SPARK Taskforce
Executive & Steering Committees Meeting
August 26, 2020

1

Agenda

1. Opening Comments	Lyle Butler, Chair
2. Update on Round 2 Economic Development & Connectivity	David Toland, Secretary of Commerce
3. Update on County Spending Reports	Julie Lorenz, Executive Director Doug Gerber, RO County Project Director
4. Update on Other Round 2 Progress	Julie Lorenz, Executive Director
5. Potential Trade Offs	Julie Lorenz, Executive Director
6. Discussion	Julie Lorenz and Committee Members
7. Follow-Up on Taskforce Requests	Julie Lorenz, Executive Director
8. Adjournment	Lyle Butler, Chair

Economic Development and Connectivity Update

Secretary David Toland

Kansas Department of Commerce

Economic Development Grants

Small Business Working Capital—**5,385**

PPE Procurement—**1,253**

Securing Local Food Supply—**441**

PPE Manufacturing—**83**

Higher Education Advanced Manufacturing & IT Equipment—**27**

Domestic Supply Chain Fortification—**28**

COVID-19 Bioscience Product Development Acceleration—**18**

IT, Cybersecurity & IT Project Management—**18**

University COVID Research Support—**1**

Applications to Date

BACK *to* BUSINESS

Economic Development

Review and scoring of the Small Business Working Capital Grants is underway.

Interagency review teams are in place to evaluate applications for Securing Local Food Systems Grants and PPE Procurement Grants.

The remaining grants are more specialized, and their review processes will vary.

BACK *to* BUSINESS

Connectivity Grants

$50 million allocated for the Connectivity Emergency Response Grant
- 23 applications received—total request $23,873,339

$10 million allocated for the Broadband Partnership Adoption Grant
- 12 applications received—total request $11,137,049

Review committee includes
- Dept. of Commerce
- Dept. of Transportation
- Dept. of Agriculture
- Dept. of Education
- Dept. of Administration
- Board of Regents
- Tilson Technology (technical review)

BACK*to*BUSINESS

Next Steps

- **Rapid, thoughtful transparent review**

- **Quick answers to applicants – before Labor Day**

- **Clear communication to public about awards and impact**

BACK *to* BUSINESS

126 Days

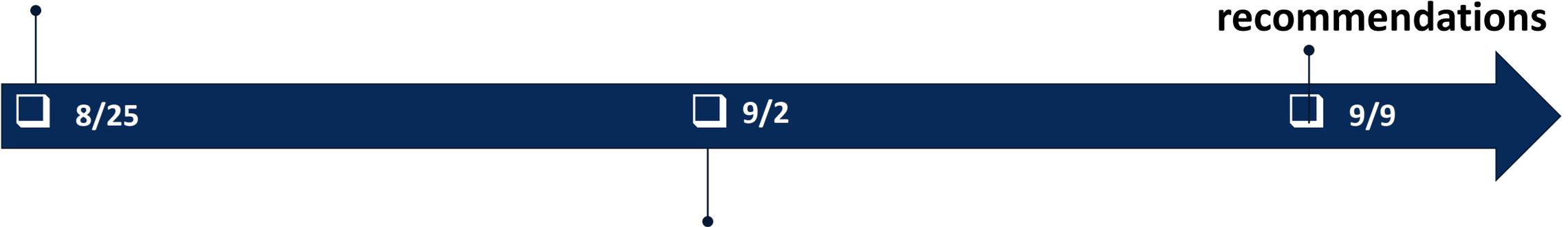**Until December 30, counting <u>today.</u>**

**Let's work together to make them
<u>all</u> count for <u>Kansas!</u>**

3 Consecutive Meetings to develop Round 3 recommendations

Today, initial discussion of **potential tradeoffs** for Round 3

In two weeks, we will discuss **options for R3 fund allocation** and develop **recommendations**

8/25   9/2   9/9

Next week, **initial view of key metrics** to help inform recommendations

Examples of broad categories of metrics and questions we may discuss (illustrative, not exhaustive):

Spending allocation – Where are funding dollars being spent and how does this align with our priorities?

Key public health metrics – What are COVID-19 case rates, testing results, and average turnaround times?

Current gap in economic need - How do current recovery/grant processes address sectors most impacted by COVID-19? What are current unemployment rates and job loss statistics?

Relative impact regionally – How do the above metrics differ by region?

Update on County Spending Reports

Executive Director Julie Lorenz; Doug Gerber, County Project Director

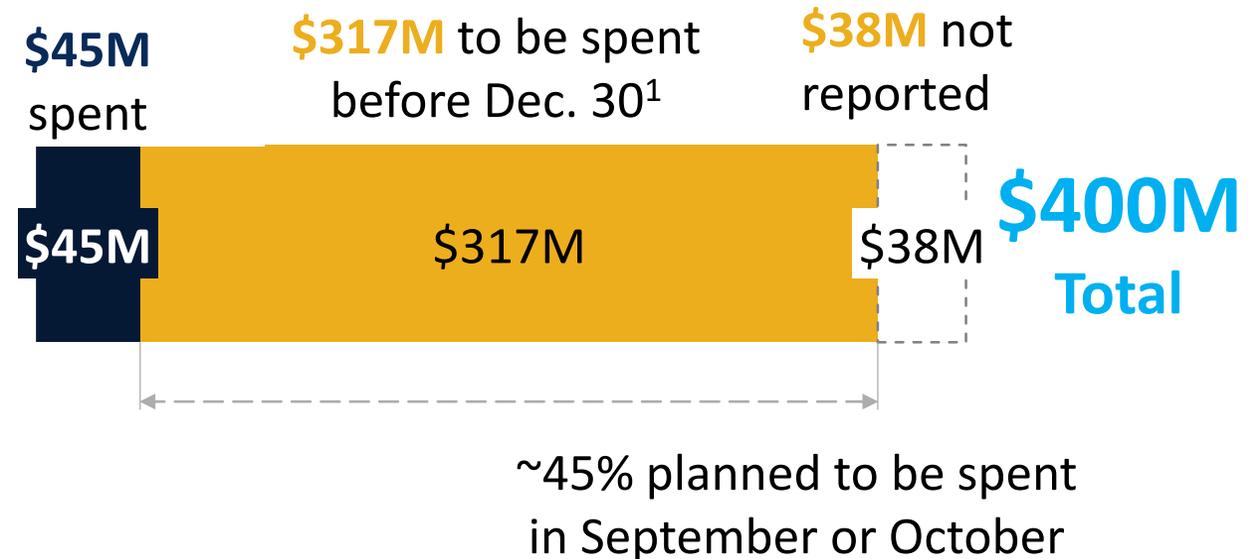# Update: Preliminary review of all 105 County CRF Reports complete

