



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE FUNDING BOARD
JULY 21, 2025
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 June 23, 2025, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **Little Leaf NC, LLC. – Manchester (Coffee County)**

FastTrack Job Training Assistance Grant	\$1,500,000
FastTrack Infrastructure Development Grant	\$1,300,000
4. Consideration and approval of a Resolution Certifying and Authorizing the Allocation of Funds to the Debt Service Fund For the 2025-2026 Fiscal Year
5. Consideration and approval of a Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and Canceling Authorized Bonds
6. Consideration and approval of a Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee
7. Annual report on State of Tennessee General Obligation and Commercial Paper Debt
8. Annual Balloon Indebtedness Report for Fiscal Year 2025
9. Notification of approval of Federal Emergency Management Agency (FEMA) Note for the Town of Selmer
10. Adjourn

The Board meeting will be held in the Volunteer Conference Center, 2nd 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://www.comptroller.tn.gov/office-functions/sgf/sgf-calendar/2025/7/21/state-funding-board-meeting.html>.

TENNESSEE STATE FUNDING BOARD
June 23, 2025

The Tennessee State Funding Board (the “Board”) met on Monday, June 23, 2025, at 2:00 p.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower 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

The following members were absent:

The Honorable Bill Lee, Governor
Commissioner Jim Bryson, Department of Finance and Administration

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. Sandra Thompson, 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. Thompson responded that no requests had been received.

Comptroller Mumpower then presented the minutes from the meeting held on May 19, 2025, for consideration and approval. Secretary Hargett made a motion to approve the minutes. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower recognized Mr. Stuart McWhorter, Commissioner of the Department of Economic and Community Development (ECD), to present FastTrack projects for consideration, and Ms. Stephanie Burnette, Budget and Finance Administrator, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Burnette reported that, as of the date of the May 19, 2025, Board meeting, the FastTrack balance was \$658,853,482.89. Since that time, \$6,196,274.01 in new funds had been appropriated; \$4,921,500.00 in funds had been deobligated; \$5,500,000.00 in new grants or loans greater than \$750,000.00 had been approved; \$698,000.00 in new grants or loans less than \$750,000.00 had been approved; and \$108,938.24 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$663,664,318.66 as of the date of the Report. Ms. Burnette reported that total commitments had been made in the amount of \$529,172,662.72, representing 79.7% of the FastTrack balance, resulting in an uncommitted FastTrack balance of \$134,491,655.94. Ms. Burnette reported that the amount of proposed grants for projects to be considered at this meeting totaled \$3,268,500.00, and if these projects were approved, the uncommitted balance would be \$131,223,155.94, with a total committed balance of \$532,441,162.72, which represented 80.2% of the FastTrack balance. Comptroller Mumpower then asked Commissioner McWhorter to present the following FastTrack projects:

- **Tier-Rack LLC – Bradford (Gibson County)**
FastTrack Economic Development Grant \$ 1,000,000.00

- **Howmet Castings & Services, Inc., Howmet Corporation and Howmet Aerospace Inc. – Morristown (Hamblen County)**
FastTrack Economic Development Grant \$ 1,468,500.00
- **Summertown Metals of Morristown, LLC – Morristown (Hamblen County)**
FastTrack Economic Development Grant \$ 800,000.00

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, and Commissioner McWhorter responded affirmatively. Secretary Hargett made a motion to approve the projects. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Michell Bosch, Chief Financial Officer of the Tennessee Housing Development Agency (THDA), who presented the THDA Schedule of Financing for Fiscal Year 2025-2026 (the “Schedule”), for consideration and approval. THDA is required by statute to present the Schedule to the Board annually. Ms. Bosch summarized the Schedule noting THDA’s plan to conduct two mortgage revenue bond program financings in an amount not to exceed \$550 million during fiscal year 2025-2026. Ms. Bosch further stated that the projected timing of the issuances would be late fall of 2025 and early spring of 2026. Treasurer Lillard made a motion to approve the Schedule. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a Resolution Allocating from the Debt Service Fund to Capital Project Fund \$154,564.00 and Canceling Authorized Bonds, for consideration and approval. Ms. Thompson stated that the state had provided funding through the commercial paper program for the University of Memphis (UOM) to purchase sites and existing structures in accordance with their master plan. Ms. Thompson then stated that UOM had repaid the borrowing in the amount of \$154,564.00. Ms. Thompson further stated that the resolution would cancel bonds for the University of Memphis 101 Properties project in a like amount and would be effective as of the date of the Board meeting, June 23, 2025. Secretary Hargett made a motion to approve the resolution. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a Resolution Making Findings for Decrease in Special Revenues as required by TCA § 9-9-104(b), for consideration and approval. Ms. Thompson stated that the state had covenanted with its bondholders that it would not decrease the special tax revenues that had been pledged for the payment of principal and interest on its debts unless the Board certifies by resolution, as required by TCA § 9-9-104(b), the following:

- All payments due pursuant to statute have been made in full.
- The state is not in default in payment of any outstanding debt.
- Fees and taxes pledged pursuant to TCA § 9-9-104 will be sufficient to provide funds adequate to meet all payments required to be made by the Board in fiscal year 2025-2026.

