



SPEAKER CAMERON SEXTON

September 24, 2020

Tennessee Comptroller of the Treasury
ATTN: The Honorable Justin P. Wilson
State Capitol
Nashville, TN 37243

Dear Comptroller Wilson,

The Federal Coronavirus Relief Fund (CRF) was created by the signing of the CARES Act on March 27, 2020. This \$150 billion in emergency assistance provides funding for both state and local governments to help mitigate the unexpected economic effects caused by Covid-19.

Of the 19,000 local governments in the United States, only 36 municipalities composed of 500,000 or more residents were provided direct relief through the CRF. Nashville is included, and the city has already received a direct allocation of more than \$121 million in federal funding to provide critical resources during the ongoing pandemic.

Despite this significant federal funding allocation, recent reports suggest Nashville is one of the slowest recovering municipalities in the entire nation. It is evident that part of the city's current economic struggles are the result of policies put in place by local officials, which have slowed business recovery efforts. What is still unclear is whether the manner in which available CRF funding has further contributed to Nashville's sluggish economic recovery process.

While our state swiftly provided immediate relief to the business community through the investment of federal dollars into both the unemployment trust fund and the Tennessee Business Relief Program, Nashville has reportedly only used a fraction of available federal funding at this time. Despite tens of millions in unused federal funding, as well as the \$10 million in city and county grant funding allocated to Nashville through Tennessee's FY 2020-2021 budget, Mayor Cooper recently requested more than \$82 million in additional funding from the state to address the considerable economic impacts. We agree with Governor Lee's decision to decline the mayor's request for these funds, and we believe our General Assembly must have a clearer understanding of how Nashville has managed and prioritized their federal allocation prior to the start of the 2021 legislative session.

Today, we are requesting that the Office of the Comptroller of the Treasury conduct a thorough review of Nashville under the CRF. The purpose of this review is to provide our members with reliable data and an adequate explanation of both past and future use of all CRF dollars, as well how the state's city and county grant funding allocation was used by Nashville.



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Additionally, we ask that this request provide our membership with the necessary information to determine whether Nashville has maintained sufficient internal control measures over the receipt and disbursement of these funds. This will ensure all CRF proceeds are used in accordance with Federal guidelines. Our request today is made pursuant to the department of audit's power and duties under Tennessee Code Annotated, Title 4, Chapter 3, Part 3.

Thank you for your attention to this important matter; we appreciate your diligence on behalf of the General Assembly, the Nashville business community, the citizens of Davidson County, and the taxpayers of this state.

C. Sexton

Willie Luther

James G. B.

Bill Clavin

Ron M. Sant

Ernesto Agles

Mark Cochran

Anthony B. Johnson

L. J. F.

Paul Sherrill

J. W. H.

C. H. H.