Detailed review of Round 1 spending reports submitted on Aug. 17th is ongoing
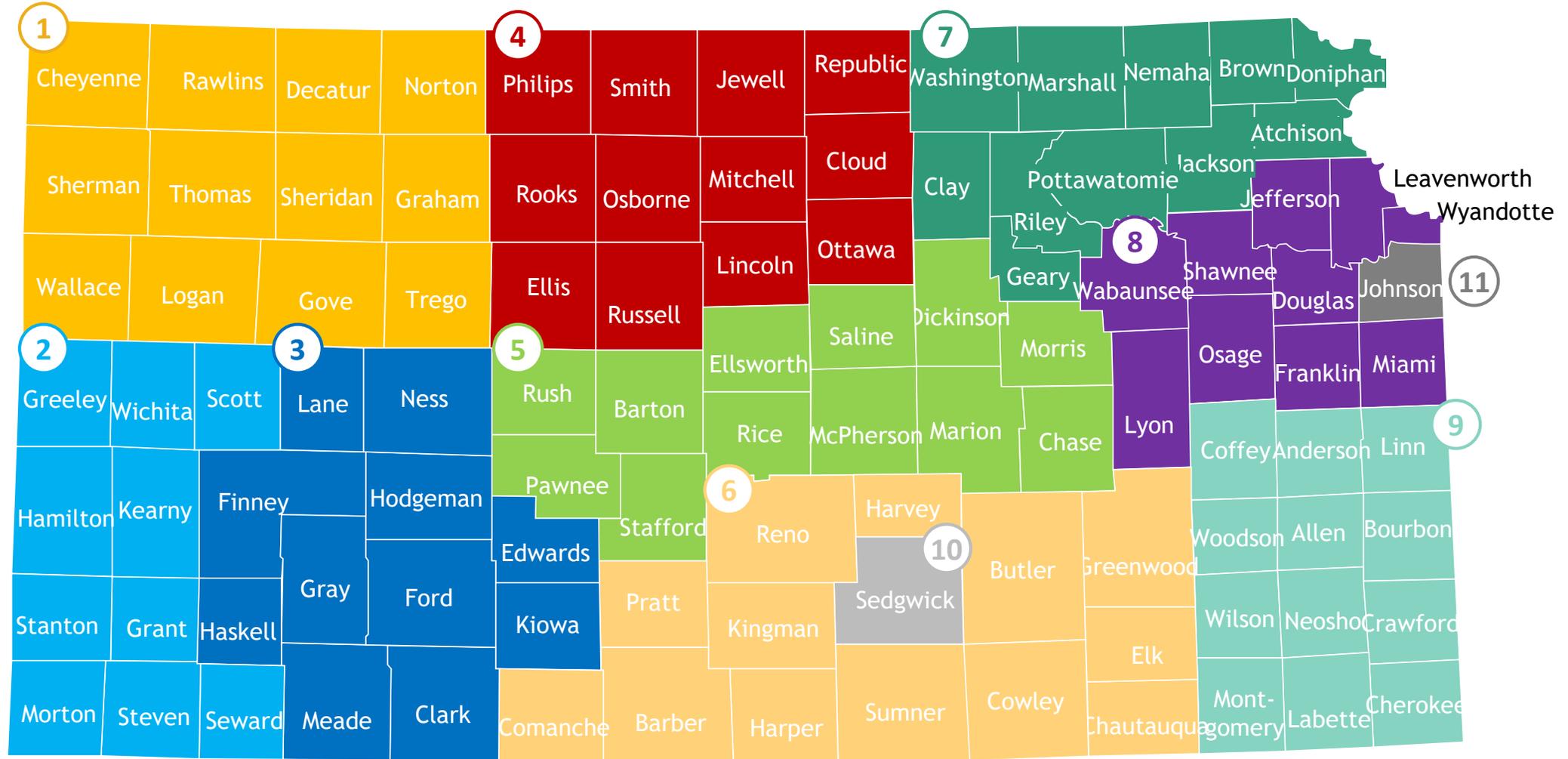
Of the $400M allocated to Counties:
- Total expenditures (March-July): **$45M**
- Planned Aid before Dec. 31st: **$317M**
- Missing from reporting: **$38M**

Plans will be aggregated and analyzed by region
- How are Counties distributing funds?
- What needs are being covered (e.g., education)?
- When is spending planned for through year end?

$45M spent

$317M to be spent before Dec. 30[1]

$38M not reported

$45M $317M $38M   **$400M** Total

~45% planned to be spent in September or October

1. Some planned expenditures may include retroactive grants; includes $18M planned from August-December but not reported by month
Source: Department of Commerce; County Aid Plans and Reimbursement Reports

Eleven regions for County analysis

Update on Information Requested – County Taskforces

Did your county utilize a local taskforce to assist in recommending how CARES Act funds would be allocated?	
Yes	74 (89%)
No	9 (11%)

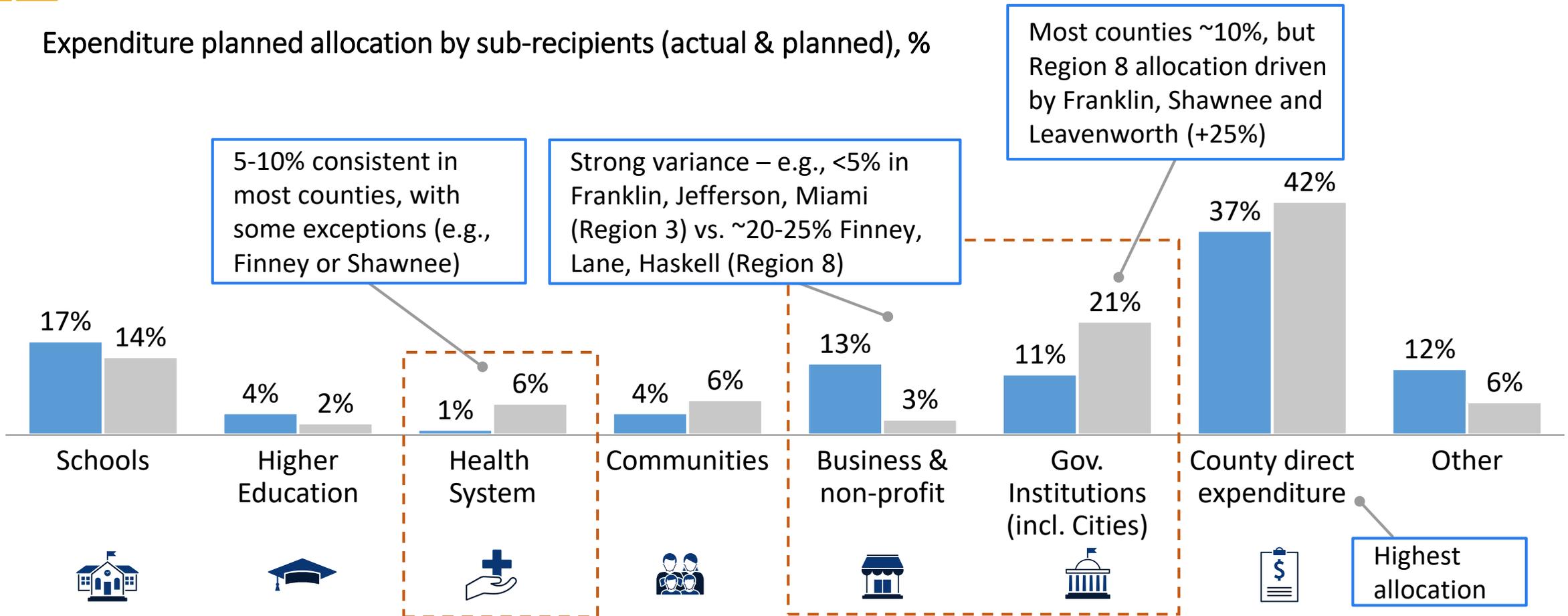| Who is managing your county's CARES Act funding program?	
Outside contractor	29 (35%)
County staff, normal job duties	38 (46%)
County staff, extra compensation	15 (18%)
All the above	1 (1%)