Ms. Thompson then stated that the resolution and a memorandum from the Commissioner of the Department of Finance and Administration confirming the state had met these criteria were in the Board member's packets. Treasurer Lillard made a motion to approve the resolution. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present the Tennessee Consolidated Retirement System (TCRS) affirmation of the Standby Commercial Paper Purchase Agreement for consideration and acceptance. Ms. Thompson stated that Comptroller Mumpower had received a letter from the Chief Investment Officer of the TCRS addressed to the Secretary of the Board that affirmed that it did not plan to terminate its contract prior to July 1, 2026, to serve as a standby purchaser under the state's commercial paper program. Ms. Thompson further stated that a draft letter was in the members' package from the Secretary of the Board to the Chief Investment Officer of the TCRS that affirmed that the Board also did not plan to terminate the contract prior to July 1, 2026, and requested to submit this letter to affirm that the Board would not terminate the contract. Comptroller Mumpower made a motion to accept the letter from TCRS and authorize the Comptroller to notify TCRS on behalf of the Board, and to execute and send a letter to TCRS to affirm that the Board would not terminate the contract. Treasurer Lillard 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 present updates to the Tennessee Budget Manual for Local Governments (the "Budget Manual") for consideration and approval. Mr. Osborne stated that the Budget Manual had been updated to add LGF's new online budget submission process, provide additional examples of conditionally approved budgets, and add new financial health metrics for utilities and for cities with debt outstanding that do not levy a property tax. Comptroller Mumpower made a motion to approve the updates to the Budget Manual. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Osborne to present updates to the Tennessee Debt Manual (the "Debt Manual") for Local Governments for consideration and approval. Mr. Osborne stated that The Debt Manual was updated to reflect the changes necessary to implement Public Chapters 17, 170, and 218 of the 2025 Act ("PC 17", "PC 170", and "PC 218"). Mr. Osborne further stated that the changes added provisions for emergency utility cash flow revenue anticipation notes, the approval of heightened risk debt, and the reporting of certain defaults, covenant violations, and credit rating downgrades. Comptroller Mumpower made a motion to approve the updates to the Debt Manual. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Osborne to present updates to the Board guidelines for Debt Reporting by Public Entities; Debt Reporting by Industrial Development Boards; and Requirements, Objective, and Best Practices for Adopting a Debt Management Policy (the "Guidelines"). Mr. Osborne stated that the proposed updates resulted from recently passed legislation including PC 17 requiring local governments to report defaults, covenant violations, and credit rating downgrades to the Comptroller's office; and PC 218 requiring local governments to receive approval from the Comptroller prior to issuing debt with risks associated with variable interest rates, put options, and interest rate reset options. Comptroller Mumpower made a motion to approve the updates to the Guidelines. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval for removal of the Board guideline, Blanket Exemption Under the Anti-Kicking the Can Act. Comptroller

Mumpower Mr. Osborne to present. Mr. Osborne stated that the balloon debt waiver was no longer needed after July 1, 2025, the effective date of PC 17. Mr. Osborne then stated that the passage of PC 17 moved the approval of debt with put options from the balloon indebtedness act to a separate section of statute under heightened risk debt. Mr. Osborne further stated that PC 17 also included all the departments of the federal government making the waiver no longer necessary. Comptroller Mumpower made a motion for removal of the guideline effective July 1, 2025. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Osborne, who reported to the Board the approval of Federal Emergency Management Agency (FEMA) Notes for McNairy County and the Town of Erwin. Mr. Osborne stated that LGF had approved two FEMA tax anticipation notes, one for McNairy County and one for the Town of Erwin in the amount of \$500,000.00 and \$3,000,000.00, respectively. Mr. Osborne then stated that the notes were for emergency financing due to natural disasters, tornadoes in McNairy County in April and flooding from Hurricane Helen in Erwin. Mr. Osborne further stated that each note had a maturity date of June 30, 2027. The notes would allow for operating expenses to be financed beyond the fiscal year. No further action was necessary.

