



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE FUNDING BOARD**  
**MARCH 23, 2026**  
**AGENDA**

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable items in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines
2. Consideration for approval of minutes from the February 23, 2026, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
  - **Durable Products LLC – Crossville (Cumberland County)**  
FastTrack Economic Development Grant \$ 900,000
  - **TAMCO USA, Inc. – Smyrna (Rutherford County)**  
FastTrack Job Training Assistance Grant \$ 1,089,000
4. Consideration of proposals received and approval of selection of bond counsel
5. Presentation of the staff analysis of “An Economic Report to the Governor of the State of Tennessee” along with:
  - a. List Identifying State Tax and Non-Tax Revenue Sources from the Attorney General pursuant to Tenn. Code Ann. § 9-4-5202
  - b. Tennessee Personal Income Letter from University of Tennessee, Haslam College of Business, Boyd Center for Business & Economic Research
6. Acknowledge receipt of the “State of Tennessee Cash Management Improvement Act Annual Report State Fiscal Year 2025”
7. Adjourn

The Board meeting will be held in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, TN. Board members are allowed to participate by electronic means. The public may attend in person or virtually by using the following link: <https://comptroller.tn.gov/office-functions/sgf/sgf-calendar/2026/3/23/state-funding-board-meeting.html>

**TENNESSEE STATE FUNDING BOARD**  
**February 23, 2026**

The Tennessee State Funding Board (the “Board”) met on Monday, February 23, 2026, at 2:05 p.m., in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State  
The Honorable David H. Lillard Jr., State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Having established a physical quorum, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines, asked Ms. Kayla Carr, Director of the Division of State Government Finance (SGF) and Assistant Secretary to the Board, if any requests for public comment had been received. Ms. Carr responded that no requests had been received.

Comptroller Mumpower then presented the minutes from the meeting held on November 3, 2025, and reconvened on November 24, 2025, for consideration and approval. Commissioner Bryson made a motion to approve the minutes. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower next recognized Mr. Stuart McWhorter, Commissioner of the Department of Economic and Community Development (ECD), to present FastTrack projects for consideration, and Ms. Jessica Johnson, Assistant Commissioner of Administration and Operations, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Johnson reported that, as of the November 24, 2025, Board meeting, the FastTrack balance was \$680,798,596.58. Since that time, \$352.80 in new funds had been appropriated; \$696,636.00 in funds had been deobligated; \$5,485,000.00 in new grants or loans greater than \$750,000.00 had been approved; \$3,133,750.00 in new grants and loans less than \$750,000.00 had been approved; and \$892,280.63 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$671,984,554.75 as of the date of the Report. Ms. Johnson reported that total commitments had been made in the amount of \$493,891,804.25, representing 73.5% of the FastTrack balance, resulting in an uncommitted FastTrack balance of \$178,092,750.50. Ms. Johnson reported that the amount of proposed grants for the projects to be considered at this meeting totaled \$53,240,000.00, and if these projects were approved, the uncommitted balance would be \$124,852,750.50, with a total committed balance of \$547,131,804.25, which represented 81.4% of the FastTrack balance. Comptroller Mumpower then asked Commissioner McWhorter to present the following FastTrack projects:

- **Alu Materials America Inc and GRT America, Inc. – Halls (Lauderdale County)**  
FastTrack Economic Development Grant \$ 3,725,000.00
  
- **Eastern Plating, LLC – Newport (Cocke County)**  
FastTrack Job Training Assistance Grant \$ 2,115,000.00

- **American Appliance Products, LLC – Newport (Cocke County)**  
FastTrack Job Training Assistance Grant \$ 2,400,000.00
- **Korea Zinc Company, Limited and CRUCIBLE METALS, LLC – Clarksville (Montgomery County) and Gordonsville (Smith County)**  
FastTrack Economic Development Grant \$45,000,000.00

Comptroller Mumpower made a motion to approve the projects and Secretary Hargett seconded the motion. The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Comptroller Mumpower then inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Commissioner McWhorter responded affirmatively. Comptroller Mumpower then inquired if the checklists had been completed for the projects, and Commissioner McWhorter responded affirmatively. Comptroller Mumpower then inquired if the projects included accountability agreements which would provide protection for the state in the event the entities could not fulfill the agreements. Commissioner McWhorter responded affirmatively. Comptroller Mumpower then asked if the two companies in Cocke County were at least partially operational. Commissioner McWhorter responded that he believed that to be correct. Comptroller Mumpower, observing no further discussion, called for the vote. The motion was unanimously approved.

Comptroller Mumpower then recognized Ms. Carr to present revisions to the Board’s Guidelines for the Public Comment Policy. Ms. Carr stated that the revisions were clean up in nature. Ms. Carr stated that the revisions were limited to an update to clarify who should be contacted in the event someone would like to make a public comment. The policy referred to Ms. Sandra Thompson by name, and the proposed revisions replace that reference with the title, Assistant Secretary to the Board. Comptroller Mumpower made a motion to approve the revisions. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower recognized Mr. Steve Osborne, Assistant Director of the Division of Local Government Finance (LGF), to report on a notice of default by the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (the “IDB”) on its conduit financing debt. Mr. Osborne stated that the IDB filed notice on December 5, 2025, regarding insufficient funds for its Series 2015 Tax Increment Revenue Bonds (the “Bonds”) for the Bellevue Mall project. Mr. Osborne noted that this was the fourth default on the Bonds. Mr. Osborne reported insufficient funds in the amount of \$709,418.59 for the June 1, 2025, payment and \$730,618.75 for the December 1, 2025, payment. Mr. Osborne further stated that based on current projections, future tax increment revenues may be insufficient to fully fund debt service payments in the future. Mr. Osborne reminded the Board that while failure to make payments due to Tax Increment Financing revenues being insufficient is not a default under the indenture, it is considered a default under state law, and that there is no recourse to the IDB, city, or the state. The Board acknowledged the report, and no further action was necessary.

Comptroller Mumpower then recognized Mr. Robert Harness and Ms. Angie Glore, Legislative Senior Auditors with the Division of State Audit (DSA) to present the 2025 Tennessee State Veterans’ Homes Board (TSVHB) Performance Audit. Mr. Harness stated that although the audit covered multiple topics, only the TSVHB’s financial position would be discussed. Mr. Harness noted that the audit covered July 1, 2022, through June 30, 2025, and included six findings and six observations.

Mr. Harness reported that Finding 1 (page 16 of the audit report) noted that management had not developed a specific financial plan to address the TSVHB's financial challenges. Mr. Harness further stated that annual financial audits had shown a decline in the financial health of the TSVHB over the last several years, with operating revenues decreasing in fiscal years 2021 and 2022 due to families choosing not to place their family members into nursing homes during the COVID-19 pandemic. Mr. Harness continued stating that although revenues have since improved, the TSVHB has sustained operating losses since 2020, with management stating that there were various reasons for the losses, including the pandemic, the opening of a new veterans home in Cleveland, the ongoing construction of the Arlington home, as well as ongoing repair costs at the already established veterans homes. Mr. Harness noted that cash balances had declined from \$25.6 million in fiscal year 2021 to \$16.5 million in fiscal year 2024, and auditors identified a \$7.0 million cash overstatement that required adjustment. Management attributed the cash decline to expenses related to new home construction, one-time technology upgrades, and ongoing HVAC repairs.

Mr. Harness noted that increases in net position were largely tied to capital assets from new construction, with only 14% of the TSVHB's net position available as unrestricted funds for operations. Mr. Harness stated that the TSVHB's strategic plan did not include specific actions to address ongoing losses and emphasized the need for management to correct these issues to avoid continued financial instability that could affect operations and resident care. TSVHB management concurred with the finding. The Board acknowledged the report, and no further action was necessary.

Comptroller Mumpower recognized Mr. Ed Harries, Executive Director of the TSVHB, along with Ms. Sandra Caudill, Director of Clinical Services, Mr. Adam Fleming, Director of Finance, and Mr. Ray Liggins, Assistant Director of Finance, to present the TSVHB report. Beginning the discussion, Comptroller Mumpower stated that the Board's confidence was shaken and noted concerns about the TSVHB operations. The 2022 TSVHB performance audit included four findings and nine observations, followed by six findings and six observations in the 2025 audit, two of which were repeats. Comptroller Mumpower also noted that the financial and compliance audit contained three findings, two repeated, all involving areas fundamental to TSVHB operations.

Comptroller Mumpower then stated that the current financial audit again found that management lacked proper controls to prepare timely and accurate financial statements. Comptroller Mumpower referenced the performance audit finding that management had not developed a specific financial plan or strategy to address the TSVHB's financial position, which management concurred with. Comptroller Mumpower reminded the Board that it was his responsibility, as Comptroller, to approve the TSVHB budget each year and read from the prior year's approval letter, which stated that approval of the budget was granted but immediate steps must be taken to reduce expenses if the TSVHB census declined. Comptroller Mumpower then stated he would be unable to approve the next TSVHB budget without a plan moving forward. Comptroller Mumpower then emphasized that the Board wished to support the TSVHB, as it is extremely important that they provide quality services to the community they serve.

Mr. Harries confirmed that management concurred with the audit finding and acknowledged that the TSVHB strategic plan lacked detailed financial actions. Mr. Harries then noted that, at the Board's request, the TSVHB took steps in December of 2024 to help mitigate financial losses. Mr. Harries added that barriers to increasing census had been identified and continued to be addressed.

Mr. Harries reported that average occupancy across facilities was approximately 93%, with the Murfreesboro home remaining in a challenged market. He stated that the executive team received daily

census updates and met weekly to review census trends, staffing, and other operational issues to make necessary adjustments. Mr. Harries and the TSVHB team then provided additional updates on financial and census related matters.

Mr. Harries noted that new software was being implemented to improve the timeliness of financial data to assist with reporting and that the use of contract nursing had been significantly reduced. He also noted that for the period addressed in the audit, TSVHB had brought the Cleveland home into operation and that the Arlington home would open the following year, emphasizing that new homes typically operate at a loss initially.

Comptroller Mumpower asked whether the TSVHB was experiencing census challenges because families were choosing private nursing homes. Mr. Harries again referenced the 93% average occupancy across all homes except Murfreesboro, noting that several factors contributed to challenges in that market, including a very competitive job market in middle Tennessee. Mr. Harries explained that, unlike other locations, multiple private nursing homes in Murfreesboro have contracts with the Department of Veterans Affairs (VA). Mr. Harries added that TSVHB admissions require verification of payer status as well as veteran status and military discharge status, which takes additional time and can discourage potential residents and families.

Comptroller Mumpower then asked whether the facilities operating below 93% capacity were responsible for the TSVHB's operating losses in recent years. Mr. Harries clarified that only the Murfreesboro home had lower census levels. Mr. Harries further noted that during the same period, several facilities relied heavily on contract nursing staff due to COVID-19-related staffing shortages across the healthcare sector. Mr. Harries stated that TSVHB had since recruited staff back and significantly reduced its use of contract nursing.