83 of 105 (79%) counties responded

Comparison of two regions: Similar direction with some variances

Counties direct expenditure shows the highest allocations (~40%)

Expenditure planned allocation by sub-recipients (actual & planned), %

Most counties ~10%, but Region 8 allocation driven by Franklin, Shawnee and Leavenworth (+25%)

5-10% consistent in most counties, with some exceptions (e.g., Finney or Shawnee)

Strong variance – e.g., <5% in Franklin, Jefferson, Miami (Region 3) vs. ~20-25% Finney, Lane, Haskell (Region 8)

Highest allocation

Category	Region 3	Region 8
Schools	17%	14%
Higher Education	4%	2%
Health System	1%	6%
Communities	4%	6%
Business & non-profit	13%	3%
Gov. Institutions (incl. Cities)	11%	21%
County direct expenditure	37%	42%
Other	12%	6%

Region 3: Clark, Edwards, Finney, Ford, Gray, Haskell, Hodgeman, Kiowa, Lane, Meade & Ness

Region 8: Douglas, Franklin, Jefferson, Leavenworth, Lyon, Miami, Osage, Shawnee, Wabaunsee & Wyandotte

Note: community includes programs for at-risk population (household relief, food assistance programs, senior assistance programs, etc.)
Source: County Aid Plans and Reimbursement Reports

Region 3: Clark, Edwards, Finney, Ford, Gray, Haskell, Hodgeman, Kiowa, Lane, Meade, Ness
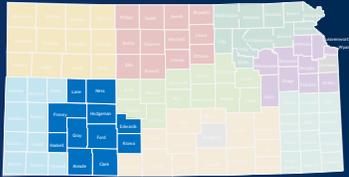
Region key facts
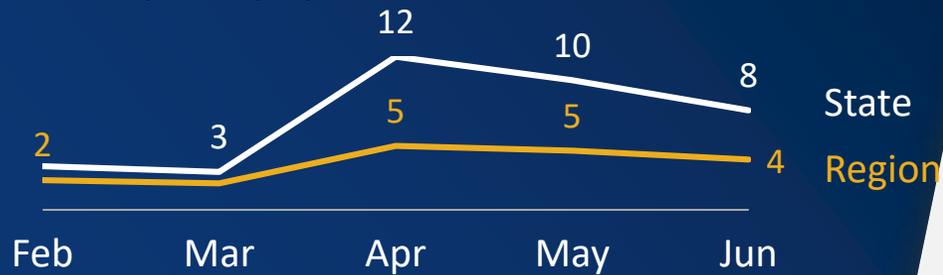
- Total population: 97,421
- Total allocation: $28M

Evolution of key drivers
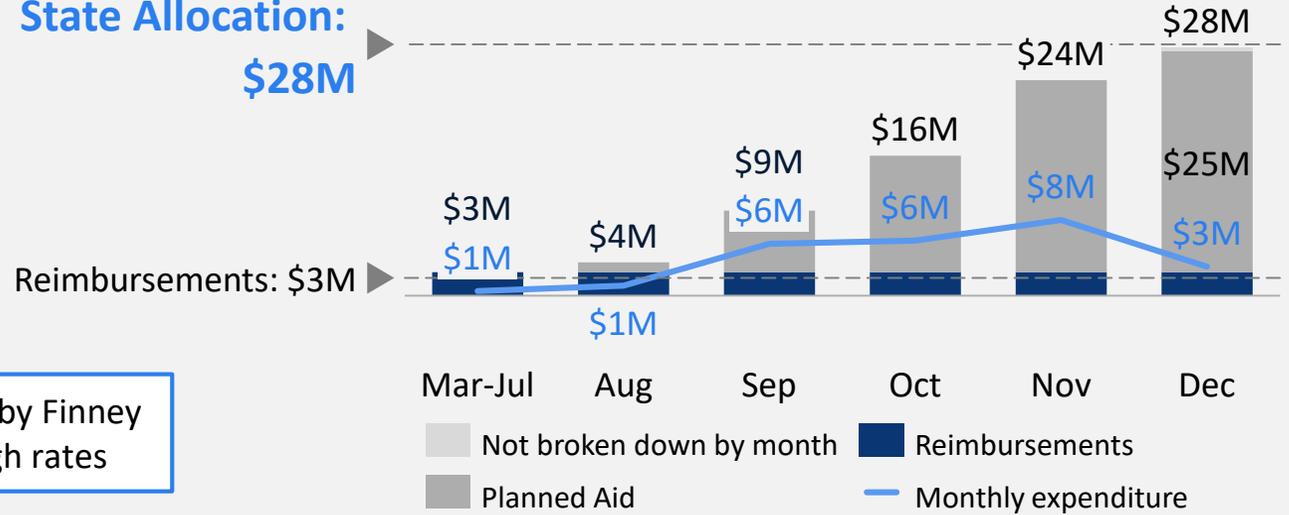
Total COVID-19 cases rate by 1,000 population

42 — Region

12 — State rate

Reopening start

Feb Mar Apr May Jun Jul Aug

Monthly unemployment (%)

12
10
8 — State
5 5
3
2
4 — Region

Feb Mar Apr May Jun

Source: BLS; Kansas Department of Labor; Kansas Municipality Tool Kit; County Aid Plans and Reimbursement Reports

Cumulative total expenditures (actual & planned), $M

State Allocation: $28M

Reimbursements: $3M

	Mar-Jul	Aug	Sep	Oct	Nov	Dec
	$3M	$4M	$9M	$16M	$24M	$28M / $25M
Monthly expenditure	$1M	$1M	$6M	$6M	$8M	$3M

Legend:
- Not broken down by month
- Planned Aid
- Reimbursements
- Monthly expenditure

Mainly driven by Finney and Ford high rates

Planned expenditures by recipient (actual & planned, $M)

Schools	$5M	17%
Higher and other education	$1M	4%
Community	$1M	4%
Health system	$0.5M	1%
Business & non-profit	$4M	13%
Gov. institutions (incl. cities)	$3M	11%
County direct expenditure	$10M	37%
Other	$3M	12%