Comptroller Mumpower then recognized Ms. Thompson to present revisions to the Board's Debt Management Policy (the "Policy") for consideration and approval. Ms. Thompson stated that the Policy was required to be reviewed on at least an annual basis. Ms. Thompson continued stating that staff had reviewed the Policy and had made some non-substantive changes. Comptroller Mumpower made a motion to approve the revisions to the Policy. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a revised Declaration of Trust for Other Post-Employment Benefits (OPEB) for the West Knoxville Utility District (the "Declaration") for consideration and approval. Ms. Thompson stated that the West Knox Utility District previously presented its Declaration, and it was approved at the Board meeting on November 6, 2023. Ms. Thompson continued stating that at that time, Article V of the Declaration named the members of the board of trustees by name. Ms. Thompson further stated that since that time, there have been personnel changes at the West Knox Utility District resulting in the presented amendments to Article V to reflect the board of trustees by position only. Ms. Thompson noted that the revisions have been reviewed by the Attorney General's office and staff recommends approval. Comptroller Mumpower made a motion to approve the Declaration. Treasurer Lillard seconded the motion, and it was unanimously approved.

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

Approved on this _____ day of _____ 2025.

Respectfully submitted,

Sandra Thompson,
Assistant Secretary

FastTrack Report to State Funding Board

7/21/2025

1. Previous FastTrack Balance, as of Last Report	663,664,318.66
2. + New Appropriations:	25,000,000.00
3. + Newly Deobligated Funds:	0.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(1,800,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(466,930.00)
8. - FastTrack Administration	(221,396.78)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	686,175,991.88
10. Total Amount of Commitments:	430,944,435.94
11. Uncommitted FastTrack:	255,231,555.94
12. Percentage Committed:	62.8%
13. Amount of Proposed Grants or Loans:	2,800,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	252,431,555.94
15. Percentage Committed:	63.2%

See next page for explanations of the above questions.

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

Shirley C. Mroholz

Date: 7/15/25

Commissioner of Economic and Community Development



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

July 21, 2025

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. Little Leaf NC, LLC – Manchester (Coffee County)

Little Leaf Farms is recognized as the country’s No. 1 brand of packaged lettuce sustainably grown through controlled environment agriculture. The company developed its first greenhouse in Massachusetts in 2015 and has since grown to include facilities in Pennsylvania (which is the largest indoor leafy greens campus in North America), and with today’s announcement, Tennessee.

Little Leaf Farms will locate in the Manchester Industrial Park, a Select Tennessee Certified Site. The company’s operations will be state-of-the art with new growing and manufacturing facilities that have the capacity to produce and distribute packaged leafy greens throughout the Midwest and Southeast U.S.



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Little Leaf NC, LLC has committed to create 318 net new jobs and make a \$74,880,000 capital investment within 5 years. The company will have an average hourly wage of \$20.56 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 \$1,500,000. **(\$1,500,000)**

FastTrack Infrastructure Development Program funds will be used to construct a 500,000-gallon, elevated water storage tank in the Manchester Industrial Park for a total of \$1,300,000. **(\$1,300,000)**

Total FastTrack funds for this project - \$2,800,000

Sincerely,

A handwritten signature in blue ink that reads "Stuart C. McWhorter". The signature is written in a cursive style with a large initial "S".

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	City of Manchester	\$1,300,000	
	TRAINING*	Little Leaf NC, LLC	\$1,500,000	
	ECONOMIC DEVELOPMENT			
TOTAL			\$2,800,000	

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

***ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Little Leaf NC, 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)? ☐ Yes ☒ No
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).
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

7/15/25

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

May 30, 2025

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Little Leaf NC, LLC intends, in good faith, to create 318 private sector jobs in Manchester, Coffee County and make a capital investment of \$74,880,000 in exchange for incentives that will be memorialized in a grant agreement between Little Leaf NC, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Infrastructure Grant:	\$ 1,300,000
FastTrack Job Training Grant:	\$ 1,500,000
Total ECD Commitment:	\$ 2,800,000

Please sign your name in the space below to signify Little Leaf NC, LLC's acceptance of ECD's offer set forth above and return it by August 28, 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: 6/2/25

**RESOLUTION CERTIFYING AND AUTHORIZING THE
ALLOCATION OF FUNDS TO THE DEBT SERVICE FUND FOR
THE 2025-2026 FISCAL YEAR**

Recitals

Pursuant to Chapter 176, Public Acts of Tennessee, 2013 (the “Act”), effective July 1, 2013, the State of Tennessee has pledged in Tenn Code Ann. Section 9-9-104 for the payment of debt service on a pro rata basis on its general obligation bonds issued on or before June 30, 2013, the following:

- Annual proceeds of a tax to five cents (\$.05) per gallon upon gasoline;
- Annual proceeds of the special tax on petroleum products imposed by Tenn. Code Ann. Section 67-3-203 (formerly Tenn Code Ann. Section 67-3-1303);
- One half (1/2) of the annual proceeds of motor vehicle registration fees; and
- Entire annual proceeds of franchise taxes imposed by the franchise tax law in Title 67, Chapter 4, Part 21 (formerly Title 67, Chapter 4, Part 9).

