



SPARK TASKFORCE

Round III Preview

9/02/2020

Agenda



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|---|--|
| 1. Opening Comments | Lyle Butler , <i>Chair</i> |
| 2. Progress Review & Round 3 Prioritization Preview | Julie Lorenz , <i>Executive Director</i> |
| 3. Input on Round 3 Prioritization | Committee Discussion |
| 4. Lost Wages Assistance Program | Ryan Wright , <i>Acting Secretary of Labor</i> |
| 5. Possible Round 3 Proposals | Dr. DeAngela Burns-Wallace , <i>Secretary of Administration</i> & Julie Lorenz , <i>Executive Director</i> |
| 6. Follow-Up on Info Requested & Next Steps | Julie Lorenz , <i>Executive Director</i> |
| 7. Adjournment | Lyle Butler , <i>Chair</i> |



Progress Review & Round 3 Prioritization Preview

Julie Lorenz, *Executive Director*

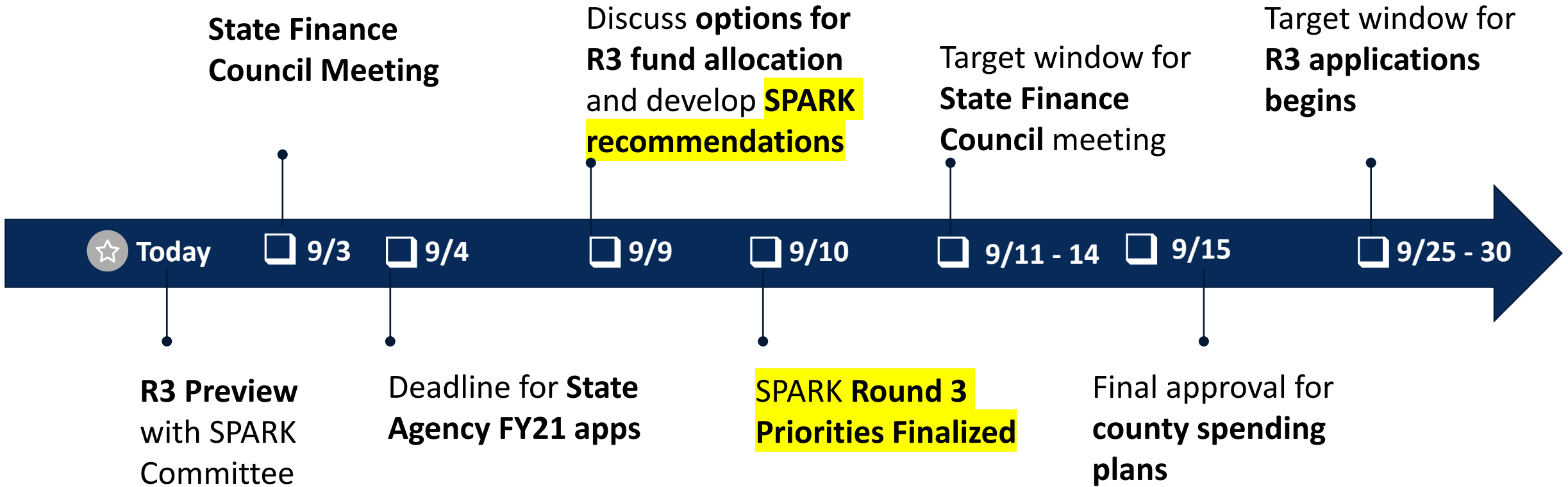
119 Days

Until December 30, counting today.