Most counties (except Ford and Finney) have allocated ~10% to Health system

Includes $3M Finney programs to be distributed across Health, nonprofits, school districts, etc. but whose exact allocation has not been decided yet

15

Region 8: Douglas, Franklin, Jefferson, Leavenworth, Lyon, Miami, Osage, Shawnee, Wabaunsee and Wyandotte
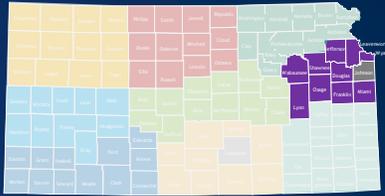
Region key facts

- Total population: 681,220
- Total allocation: $147M

Evolution of key drivers
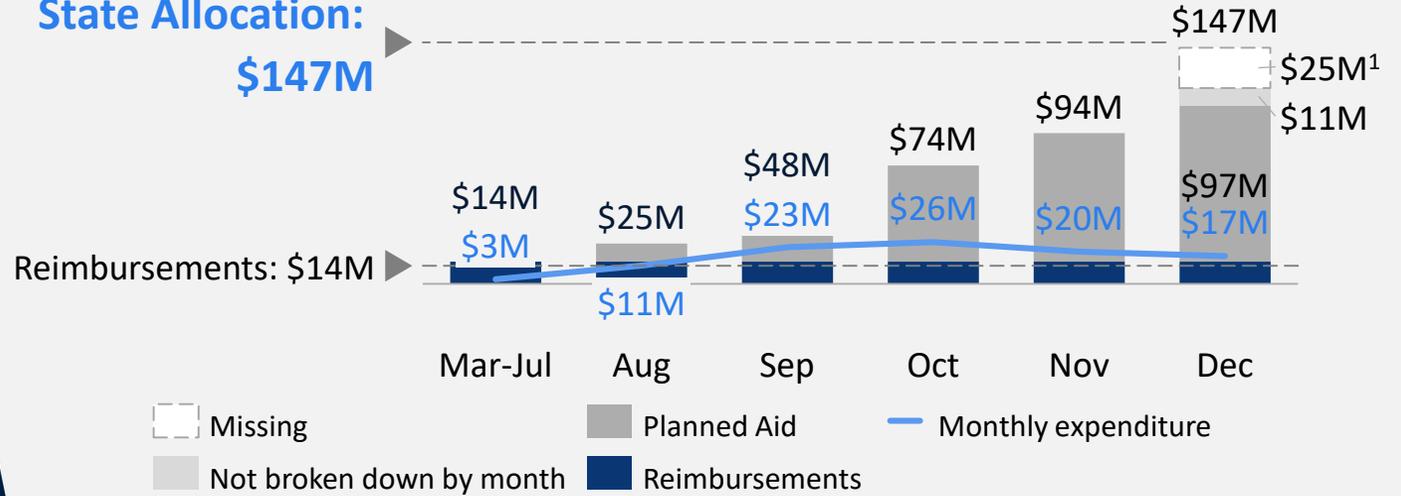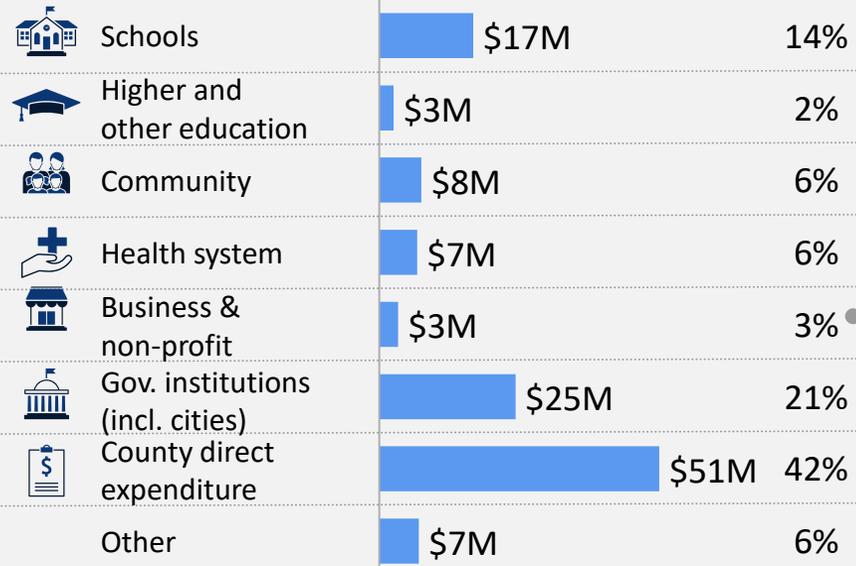
Total COVID-19 cases rate by 1,000 population

Reopening start

14 Region
12 State rate

Feb | Mar | Apr | May | Jun | Jul | Aug

Monthly unemployment (%)

12
11
8 Region
4
3
12
10
8 State

Feb | Mar | Apr | May | Jun

Cumulative total expenditures (actual & planned), $M

State Allocation: $147M

$147M
$25M[1]
$11M
$97M
$17M

$14M
$3M
$25M
$11M
$48M
$23M
$74M
$26M
$94M
$20M

Reimbursements: $14M

Mar-Jul | Aug | Sep | Oct | Nov | Dec

Missing | Planned Aid | Monthly expenditure
Not broken down by month | Reimbursements

Planned expenditures by recipient (actual & planned), $M

Recipient	Amount	%
Schools	$17M	14%
Higher and other education	$3M	2%
Community	$8M	6%
Health system	$7M	6%
Business & non-profit	$3M	3%
Gov. institutions (incl. cities)	$25M	21%
County direct expenditure	$51M	42%
Other	$7M	6%

