



**SPARK Taskforce Report to
State Finance Council
August 10, 2020**



Additional FY-20 State Agency Reimbursements

State Agency Reimbursements for Expenses

	Amount	Notes
Transfer to Department of Corrections	\$2,977,599	Made prior to SPARK & HB 2016
Previously approved FY-20 COVID-19 Operational Expenses	\$16,764,667	Approved by SPARK Executive Committee on 6/15 and SFC on 6/16
Remaining FY-20 COVID-19 Operational Expenses	\$3,908,737	





Connectivity
Work Group
Proposal

Connectivity Priorities

Scope:

- ✓ Increasing access to telehealth and telemedicine
- ✓ Increasing broadband access for rural and underserved areas
- ✓ Increasing access for continuous, distanced learning
- ✓ Affordable, quality broadband for every Kansan
- ✓ 5G Internet investments



Connectivity Work Team Overview

Broadband Infrastructure Investments

Total: \$50,000,000

Components: Grants for broadband development to areas unable to access 25/3 Mbps

Provider Partnership Support

Total: \$10,000,000

Components: Assistance for low income populations through partnerships with ISPs

Connectivity Work Team Total

\$60,000,000



Connectivity Working Group Members

Department of Administration

Department of Agriculture

Department of Commerce

Department of Education

Department of Health and Environment

Department of Transportation

Office of Broadband Development, KDC

KanREN—consortium of public and private education institutions and community anchor institutions.

Broadband: Physical Assets

Project overview and rationale

- Provide funding mechanism for expanding broadband infrastructure through grants to reach areas currently unable to access minimally adequate services (residential: $\geq 25/3$ Mbps)
- Focused on long-term impact, supports need for an integrated strategic vision and planning for state's future broadband needs
- 12/30/20 deadline may limit the number of potential projects that can reasonably be completed
- Aligns with other stakeholder proposed approaches



Broadband: Physical Assets

Amount: \$50M

Timeline upon notice of program funding:

- 2 weeks to review applications and award funds
- October 15 – Grantee interim progress reports due
- December 30 – Project costs incurred/delivered



Broadband: Physical Assets

Delivery model:

- Provided by Commerce Office of Broadband Development and private entities
- Project monitoring will include reporting requirements of the local community and ISP
- Commerce Office of Broadband Development has existing relationships with ISPs and local community stakeholders and capacity to provide expertise in technology planning
- Commerce also has a network of Regional Project Managers deployed throughout the state ready to assist communities and ISPs with project applications



Broadband: Physical Assets

Eligible Applicants:

- Internet Service Providers (ISP's) and communities, including cities, counties, other for-profits and not-for-profit entities
 - Applicants must demonstrate a track record of success, technical and financial capability to execute proposed projects
- Application:
- A fully developed application packet will include questions regarding implementation plans, sources of match, timelines, number of proposed premises connected, ability to meet deadlines, broad community support and a statement of need.



Broadband: Physical Assets

Technical Assistance:

- Technical, engineering and project management consultation to support expedited timeline

Metrics or Benchmarks:

- Number of premises connected (households, businesses, CAI's)
- Sustainable, long-term connectivity solution



Broadband: Provider Partnership Support

Amount: \$10M

Timeline:

- 1 week to distribute and receive applications
- 1 week to review applications and award funds



Broadband: Provider Partnership Support

Delivery model:

- KDC Office of Broadband Development will leverage existing relationships with ISP's allowing for expedient deployment of assistance to support our most vulnerable populations in Kansas.
- The goal is to leverage ISPs existing internal infrastructure for identifying eligible households that could benefit from this program.
- We anticipate the program will include requirements that ISPs agree provide additional support for access post-December 30, 2020 (6-12 months of continued access at ISP expense).



Broadband: Provider Partnership Support, cont'd

Meets federal requirements for spending:

May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?

- Such expenditures would only be permissible if they are necessary for the public health emergency.
- The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.



Broadband: Provider Partnership Support, cont'd

Eligibility:

- Internet Service Providers able to demonstrate ability to identify and timely process end-users to meet targeted impact goals

Application:

- Service providers will submit specific plans for number of low-income premises reached and proposed length of 2021 support included



Broadband: Provider Partnership Support, cont'd

Technical Assistance:

- None

Metrics or Benchmarks:

- Number of premises supported



Questions





Accounting and Compliance Proposal

143 Days

Until December 30, counting
today!



143 Days

Let's work together to make
them all count for Kansas!