Comptroller Mumpower asked whether the Cleveland facility was now operating at a profit following its \$2.2 million shortfall in its first year. Mr. Liggins reported that Cleveland was currently TSVHB's second-best performer, with net revenue of approximately \$844,000, referencing the presentation that was provided to board members showing year-to-date numbers as of January 26, 2026. Mr. Fleming added that the TSVHB was on pace for \$2.0 million in net revenue for fiscal year 2026. Mr. Harries noted that the Clarksville facility's year-to-date loss of \$718,977 was due to its 12-bed house design mandated by the VA, compared to the more profitable 18-bed model that was used in later homes, and stated that breaking even at Clarksville would be considered a success.

Comptroller Mumpower then asked for confirmation that the TSVHB was working with the state's customer focused government team to develop a strategic plan. Mr. Harries confirmed this and stated that TSVHB was working with the program to develop a more robust strategic plan through merging existing departmental and operational plans.

Commissioner Bryson stated that he had been following the TSVHB's progress and noted improvements since the audit period, particularly the shift from travel nurses back to staff nurses. Commissioner Bryson then asked whether it was expected that the Arlington facility would experience a first-year loss of approximately \$2.2 million due to startup costs. Mr. Harries replied that this pattern was seen with both the Clarksville and Cleveland facilities, though the TSVHB was working to improve that trend. Mr. Harries stated that Arlington currently has two employees, with an administrator starting in one month and an HR

employee expected the following month, and that the TSVHB would move forward as quickly as possible. Mr. Harries added that the largest delays in generating revenue were tied to waiting for CMS to complete the certification survey and for the intermediary to finalize the certification process, noting significant delays with the intermediary on prior openings. Commissioner Bryson acknowledged the challenges and encouraged the TSVHB to ensure transparency of its plans to the Board members.

Commissioner Bryson then referenced the previously discussed 12-bed design of the Clarksville facility and noted the additional need for a \$10.0 million HVAC replacement. Mr. Harries confirmed that the HVAC issues were worsened by failures during the January winter storm. Commissioner Bryson then asked about the plan to turn around the Clarksville facility, given its losses and the required \$10.0 million investment. Mr. Harries responded that long-term improvement was possible. Mr. Harries explained that when the Clarksville facility opened, much of the local veteran population was between ages 55 to 65 and not yet likely to need nursing home care. Mr. Harries added that the Clarksville facility was designed to allow for expansion if feasibility studies supported it, and that adding an 18- or 20-bed house, if filled, could be profitable and help offset losses from the main facility.

Commissioner Bryson requested the ramp-up plan for the Arlington home, the plan to address issues at the Clarksville home, and a centralized financial plan to address the TSVHB's overall financial position. Comptroller Mumpower agreed and asked that staff be kept informed as plans develop. With no further questions, the Board acknowledged the report, and no further action was necessary.

Comptroller Mumpower observed no further business to come before the Board and made a motion to adjourn. Secretary Hargett seconded the motion, and the motion was unanimously approved. The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Respectfully submitted,

Kayla Carr,  
Assistant Secretary

## FastTrack Report to State Funding Board

3/23/2026

1. Previous FastTrack Balance, as of Last Report	671,984,554.75	
2. + New Appropriations:	15,910,891.14	
3. + Newly Deobligated Funds:	10,405,157.33	
4. + Funds Transferred to FastTrack:	0.00	
5. - Funds Transferred from FastTrack:	(6,800,000.00)	
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(4,005,000.00)	
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(820,000.00)	
8. - FastTrack Administration	(166,151.77)	
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:		686,509,451.45

10. Total Amount of Commitments:		548,507,252.48
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11. Uncommitted FastTrack:		138,002,198.97
12. Percentage Committed:		79.9%

13. Amount of Proposed Grants or Loans:	1,989,000.00	
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:		136,013,198.97
15. Percentage Committed:		80.2%

See next page for explanations of the above questions.

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



Date: 3/18/26

Commissioner of Economic and Community Development



## Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

March 23, 2026

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. Durable Products LLC – Crossville (Cumberland County)**

Founded in 1982 in Crossville, Tennessee, Durable Products offers its customers diverse manufacturing capabilities ranging from compression molding and rubber extrusions to die cutting and raw material processing.

The company is a subsidiary of Texas-based GreenLiner, LLC, which will oversee the refurbishing and retrofitting of its current operations to accommodate new machinery, warehousing, inventory and offices.

Durable Products LLC has committed to create 134 net new jobs and make a \$27,254,677 capital investment within 5 years. The company will have an average hourly wage of \$21.18 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building expansion, building retrofit, and building improvements for a total of \$900,000. **(\$900,000)**

**Total FastTrack funds for this project - \$900,000**



## Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

### 2. TAMCO USA, Inc. – Smyrna (Rutherford County)

TAMCO, is an SPX Technologies brand that offers innovative, superior-quality dampers and air control products, for commercial, industrial, and institutional applications. TAMCO products are designed and developed to be durable, maintenance-free, energy-efficient, and unparalleled in performance.

TAMCO's rapid growth driven by mission-critical applications in data center, institutional, industrial, and commercial projects by expanding into a much larger site in Smyrna, TN. The new site will be a ~150,000 sq. ft. manufacturing facility, enabling streamlined production, improved logistics, and faster lead times. Facility layout and organizational design are underway with production start-up targeted for Q1 2026; optimization and scale-up continuing through 2026 and beyond.

TAMCO USA, Inc. has committed to create 242 net new jobs and make a \$12,899,743 capital investment within 5 years. The company will have an average hourly wage of \$25.41 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 \$1,089,000. **(\$1,089,000)**

**Total FastTrack funds for this project - \$1,089,000**

Sincerely,

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	The Industrial Development Board of the County of Cumberland, Tennessee	\$900,000	
	<b>TOTAL</b>		<b>\$900,000</b>	

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

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Durable Products LLC**

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

**GENERAL STATUTORY COMPLIANCE**

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

3/18/26

Date



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

August 6, 2025

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Durable Products LLC intends, in good faith, to create 134 private sector jobs in Crossville, Cumberland County and make a capital investment of \$27,254,677 in exchange for incentives that will be memorialized in a grant agreement between Durable Products LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 143 jobs at the project site in Tennessee.

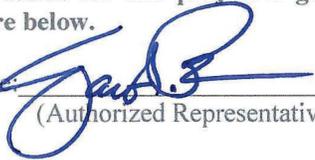
#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 900,000
<b>Total ECD Commitment:</b>	<b>\$ 900,000</b>

Please sign your name in the space below to signify Durable Products LLC's acceptance of ECD's offer set forth above and return it by November 4, 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: 8/6/2025



## Tennessee Department of Economic and Community Development

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Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

March 23, 2026

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 the County of Cumberland, Tennessee for the benefit of Durable Products LLC in the amount of \$900,000 to offset the costs Durable Products LLC will incur in building expansion, building retrofit, and building 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 jobs and capital investment. Durable Products LLC has committed to create 134 net new jobs and make a \$27,254,677 capital investment within 5 years. The company will have an average hourly wage of \$21.18 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Stuart C. 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*	TAMCO USA, Inc.	\$1,089,000	
	ECONOMIC DEVELOPMENT			
	TOTAL		\$1,089,000	

(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): TAMCO 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

3/18/26

Date



Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

September 30, 2025

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that TAMCO USA, Inc. intends, in good faith, to create 242 private sector jobs in Smyrna, Rutherford County and make a capital investment of \$12,899,743 in exchange for incentives that will be memorialized in a grant agreement between TAMCO USA, Inc. and the State of Tennessee. New jobs must be in addition to the company’s baseline of 35 jobs at the project site in Tennessee.

**ECD OFFER SUMMARY**

FastTrack Job Training Grant:	\$ 1,089,000
<b>Total ECD Commitment:</b>	<b>\$ 1,089,000</b>

Please sign your name in the space below to signify TAMCO USA, Inc.’s acceptance of ECD's offer set forth above and return it by December 29, 2025 to:

Tennessee Department of Economic and Community Development  
Attn: Scottie Tudor  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Scottie.Tudor@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.**

DocuSigned by:  
 Signature: Matthew Walsh Date: 10/1/2025  
 (Authorized Representative of Company)



JASON E. MUMPOWER  
*Comptroller*

**MEMORANDUM**

Date: March 23, 2026

To: Members of the Tennessee State Funding Board (SFB)  
Members of the Tennessee State School Bond Authority (TSSBA)  
Members of the Tennessee Local Development Authority (TLDA)

From: Kayla Carr, Director of the Division of State Government Finance (SGF)

Re: Request for Qualifications and Pricing Proposals (RFQ) for  
Selection of Bond Counsel for the SFB, the TSSBA and the TLDA

The current contract for bond counsel for the SFB, TSSBA, and TLDA will expire on April 30, 2026. In early January 2026, working with our financial advisor, SGF staff prepared a list of 23 bond counsel firms, including nationally-ranked firms. On Wednesday, January 21, the RFQ was electronically distributed to those firms. The RFQ was also posted on the websites for all three issuers.

Written responses to the RFQ were due by email on Thursday, February 5, 2026. Any questions regarding the RFQ were due by Tuesday, January 27, 2026. No questions were received. Conforming and timely responses were received from two bond counsel firms.

Staff representatives of the board members participated in a discussion on Thursday, March 12, 2026, to review the RFQ responses. SGF provided a summary of each law firm's strengths and weaknesses based on the RFQ responses. This information was collected and compiled in a chart and is included as **Attachment A – Strengths and Weaknesses**.

The timing of the RFQ process was designed to enable the boards to finalize the selection of a firm to serve for a five-year contract term commencing May 1, 2026. Staff will continue to work on a proposed form of contract to be adjusted to reflect any terms negotiated with the selected firm. The current engagement agreement for bond counsel is included as **Attachment B – Engagement Agreement for Bond Counsel**.

The comparison of pricing proposals was also evaluated and shared with each of you but will remain confidential until selection is made.

Staff recommendation to the boards is to select Hawkins, Delafield, and Wood. Strong, positive attributes were heavily weighted towards Hawkins Delafield, and Wood, who serves as current bond counsel to the boards. Specifically, the size and depth of the firm's public finance team as well as the experience with large issuers similar to the boards, set Hawkins apart from other respondents.

Please let us know if you need any additional information beyond what is summarized in the attachments to assist in the selection process.