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



Path forward





Goals for today

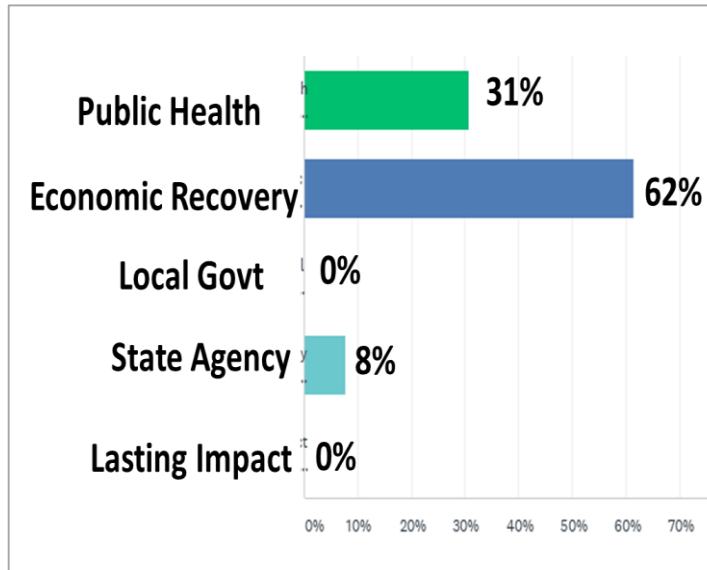
- Review framework for potential allocation of Round 3 Funding
- Identify critical needs to address in Round 3
- Discuss \$63M spending for Lost Wages Assistance Program

Today's prioritization framework shaped by 3 things

1. SPARK Discussions



2. Your Survey Input



3. Our Research

Appendix

Coronavirus Relief Fund (CRF) Progress to Date



**\$1.034 B
TOTAL**

State Agency Reimburse.	\$23 M
Consulting Services	Up to \$5 M
Recovery Office	\$2 M

**How do we make the most out of
the remaining \$290 M?**

5 Investment Categories to Track Based on Your Feedback

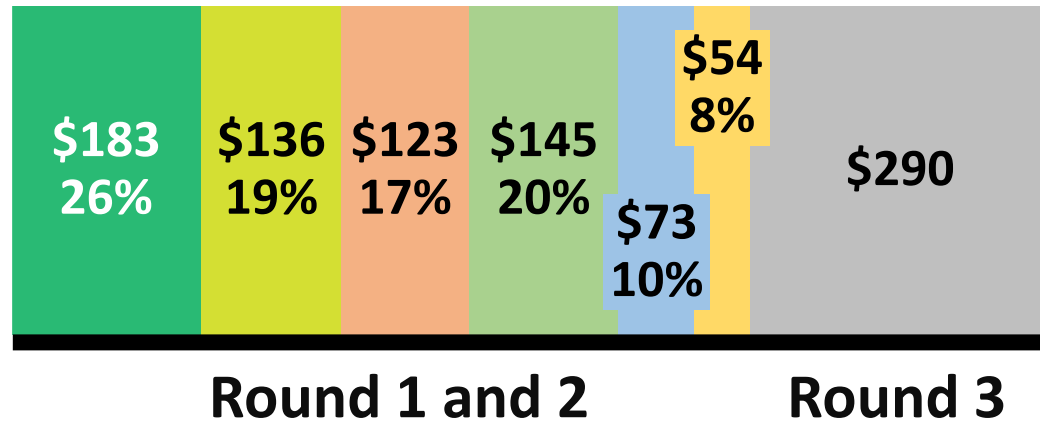
1. Public health: *(Testing and medical access)*
2. Essential needs & services *(housing, food, unemployment, safety)*
3. Business resilience & workforce support *(small business support, preservation of jobs, childcare)*
4. Education *(higher education, K-12)*
5. Connectivity *(broadband access)*



Tracking Previous SPARK & SFC Investments by **Category**

Current allocations: \$714 M

(in \$Ms)



- Public Health
- Essential Needs
- Business Resilience
- Education
- Connectivity
- Other
- Remaining Funds for Round 3



Key programs from Rounds 1 and 2

Public Health

- \$70M strengthening hospital system
- \$25M testing support

Business Resilience

- \$31M to small business support

Connectivity

- \$73M of which \$10M are specific for support to low income households

We are currently **developing spending priorities & assessing frameworks**, targeting to open rolling applications starting on 9/25

Tracking **Categories** by the total CARES investment made in Kansas



Of the \$11.8Bn in aid allocated to Kansas by the Federal government 10.6B + 1.25CRF:

- Public Health: \$ 973M
- Business resilience: \$5.9B
- Essential needs: \$ 535M
- Education: \$ 225M
- Other service: \$2.9B

See “Funding Section” of Appendix for more info



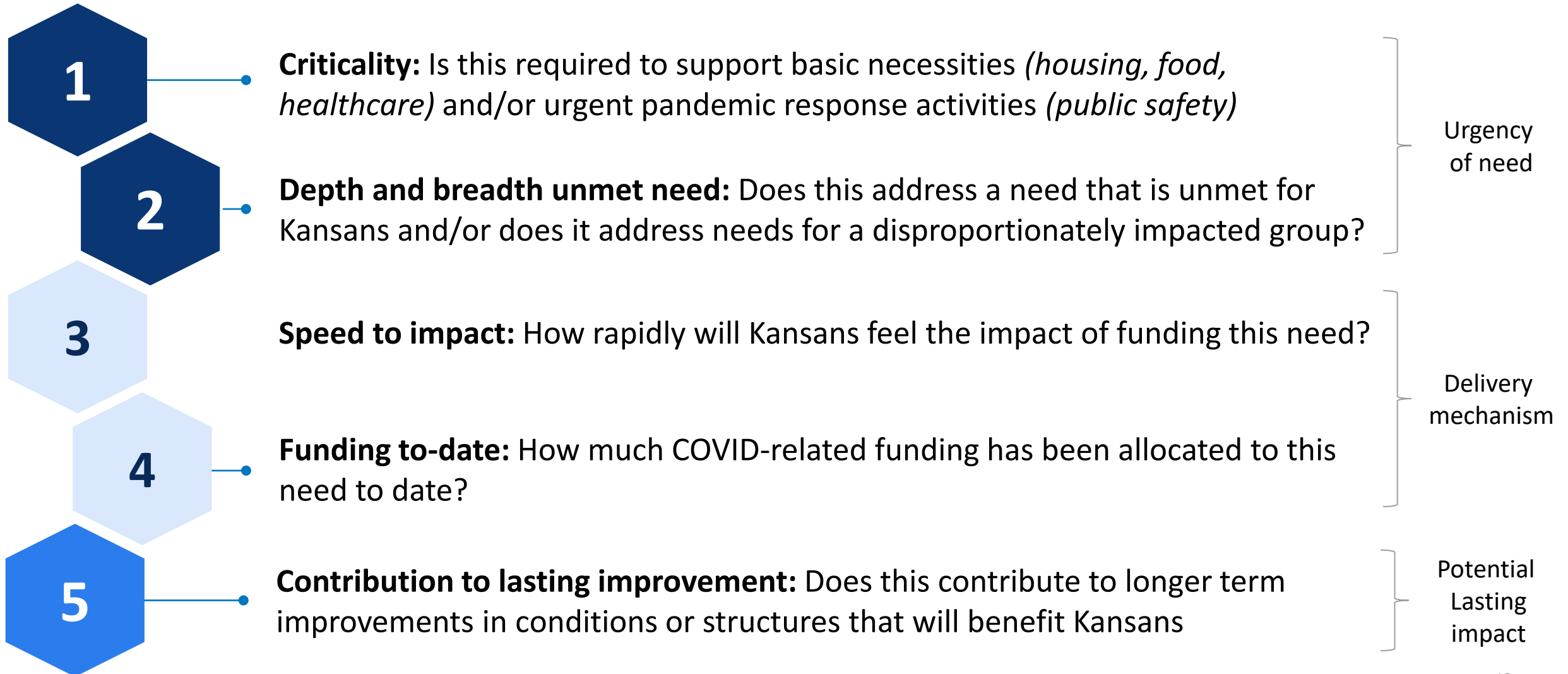
Info requested by SPARK



Our portion






*Excludes funding that went directly to Johnson & Sedgwick Counties through CRF

5 Decision factors to consider for Round 3 funding priorities



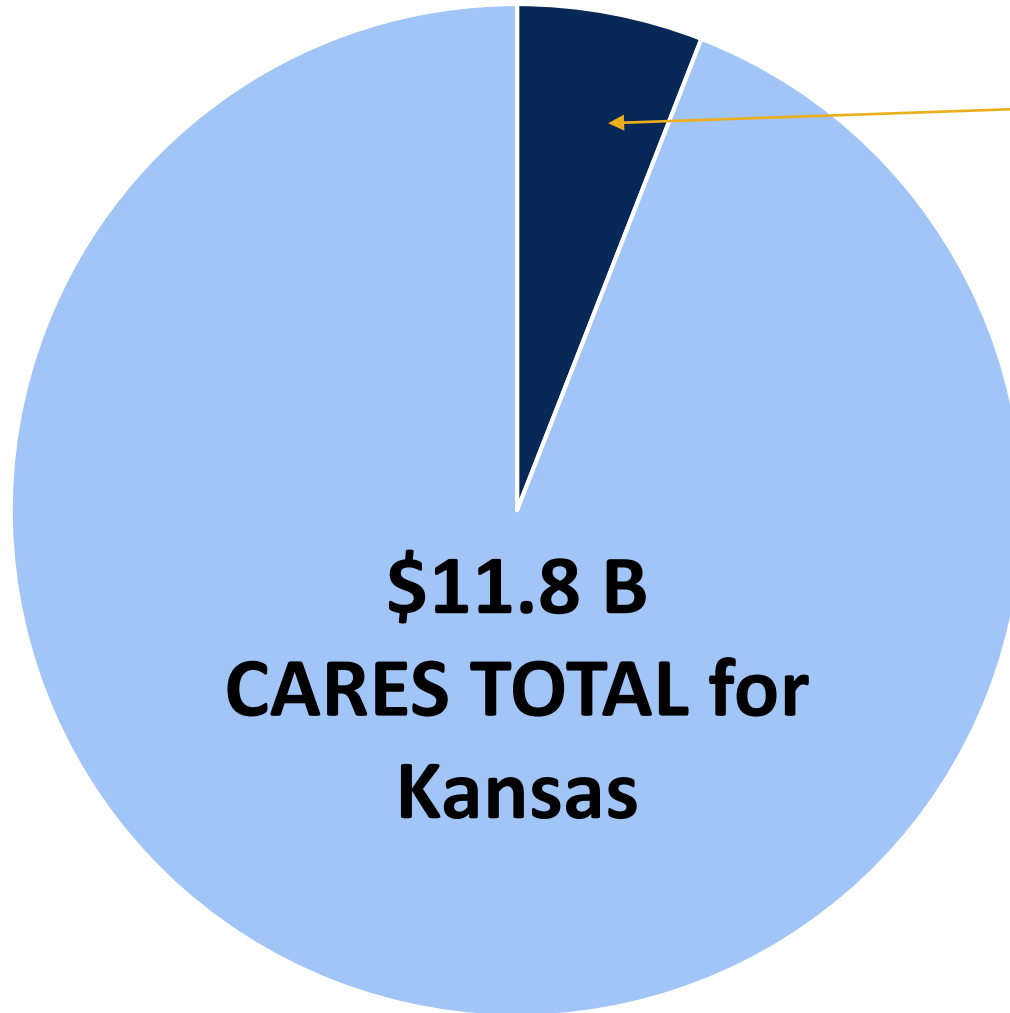
Selected examples of largest unmet needs of Kansas

See “Needs Section” of Appendix for more info

Unmet Need	Evidence of needs today
 Testing coverage	<ul style="list-style-type: none">• Today Kansas conducting ~138 tests per capita (per 1,000) vs 391 in NY and 316 in CT
 Medical coverage for underserved	<ul style="list-style-type: none">• ~13% health uninsured Kansans
 Food security for vulnerable	<ul style="list-style-type: none">• +25% of low-income Kansans concerned about food security
 Housing security	<ul style="list-style-type: none">• ~8% of Kansans report lack confidence in ability to pay next month's rent
 Support for unemployed	<ul style="list-style-type: none">• Unemployment remains at 7.2%