Round 2 Distribution Overview & Accountability



LBC: report proceed with Connectivity

23 Programs
\$314 M

Applications:
9 Programs
\$154 M

- MOU's required
- Ongoing check of progress & funding distribution deadline
- **Ex: Grants to Food Producers**

Direct Transfers:
12 Programs
\$152 M

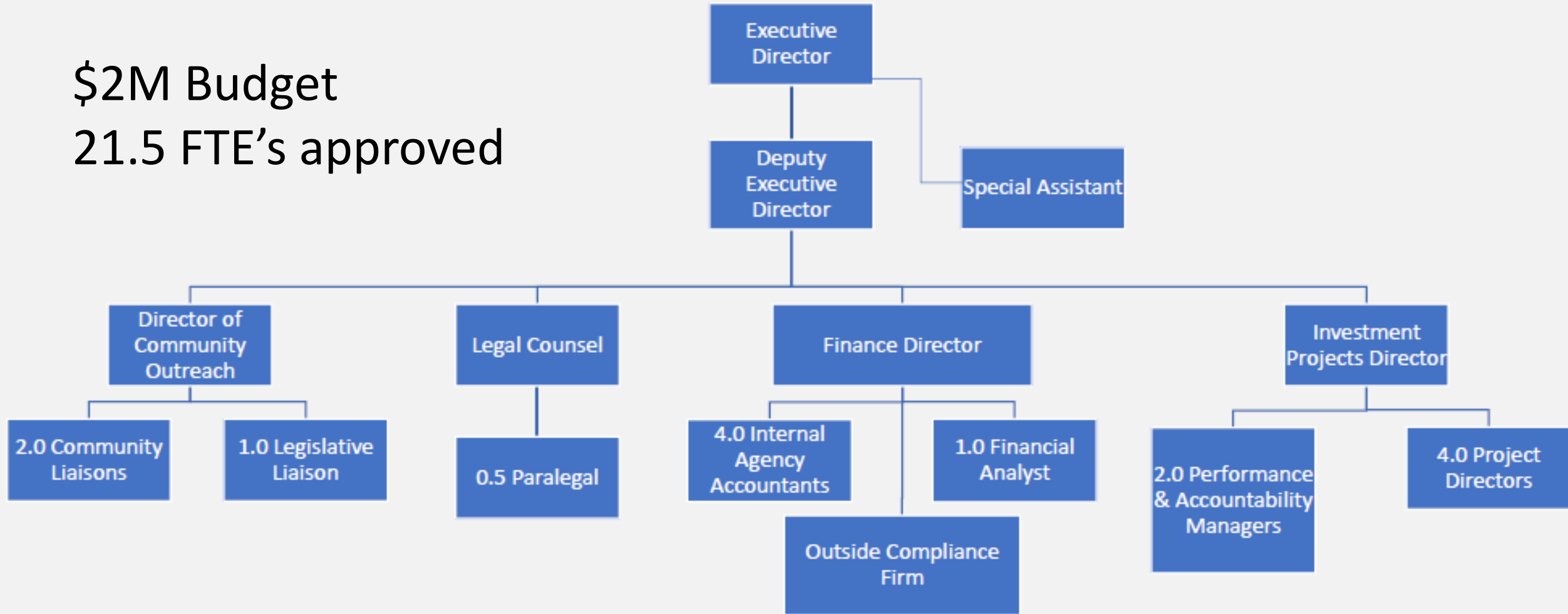
- Direct distribution to agencies, MOU required
- Receipts required
- Unused funds returned for round 3
- **Ex: Cars for Nurses**

Sub-contract:
2 Programs
\$8 M

- MOU's required
- Ongoing check of progress & funding distribution deadline
- **Ex: Contact Tracing**

Approved Recovery Office Structure

\$2M Budget
21.5 FTE's approved



Current Recovery Office Staff

New Recovery Office Hires:

- **Alicia Johnson-Turner** - Finance Director
- **Doug Gerber** – County Outreach
- **Megan Parsons** – Performance & Accountability Manager
- **Laura Pryor** – Public Affairs Liaison
- **10 State Employees, few FTE's.**
 - Some are temporarily assigned
 - Some have responsibilities to other agencies too

Challenges & Suggested Modifications

Challenges:

- Getting full-time staff hired for a temporary position
- Some staff must transition back to their agencies soon
- Accounting and compliance needs to be consistent, constant presence

Suggestions/Benefits:

- Outsourcing more allows us to hire more quickly and for specific expertise
- Avoids adding state workers for a temporary need

Our process is focused on value for Kansans, not just distribution

Value:

- External input and expertise through SPARK taskforce
- Legislative approval through SFC
- Encourages localized, collaborative solutions