**ATTACHMENT A - STRENGTHS AND WEAKNESSES**

	Strengths	Weaknesses	Number of Attorneys on Proposed TN Team	Number of Attorneys & Support Staff in Public Finance & Tax Groups	State (GO) Issuers - Selected as Bond Counsel	Revenue Bond Issuers - Selected as Bond Counsel	Water & Wastewater - Selected as Bond Counsel
<b>Barnes and Thornburg</b>	Nashville office, has worked with THDA  Listed more water/sewer clients-bond issuances (had revolving fund clients listed)  Tailored to the client approach	Smaller public finance/tax teams  Smaller TN assigned team  Less market experience  Only 1 TN licensed attorney	2	26	Maryland  District of Columbia	Arizona Board of Regents  Pennsylvania Higher Ed Facilities Authority	Philadelphia Water  NY Environmental Facilities Corp. Delaware Pollution Control Revolving Fund & DWSRF
<b>Hawkins, Delafield, &amp; Wood</b>	Large-sized public finance practice (more than double the size of the other respondent) Larger proposed team assigned to TN Multiple State clients Have P3 focused group Newsletter updates History with TN issuers	Not much water/sewer experience listed in response	8	137	Tennessee California Connecticut Oregon Hawaii	TSSBA  NY Dormitory Authority SUNY (State University of NY)	NY Environmental Facilities Corp.

Hawkins is consistently ranked in the Top 10 in terms of volume and market of bond issues as ranked by *The Bond Buyer*.



**ENGAGEMENT AGREEMENT FOR BOND COUNSEL  
FOR THE TENNESSEE STATE FUNDING BOARD,  
THE TENNESSEE STATE SCHOOL BOND AUTHORITY AND  
THE TENNESSEE LOCAL DEVELOPMENT AUTHORITY**

This Agreement is made effective as of May 1, 2021, by and among Hawkins Delafield & Wood LLP, a Limited Liability Partnership based in New York, New York (“Bond Counsel”), and the Tennessee State Funding Board (“SFB”), the Tennessee State School Bond Authority (“TSSBA”) and the Tennessee Local Development Authority (“TLDA”) (SFB, TSSBA and TLDA, collectively, the “Issuers”) through the Comptroller of the Treasury for the State of Tennessee (“Comptroller”) in his capacity as Secretary to the Issuers, to retain Bond Counsel, to define the scope of services to be provided by Bond Counsel and to set compensation for such services.

**A. Scope of Work**

Bond Counsel’s primary responsibility to the Issuers shall be to render objective approving opinions with respect to the authorization and issuance of bonds, notes issued in anticipation of such bonds and tax revenue anticipation notes (collectively, the “Obligations”) by the Issuers. The opinions will express in general: (1) that the Obligations have been properly authorized, issued and are valid; (2) that the sources of security for the Obligations have been legally provided for; (3) that interest on the Obligations is excludable from gross income for federal tax purposes for Obligations sold as tax exempt; (4) that the Obligations and the interest thereon are exempt from taxation by the State or any of its subdivisions to the extent provided by State law; and (5) other matters as may be required by the issuance of the Obligations and as may be determined necessary by the Issuers.

In rendering the referenced opinions, Bond Counsel will prepare or participate in the preparation of: (1) authorizing resolutions of the Issuers; (2) one or more general bond resolutions or amendments to existing general bond resolutions; (3) resolutions authorizing issues of specific Obligations; (4) such other documents as may be required by the issuance of the Obligations or considered necessary for rendering an approving opinion or as may be otherwise determined necessary; and (5) the forms of all closing documents, certificates and opinions of counsel as may be required by the terms of the issuance of the Obligations, applicable federal and state laws, and as may otherwise be determined necessary.

Bond Counsel will also participate with the Issuers, staff from the Comptroller’s Division of State Government Finance (“DSGF”), the Office of Attorney General and Reporter for the State of Tennessee (“AG”), the Issuers’ financial advisor and, if appropriate, the underwriter or purchaser and its counsel, as well as any credit enhancer and its counsel, in structuring any issuance insofar as legal matters are concerned. Bond Counsel will also participate in the preparation and review of the Preliminary Official Statement and the Official Statement and will prepare the sections summarizing (1) state and federal law pertinent to the validity of the Obligations and the tax treatment of interest paid thereon; (2) the terms of the Obligations; (3) the resolutions; and (4) the approving opinions. Bond Counsel will assist DSGF and AG in reviewing and updating program documents to maintain compliance with federal tax law.

Bond Counsel’s secondary responsibility will be to provide the Comptroller, DSGF and AG with legal advice related to issuance of Obligations and federal tax and securities law matters relevant to the Issuers.

## **B. Services, Fees and Billing Procedures**

### **I. Issuance of Bonds**

Issuance services include but are not limited to legal matters in connection with the following:

1. Assistance in determining the tax and economic analysis needed and reviewing the analysis provided;
2. Evaluation of proposed structures based on tax, state law and programmatic considerations;
3. Preparation of authorizing resolutions including Supplemental or Series Resolutions and amendments to general resolutions, as needed;
4. Review and comment on drafts of the Preliminary Official Statement, Official Statement, official notice of sale, and other documents prepared by DSGF;
5. For negotiated transactions, with AG, review of bond purchase agreements and, if requested, agreements among underwriters and agreements among selling groups prepared by underwriter's counsel;
6. Preparation of all bonds and coordination of their execution and delivery with DSGF and the Depository Trust Company (or other securities clearing and settlement entity), or a trustee or paying agent, or direct purchaser, as applicable;
7. Preparation of closing index or checklist;
8. Preparation of certificates such as those related to arbitrage and use of proceeds, purchase price of bonds, investments, and trustee's status;
9. Preparation and filing of required IRS and State forms;
10. Preparation of cross-receipts;
11. Preparation of necessary tax and approving opinions;
12. Preparation of other certificates and documents as needed for bond closings, such as defeasance and bond call/redemption notices;
13. Review and comment on all documents prepared by Issuers and others; and
14. Preparation of final bound transcripts and provision of the requisite number of electronic copies of such.

Issuers shall compensate Bond Counsel for services on a comprehensive basis, with all expenses included. There will be no reimbursement for out-of-pocket expenses or for travel expenses in connection with the issuance of bonds. A single fee per transaction shall be due regardless of whether the transaction is a negotiated sale, a private placement or a competitive sale, or whether multiple series of bonds are issued simultaneously (if treated as one issue for tax purposes). The all-inclusive fee, per transaction, shall be as follows:

<b>Bonds</b>	<b>SFB</b>	<b>TSSBA</b>	<b>TLDA</b>
<i>May 1, 2021 to April 30, 2026</i>			
New Money/Long-term Financing	\$100,000	\$110,000	*
Current/Advance Refunding	\$115,000	\$125,000	*
Combination New Money/LT Financing & Refunding	\$120,000	\$130,000	*

\*Fees for TLDA are to be as agreed to separately in writing when and if particular programs are identified and defined.

If an entire issue of bonds will be federally taxable, the above fees will be discounted by fifteen percent (15%).

The Issuers' responsibility to compensate for bond issuance services is contingent upon a successful closing of the issuance of the bonds. Bond Counsel shall submit a statement substantially as specified in Appendix A, at or immediately after closing, which will be payable at that time.

## II. Hourly Rates

The following hourly rates shall apply for all Issuers to Retainer Services and Special Projects described in Parts III and IV below.

	<i>May 1, 2021 to April 30, 2024</i>	<i>May 1 2024 to April 30, 2026</i>
Partners/Counsel	\$495	\$505
Associates	\$395	\$405
Paralegals	\$160	\$165

"Paralegals" may include financial analysts performing work in furtherance of Retainer Services or approved Special Projects.

## III. Retainer

"Retainer Services" include, but are not limited to:

1. At Issuers' request, periodic (but no more than annually) staff and member orientation and training regarding Obligations and member responsibilities;
2. Periodic training to Issuer project managers regarding tax issues;
3. Information regarding IRS letter rulings, interpretive releases, regulatory changes or other actions affecting Obligations and loan programs and assistance in preparing or analyzing state or federal legislation affecting the Issuers;
4. Assistance in activities involving rating agencies, including communication with investors based upon changes in ratings;
5. Advice related to continuing disclosure requirements, arbitrage and arbitrage rebate calculations, financial and tax assumptions;

6. Advice related to use of variable rate debt, including possible use of swaps and other hedges;
7. Review and advice on circumstances regarding possible changes in use of tax-exempt financed properties;
8. Review and provision of tax analysis for Issuer project questionnaires;
9. Advice related to issuance of other Obligations (including but not limited to commercial paper and revolving credit facilities) and federal tax matters relevant to Issuers; and
10. Modifications (other than substantial modifications constituting a Special Project) and annual updates relating to the existing commercial paper programs.

Bond Counsel will only provide legal services under the retainer at the direction, and with the prior written/documented direction, of the Comptroller, DSGF or AG. Hours of service provided under the retainer at the direction or request of someone other than the Comptroller, DSGF or AG will be disallowed.

Issuers shall pay Bond Counsel a **quarterly retainer** in the amount of **\$11,250**, upon submission of an invoice reflecting services rendered identified by person performing the services, the Issuer for which the services were rendered, and matter, if applicable, substantially as specified in Appendix A. It is expected that no more than twenty-five (25) hours of legal assistance per quarter (three months) will be required. Bond Counsel must receive prior written approval from the Comptroller or DSGF to exceed twenty-six and a quarter (26.25) hours during a quarterly billing cycle. Actual hours required in excess of one hundred and five (105) hours annually will be billed at the above hourly rates; retainer hours will be first allocated to the highest hourly rate.

#### IV. Special Projects

Bond Counsel may be engaged for “Special Projects” which may include, but are not limited to:

1. Assistance in structuring new programs and substantially modifying existing programs, and/or preparing new general resolutions;
2. Assistance in obtaining a private letter ruling; and
3. Assistance with an audit or review by the IRS or SEC;

but do not include rebate or other financial analytic services. Bond Counsel will only provide legal services on Special Projects at the direction, and with the prior written/documented approval, of the Comptroller or DSGF, including any agreed upon maximum cap. There will be no reimbursement for out-of-pocket expenses or travel expenses in connection with Special Projects, unless approved by the Comptroller in advance. Any travel expense must comply with the state’s travel regulations (<http://tn.gov/finance/topic/fa-travel>). Rebate and other financial analytic services may be provided upon a separate, mutual written agreement.

#### V. Total Compensation

The fee for issuance of bonds, the quarterly retainer fee, and fees (or expenses if approved) for Special Projects as stated herein shall constitute the entire compensation due Bond Counsel for fulfilling its duties

and for services performed pursuant to this Agreement regardless of the difficulty, hours worked, materials or equipment required, except as may be provided by the next paragraph. These fees include, but are not limited to, all applicable taxes, fees, overhead, profit and all other direct and indirect costs incurred or to be incurred by Bond Counsel. Payment of an invoice shall not prejudice the Issuers' right to object to or question any invoice or matter in relation thereto. Such payment by the Issuers shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein. Bond Counsel's bill shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined to be in violation of this Agreement. The maximum allowable amount for the term of this Agreement shall not exceed **Two Million Dollars (\$2,000,000)** unless this contract is amended.