Pursuant to the Act, the State Funding Board is authorized by Tenn. Code Ann. Section 9-9-106 to certify the amount necessary to provide for the payment of debt service from the fees, taxes and other revenues and funds available for such purposes.

Section 1, Title III-31, Public Chapter 530, Public Acts of Tennessee, 2025, (the “2025 Appropriations Act”) appropriates the aggregate sum of Three Hundred Ninety-Three Million, Three Hundred Seventy-Nine Thousand Dollars (\$393,379,000) for debt service expenses and amortization of authorized and unissued bonds for the 2025-2026 fiscal year. Section 1, Title III-33 of the 2025 Appropriations Act, appropriates to the Sinking Fund such amount of the excise tax receipts as determined by the State Funding Board.

The Commissioner of Finance and Administration recommended by a memorandum dated June 17, 2025, that the State Funding Board allocate Three Hundred Eight-Nine Million, Five Hundred Fifty Thousand Dollars (\$389,550,000) in pledged tax revenues. Further, he recommended the following specific dollar allocation of taxes for the payment of debt service on general obligation debt of the State of Tennessee:

<u>TAX OR FEE</u>	<u>AMOUNT</u>	<u>BASIS OF ALLOCATION</u>
Franchise Tax	\$ 18,000,000	Equal monthly
Excise Tax	\$183,550,000	Equal monthly
Gasoline Tax	\$ 80,000,000	Equal monthly
Motor Vehicle Title Fees	\$ 2,700,000	Equal monthly

Further, he recommended a monthly allocation totaling One Hundred Five Million, Three Hundred Thousand Dollars (\$105,300,000) of Sales Tax revenues [which is the estimated allocation of the net receipts of State Sales Tax pursuant to Tenn Code Ann. Section 67-6-103]. These recommendations assume (i) utilization of Sports Authority Revenue in the amount of Three Million, Two Hundred Eight-Five Thousand Dollars (\$3,285,000) and Other Revenues (College and Universities and State Veterans’ Homes) in the amount of Five Hundred Forty-Four Thousand Dollars (\$544,000), for an aggregate sum of Three Hundred Ninety-Three Million, Three Hundred Seventy-Nine Thousand Dollars (\$393,379,000).

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

1. It is hereby certified to the Commissioner of Finance and Administration that the following sums shall be allocated to the Sinking Fund for debt retirement for the 2025-2026 fiscal year:

<u>SOURCE, TAX OR FEE</u>	<u>AMOUNT</u>	<u>BASIS OF ALLOCATION</u>
Franchise Tax	\$ 18,000,000	Equal Monthly
Excise Tax	\$ 183,550,000	Equal Monthly
Gasoline Tax	\$ 80,000,000	Equal Monthly
Motor Vehicle Title Fees	\$ 2,700,000	Equal Monthly
Sales Tax (estimated Tenn. Code Ann. Allocation)	\$105,300,000	Monthly

2. This resolution shall be retroactively effective as of July 1, 2025, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 21, 2025.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF
THE COST OF HIGHWAY CONSTRUCTION PROJECTS AND
CANCELING AUTHORIZED BONDS**

Recitals

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 462, Public Acts 2017 (the “2017 Act”), to issue and sell its general obligation bonds in an amount not to exceed Eighty Million Dollars (\$80,000,000) of which is allocated pursuant to Section 4(1) of the 2017 Act (the “2017 TDOT Bonds”) for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and for the purpose of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and repair, replacement, or rehabilitation of bridges.

None of the 2017 TDOT Bonds principal amount authorized has been issued.

Section 6, Item 1, Chapter 530, Public Acts 2025, (the “2025 Appropriations Act”) appropriates to the Funding Board the sum of Eighty Million Dollars (\$80,000,000) to cancel a like amount of unissued 2017 TDOT Bonds.

The Commissioner of Finance and Administration by memorandum dated June 17, 2025, recommended that the Funding Board proceed with canceling Eighty Million Dollars (\$80,000,000) of the unissued 2017 TDOT Bonds.

Be It Resolved by The Funding Board of The State of Tennessee:

1. The projects authorized to be financed by the 2017 TDOT Bonds have been financed in whole or in part with current funds and a total of Eighty Million Dollars (\$80,000,000) is no longer needed to fund such authorized projects.
2. Eighty Million Dollars (\$80,000,000) of the unissued 2017 TDOT Bonds are hereby canceled.
3. This resolution shall be retroactively effective as of July 1, 2025, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 21, 2025.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD

**A RESOLUTION AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE STATE OF TENNESSEE**

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

1. The Funding Board of the State of Tennessee (the “Funding Board”) hereby finds and determines that the Funding Board is authorized to provide for the issuance of general obligation bonds of the State of Tennessee (the “State”) under the provisions of Sections 1 and 4 of Chapter 528, Public Acts of Tennessee, 2025, to be allocated as follows:

Item 1. Eight Hundred Twenty Million, Five Hundred Forty-Seven Thousand Dollars (\$820,547,000) to the Department of Finance and Administration to be expended for the purposes of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission.