Distribution:

- Evolving needs and federal guidelines
- Tight deadline
- Partially grant based which requires evaluation



Example Work Activities Requiring Support

Financial tracking and reporting, e.g., county reporting, program and grant reporting:

- Technical assistance – CARES Act/Federal reporting
- Interpret and modify reporting / processes to comply with CARES Act legislation, e.g., training and support to implement new Treasury Guidance as it becomes available
- Tracking and reallocation processes to support Round 3, e.g., monthly reconciliation of county reports of disbursed CRF for accounting statements



Initial Research - CRF Consulting Cities & Counties

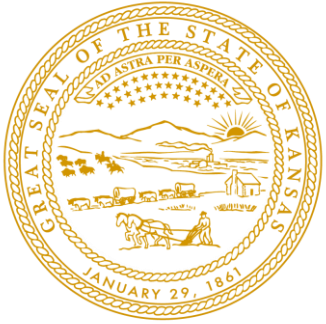
Nationwide*	
Consultant(s) Hired	N/A
Avg. Funds Received	\$116,000,000
Avg. Consultant Contract Size	\$1,545,600
Range of Percentage of Funds Received	0.07% to 5.8%

Johnson County hired Witt O'Brien's & KU

Sedgwick County hired Witt O'Brien's

*7 Cities/counties identified so far

** Contract cannot exceed \$150,000



Initial Research - CRF Consulting

States & Kansas Comparison

	National Avg.*	Nebraska	Kansas Proposed Estimate
Funds Received	\$1.4 B	\$1.083 B	\$1.034 B
Consultant Contract	\$4 M	\$5 M	Up to \$5 M
Percentage of Funds Received	0.31%	0.46%	0.29% to 0.48%

*8 States identified so far; number of reports not identified yet



SPARK Implementation Process

August Major Milestones & Input Opportunities

AUGUST

3 Executive Committee Meeting • Process, Round 3 considerations

10 SFC Meeting

Steering Committee Meeting **TBD** • Process, Round 3 considerations

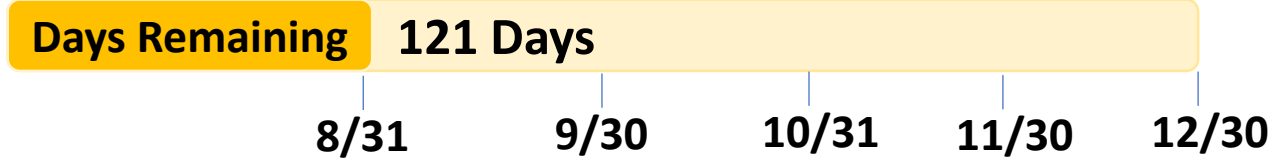
14 Target date for some round 2 apps to open

15 County Reports Due

Combined SPARK Meeting **TBD**

- Review 2nd Round progress
- Ex. Cmte. approves \$10 M +
- Review county spending summary to identify potential gaps for Round 3

31 Target date to have all round 2 apps open



To meet schedule we must accomplish this month:

- ✓ Distribute some round 2 funds
- ✓ Get consultant onboard
- ✓ Open applications for round 2

DRAFT

Sept. Major Milestones & Input Opportunities

SEPT.

1

Submit report to SFC, Kansans • Expenditures to date
• Round 3 criteria being considered

Stakeholder listening sessions?

7

Begin scoring round 2 apps

10

Begin recoup unplanned round 1 funds

15

Final approval for county spending plans

Combined SPARK Meeting **TBD** • Review Round 2 selections & finalize Round 3 criteria
• Ex. Cmte. approves applications exceeding \$10 M

25

Target date for round 3 applications open

To meet schedule we must accomplish this month:

- ✓ Select & approve some round 2 projects
- ✓ Open round 3 applications

Days Remaining 91 Days

8/31

9/30

10/31

11/30

12/30

DRAFT

Oct. Major Milestones & Input Opportunities

OCT.