At the end of the first contract year (April 30, 2022), the Issuers will evaluate the pricing structure, including the retainer, and will work with Bond Counsel to revise the pricing structure, if deemed necessary. Additionally, Bond Counsel reserves the right to request additional compensation if unusual circumstances should occur (such as with unusually complex refundings), in a mutually agreeable amount.

**C. Staffing**

This Agreement is expressly contingent on the lead staffing arrangements as listed in Appendix B. Other persons may be substituted for the named attorneys as lead staff only with the prior written approval of the Comptroller or DSGF and subsequent revision of Appendix B.

Bond Counsel agrees that at all times during the term of this Agreement Bond Counsel will involve an attorney licensed to practice law in the State of Tennessee in all analyses and opinions regarding the Tennessee Constitution and Tennessee law arising in the course of Bond Counsel's performance under this Agreement. Mr. Steven I. Turner (Tennessee Bar Number: 017200) and Mr. Daniel G. Birmingham (Tennessee Bar Number 036337) are the attorneys initially assigned to fulfill this obligation.

**D. Term of Agreement**

The term of this Agreement shall be from May 1, 2021, to April 30, 2026.

**E. Essential Terms and Conditions**

The parties agree that the following shall be essential terms and conditions of this Agreement:

1. Prohibition of Illegal Immigrants: The requirements of Tennessee Code Annotated, Section 12-3- 309, et seq., addressing the use of illegal immigrants in the performance of any agreement to supply goods or services to the State of Tennessee, shall be a material provision of this Agreement, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Agreement.
  - a. Bond Counsel hereby attests that Bond Counsel will not knowingly utilize the services of an illegal immigrant in the performance of this Agreement
  - b. Bond Counsel shall maintain records for all personnel used in the performance of this Agreement. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

- c. Bond Counsel understands and agrees that failure to comply with this section will cause imposition of the sanctions contained in Tennessee Code Annotated, Section 12-3-309, which may include a prohibition on contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after discovery of the knowing use of the services of illegal immigrants during the performance of this Agreement.
  - d. For purposes of this Agreement, “illegal immigrant” shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Agreement.
2. Bond Counsel warrants that no part of the compensation provided pursuant to this Agreement shall be paid directly or indirectly to any officer, official or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, sub-contractor, or consultant to Bond Counsel in connection with any work contemplated or performed pursuant to this Agreement.
3. Bond Counsel acknowledges, understands, and agrees that this Agreement shall be null and void if Bond Counsel is, or within six months prior to the date this Agreement is executed has been, or during the term of this Agreement becomes, an employee of the State of Tennessee or if Bond Counsel is an entity in which a controlling interest is held by an individual who is, or within six months prior to the date this agreement is executed has been, or during the terms of this Agreement becomes, an employee of the State of Tennessee.
4. No person on the ground of handicap or disability, race, color, religion, sex, age, or national origin or any other classification protected by the U.S. Constitution, the Tennessee Constitution or federal or state statute, will be excluded from participation in, or denied benefits of, or otherwise subjected to discrimination in the performance of this Agreement, or in the employment practices of Bond Counsel.
5. The parties hereto, in the performance of this Agreement, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that each party is an independent contracting entity and that nothing in this Agreement shall be construed to create an employer/employee relationship or to allow either party to exercise control or direction over the manner or method by which the other party transacts its business affairs or provides its usual services. The officers, officials, employees or agents of one party shall not be deemed or construed to be the officers, officials, employees or agents of the other party for any purpose whatsoever. The clients of Bond Counsel for purposes of this engagement are the Issuers and not any other State entities or any officers or employees of any of the foregoing and, accordingly, this engagement will not establish an attorney-client relationship between Bond Counsel and any such individual or other entity.
6. Bond Counsel, being an independent contractor and not an employee of the State, the Issuers, or the Comptroller, agrees to carry adequate professional liability and other appropriate forms of insurance, including adequate professional liability and other appropriate forms of insurance on

Bond Counsel employees, and to pay all applicable taxes incident to this Agreement. The Issuers shall have no liability except as specifically provided in this Agreement.

7. Ownership of all data, material and documentation originated and prepared for the Issuers pursuant to this Agreement shall belong exclusively to the Issuers and shall be subject to public inspection in accordance with state law. However, Bond Counsel's own files pertaining to this engagement may be retained by it. These files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records, as well as internal lawyer's work product such as drafts, notes, internal memoranda, and legal and factual research prepared by or for the internal use of lawyers. Except as provided in Section E.11 below, Bond Counsel reserves the right to destroy or otherwise dispose of any such documents or other materials retained by it within a reasonable time after the termination of this engagement.
8. The Issuers may terminate this Agreement on thirty (30) days' written notice to Bond Counsel. Bond Counsel may terminate this Agreement on ninety (90) days' written notice to the Issuers. If the Issuers do terminate this Agreement, Bond Counsel will be reimbursed for any allowable work completed under this Agreement prior to the termination date.
9. If Bond Counsel fails to fulfill in a timely and proper manner its duties under the terms of this Agreement or if Bond Counsel becomes the subject of any legal or financial/securities investigations, audits, or legal actions which in the sole opinion of the Issuers would materially affect or limit Bond Counsel's ability to serve as the Issuers' bond counsel, the Issuers shall have the right to immediately terminate this Agreement and withhold payments in excess of fair compensation for work completed. The foregoing shall not constitute a waiver of any remedies lawfully available to either party hereto.
10. This Agreement may be modified only by written amendment executed by all parties hereto.
11. Bond Counsel shall maintain its books, records and documents of Bond Counsel insofar as they relate to work performed or money received under this Agreement for a period of five (5) full years from date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Comptroller or his duly appointed representative. Bond Counsel shall use best efforts to comply with any recordkeeping and reporting requirements subsequently prescribed by the Comptroller and, if unable or not willing to comply, shall terminate this Agreement as provided in Paragraph 8 above.
12. Bond Counsel shall not assign this Agreement or enter into subcontracts for any of the work described herein.
13. Bond Counsel shall comply in all material respects with all applicable federal and state laws and regulations in the performance of its duties under the Agreement.
14. Any notice, request or other document, instrument or other communication which may be or is required to be given under this Agreement, shall be in writing and shall be deemed to have been duly given if (i) personally delivered, (ii) sent by certified U.S. mail, return receipt requested, postage prepaid, (iii) sent by private or postal express mail service, or (iv) electronic mail, addressed as follows, or to any other address provided in writing by a Party:

if to Comptroller:

Comptroller Jason E. Mumpower  
First Floor State Capitol  
Dr. M.L.K. Jr., Blvd.  
Nashville, TN 37243  
Email: Jason.mumpower@cot.tn.gov

Stephanie Maxwell, General Counsel  
Office of General Counsel, Comptroller of the Treasury  
425 Rep. John Lewis Way North  
Nashville, TN 37243  
Email: [stephanie.maxwell@cot.tn.gov](mailto:stephanie.maxwell@cot.tn.gov)

Sandra Thompson,  
Assistant Secretary, Director of DSGF  
425 Rep. John Lewis Way North, 4<sup>th</sup> Floor  
Nashville, TN 37243  
Email: [sandi.thompson@cot.tn.gov](mailto:sandi.thompson@cot.tn.gov)

if to Bond Counsel:

Steven I. Turner, Esq.  
Hawkins Delafield & Wood LLP  
7 World Trade Center  
250 Greenwich Street  
New York, NY 10007  
Email: [sturner@hawkins.com](mailto:sturner@hawkins.com)

Any such notice, request or other document, instrument or other communication shall be deemed received when actually received.

15. This Agreement shall be interpreted and construed in accordance with the laws of the State of Tennessee. Bond Counsel understands that the Issuers reserve all immunities, defenses, rights or actions arising out of their status as entities created by the sovereign state of Tennessee (Tennessee Code Annotated Sections 9-9-117 and 49-3-1204), including but not limited to those under the Eleventh Amendment of the United States Constitution. In addition, any action against the Issuers under this Agreement shall be brought in the Tennessee Claims Commission.
16. Bond Counsel shall disclose to the Issuers existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the Issuers to appreciate the significance of the relationships. Bond Counsel has a continuing duty during the term of this Agreement to disclose to the Issuers any matter in which Bond Counsel represents parties with interests adverse to the Issuers, the Comptroller or the State of Tennessee or which constitute an actual or potential conflict of interest. Bond Counsel represents that it has not identified any actual or potential conflicts of interest with the Issuers as of the date of execution of this Agreement. Notwithstanding the foregoing, the Issuers understand and agree that Bond Counsel has represented and may in the future represent (i) certain of such professionals in other transactions not directly involving the Issuers or any entities created or controlled by either of them and (ii) political subdivisions and other entities created by or pursuant to State of Tennessee law in bond and note transactions subject to regulatory approvals or consents of the State of Tennessee, the Comptroller or DSGF.

During the term of this Agreement, Bond Counsel may not represent a party in any claim, dispute, or transaction of any kind that is adverse to the Issuers, the Comptroller or the AG, or their respective officials or employees unless a written waiver is first obtained from the Issuers and the AG. In any case, Bond Counsel will not bring on behalf of another client an action

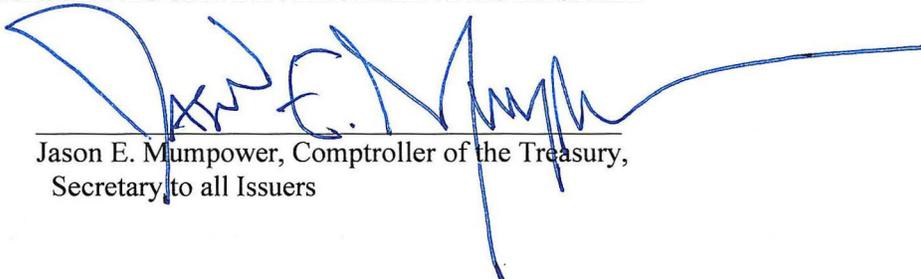
against the Issuers, the Comptroller, or the AG, or their respective officials or employees, unless a written waiver is first obtained from the Issuers and the AG.

17. In addition to, and not in limitation of, any other rights, the Issuers may have a right to arbitrate fee disputes under applicable law.
18. Any written/documented directions and written approvals under this Agreement may be given electronically.

**HAWKINS DELAFIELD & WOOD, LLP**

By:   
\_\_\_\_\_  
Steven I. Turner, Partner

**TENNESSEE STATE FUNDING BOARD  
TENNESSEE STATE SCHOOL BOND AUTHORITY  
TENNESSEE LOCAL DEVELOPMENT AUTHORITY**

By:   
\_\_\_\_\_  
Jason E. Mumpower, Comptroller of the Treasury,  
Secretary to all Issuers

## APPENDIX A: FORM INVOICES

Invoices are to be submitted on Bond Counsel Letterhead and provide payment/banking information

For Bond Issues:

Identify:

- The Issuer
- The bond issue, including title, principal amount, dated date and closing date.
- Summary of services rendered.
- Identification of flat fee due and category of bond issuance (new money, current/advance refunding, or combination)

For Quarterly Retainer (for periods ending July 30<sup>th</sup>, October 31<sup>st</sup>, January 31<sup>st</sup>, and April 30<sup>th</sup>):

Indicate aggregate hours of service performed for period. If the number of hours exceeds twenty-six and a quarter (26.25), attach documentation of approval in accordance with Section B, III and provide aggregate amount due.