Great variance across counties – e.g., Osage and Wabaunsee Counties allocating +30% to schools vs. 5-10% of Wyandotte or Leavenworth
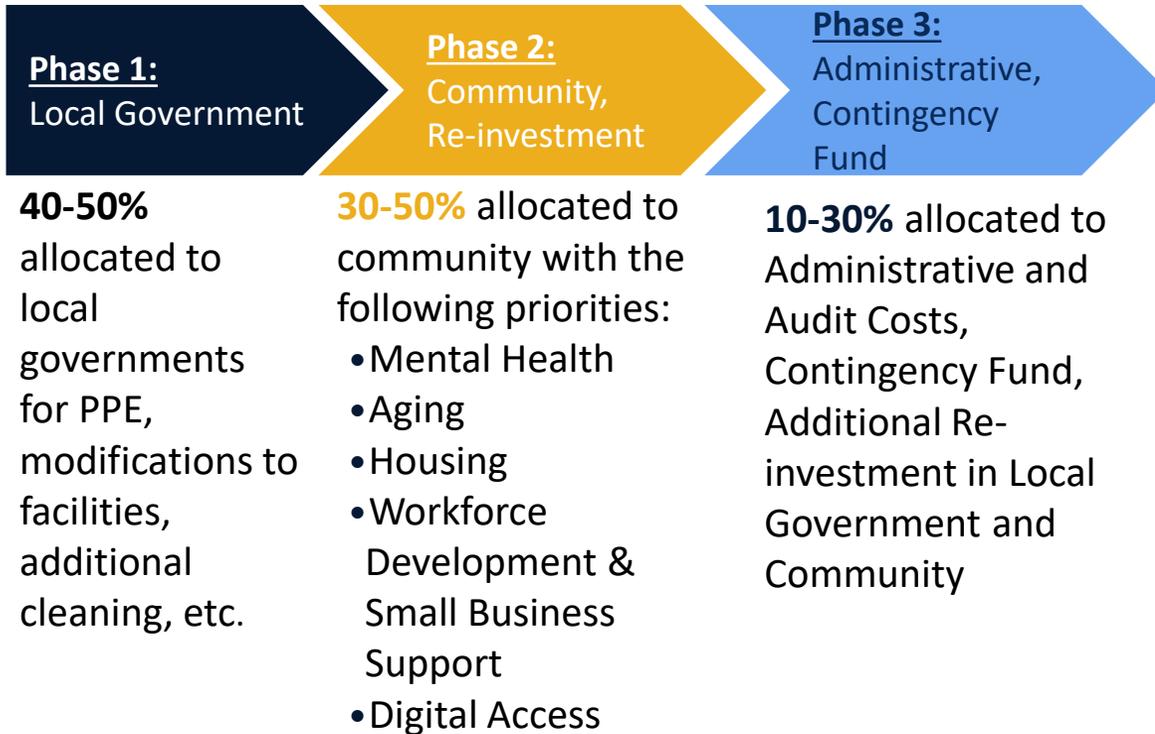
Most counties <5% with some exceptions (e.g., ~15-25% in Osage, Wabaunsee & Lyon)

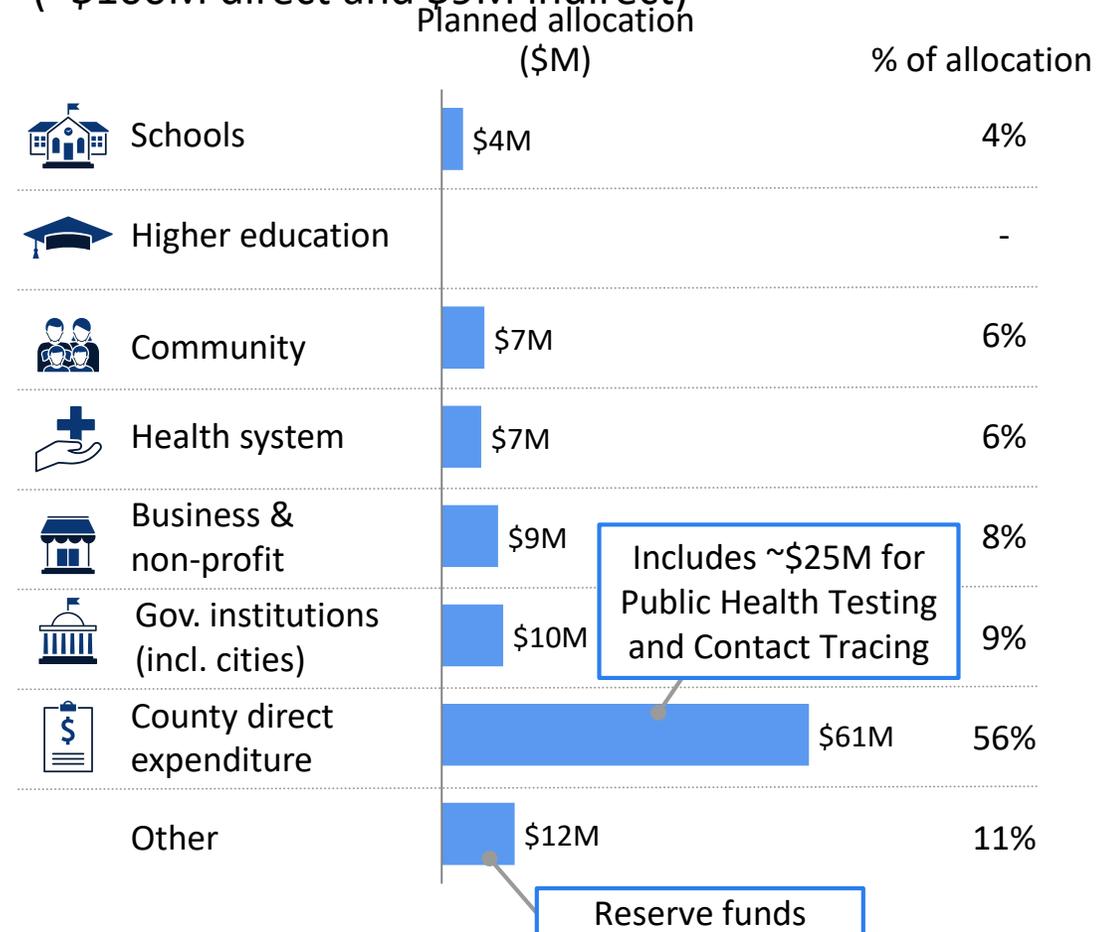Leavenworth, Lyon Osage and Wabaunsee have allocated <15% to direct expenditure

1. $25M not reported from Douglas   2. $11M from Wyandotte, reported but not broken down by month

16

Update on Information Requested: Johnson and Sedgwick Counties

Johnson County 3-phase plan to allocate $124M ($116M direct and $8M indirect)

Phase 1: Local Government

Phase 2: Community, Re-investment

Phase 3: Administrative, Contingency Fund

40-50% allocated to local governments for PPE, modifications to facilities, additional cleaning, etc.

30-50% allocated to community with the following priorities:
- Mental Health
- Aging
- Housing
- Workforce Development & Small Business Support
- Digital Access

10-30% allocated to Administrative and Audit Costs, Contingency Fund, Additional Re-investment in Local Government and Community

Sedgwick County Spending plan to allocate ~$109M (~$100M direct and $9M indirect)

	Planned allocation ($M)	% of allocation
Schools	$4M	4%
Higher education		-
Community	$7M	6%
Health system	$7M	6%
Business & non-profit	$9M	8%
Gov. institutions (incl. cities)	$10M	9%
County direct expenditure	$61M	56%
Other	$12M	11%

Includes ~$25M for Public Health Testing and Contact Tracing

Reserve funds

Note: community includes programs for vulnerable populations
Source: Johnson County CRF Utilization Plan; Sedgwick CARES Spending Strategic Plan

Update on Other Round 2 Progress

Executive Director Julie Lorenz

Public Health Updates – Technology for Families

Technology for Families Grants

- Provides connectivity, equipment, and devices to support virtual access for families receiving home visiting services. Families benefiting from these funds will have children prenatal/birth to age 5 and will have a demonstrated need.