1. Estimation for \$600 weekly support for continued UI Claims in Kansas from March to July (~73,000 avg. continued claims through March-July)
Source: CT, NY and KS Departments of Health (Analysis as August 2020); U.S. Census (ACS, CPS, Household PS); KS Department of Labor

Important perspective

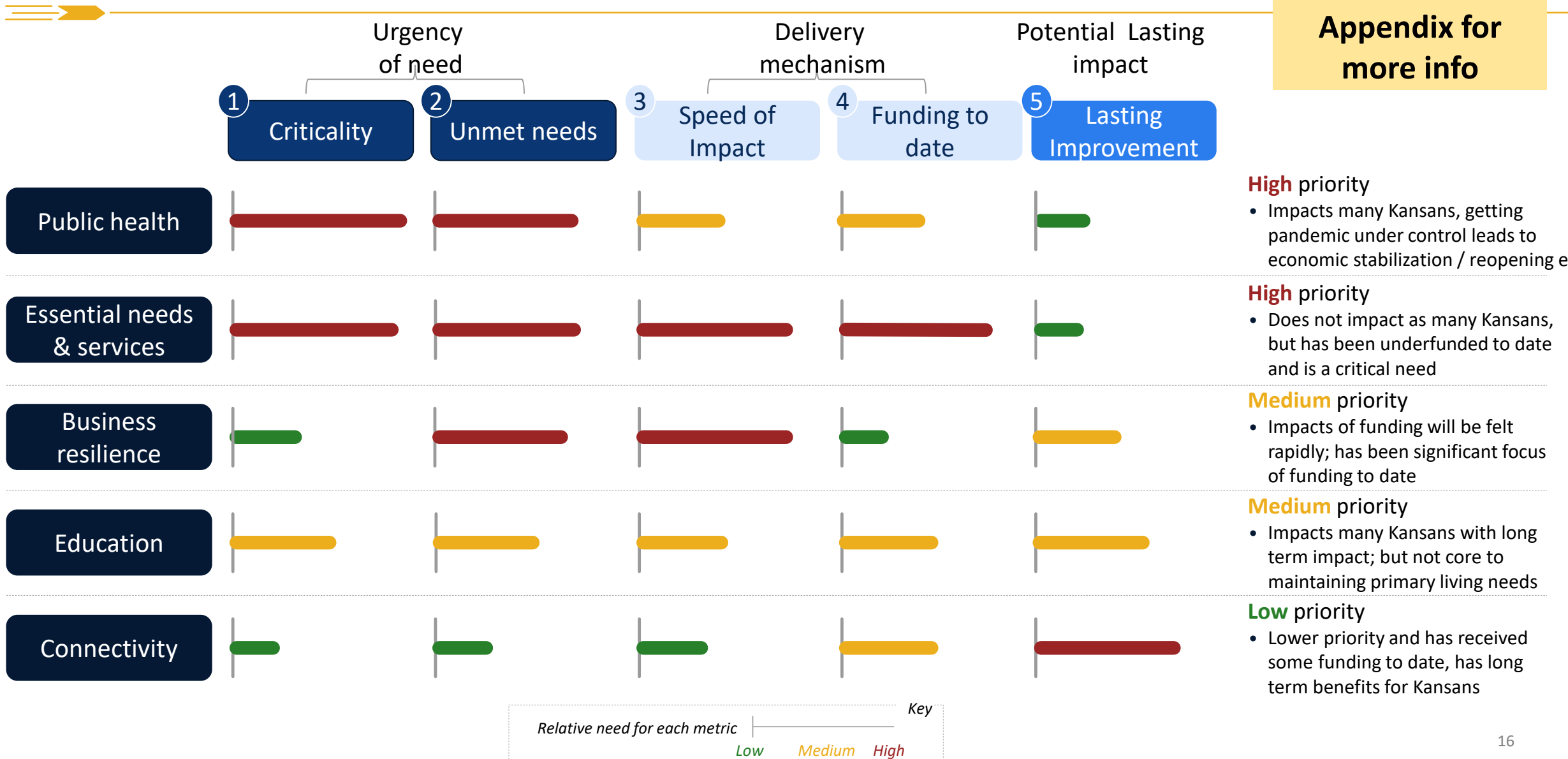


We estimate about
\$700 M of SPARK
Round 1 & 2
Investments went to
these unmet needs

