TENNESSEE STATE FUNDING BOARD
April 15, 2015

The Tennessee State Funding Board (the "Board") met on Wednesday, April 15, 2015, at 1:20 p.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of the State of Tennessee
The Honorable Justin Wilson, Comptroller of the Treasury
The Honorable David Lillard, State Treasurer

The following members were absent:

The Honorable Bill Haslam, Governor
Commissioner Larry Martin, Department of Finance and Administration

Seeing a physical quorum present Mr. Wilson called the meeting to order and asked for approval of minutes from the February 26, 2015, Board meeting. Mr. Hargett made a motion to approve the minutes. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Allen Borden, Assistant Commissioner, Department of Economic and Community Development ("ECD"), who presented FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Financial Advisor, ECD, who presented the FastTrack funding report. Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was $122.7 million and since that time $20.2 million in grants or loans were approved which left an adjusted FastTrack balance available for funding grants or loans of $102.5 million as of this meeting. Mr. VanderMeer reported that there were $91.4 million in commitments, leaving an uncommitted FastTrack balance of $11.1 million. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $4.6 million, and if these projects were approved, the uncommitted balance would be approximately $6.5 million, or 93.7% of FastTrack funds committed.

Mr. Borden stated the projects under consideration needed to be considered and approved by the Board because state law required that FastTrack projects in amounts exceeding $750,000 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Borden then presented the following FastTrack projects:

- **Jackson Kayak, Inc. – Sparta (White Co.)**
  FastTrack Economic Development $1,250,000

- **Automotive Lighting, LLC – Pulaski (Giles Co.)**
  FastTrack Economic Development $1,000,000
  FastTrack Job Training Assistance $2,385,000

Mr. Wilson stated that the Board received a signed letter from Mr. Randy Boyd, Commissioner of ECD, which stated that the projects met all the statutory requirements; a FastTrack Checklist was completed and signed by Mr. Boyd for the projects under consideration. Mr. Wilson inquired if the information contained in the letter and checklists was true and correct. Mr. Borden responded affirmatively. Mr. Hargett made a motion to approve the FastTrack grants for the projects presented. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. VanderMeer then discussed a request by ECD to revise commitments of FastTrack funding. Mr. VanderMeer reported that a letter signed by Commissioner Boyd was presented to the Board and requested the Board's concurrence with ECD's ability to be able to commit up to 110% of the available balance of the FastTrack appropriations. Mr. VanderMeer stated that this ability to commit falls within the guideline set forth in Tennessee Code Annotated 4-3-716(g). Mr. Wilson made a motion that the Board concur with the request to commit up to 110%. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. William Wood, Budget Administrative Analyst, Comptroller of the Treasury, who presented an analysis on "An Economic Report to the Governor of the State of Tennessee" (the "Economic Report"). Mr. Wood stated that Tennessee Code Annotated 9-4-5202 directs the Board to secure estimates of economic growth from the Tennessee econometric model published by Tennessee's Center for Business and Economic Research (CBER) in its annual Economic Report and to comment on the reasonableness of CBER's estimate of the rate of growth of Tennessee's economy. Mr. Wood stated that based on review of the Economic Report and evaluation of current economic conditions and trends, the Economic Report's forecast of 4.00% nominal personal income growth for fiscal year 2015, 4.24% for calendar year 2015, and 4.38% for calendar year 2016, are not unreasonable. Mr. Wilson made a motion that the Board accept that the forecasts presented in the Economic Repot are not unreasonable. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then acknowledged that the Board received from the Attorney General the "List Identifying State Tax and Non-Tax Revenue Sources." The Board acknowledged and accepted the letter. No further action was necessary.

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

Approved on this 26th day of May 2015.

Respectfully submitted,

Sandra Thompson

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Assistant Secretary