- Eligible home visiting program models:
  - Attachment & Biobehavioral Catch-up Intervention
  - Healthy Families America
  - Parents as Teachers
  - Early Head Start
  - Nurse-Family Partnership
  - Universal/Maternal & Child Health
  - Infant-Toddler Service/Part C

Timeline	
August 18	Applications Open
August 28	Application DUE
September 8-15	Funding Announcements
December 10	All funds spent & technology dispersed by grantees. Final reports from grantees due.

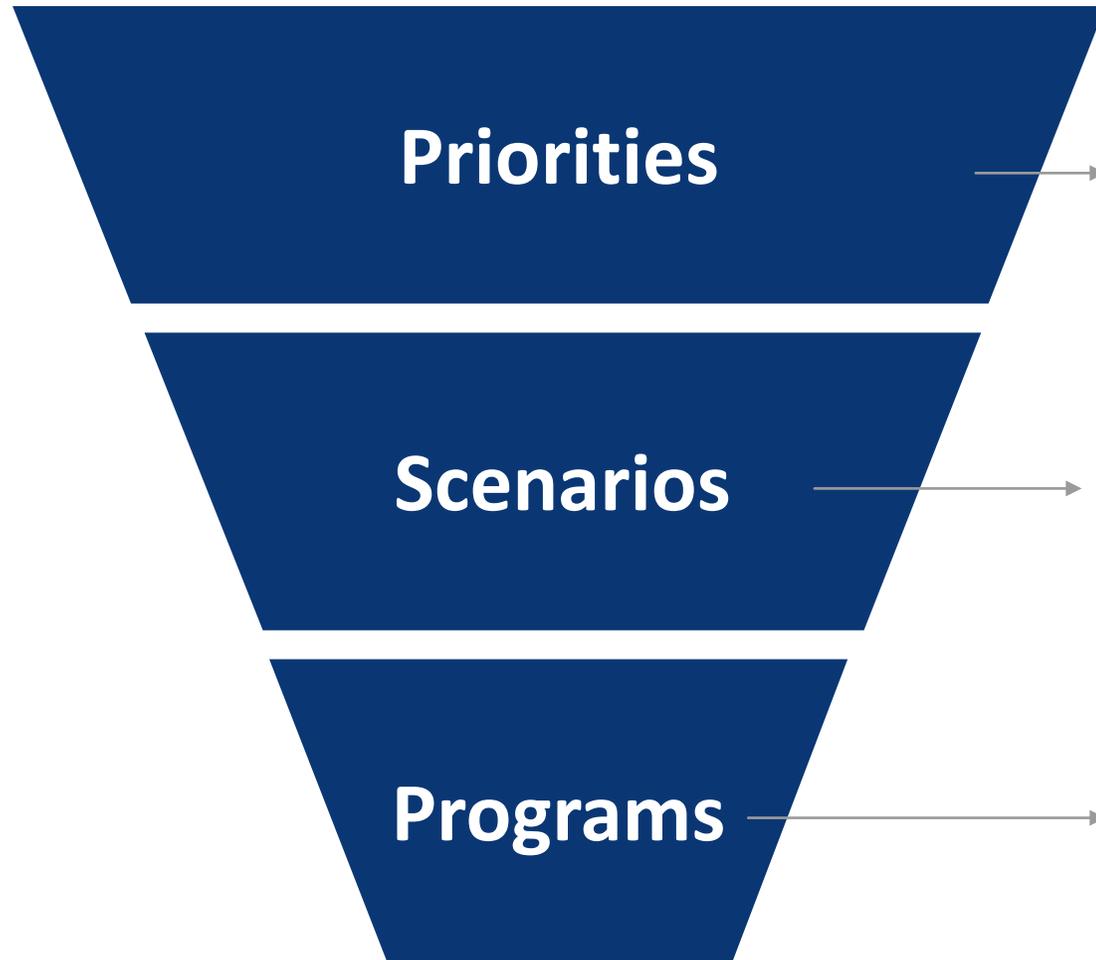- You must be an organization partnering with a state agency.

Other Updates

- FY21 agency applications:
  - Project
  - Operational Expenditures

- Round 2 Programs/Projects
  - All MOAs have been signed and money has been transferred

Potential Trade Offs

Executive Director Julie Lorenz

Approach to discuss Round 3 priorities / $10+ B vs $290M CRF

Priorities → Use **key priority areas** from SPARK committee meetings and surveys to **determine levers**

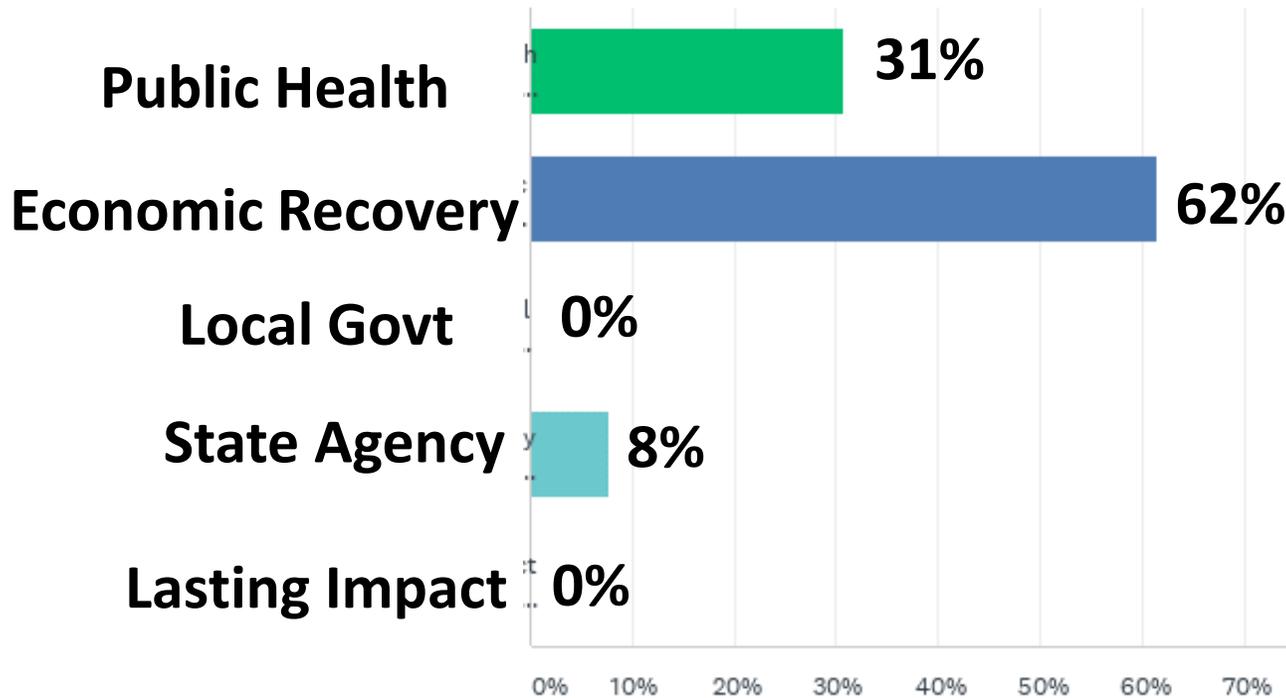**Scenarios** → Develop **illustrative strategy scenarios** that outline potential tradeoffs