Present hours performed for each Issuer separately, identifying:

- The matter or project and service performed
- The person performing the service, indicating name and title
- Hours performed and rate.

For Special Projects:

Indicate hours of service performed for each special project, attaching documentation of approval in accordance with Section B, IV and provide aggregate amount due, identifying:

- The matter or project and service performed
- The person performing the service, indicating name and title
- Hours performed and rate.

**APPENDIX B: LEAD STAFFING ARRANGEMENTS**

Lead attorney and principal day-to-day contact person: Mr. Steven I. Turner, Partner

Additional lead attorneys and day-to-day contact persons:

Mr. Daniel G. Birmingham, Partner (principally but not exclusively, SFB)

Ms. Laurie A. Hall, Counsel (principally but not exclusively, TSSBA and TLDA)

Lead tax attorney: Ms. Michela M. Daliana, Partner

Lead securities law attorney: Mr. Brian Garziona, Partner



JASON E. MUMPOWER  
Comptroller

## Memorandum

**To:** The Honorable Bill Lee, Governor

The Honorable Jason E. Mumpower, Comptroller of the Treasury

The Honorable Tre Hargett, Secretary of State

The Honorable David H. Lillard, Jr., Treasurer

The Honorable Jim Bryson, Commissioner of Finance and Administration

**From:** William Wood, Financial Analyst, Comptroller of the Treasury

**Date:** March 23, 2026

**Re:** Economic Report to the Governor

---

This memo considers the reasonableness of the economic projections published in the *2026 Economic Report to the Governor* (<https://haslam.utk.edu/publication/economic-report-to-the-governor-2026/>) from the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee. In addition, the memo examines consumer spending; the labor market and unemployment rates; and possible economic outcomes of emerging federal policies.

In short, the Comptroller's staff analysis finds:

- **CBER's projections for Tennessee nominal personal income do not appear to be unreasonable.** The CBER report predicts that Tennessee nominal personal income will grow by 5.02 percent and 5.13 percent in calendar years 2026 and 2027, respectively. Although few agencies track Tennessee personal income statistics, the state's personal income growth has historically tracked alongside growth in the U.S. Gross Domestic Product (GDP). CBER's projections for U.S. GDP fall within the range of other figures quoted by various other forecasting sources, leading staff to conclude that CBER's estimate for Tennessee personal income is similarly reasonable.
- **Job growth in Tennessee has been healthy, and the state unemployment rate remains incredibly low.** Nonfarm employment is projected to grow by 1.08 percent, or 37,000 new jobs, in 2027. This projection is higher than the 0.50 percent growth rate forecast for the U.S. CBER forecasts the 2026 unemployment rate to be 3.8 percent and 4.5 percent, for Tennessee and the U.S., respectively. The 2027 unemployment rate is forecast to increase to 3.9 percent and 4.5 percent for Tennessee and the U.S., respectively.

## Statutory Authority

Tennessee Code Annotated (TCA) § 9-4-5202 requires the State Funding Board (the Board) to secure estimates of Tennessee’s economic growth from the Tennessee econometric model at least once a year. These estimates are published annually in the *Economic Report to the Governor* by the University of Tennessee’s Boyd Center for Business and Economic Research (CBER). The report includes data on such indicators as nominal personal income, employment, inflation, consumer spending, and the housing market for Tennessee and the United States as a whole.

The statute also requires the Board to comment on the “reasonableness” of CBER’s projections and provide different estimates, if necessary. As specified in TCA § 9-4-5201, the rate of Tennessee’s economic growth is based on the projected changes in Tennessee nominal personal income.

The Comptroller’s staff assists the Board by evaluating information on current economic conditions and trends provided by commonly referenced sources in economic forecasting.

### CBER’s updated projections fall within the range of other forecasts

The CBER economic report predicts that Tennessee nominal personal income will grow by 5.02 percent and 5.13 percent in calendar years 2026 and 2027, respectively (Exhibit 1).<sup>1</sup>

#### Exhibit 1: CBER’s Estimated Tennessee Personal Income Growth

Forecast Year	Calendar Year	Fiscal Year
2025	6.11%	—
2026	5.02%	4.70%
2027	5.13%	5.10%

<sup>1</sup>Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2026*, Boyd Center for Business and Economic Research, University of Tennessee, January 2026, pp. 12, <http://cber.haslam.utk.edu>.



# AT A GLANCE

## Tennessee's Economic Outlook



### 2027 Projections



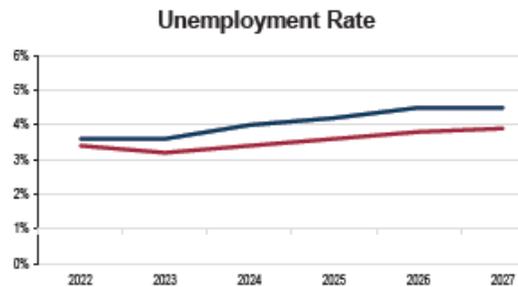
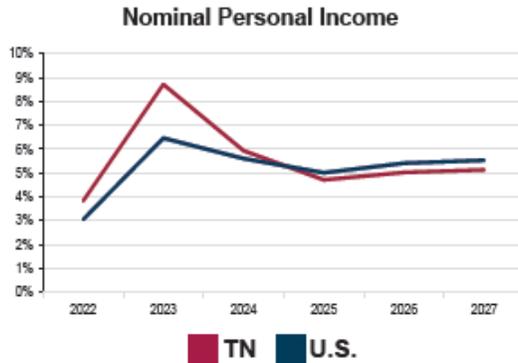
TN nominal personal income

U.S.: ▲ 5.53%



TN unemployment rate

U.S.: ▼ 4.50%



### Quick Facts

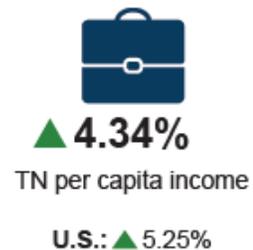
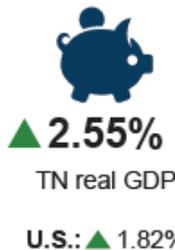
Tennessee recorded **20,917 new entity filings in the third quarter of 2025.**

New entity filings in the third quarter of 2025 were up 14.80% relative to the third quarter last year, the highest level of new filings for any third quarter in the data's history (1993).

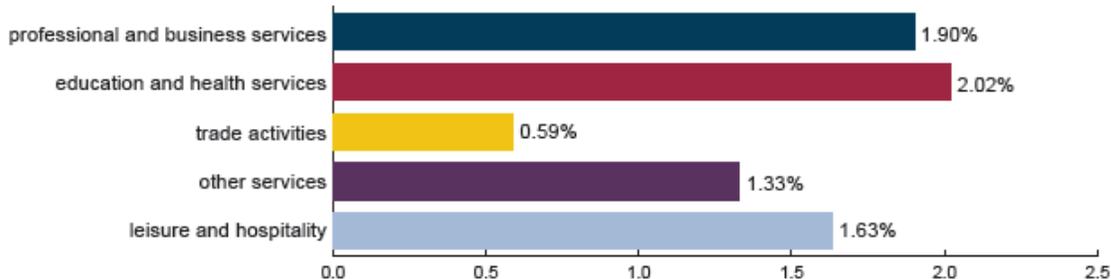
#### Nonfarm Employment

Nonfarm employment is projected to grow by **1.08%** or **37,000 jobs** in 2026.

This is faster than the **0.50%** forecast for the U.S.

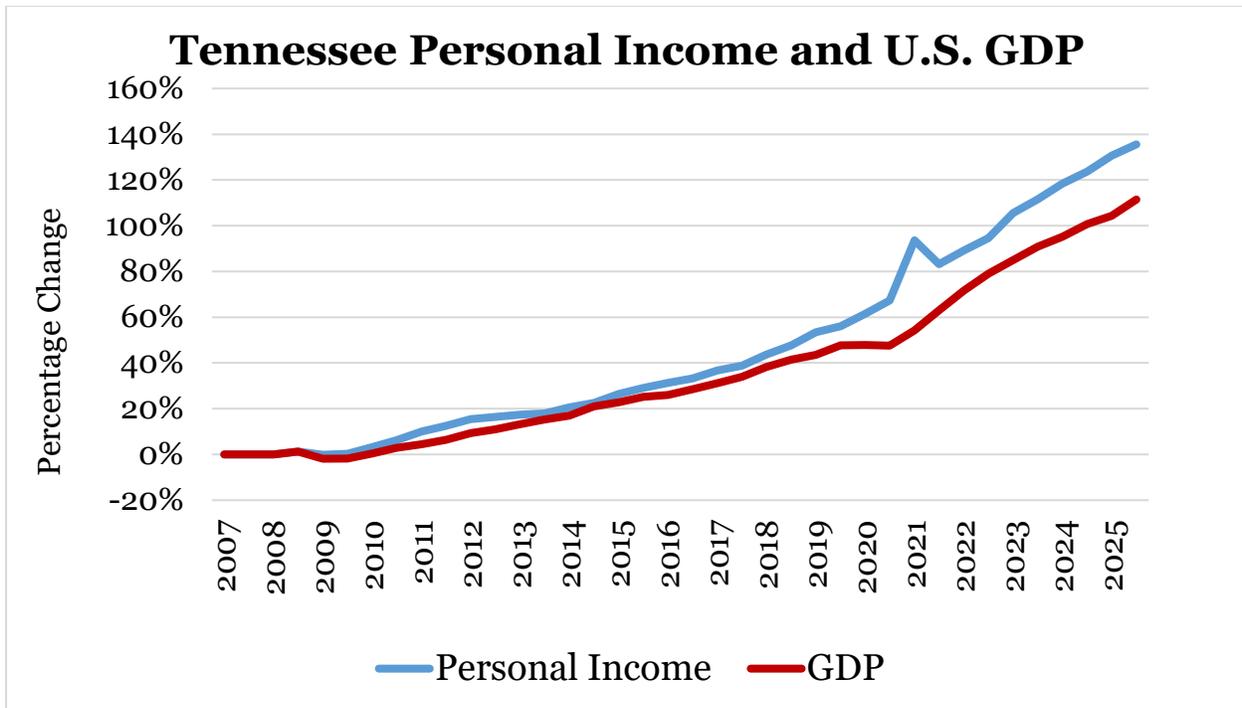


### 2027 Tennessee Nonfarm Employment by Sector



Few agencies estimate growth in Tennessee personal income, making it difficult to directly compare CBER’s projections with other sources. Tennessee personal income closely tracks growth in the state’s GDP, and the state GDP figure typically mirrors the national GDP. Consequently, the U.S. GDP may be used as a proxy for Tennessee’s GDP, which, in turn, may stand in for Tennessee personal income. In fact, the two figures often track closely (Exhibit 2). Therefore, staff may compare the many estimates of U.S. GDP growth to CBER’s projections and use the result to judge the reasonableness of CBER’s personal income predictions.