7 Begin scoring 1st batch of round 3 selections

15 Begin rolling recoup of Round 2 funds

Combined SPARK Meeting **TBD**

- Review Round 3 selections
- Develop contingency plans
- Ex. Cmte. approves applications exceeding \$10 M

23 SFC presented round 3 selections for approval, review possible contingency plans

31

To meet schedule we must:

- ✓ Approve Round 3 selections
- ✓ Develop contingency plans

DRAFT

Days Remaining 60 Days

8/31

9/30

10/31

11/30

12/30

Nov & Dec: Major Milestones & Input Opportunities

- Ongoing reports of expenditures & progress
- Meetings called, if needed, to implement contingency plans to avoid having to turn back funds
- Target: Final report submitted to SFC, SPARK on Jan. 20

DRAFT



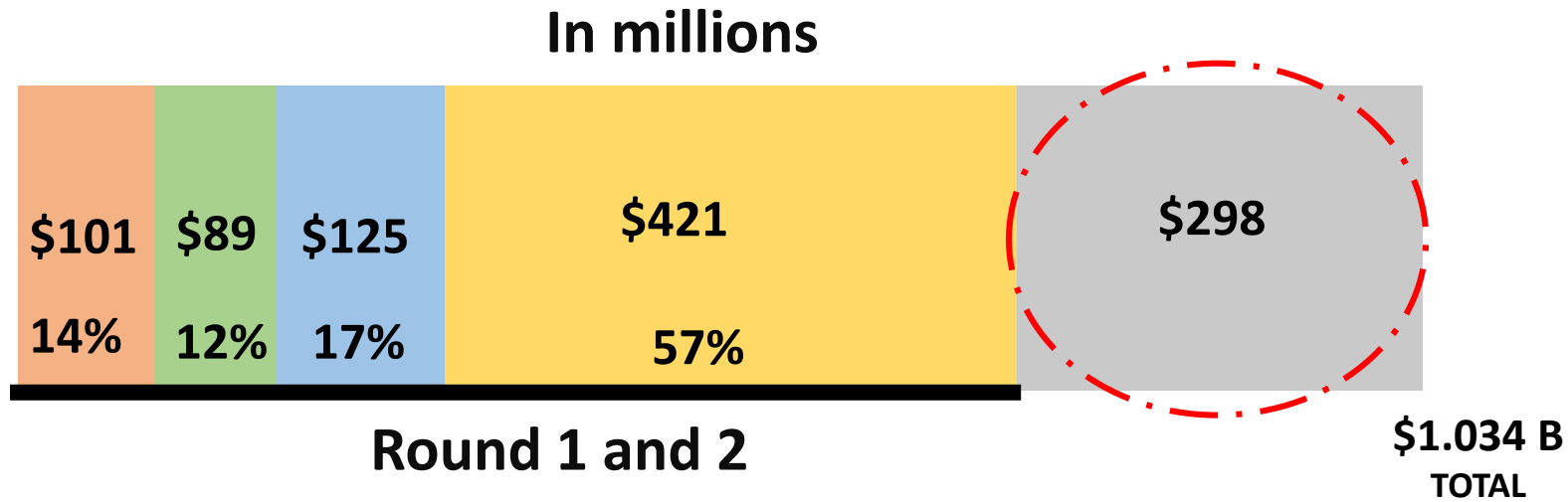
Round 3 Considerations

Investment Portfolio by Role They Serve (Rounds 1 & 2)

State & Local Govt.	Public Health Response	Economic Recovery	Lasting Impact Serves Kansas 5+ yrs.
<ul style="list-style-type: none"> • County distribution • State agency reimbursements 	<ul style="list-style-type: none"> • Round 2 public health proposals 	<ul style="list-style-type: none"> • Round 2 Eco Devo proposals • Childcare support • Tech for families 	<ul style="list-style-type: none"> • Connectivity* • Higher Ed.



Round 1& 2 **Allocations**, **Distribution** may be different

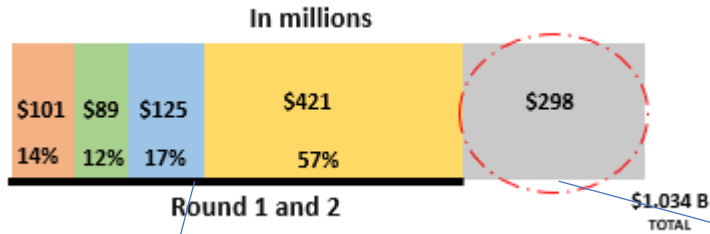


- Right balance?
- Adjustments for round 3 needed?

Public Health Response State & Local Govt. Lasting Impact
Economic Recovery Remaining Funds for Round 3

Note:
State - \$21 M
Local - \$400 M

Tracking Distribution for Round 1



\$400 M County Distribution

Healthcare facilities	\$X M
School Districts	\$X M
Private Businesses	\$X M
Broadband	\$X M
COVID-19 Supplies (PPE)	\$X M
Increasing/Improving Testing	\$X M

- August 15 deadline
- Are there additional categories you would like to see tracked from the county spending reports?



Questions?