Programs → Assess how **current** and **potential program options** fit in to the illustrative strategy scenarios outlined / consider **gaps**
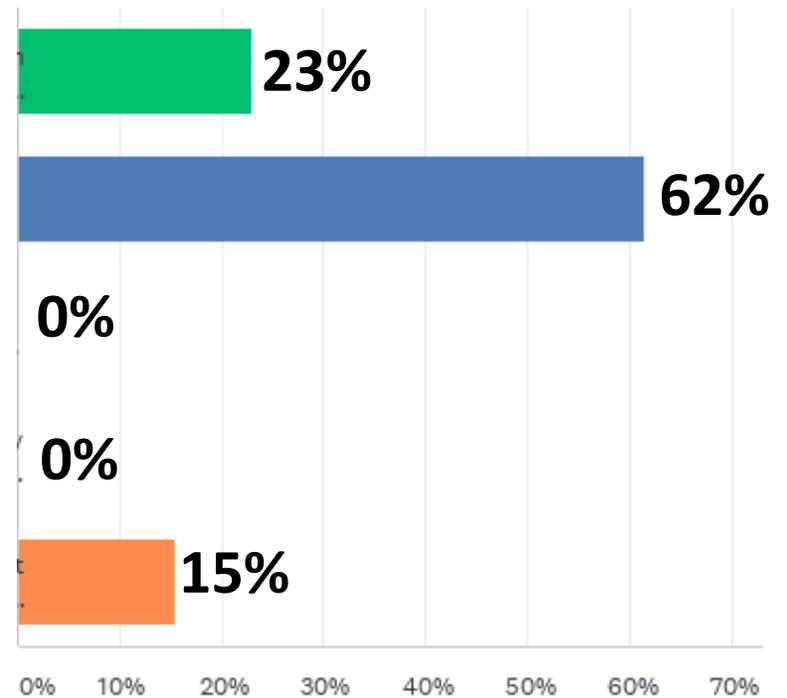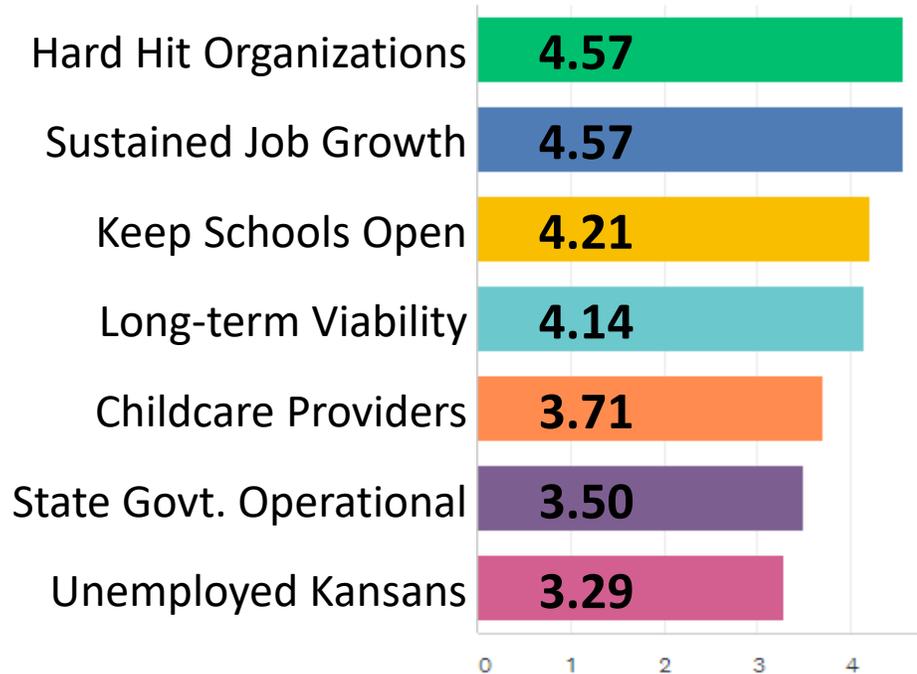
March vs. Now Investment Priorities

In MARCH

Category	Value
Public Health	31%
Economic Recovery	62%
Local Govt	0%
State Agency	8%
Lasting Impact	0%

Now

Category	Value
Public Health	23%
Economic Recovery	62%
Local Govt	0%
State Agency	0%
Lasting Impact	15%

Increased testing No. 1 priority based on updated results, but keeping schools open also remains critical

Initial results *N=15*

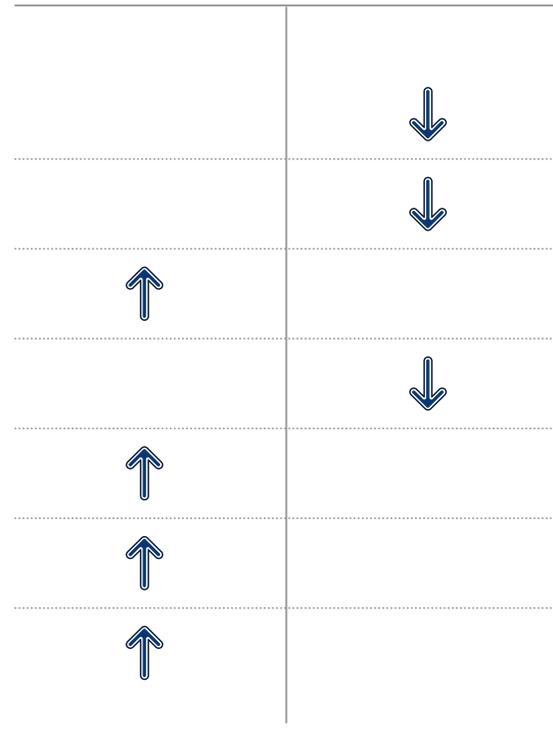**Question:** *Rank issues most important to you for remaining funds*

Issue	Score
Hard Hit Organizations	**4.57**
Sustained Job Growth	**4.57**
Keep Schools Open	**4.21**
Long-term Viability	**4.14**
Childcare Providers	**3.71**
State Govt. Operational	**3.50**
Unemployed Kansans	**3.29**

0 1 2 3 4

Updated results *N=4*

Same question, with 3 additional choices

↓
↓
↑   ↓
↑
↑
↑

Key takeaways

Respondents ranked **increased COVID-19 testing as a No. 1 priority** based on updated results

Preventing evictions and providing support to landlords also noted as top priorities