**Exhibit 2: Relative Growth of Tennessee Personal Income and U.S. GDP**



Source: U.S. Bureau of Economic Analysis, Tennessee Personal Income by Major Component, Gross Domestic Product, February 2, 2026, [www.bea.gov](http://www.bea.gov).

CBER projects that U.S. GDP will increase 2.24 percent in calendar year 2026. This figure falls within a range of government and non-government forecasts (Exhibit 3). Because CBER’s estimates for U.S. GDP fall within the range of predictions from other reputable sources, Comptroller’s staff finds that CBER’s projections for Tennessee personal income growth are not unreasonable.

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**Exhibit 3: Government and Non-Government GDP Forecasts**

Forecaster	CY 2026	CY 2027	Date
World Bank	2.2	1.9	January 2026
Fannie Mae	2.4	2.0	January 2026
Scotiabank	1.9	2.0	January 2026
Congressional Budget Office	2.2	1.8	January 2026
International Monetary Fund	2.4	2.0	January 2026
Federal Reserve Bank	2.3	2.0	December 2025
Conference Board	2.1	1.8	January 2026
Wells Fargo	2.7	2.3	January 2026
<i>High</i>	2.7	2.3	
<i>Median</i>	2.3	2.0	
<i>Low</i>	1.9	1.8	
<b>CBER</b>	<b>2.2</b>	<b>1.8</b>	<b>December 2025</b>

Source: World Bank, [Global Economic Prospects, January 2026](https://www.worldbank.org), p. 4, <https://www.worldbank.org>; Fannie Mae, [“Economic Forecast: January 2026,”](http://www.fanniemae.com) January 13, 2026, p. 1, <http://www.fanniemae.com>; Scotiabank, [“Global Economics: Scotiabank’s Forecast Tables,”](http://www.scotiabank.com) January 15, 2026, p. 4, <http://www.scotiabank.com>; Congressional Budget Office, [“CBO’s Current View of the Economy From 2026 to 2028,”](https://www.cbo.gov) January 2026, p. 2, <https://www.cbo.gov>; International Monetary Fund, [World Economic Outlook Update](https://www.imf.org), January 2026, p. 10, <https://www.imf.org>; Federal Reserve Bank, [“Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assumptions of projected appropriate monetary policy,”](https://www.federalreserve.gov) December 2025, p. 2, <https://www.federalreserve.gov>; Conference Board, [“Global Economic Outlook,”](http://www.conference-board.org) January 2026, <http://www.conference-board.org>; Wells Fargo, [“International Economic Outlook: January 2026,”](https://www.wellsfargo.com) January, 2026, p. 7, <https://www.wellsfargo.com>; Lawrence M. Kessler et al., [An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2026](http://cber.haslam.utk.edu), Boyd Center for Business and Economic Research, University of Tennessee, January 2026, p. 109, <http://cber.haslam.utk.edu>.

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## U.S. Economy

U.S. GDP is one of the broadest measures of economic activity for the national economy and is composed of personal consumption expenditures, investment, government purchases, and the balance of trade. Consumption continued to serve as the primary driver of U.S. economic growth in 2025. Of the roughly \$480 billion in real GDP added during the twelve-month period ending in June, an extraordinary 90 percent came from increased consumer spending, an unusually high share even in an economy where consumption typically anchors top-line growth<sup>2</sup>. To see genuinely impressive economic growth, the government spending component should not be the driver. That means the private sector (businesses investing, entrepreneurs risking capital, workers producing, and consumers spending their own money) is doing the heavy lifting.

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<sup>2</sup> Lawrence M. Kessler et al., [An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2026](http://cber.haslam.utk.edu), Boyd Center for Business and Economic Research, University of Tennessee, January 2026, pp. 2, <http://cber.haslam.utk.edu>.

## Consumer Confidence

Consumer confidence measures how optimistic or pessimistic everyday Americans feel about the economy currently and in the near future. It essentially measures American's mood on spending, borrowing, and risk taking. When consumer confidence is high, people open their wallets more freely, fueling retail sales, home buying, and business investment; when it is low, people hunker down and hold cash, and economic growth slows. The Conference Board Consumer Confidence Index increased by 2.2 points in February to 91.2 from an upwardly revised 89.0 in January. The Expectations Index, which is based on consumers' short-term outlook for income, business, and labor market conditions, rose by 4.8 points to 72.0.<sup>3</sup>

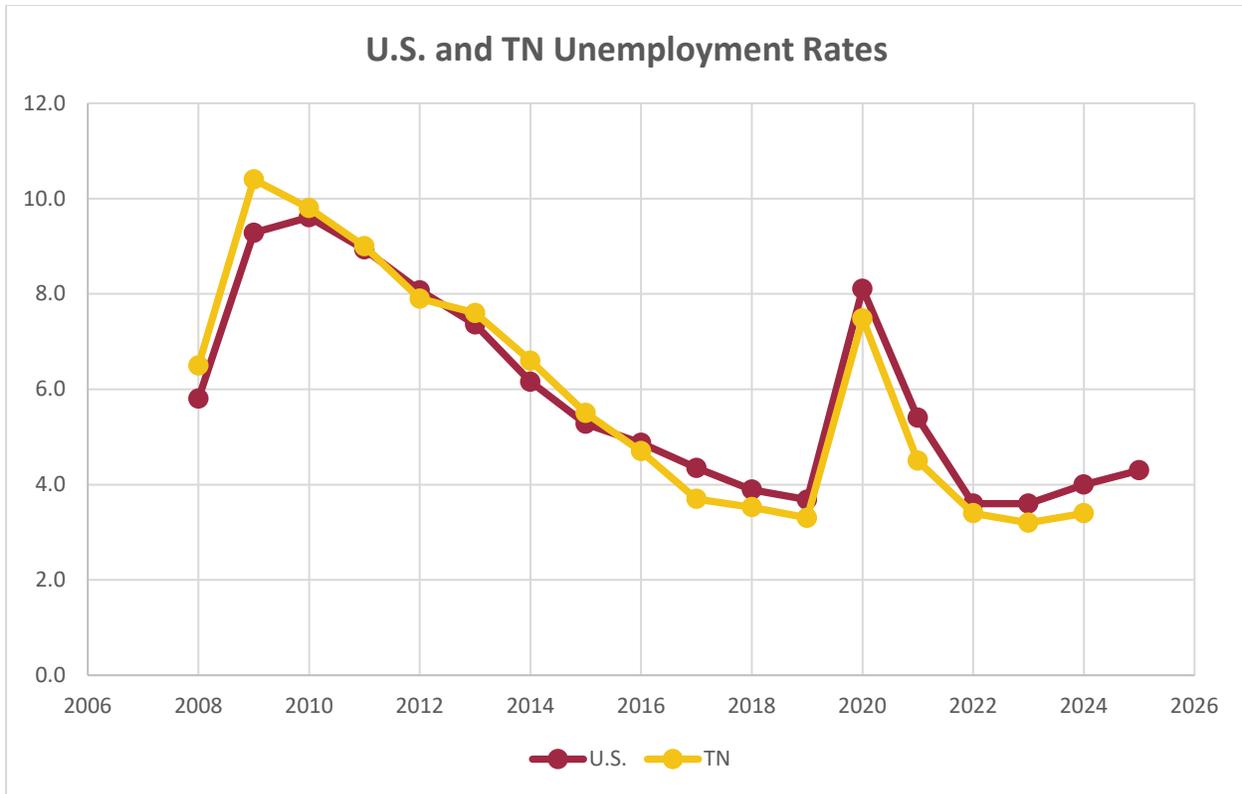
## Labor Market

“Labor market conditions are expected to soften somewhat, though they remain healthy by historical standards.”<sup>4</sup> The February 11, 2026, Employment Situation Summary from the Bureau of Labor Statistics reports that total nonfarm payroll employment rose by 130,000 in January, and the unemployment rate was 4.3 percent. Job gains occurred in health care, social assistance, and construction, while the federal government and financial fields lost jobs. While the amount of federal government jobs lost will not affect GDP, it does illustrate that the federal government spending and hiring more will produce a positive effect for GDP but negatively impact the taxpayer. While lower spending and employment could negatively affect GDP in the short term, private employment growth is preferred for long term sustainable growth. The real earnings report from February 13, 2026, shows actual average weekly earnings increased 0.5 percent over the month due to the change in real average hourly earnings combined with an increase of 0.3 percent in the average workweek.

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<sup>3</sup> Dana Peterson, *US Consumer Confidence Inched Up in February*, The Conference Board, February 2026, <https://www.conference-board.org>

<sup>4</sup> Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State's Economic Outlook January 2026*, Boyd Center for Business and Economic Research, University of Tennessee, January 2026, pp. 19, <http://cber.haslam.utk.edu>.



Source: Federal Reserve Bank of St. Louis, Civilian Unemployment Rate, February 25, 2026, <https://fred.stlouisfed.org>.

## Inflation and Interest Rates

The monetary goals of the Federal Reserve are to foster economic conditions that achieve both stable prices and maximum sustainable employment. Price stability preserves the integrity and purchasing power of the nation’s money. When prices are stable, people can hold money for transactions and other purposes without having to worry that inflation will eat away at the real value of their money. Equally important, stable prices allow people to rely on the dollar as a measure of value when entering into long-term contracts, planning for the future, or borrowing or lending for extended periods.

The preferred measure by the Federal Reserve of core inflation in the U.S. is the change in the core personal consumption expenditures price index (PCE). The Federal Open Market Committee’s (FOMC) stated objective for the core PCE is 2.0 percent. The total PCE price inflation was 2.8 percent over the 12-month period ending in November, and the core PCE price inflation, which excludes changes in consumer energy and many food prices, was 2.8 percent over the same 12-month period.<sup>5</sup>

<sup>5</sup> Federal Open Market Committee, *Minutes from Meetings January 27-28, 2026*, pp. 5. <https://www.federalreserve.gov>.

The FOMC recognizes that inflation is still somewhat elevated and cautions that progress toward the Committee’s 2 percent goal might be slow and uneven:

Regarding the outlook for inflation, participants anticipated that inflation would move down toward the Committee’s 2 percent objective, though the pace and timing of the decline remained uncertain. Participants generally expected that the effects of tariffs on core goods prices would likely start to diminish this year. Several participants remarked that the ongoing moderation in inflation for housing services was likely to continue to exert downward pressure on overall inflation. Several participants also expected higher productivity growth associated with technological or regulatory developments to put downward pressure on inflation. Consistent with that view, a few participants mentioned reports from business contacts that firms were automating more operations and using other measures to help offset cost increases, which would reduce the need to pass those increases on to consumer prices or to reduce margins. Most participants, however, cautioned that progress toward the Committee’s 2 percent objective might be slower and more uneven than generally expected.<sup>6</sup>

When inflation is high, central banks increase interest rates to restrict economic growth and the continuous demand for funds. For investors, inflation is an extremely useful measure since it can be used as a leading indicator to speculate on the future direction of interest rates. Typically, interest rates have a negative correlation with market returns.