Item 2. One Hundred Thirty-Four Million Dollars (\$134,000,000) to the Department of Finance and Administration to provide funds for the state office buildings and support facilities revolving fund to be allocated and expended for the purposes of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures.

Item 3. Eighty Million Dollars (\$80,000,000) to the Department of Transportation to be expended for construction of highways and for the purpose of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and repair, replacement, or rehabilitation of bridges.

Further, the Funding Board is authorized to sell bonds in amounts not to exceed 2.5% of all the amounts stated above, the proceeds of which are to be allocated to the Funding Board and expended for the purpose of funding discounts and the costs of issuance.

2. The Funding Board hereby finds and determines that no bonds or bond anticipation notes have been issued pursuant to the Public Acts referred to in Section 1 hereof, and that such authorization has not been cancelled or rescinded.

3. The Funding Board hereby authorizes the issuance of general obligation bonds of the State in the respective maximum principal amounts and for the respective purposes set forth in Section 1 hereof (the "Bonds"). The sale and issuance of the Bonds shall be provided for by subsequent resolution of the Funding Board. Pending the issuance of Bonds, bond anticipation notes may be issued from time to time under and pursuant to the resolution adopted by the Funding Board on March 6, 2000, entitled "RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF COMMERCIAL PAPER; AUTHORIZING AND PROVIDING FOR A STANDBY COMMERCIAL PAPER PURCHASE AGREEMENT; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO", as amended or restated, or under and pursuant to other resolutions hereafter adopted by the Funding Board.

4. The Funding Board reserves the right to rescind the authorization of any Bonds authorized hereunder to the extent (i) general obligation bonds have not been issued against such Bond authorization or (ii) general obligation bond anticipation notes have not been issued in anticipation of the issuance of Bonds to be issued against such Bond authorization.

5. Available State funds may be expended for any or all the purposes specified in Section 1 hereof, in anticipation of reimbursement from the proceeds of Bonds or bond anticipation notes issued under and pursuant to the respective authorizations specified in Section 1 hereof. The Funding Board hereby authorizes the Commissioner of Finance and Administration or the Secretary or Assistant Secretary of the Board to evidence an official intent to this effect, and otherwise execute, file and publish such documents or take such other action, as may be necessary to permit reimbursement from the proceeds of Bonds or bond anticipation notes, the interest on which shall be excluded from gross income for federal income tax purposes.

6. If any provisions of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to that end the provision of this resolution is declared to be severable.

7. This resolution shall be retroactively effective as of July 1, 2025, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 21, 2025.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD

State of Tennessee
General Obligation Debt Program

As of June 30, 2025
(unaudited)

	<u>Taxable</u>	<u>Tax-Exempt</u>	<u>Total</u>
Commercial Paper Outstanding	\$1,681,000	\$2,000,000	\$3,681,000
	<u>Taxable</u>	<u>Tax-Exempt</u>	<u>Total</u>
Bonds Outstanding	\$511,340,000	\$1,003,245,000	\$1,514,585,000

State of Tennessee
General Obligation Commercial Paper Program

Analysis for the period July 1, 2024, to June 30, 2025
(unaudited)

	<u>Taxable</u>	<u>Tax -Exempt</u>
Average Daily Balance	\$1,972,485	\$3,923,288
Interest Rate	4.45-5.54%	3.04-3.78%
Weighted Average Yield	4.81%	3.36%

Expenses for FY25*

Commercial Paper Interest	\$ 365,392
Standby Purchase Agreement Fee	\$1,225,000
Dealer Services Fee	\$ 5,077
Issuing & Paying Agent Fee	\$ 3,000
Rating Fees	\$ 11,800

* Amounts reported are expenses that were paid in FY25



JASON E. MUMPOWER
Comptroller

MEMO

To: State Funding Board
From: Steve Osborne, Assistant Director, Division of Local Government Finance
CC: Sheila Reed, Director, Division of Local Government Finance
Date: July 21, 2025
Subject: Annual Balloon Indebtedness Report for Fiscal Year 2025

Tenn. Code Ann. § 9-21-133 requires the Comptroller to approve all issuances of balloon indebtedness as defined in the code. The State Funding Board has adopted Guidelines pertaining to the approval of balloon indebtedness. The report outlines the following

- Statutory requirements;
- Types of debt approved as balloon indebtedness;
- History and purpose;
- Requests to issue balloon debt for fiscal year 2025 and approvals; and
- Historical data for prior requests and approvals.