Keeping schools open also remained important to respondents

The additional respondents were asked the **same question,** but the following choices were added:
1. Preventing evictions and foreclosures once the moratorium ends
2. Providing support to landlords who have lost revenue because tenants are unable to pay rent
3. Increasing COVID-19 testing capacity and reducing test result times

↑ Increased in relative importance

↓ Decreased in relative importance
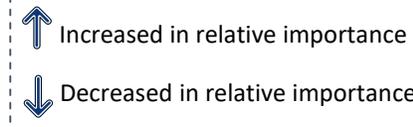
Example: Potential strategies to allocate funding dollars

Options are not mutually exclusive, and options may be chosen in conjunction with one another based on allocation dollars
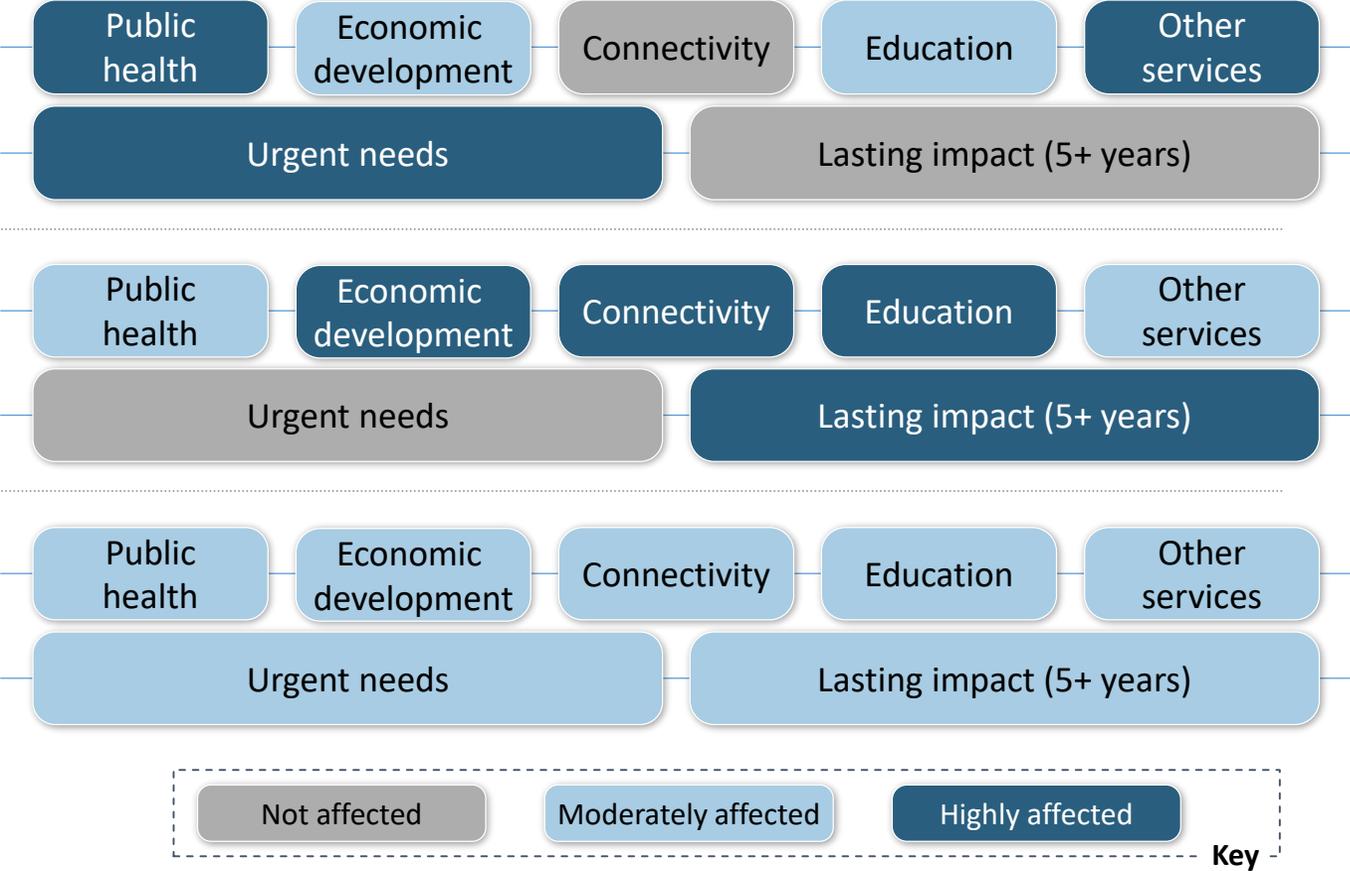
Strategy scenario	Illustration of potential priorities by scenario

1 Address **urgent needs** to curb spread of pandemic and support basic needs

- Public health | Economic development | Connectivity | Education | Other services
- Urgent needs | Lasting impact (5+ years)

2 Invest in **opportunities for lasting impact** for communities

- Public health | Economic development | Connectivity | Education | Other services
- Urgent needs | Lasting impact (5+ years)

3 Widely distribute funds across the **broadest set of needs**

- Public health | Economic development | Connectivity | Education | Other services
- Urgent needs | Lasting impact (5+ years)

Key: Not affected | Moderately affected | Highly affected

Example: Consider ways new and existing programs fit based on potential strategies

From here, we can assess where programs are fulfilling needs and where gaps exist

Strategy scenario

Program example (illustrative; not exhaustive)

1 Address **urgent needs** to curb spread of the pandemic and support basic needs

> - Test & contact trace aggressively, results shared quickly
> - Provide assistance to nursing homes to respond to COVID
> - Prevent evictions & foreclosures once moratorium ends
> - Provide support to landlords who have lost rent because tenants are unable to pay
> - ...

2 Invest in **opportunities for lasting impact** for communities

> - Focus workforce training program grants on serving low income communities
> - Provide broadband infrastructure for low-income students in rural areas
> - ...

3 Widely distribute funds across the **broadest set of needs**

> - Ensuring schools have all the resources they need to remain open for in-person learning
> - Deliver investments that provide sustained job growth
> - Provide general mental health resources (counseling, substance abuse treatment, etc.)
> - ...

Existing program   Potential program

Discussion: Invest more in existing programs vs new programs? Near-term vs lasting impact?

| Health | Economic development | Connectivity | Education | Other services |

| Near-term | Lasting impact (5+ years) |

Follow-Up on Taskforce Requests

Executive Director Julie Lorenz

Tracking your requests for information

Request	Status
Counties that used a taskforce to oversee spending	✓
Johnson & Sedgwick Counties' spending plans	✓
Copy of last week's UI graphic	✓
Regional overviews of county spending	Under development
Testing related metrics & goals	Under development
ISPR monthly briefing schedule	www.ispr.ku.edu

Next Steps

Upcoming SPARK Taskforce Meetings:

o   Wednesday, September 2nd

o   Wednesday, September 9th