## National Debt

When the government spends more than it takes in, it borrows to make up the difference. The debt can be seen as the accumulated sum of previous years’ deficits. As of early March 2026, the total U.S. gross national debt has surpassed \$38.5 trillion. As of June 2025, federal debt stood at 95 percent of GDP, up 0.3 percentage points from the prior year despite cost-cutting measures.<sup>7</sup> Debt held by the public rises each year in relation to the size of the economy and is projected to reach 118 percent of GDP in 2035, surpassing its previous high of 106 percent in 1946 after World War II.<sup>8</sup> Servicing this debt is one of the federal government’s biggest expenses. Interest payments on the debt totaled \$970 billion in 2025, or approximately 19 percent of all federal outlays, according to the Committee for a Responsible Budget. This cost made interest the third largest federal spending category, surpassing national defense.

There are two primary ways to reduce the deficit—government can choose to reduce expenditures or increase taxes. Both can lower deficits, but care must be taken to reduce the unintended consequences of the chosen path. As stated in a Cato Institute article by Romina Boccia and Dominik Lett, “Spending reductions also shield Americans from higher taxes. In the current fiscal environment, spending significantly outpaces revenues, a gap that will eventually necessitate tax increases. By cutting spending today, lawmakers can prevent harmful future tax hikes, effectively a tax cut compared to the current trajectory.”<sup>9</sup>

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<sup>6</sup> Federal Open Market Committee, *Minutes from Meetings January 27-28, 2026*, pp.9. <https://www.federalreserve.gov>.

<sup>7</sup> Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2026*, Boyd Center for Business and Economic Research, University of Tennessee, January 2026, pp. 15, <http://cber.haslam.utk.edu>

<sup>8</sup> Congressional Budget Office, *The Budget and Economic Outlook: 2025 to 2035*, January 2025. [www.cbo.gov](http://www.cbo.gov)

<sup>9</sup> Romina Boccia et al., *Reducing Spending Now: The Key to Growth, Not Austerity*, CATO Institute, January 2025, [www.cato.org](http://www.cato.org)

## **Iran War**

On February 28, 2026 the United States began operation Epic Fury against Iran. The opening strikes killed Ayatollah Ali Khamenei and has dramatically degraded Iran's ability to project power outside their borders. U.S. Central Command states the Iranian Navy and Air Force have been destroyed or rendered inoperable. Iran has responded by attempting to close the Strait of Hormuz. Approximately 25 percent of petroleum moves through the Strait, making it the world's most critical oil chokepoint. Oil prices increased from approximately \$67 per barrel on February 27<sup>th</sup> to \$120 per barrel on March 9<sup>th</sup>. Prices have since fallen to around \$104 per barrel as of March 18, 2026. Coalition forces have moved rapidly to keep the Strait open by preventing naval mines from being placed and working to escort tankers through the Strait. Some economists believe the rapid increase of oil prices could lead to a global recession, but it is too early to draw conclusions as to the economic fallout.

## **Conclusion**

In consideration of the information provided here, CBER's projections for Tennessee nominal personal income growth of 5.02 percent and 5.13 percent for calendar years 2026 and 2027, respectively, do not appear to be unreasonable.

Tennessee's finances have improved over the last several years, and in some ways, Tennessee is outperforming the national economy. The state's natural beauty, quality of life, and low tax burden are incentives for people all over the country to consider Tennessee as a place to live. As Tennessee is preparing the fiscal year 2026-2027 budget, the State can feel confident in continuing its momentum and sticking to its conservative fiscal approach of very low debt, excellent pension funding, low taxes, and continued preparation for unknowns by adding to the Rainy Day Fund.

STATE OF TENNESSEE

Office of the Attorney General



**JONATHAN SKRMETTI**  
ATTORNEY GENERAL AND REPORTER

P.O. BOX 20207, NASHVILLE, TN 37202  
TELEPHONE (615)741-3491  
FACSIMILE (615)741-2009

March 23, 2026

State Funding Board  
c/o Kayla Carr  
Assistant Secretary  
Division of State Government Finance  
Tennessee Comptroller of the Treasury  
Cordell Hull Building  
425 Rep. John Lewis Way, N.  
Nashville, TN 37243-3400

RE: List Identifying State Tax and Non-Tax Revenue Sources

Gentlemen:

The attached list identifying State tax and non-tax revenue sources existing as of March 23, 2026, is approved pursuant to Tenn. Code Ann. § 9-4-5202(b).

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Skrmetti" with the word "permission" written in smaller letters below it.

JONATHAN SKRMETTI  
Attorney General and Reporter

Encl.

March 23, 2026

The list below identifies tax and non-tax revenue sources existing as of March 23, 2026, and is approved by the Attorney General and Reporter pursuant to Tenn. Code Ann. § 9-4-5202(b):

Tax Revenue Sources

1. Sales and Use Tax
2. Gasoline Tax
3. Diesel Tax
4. Special Privilege Tax on Petroleum Products
5. Export Tax on Petroleum Products
6. Environmental Assurance Fee
7. Highway User Fuel Tax
8. Alternative Fuels Tax (Liquefied Gas Tax & Compressed Natural Gas Tax)
9. Recordation Tax
10. Privilege Taxes
11. Litigation Tax
12. Gross Receipts Taxes
13. Beer Taxes
14. Alcoholic Beverage Taxes
15. Franchise Tax
16. Excise Tax
17. Tobacco Tax
18. Vapor Products Tax
19. Motor Vehicle Title and Registration Fees
20. Mixed Drink Tax
21. Business Tax
22. Occupational Privilege Tax
23. Severance Taxes
24. Insurance Premiums Tax
25. Coin Operated Amusement Machine Tax
26. Tire Predisposal Fee
27. Used Oil Tax
28. Car Rental Surcharge
29. Bail Bond Tax
30. Vending Machine Tax
31. Unauthorized Substances Tax
32. Insurance Verification Fee
33. Fantasy Sports Tax
34. Sports Wagering Licensing and Fees
35. Hemp-derived Cannabinoid Tax
36. Nursing Home Tax
37. Hospital Coverage Assessment
38. Ambulance Service Provider Assessment

Mixed Fee and Tax Revenue Sources

39. Regulatory Fees and Tax Collections from:
  - a. Department of Commerce and Insurance

- b. E-911 Emergency Communications
- c. Department of Financial Institutions
- d. Wildlife Resources Agency
- e. Department of Health
- f. Department of Agriculture
- g. Regulatory Board Fees
- h. Tennessee Public Utility Commission
- i. Secretary of State
- j. Department of Safety
- k. Department of Revenue
- l. Department of Education
- m. Department of Environment and Conservation
- n. Department of Labor
- o. Alcoholic Beverage Commission
- p. Other State Departments, Agencies, and Boards

Non-Tax Revenue Sources

- 40. Court Fines & Penalties Reported to:
  - a. Department of Commerce and Insurance
  - b. Department of Financial Institutions
  - c. Department of Agriculture
  - d. Wildlife Resources Agency
  - e. Department of Health
  - f. Tennessee Public Utility Commission
  - g. Department of Safety
  - h. Department of Education
  - i. Department of Environment and Conservation
  - j. Department of Labor
  - k. Other State Departments, Agencies, and Boards
- 41. Treasury Earnings
- 42. Proceeds from Unclaimed Property
- 43. Departmental Revenues for Current Services
- 44. Federal Funds
- 45. Proceeds of State Bonds and Notes
- 46. Gifts and Donations
- 47. Payments in Lieu of Taxes
- 48. Opioid Litigation Settlement
- 49. Tobacco Litigation Settlement
- 50. Lottery Revenues

Approved:



JONATHAN SKRAMETTI  
 Attorney General and Reporter  
 State of Tennessee



THE UNIVERSITY OF  
**TENNESSEE**  
KNOXVILLE

BOYD CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH

February 3, 2026

Mr. Jason E. Mumpower  
Comptroller of the Treasury  
State Funding Board  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Mumpower:

Sections 9-6-201 and 202 of the *Tennessee Code Annotated* state that the Funding Board may secure from the Tennessee Econometric Model the estimated rate of growth of the state's economy as measured by the forecasted change in Tennessee personal income. Personal income is defined by the United States Department of Commerce. Major assumptions and the methodology used in arriving at the estimates are to be provided as well. The background information to our forecast is included in the *Tennessee Economic Report to the Governor, 2026*. We report the following to you:

Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)
1977	27,176	10.83	100.00	1995	114,276	7.37	420.51	2013	254,465	0.74	936.36
1978	30,979	14.00	114.00	1996	120,649	5.58	443.96	2014	263,856	3.69	970.92
1979	34,544	11.51	127.11	1997	127,785	5.91	470.22	2015	277,356	5.12	1020.60
1980	38,090	10.27	140.16	1998	139,760	9.37	514.28	2016	286,532	3.31	1054.37
1981	42,374	11.25	155.93	1999	145,232	3.91	534.42	2017	299,308	4.46	1101.38
1982	45,036	6.28	165.72	2000	153,990	6.03	566.64	2018	316,177	5.64	1163.45
1983	48,074	6.74	176.90	2001	158,125	2.69	581.86	2019	335,602	6.14	1234.93
1984	53,445	11.17	196.67	2002	162,879	3.01	599.35	2020	360,095	7.30	1325.06
1985	57,198	7.02	210.47	2003	169,930	4.33	625.30	2021	402,025	11.64	1479.35
1986	61,207	7.01	225.22	2004	179,893	5.86	661.96	2022	417,424	3.83	1536.02
1987	65,770	7.46	242.02	2005	188,178	4.61	692.45	2023	453,766	8.71	1669.74
1988	71,613	8.88	263.52	2006	200,189	6.38	736.64	2024	480,671	5.93	1768.75
1989	76,876	7.35	282.88	2007	209,747	4.77	771.81	2025	503,315	4.71	1852.07
1990	81,787	6.39	300.96	2008	218,373	4.11	803.56	2026	528,557	5.02	1944.96
1991	86,093	5.26	316.80	2009	217,095	-0.59	798.85	2027	555,659	5.13	2044.68
1992	94,022	9.21	345.98	2010	227,613	4.85	837.56	2028	583,132	4.94	2145.78
1993	100,042	6.40	368.13	2011	241,432	6.07	888.41				
1994	106,434	6.39	391.65	2012	252,592	4.62	929.48				

We would be pleased to discuss the economic forecast with you in detail.