The Division of Local Government Finance submits the following report as an update to the Board of the requests and approvals for Fiscal Year 2025 under the guidelines.

For copies of the approved letters please see our [website](#).

Fiscal Year 2025

Annual Report on Balloon Debt Requests by Tennessee Local Governments



Tenn. Code Ann. § 9-21-133

Tennessee State Funding Board Guidelines: *Comptroller Approval of Balloon Indebtedness*

Presented to the Members of the Tennessee State Funding Board

By: The Division of Local Government Finance

Date: July 21, 2025

STATUTORY REQUIREMENT

Tenn. Code Ann. § 9-21-133 requires that local governments obtain approval from the Comptroller's Office prior to issuing debt with a balloon structure and authorizes the State Funding Board to establish guidelines with respect to approvals and exemptions.

A balloon structure defers repayment of principal to later dates in the maturity schedule. Under state law, **balloon indebtedness** is defined as debt with a structure that:

- matures 31 or more years from the original date of issuance;
- postpones paying principal more than three years after the debt is issued;
- borrows money to pay interest beyond the construction period, or three years from issuance, whichever is later; or
- has a principal and interest repayment schedule that is not substantially level or declining.

The Comptroller's Division of Local Government Finance reviews plans of balloon indebtedness and approves plans when the repayment structure of the balloon debt is in the public's interest. Local governments must follow the requirements outlined in the State Funding Board Guidelines: *Comptroller Approval of Balloon Indebtedness* when requesting approval for balloon indebtedness plans.

TYPES OF DEBT

Requests to issue a balloon structure can be divided into two types of debt: refunding bonds and new money bonds.

Refunding bonds are generally issued with a balloon structure for the following reasons:

- The original debt being refinanced was issued with a balloon structure that already fits in with the local government's overall debt management.
- Specific individual maturities that occur later in the repayment schedule are refunded.
- Debt that is exempt from approval (and would otherwise be defined as balloon indebtedness) is refunded with the same structure into a non-exempt debt instrument.
- Debt is advance refunded more than three years in advance of the call date.

New money bonds are issued for projects authorized in state law. Sometimes construction timelines or revenue projects may not allow for level debt service.

HISTORY AND PURPOSE

Tennessee's General Assembly passed legislation in 2014 requiring approval of balloon debt issued by local governments. The legislation was aptly named the Anti Kicking the Can Act. Prior to the legislation some local governments deferred principal payments for multiple years and in the most egregious scenarios local governments waited until years 29 or 30 of the repayment schedule to make the first principal payment. This resulted in higher interest costs over the life of the debt and often an unmanageable debt burden once the deferred principal payments became due. Local officials have a fiduciary obligation to manage and issue debt in a fiscally responsible manner. Since its passage, the legislation has been effective in limiting the amount of debt issued with a balloon structure to only what has been determined to be in the public's interest. The Anti Kicking the Can Act has encouraged responsibility in the management of public dollars and helped local officials better understand the impact of balloon indebtedness in their overall debt management.

FISCAL YEAR 2025

The Comptroller's Division of Local Government Finance received and approved four requests to issue balloon indebtedness for fiscal year 2025. This represents a tie (FY 2022 and FY 2023) with the second lowest number of requests (FY 2024) since the balloon indebtedness took effect in fiscal year 2015. We attribute the continued decrease in requests to higher interest rates during the period, which caused a reduction in the number of refunding bonds being issued for savings.

The four requests for FY 2025 were one new money and three refunding bonds. See [Appendix A](#) for a list of balloon debt issues for the past three years.

