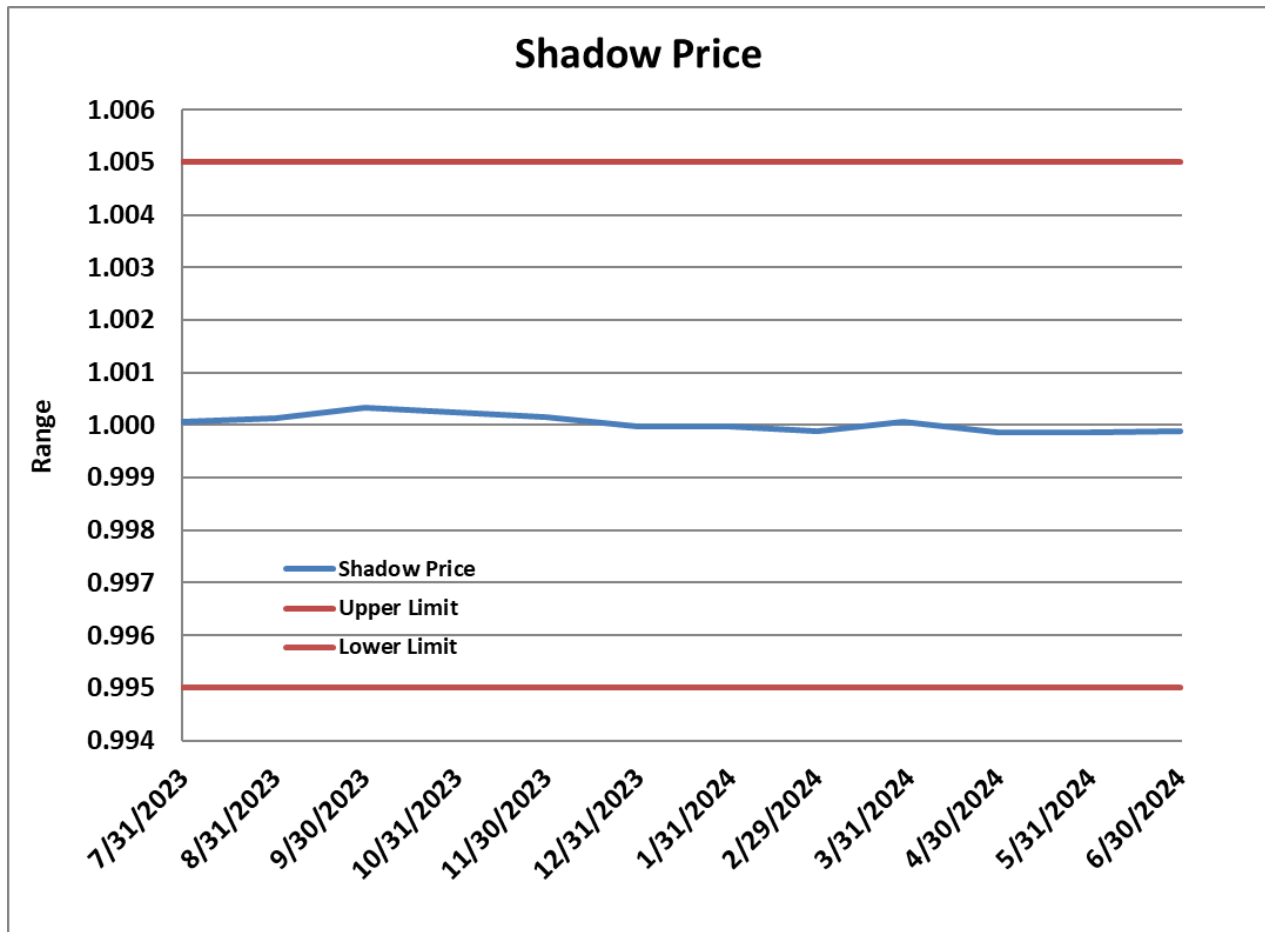
IX. Credit Quality and Diversification

During FY 2023/2024, the SPIF held direct and indirect obligations of the US government that were all rated AAA/Aa+. None of the commercial paper held by the SPIF was rated below A1/P1. Further, holdings of individual commercial paper issuers were limited to less than 5.00% of the total value of the SPIF portfolio, in accordance with GASB Statement 79.

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 and records the amortized book value on a monthly basis. In order for a fund to be considered a stable dollar fund, the shadow price must be between \$0.995 to \$1.005.

The lowest historic monthly shadow price valuation for the SPIF during the year was \$0.999854 per share in May 2024, while the highest monthly valuation for the SPIF was \$1.000338 per share in September 2023. The shadow price remained well within the upper and lower bands for the fiscal year.



XI. Stress Testing

At month's end, the SPIF is stress tested utilizing a model developed by Standard & Poor's (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 1.00%, or "breaking the buck".

During each month of FY 2024, 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, 2024, is attached to the end of this document.)

XII. Investment Policy Review

During FY2024 there were no recommended changes to the SPIF investment policy.