That equates to about
6% of the total CARES
Investment

Combining decision factors with funding categories

See “Needs Section” of Appendix for more info



3 Approaches to Consider for Round 3 Investments

1. Address urgent needs to curb spread of pandemic & support basic needs

Initial input & research supports this approach

2. Invest in opportunities for lasting impact for communities & state government agencies

3. Widely distribute funds across the broadest set of needs, both urgent and longer term

What do you think?



Committee focus questions

- What do you think of the 3 approaches identified?
- Is this prioritization framework helpful to you?
- Did anything surprise you?
- What else would be helpful to know or consider?



Lost Wages Assistance Program

Acting Secretary Ryan Wright

September 2, 2020



Since March 15, KDOL has paid out more than **2 million weekly claims** totaling over **\$1.87 billion** between regular unemployment, and the federal pandemic programs.

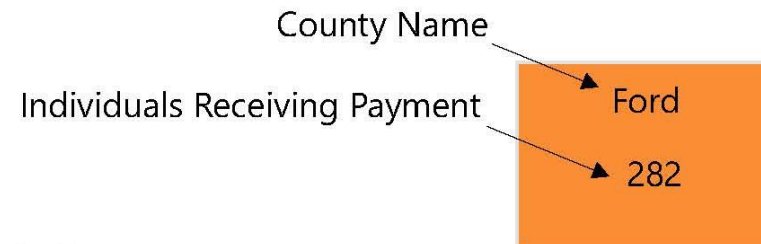
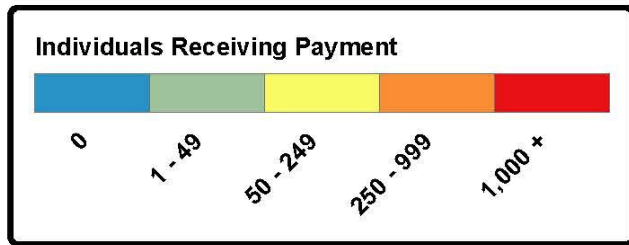
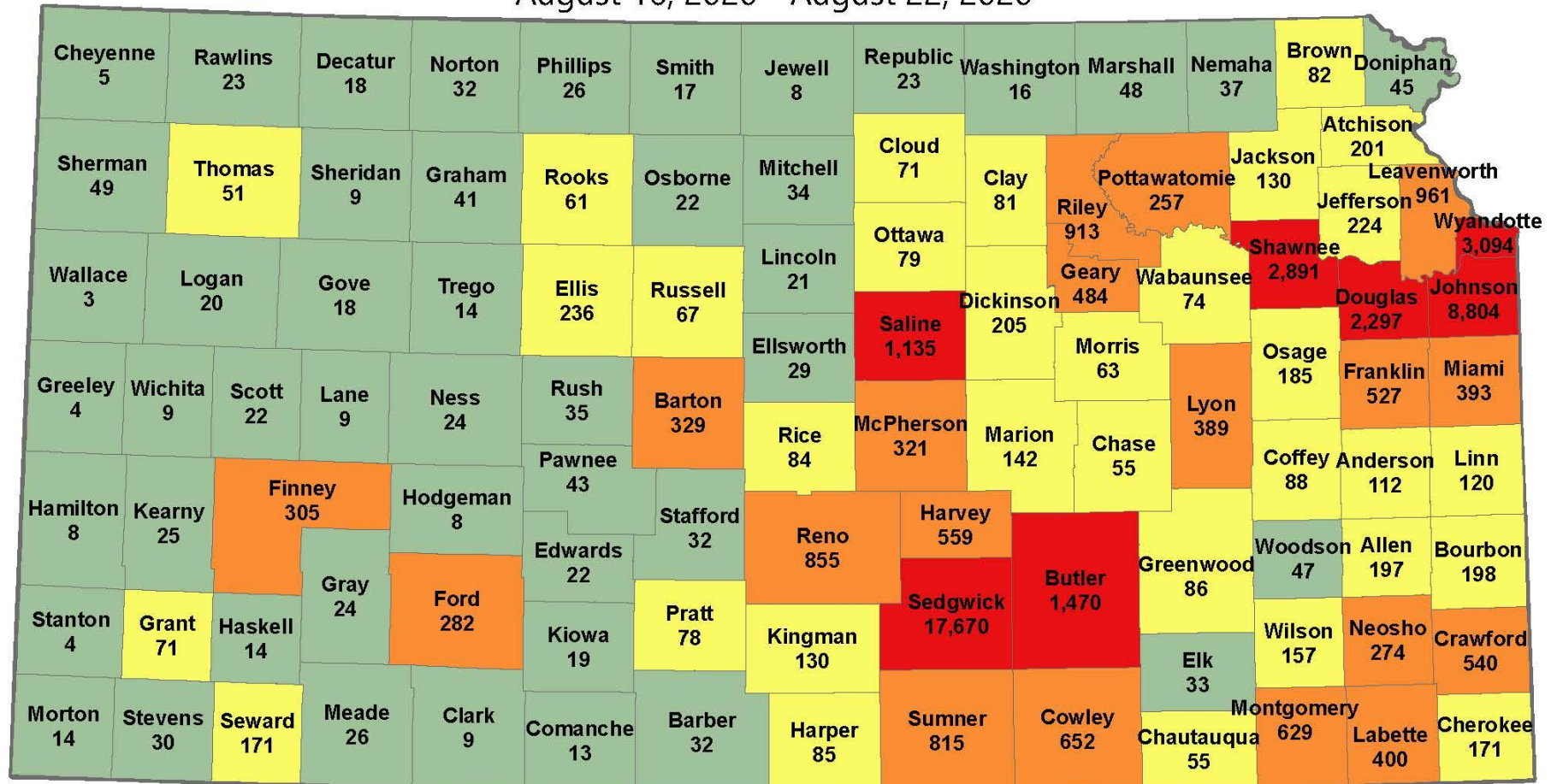
For the week ending August 22, KDOL made 76,199 unemployment payments to Kansans.