FISCAL YEAR 2015 THROUGH FISCAL YEAR 2025

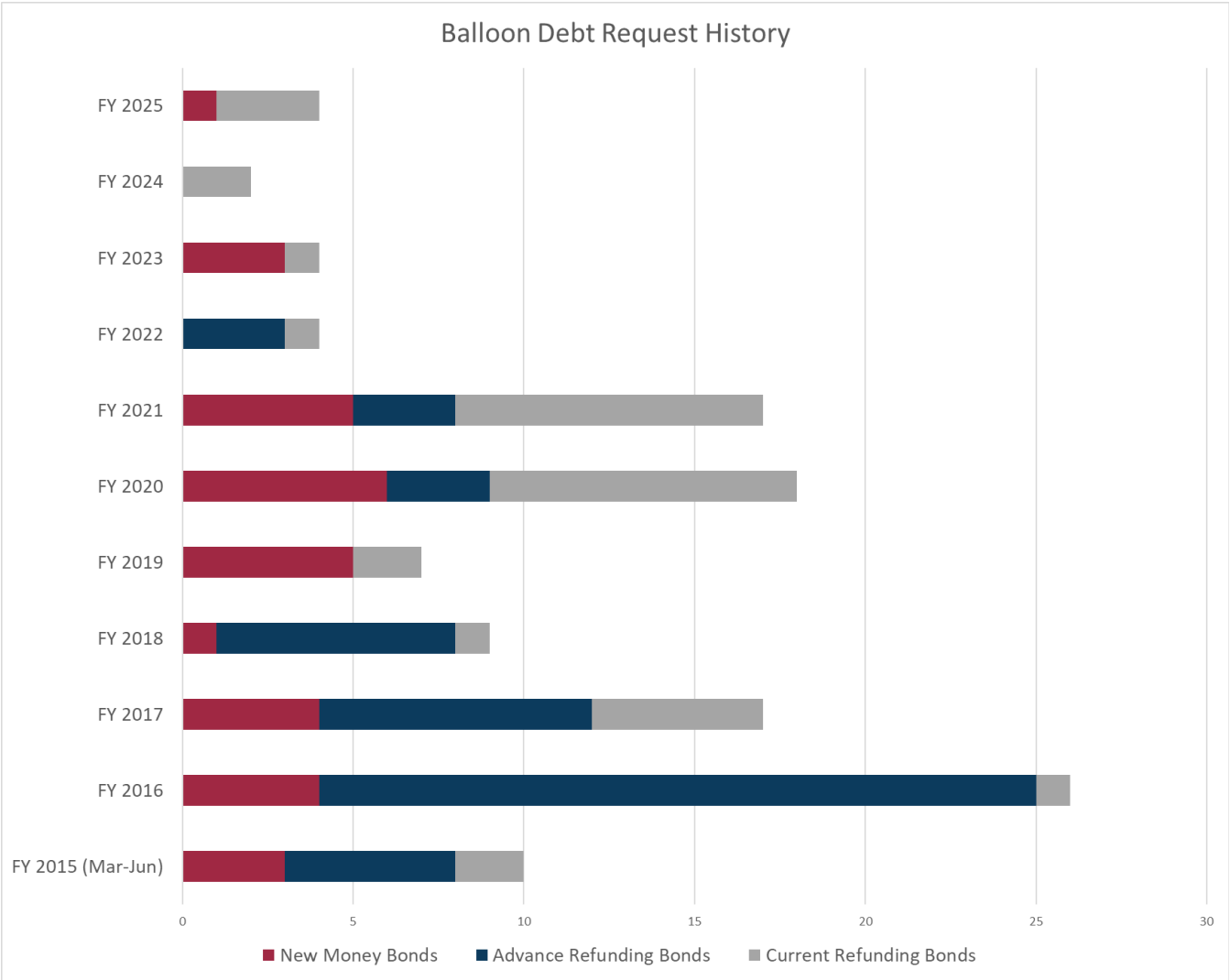
Since our office first began approving balloon debt structures in 2015, we have received 118 requests, and only one of the requests was not approved. Several local governments and their financial advisors have reached out to our office prior to requesting approval and were able to make changes to the debt structure to avoid a balloon structure. We are not aware of an instance where a local government approved the issuance of balloon debt without first requesting approval from our office.

Summary of Requests (2015-2025)

	New Money Bonds	Advance Refunding Bonds	Current Refunding Bonds
Requests Received	32	50	36
% of Total Requests	27%	42%	31%
Requests Not Approved	1	0	0
Issued as Balloon Debt	26	47	32

The following chart depicts requests we have received by fiscal year and by type of debt. The majority of requests (86, or 73%) have been for refunding bonds. Over the past eleven years, we have received 32 requests to issue new money balloon debt, with 26 actual issues, and in all but one case, it was determined the balloon

structure was in the public’s interest. **Appendix B** includes a listing of all new money bonds issued with a balloon structure.



Additional information on balloon indebtedness plans and approval requirements may be found at: tncot.cc/debt.

Appendix A

Summary of Balloon Indebtedness Requests Fiscal Years 2023 – 2025

	Entity	Security	Amount	Approved	Issued	Project / Purpose
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FY 2025

New Money						
Tennessee Energy Acquisition Corp	Revenue		\$ 1,589,000,000	Y		Gas Prepurchase Bonds
Advance Refunding						
None						
Current Refunding						
Knox-Chapman Utility District	Revenue		\$ 19,405,000	Y	Y	Savings
Metro Nashville Davidson County	Revenue		400,000,000	Y	Y	Savings
Tennessee Energy Acquisition Corp	Revenue		\$ 636,000,000	Y		Refund Gas Prepurchase Bonds

FY 2024

New Money						
None						
Advance Refunding						
None						
Current Refunding						
Memphis	General Obligation		\$ 149,200,000	Y	Y	Savings
Tennergy Corporation	Revenue		750,000,000	Y	Y	Refund Gas Prepurchase Bonds