Best regards,

Larry Kessler  
Research Associate Professor

Boyd Center for Business & Economic Research  
2280 Sutherland Ave, Suite 228, Knoxville, TN 37919  
865-974-5441 haslam.utk.edu/boyd-center

To: State Funding Board

From: Paige E. Dye

Date: February 11, 2026

**Subject: Cash Management Improvement Act Annual Report State Fiscal Year 2025**

We are pleased to provide you with the attached copy of the State of Tennessee Cash Management Improvement Act Annual Report for fiscal year ended June 30, 2025. The Federal Cash Management Improvement Act (CMIA) requires states to submit an annual report accounting for state and federal interest liabilities of the state's most recently completed fiscal year by December 31. In accordance with the CMIA, this report was electronically submitted to the US Department of Treasury Bureau of Fiscal Service on December 29, 2025.

The CMIA is a federal regulation created for the purpose of ensuring "greater efficiency, effectiveness, and equity in the exchange of funds between the federal government and the states". The spirit of the CMIA is that states will draw on federal funds when they are needed; they will not draw early and gain interest on the funds, nor will they draw late and pay out their own funds for federal purposes.

In actual practice, however (for example, as a result of both state and federal system issues, as well as human error), interest liabilities occur when transfers of federal funds occur at different times than when the state pays out the funds for its major federal assistance programs. Accordingly, the CMIA provides the methodology for calculating and exchanging interest.

For fiscal year 2025, the state was required to complete a detailed monitoring of the timing of these transfers for twenty-one of its federal programs, totaling approximately \$16 billion dollars. The results of this monitoring revealed that the state earned approximately \$397 thousand dollars in interest on the net of early and late draws during the fiscal year that will be returned to the US Department of Treasury Bureau of the Fiscal Service in March 2026.

Please contact me if you have any questions or would like to review any of the supporting documentation.

**STATE OF TENNESSEE  
CASH MANAGEMENT IMPROVEMENT ACT  
ANNUAL REPORT  
STATE FISCAL YEAR 2025**

**PREPARED BY**  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
Division of Accounts

**STATE OF TENNESSEE  
CASH MANAGEMENT IMPROVEMENT ACT  
ANNUAL REPORT  
STATE FISCAL YEAR 2025**

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## Executive Summary

The Cash Management Improvement Act (CMIA) of 1990 (Public Law 102-453), as amended by the Cash Management Improvement Act of 1992 (Public Law 102-589), governs the transfer of funds between the Federal Government and States. This legislation was enacted to address issues of equity on these exchanges. Specific objectives of this legislation are:

- Provide the calculation to determine the threshold for reporting.
- Establish guidelines on how the exchange of funds is transacted.
- Minimize the time elapsing between when funds are expended and reimbursement is received.
- Calculate and exchange interest when funds are not timely transferred.

Per the 2025 Treasury State Agreement, the threshold for reporting for fiscal year 2025 is **\$63,000,000**. There are **21** Federal programs covered. See Exhibit A for a list of covered programs by State recipient agency.

## Compliance

A compliance exception is considered to occur when there is a difference between the dates a Federal transfer should have been received and when the transfer was actually received. The State generally complied with the terms of the Treasury State Agreement for fiscal year 2025.

The State's implementation of the CMIA is subject to audit in accordance with Chapter 75 of Title 31, United States Code, "Requirements for Single Audits." If it can be demonstrated the State has materially failed to comply with its Treasury State Agreement, Bureau of the Fiscal Service (BFS) may request a Federal agency or the General Accounting Office to conduct an audit to determine interest owed to the Federal Government. If the results of the audit are unfavorable, BFS could deny paying any Federal interest liability due, deny reimbursement of the direct cost claim, or take other legal remedies.

## Interest Exchange

According to the Treasury State Agreement, the Federal Government generally incurs an interest liability when the State pays out funds for program purposes with valid obligational authority before Federal funds are credited to a State account. The State incurs an interest liability when Federal funds are deposited into a State account pending payment for program purposes. A written explanation is required by BFS for all Federal interest liabilities in excess of \$5,000 and all prior year interest liability adjustments. For FY 2025, all of the federal interest liabilities are less than \$5,000 except the assistance listing number (ALN) 93.323 and 97.036. This is because the State requested funds on time, but the Federal government delayed payment beyond the requested date. It is expected that all federal interest liabilities will be paid.

For FY 2025, the State interest liability is **\$459,836** and Federal interest liability is **\$53,587**. Upon request, department summaries can be provided for additional detail on these amounts. Interest is scheduled to be exchanged by March 31, 2026.

## Direct Costs

Costs directly attributable to CMIA monitoring and reporting are reimbursable from the Federal Government. Eligible costs are tracked within Edison and include the calculation of interest liabilities, clearance pattern monitoring, and the preparation of the Annual Report. As of December 2025, the State has approximately **\$9,513** of eligible direct costs. Additional direct costs incurred will be added to this amount, and the total will be reported to BFS as a part of the annual report.

## Annual Reporting Procedures

The Cash Management Improvement Act System (CMIAS) is the electronic system provided by BFS for the submission of information to generate the annual report. The report is required to be electronically submitted by December 31, 2025. Upon approval by the U.S. Department of the Treasury, Bureau of the Fiscal Service, a copy of the final report is sent to the State Funding Board Staff.

**STATE OF TENNESSEE  
SCHEDULE OF INTEREST LIABILITIES - PROJECTED INTEREST EXCHANGE  
STATE FISCAL YEAR 2025**

<b>ALN /CFDA</b>	<b>State Agency</b>	<b>Federal Program</b>	<b>Federal Liability (3)</b>	<b>State Liability (2)</b>	<b>State PY Adjustments</b>	<b>Federal PY Adjustments</b>	<b>Net Liability (1)</b>
10.551	DHS	Supplemental Nutrition Assistance Program	\$ -	\$ -	\$ -	\$ -	\$ -
10.553	Education	National School Breakfast Program	-	-	-	-	-
10.555	Education	National School Lunch Program	-	-	-	-	-
10.557	Health	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Administration	-	-	-	-	-
10.558	DHS	Child and Adult Care Food Program	-	-	-	-	-
10.561	DHS	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	-	-	-	-
17.225	LWFD	Unemployment Insurance-Federal	729	2	-	-	727
17.225	LWFD	Unemployment Insurance -State	-	-	-	-	-
20.205	TDOT	Highway Planning and Construction	548	3,712	-	-	(3,164)
84.010	Education	Chapter I Programs - Local Education Agencies	-	-	-	-	-
84.027	Education	Special Education - State Grants	155	-	-	-	155
84.425	Education	Education Stabilization Fund	-	-	-	-	-
93.323	Health	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	17,838	73	-	-	17,765
93.558	DHS	Temporary Assistance for Needy Families	281	-	-	-	281
93.575	DHS	Child Care and Development Block Grant	-	1,336	-	-	(1,336)
93.563	DHS	Child Support Enforcement	-	-	-	-	-
93.596	DHS	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	-	-	-	-	-
93.659	DCS	Adoption Assistance	2,937	-	-	-	2,937
93.767	TennCare	Children's Health Insurance Program	2	1,243	-	-	(1,241)
93.778	TennCare	Medical Assistance Program	471	453,470	-	-	(452,999)
97.036	Military	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	30,626	-	-	-	30,626
			<u>\$ 53,587</u>	<u>\$ 459,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (406,249)</u>

- NOTES:**
- (1) A positive indicates a Federal interest liability. A negative indicates a State interest liability.
  - (2) A State interest liability is incurred from the deposit date until the funds are expended, or from the deposit date the funds are credited back to the federal government.
  - (3) A Federal interest liability is incurred from the date that funds are expended for program purposes until the date that federal funds are deposited in the State bank account.
  - (4) The FY 2025 interest rate for states with a July to June fiscal year is 4.58 percent (0.0458).

**Plus Direct Cost**      \$      9,513

**Net State Interest Liability**      \$      (396,736)

<b>FY 2025 FEDERAL LIABILITIES EXPECTED TO BE DENIED *</b>			
<b>ALN/CFDA</b>	<b>Program</b>	<b>Amount</b>	<b>Agency</b>
* Federal interest liabilities expected to be denied were due to State non-compliance, departmental accounting errors and recording practices, or because the State agency could not provide adequate or clear documentation to support the Federal interest liability.			
All of the federal interest liabilities are less than \$5,000 except ALN/CFDA 93.323 and 97.036. This is because the State requested funds on time, but the Federal government delayed payment beyond the requested date. It is expected that all federal interest liabilities will be paid.			
		<u>\$ -</u>	

**EXPECTED INTEREST EXCHANGE FOR FISCAL YEAR 2024**      \$      (396,736)

**STATE OF TENNESSEE  
EXHIBIT A - SCHEDULE OF CMIA COVERAGE  
STATE FISCAL YEAR 2025**

<u>AL/CFDA</u>	<u>Federal Program</u>	<u>State Recipient Agency</u>	<u>Expenditures for Threshold Calculation (1)</u>	<u>Actual 2025 Expenditures</u>
10.551	Supplemental Nutrition Assistance Program	DHS	\$ 1,837,228,445	\$ 1,723,219,013
10.553	National School Breakfast Program	Education	124,370,629	38,154,910
10.555	National School Lunch Program	Education	350,517,142	451,383,532
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Health	120,363,108	169,579,341
10.558	Child and Adult Care Food Program	DHS	73,277,723	75,305,521
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DHS	132,297,914	150,894,411
17.225	Unemployment Insurance	LWFD	203,346,869	252,791,041
20.205	Highway Planning and Construction	TDOT	1,101,222,810	1,484,318,472
84.010	Chapter I Programs - Local Education Agencies	Education	392,688,879	342,831,148
84.027	Special Education - State Grants	Education	305,005,165	310,211,421
84.425	Education Stabilization Fund	Education	1,204,681,063	485,445,185
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases	Health	117,948,839	71,813,164
93.558	Temporary Assistance for Needy Families	DHS	211,158,316	283,817,960
93.563	Child Support Enforcement	DHS	85,721,179	86,201,803
93.575	Child Care and Development Block Grant	DHS	452,174,944	329,186,052
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	DHS	98,168,709	82,605,617
93.659	Adoption Assistance	DCS	78,311,355	78,788,703
93.767	Children's Health Insurance Program	TennCare	616,002,926	449,102,713
93.778	Medical Assistance Program	TennCare	9,725,666,921	9,526,937,497
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Military	116,670,678	102,807,933
	<b>Grand Total</b>		<u>\$ 17,346,823,613</u>	<u>\$ 16,495,395,438</u>

**Notes:**

(1) Per the Cash Management Improvement Act of 1992, the threshold for reporting is determined on amounts reported in the Schedule of Expenditure of Federal Awards (SEFA) for the fiscal year ending two years prior to the fiscal year being reported. The \$ 63,000,000 was determined on amounts reported in the June 30, 2023 SEFA.