XIII. Investment Strategy

During FY 2024, there were rate changes by the FOMC. The rate at the beginning of the year was 5.00% to 5.25% and increased to 5.25% to 5.50% as of June 30, 2024. The FOMC increased the rate to the current level at the July 26, 2023 meeting in order to meet its objective of lowering inflation. 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

Treasury reduced the administrative fee charged to SPIF and LGIP participants by one basis point. This change was effective June 2021. Based on the amount of current assets collectively in the SPIF and LGIP, and its anticipated balance at the end of the 2024 fiscal year, Treasury determined the cost to administer the program could adequately be covered by three basis points, or 0.03%, as opposed to the prior fee of four basis points, or 0.04%. The reduction in fees is temporary and will continue to be evaluated on an ongoing basis.

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.

Any future changes to the administrative fee for the SPIF/LGIP will be communicated in advance.

Principal Stability Fund Rating Sensitivity Matrix

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WAM (R)	48
WAM (F)	48
Shares Outstanding:	36,815,574,037.85
Total Fund Assets:	36,815,574,037.85
Market Value (NAV):	0.999895
Credit Spread Movement (bps):	11
% Total Credit (Non Gov't) Securities (of portfolio)	10%
% Corporate Floaters (of portfolio)	0%

FILL IN/ADJUST AREAS SHADED GREEN TO RUN SCENARIOS

June 30, 2024

Total \$ Loss: (\$3,865,635)
Total \$ Gain: \$0

Basis Point Shift	Selected Shareholders	Largest Redemption over 5 consecutive business days							Gain (Loss)
250	0.996303	0.996192	0.995132	0.996214	0.996413	0.996592	0.996755	0.997160	(125,457,007)
225	0.996660	0.996559	0.995602	0.996579	0.996759	0.996921	0.997068	0.997434	(113,353,256)
200	0.997016	0.996927	0.996071	0.996944	0.997105	0.997250	0.997381	0.997708	(101,249,506)
175	0.997373	0.997294	0.996541	0.997310	0.997451	0.997579	0.997694	0.997982	(89,145,755)
150	0.997730	0.997662	0.997011	0.997675	0.997797	0.997907	0.998007	0.998256	(77,042,005)
125	0.998086	0.998029	0.997480	0.998040	0.998143	0.998236	0.998320	0.998530	(64,938,255)
100	0.998443	0.998396	0.997950	0.998405	0.998489	0.998565	0.998633	0.998804	(52,834,504)
75	0.998800	0.998764	0.998420	0.998771	0.998835	0.998894	0.998946	0.999078	(40,730,754)
50	0.999156	0.999131	0.998889	0.999136	0.999181	0.999222	0.999259	0.999352	(28,627,004)
25	0.999513	0.999498	0.999359	0.999501	0.999528	0.999551	0.999573	0.999626	(16,523,253)
0	0.999870	0.999866	0.999829	0.999867	0.999874	0.999880	0.999886	0.999900	(4,419,503)
-25	1.000226	1.000233	1.000298	1.000232	1.000220	1.000209	1.000199	1.000174	7,684,247
-50	1.000583	1.000601	1.000768	1.000597	1.000566	1.000537	1.000512	1.000448	19,787,998
-75	1.000940	1.000968	1.001238	1.000963	1.000912	1.000866	1.000825	1.000722	31,891,748
-100	1.001296	1.001335	1.001707	1.001328	1.001258	1.001195	1.001138	1.000996	43,995,499
-125	1.001653	1.001703	1.002177	1.001693	1.001604	1.001524	1.001451	1.001270	56,099,249
-150	1.002010	1.002070	1.002647	1.002058	1.001950	1.001853	1.001764	1.001544	68,202,999
-175	1.002366	1.002438	1.003116	1.002424	1.002296	1.002181	1.002077	1.001818	80,306,750
-200	1.002723	1.002805	1.003586	1.002789	1.002642	1.002510	1.002391	1.002092	92,410,500
-225	1.003080	1.003172	1.004056	1.003154	1.002988	1.002839	1.002704	1.002366	104,514,250
-250	1.003436	1.003540	1.004525	1.003520	1.003334	1.003168	1.003017	1.002640	116,618,001
Redemptions/Subscriptions	-8%	-11%	-30%	-10%	-5%	0%	5%	20%	
Shares Outstanding	33,935,746,575	32,946,257,206	25,770,901,826	33,134,016,634	34,974,795,336	36,815,574,038	38,656,352,740	44,178,688,845	

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

Top 10 Shareholders		% of Fund	Stress Redemption
CITY OF KNOXVILLE	570,127,259.08	1.55%	Yes
METRO NASHVILLE	426,018,509.85	1.16%	Yes
SHELBY COUNTY TRUSTEE	369,041,635.06	1.00%	Yes
TENNESSEE BOARD OF REGENTS	300,886,257.30	0.82%	Yes
EAST TENNESSEE STATE UNIVERSITY	270,136,647.75	0.73%	Yes
METRO NASHVILLE AIRPORT AUTHORITY	255,167,461.59	0.69%	Yes
TENNESSEE TECH UNIVERSITY	202,688,193.39	0.55%	Yes
TN EDUCATION LOTTERY CORPORATION	177,369,937.32	0.48%	Yes
AMERICAN RESCUE PLAN ACT	176,134,391.38	0.48%	Yes
MIDDLE TENNESSEE STATE UNIVERSITY	132,257,170.07	0.36%	Yes
Stress Top 10	\$ 2,879,827,462.79	7.82%	Yes
Total Fund Assets	\$ 36,815,574,037.85	100%	2,879,827,462.79

Largest Five Day Redemption (%)	10.51%
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03/28-04/02/05

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