FY 2023

New Money Bonds						
Metropolitan Nashville Airport Authority	Revenue		\$ 735,345,000	Y	N	Airport improvements
Metropolitan Nashville Sports Authority	Revenue		703,385,000	Y	Y	Titans Stadium construction
Tennergy Corporation	Revenue		785,000,000	Y	Y	Prepurchase of natural gas
Advance Refunding Bonds						
None						
Current Refunding Bonds						
Tennessee Energy Acquisition Corp	Revenue		\$ 850,000,000	Y	Y	Refund Gas Prepurchase Bonds

Appendix B

New Money Bonds Issued with a Balloon Structure by Entity Type Fiscal Years 2015 – 2025

Issuer	Fiscal Year	Security	Amount	Project
Airport Authorities				
Memphis-Shelby County Airport Authority	2017	Revenue	\$ 110,000,000	Airport improvements
Memphis-Shelby County Airport Authority	2021	Revenue	150,000,000	Airport improvements
Metropolitan Nashville Airport Authority	2020	Revenue	1,000,000,000	Airport improvements
Counties				
Henry County	2018	General Obligation	\$ 8,885,000	School construction
Madison County	2020	Lease Agreement	19,579,215	School construction
Maury County	2015	General Obligation	47,000,000	School construction
Wilson County	2016	General Obligation	55,000,000	School construction
Wilson County	2017	General Obligation	21,500,000	School construction
Energy Acquisition Corporations				
Tennergy Corporation	2019	Revenue	\$ 1,000,000,000	Prepurchase of natural gas
Tennergy Corporation	2020	Revenue	750,000,000	Prepurchase of natural gas
Tennergy Corporation	2023	Revenue	785,000,000	Prepurchase of natural gas
Tennessee Energy Acquisition Corporation	2017	Revenue	850,000,000	Prepurchase of natural gas
Tennessee Energy Acquisition Corporation	2019	Revenue	900,000,000	Prepurchase of natural gas
Tennessee Energy Acquisition Corporation	2020	Revenue (Series A&B)	1,022,963,000	Prepurchase of natural gas
Municipalities				
Clarksville	2021	Revenue (Series A)	\$ 185,745,000	Utility system improvements
Crossville	2021	Revenue (Series C)	9,835,000	Utility system improvements
Greeneville	2017	General Obligation	2,210,000	Airport improvements (joint venture)
Jackson	2020	Lease Agreement	11,927,878	School construction
Lawrenceburg	2015	General Obligation	5,000,000	Road construction and equipment
Memphis	2021	Revenue (Capital Appreciation Bonds)	182,000,000	Parks, revitalization, 3.0 project
Pulaski	2021	General Obligation (PBA Loan)	12,000,000	Utility system improvements
Selmer	2016	General Obligation	3,650,000	Street and road construction
Sports Authorities				
Metropolitan Nashville Sports Authority	2023	Revenue	\$ 703,385,000	Titans Stadium construction
Metropolitan Nashville Sports Authority	2019	Revenue	225,000,000	Major League Soccer Stadium
Utility Districts				
Madison Suburban Utility District	2016	Revenue	\$ 9,250,000	Water lines
Mallory Valley UD	2020	Revenue	20,066,049	Water system improvements



JASON E. MUMPOWER
Comptroller

MEMO

To: State Funding Board
From: Steve Osborne, Assistant Director, Division of Local Government Finance
CC: Sheila Reed, Director, Division of Local Government Finance
Date: July 21, 2025
Subject: Report on Emergency Financial Aid to Local Governments

The Federal Emergency Management Agency (FEMA) issued the following Major Disaster Declaration for Tennessee:

- For the incident period April 2, 2025 – April 24, 2025 – DR-4878-TN - Due to Severe Storms, Straight-line Winds, Tornadoes, and Flooding (Declared on June 19, 2025)

Pursuant to Tenn. Code Ann. § 9-13-201 et. seq (the “Act”), local governments must request approval from the Comptroller’s Office prior to issuing notes in the case of economic distress due to a natural disaster certified by the Federal Emergency Management Agency (FEMA). The Act requires the Comptroller of the Treasury to report to the State Funding Board any approval of note issuance pursuant to Tenn. Code Ann. § 9-13-206.

We have approved the following notes issued in connection with the FEMA declarations described above and as authorized by the Act.

Entity	Description	Date Approved	Amount Approved	Date Issued	Amount Issued	Maturity	Date Reported to SFB
Town of Selmer	Tax Anticipation Note (Interfund Loan for General Fund)	7/2/2025	650,000	7/9/2025	650,000	6/30/2027	7/21/2025

We anticipate additional approvals and will report those at future meetings.

For copies of the approved letters please see our [website](#).