Percent of Claims by Industry

Manufacturing	32%
Accommodation & Food Services	18%
Retail Trade	12%
Health Care & Social Assistance	12%
Administrative & Waste Services	11%
Transportation & Warehousing	7%
Educational Services	6%
Construction	6%
All Other Categories	27%

Unique* Individual Claimants Receiving Payment, by County of Residence

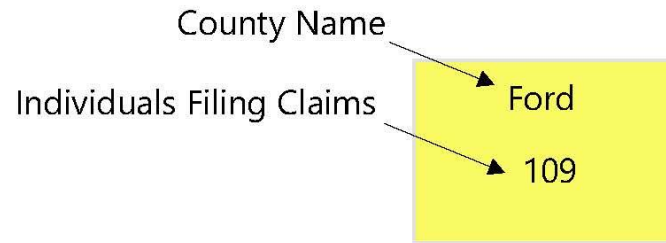
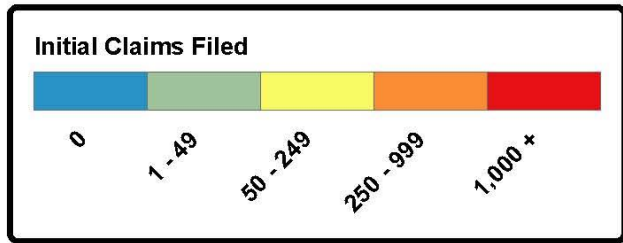
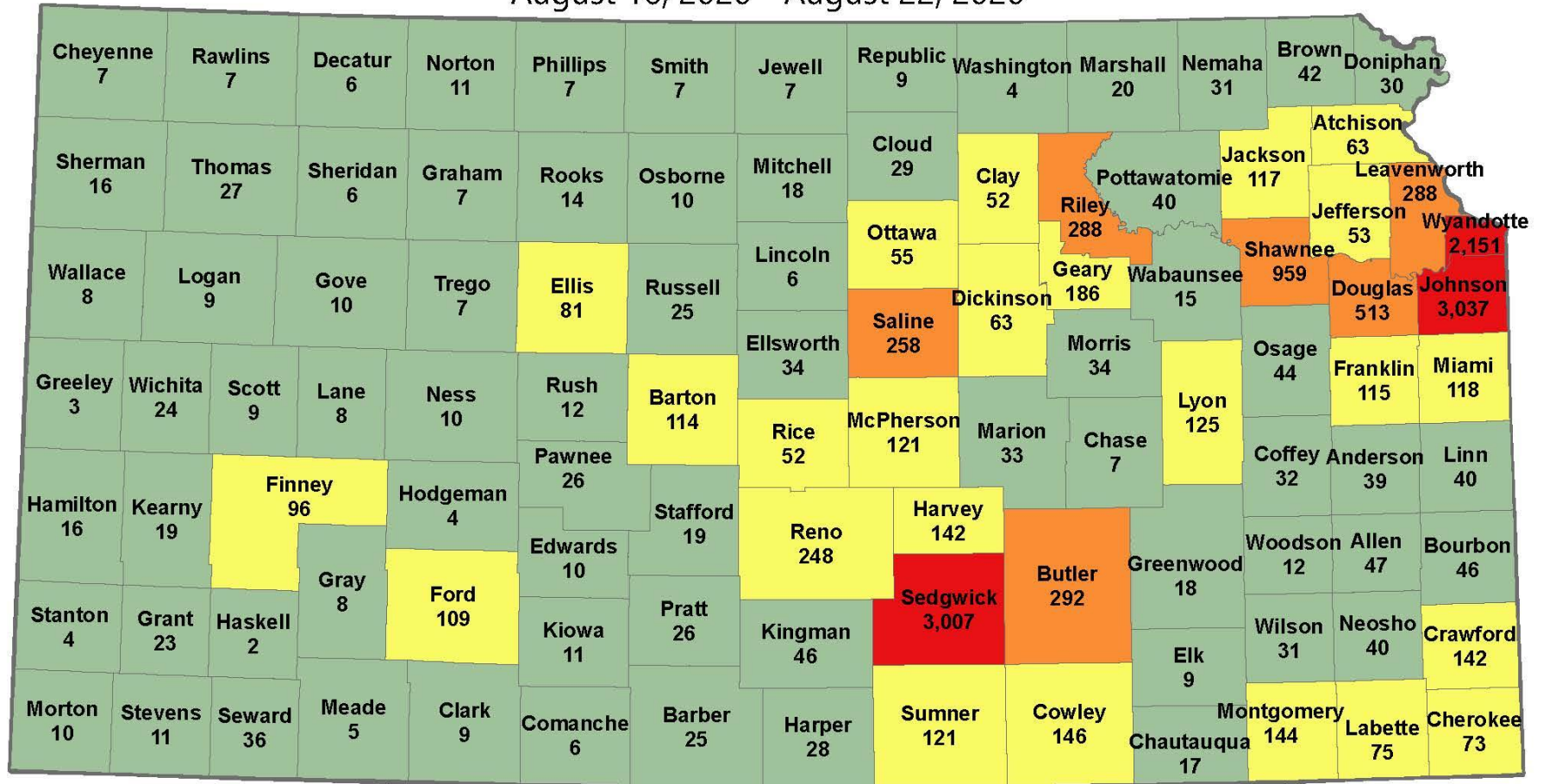
August 16, 2020 - August 22, 2020



*Data represents the number of individual claimants living in Kansas receiving regular UI payment, including those on workshare. Claimants residing outside of Kansas are not included.

Initial Claims Filed, by County of Residence

August 16, 2020 - August 22, 2020

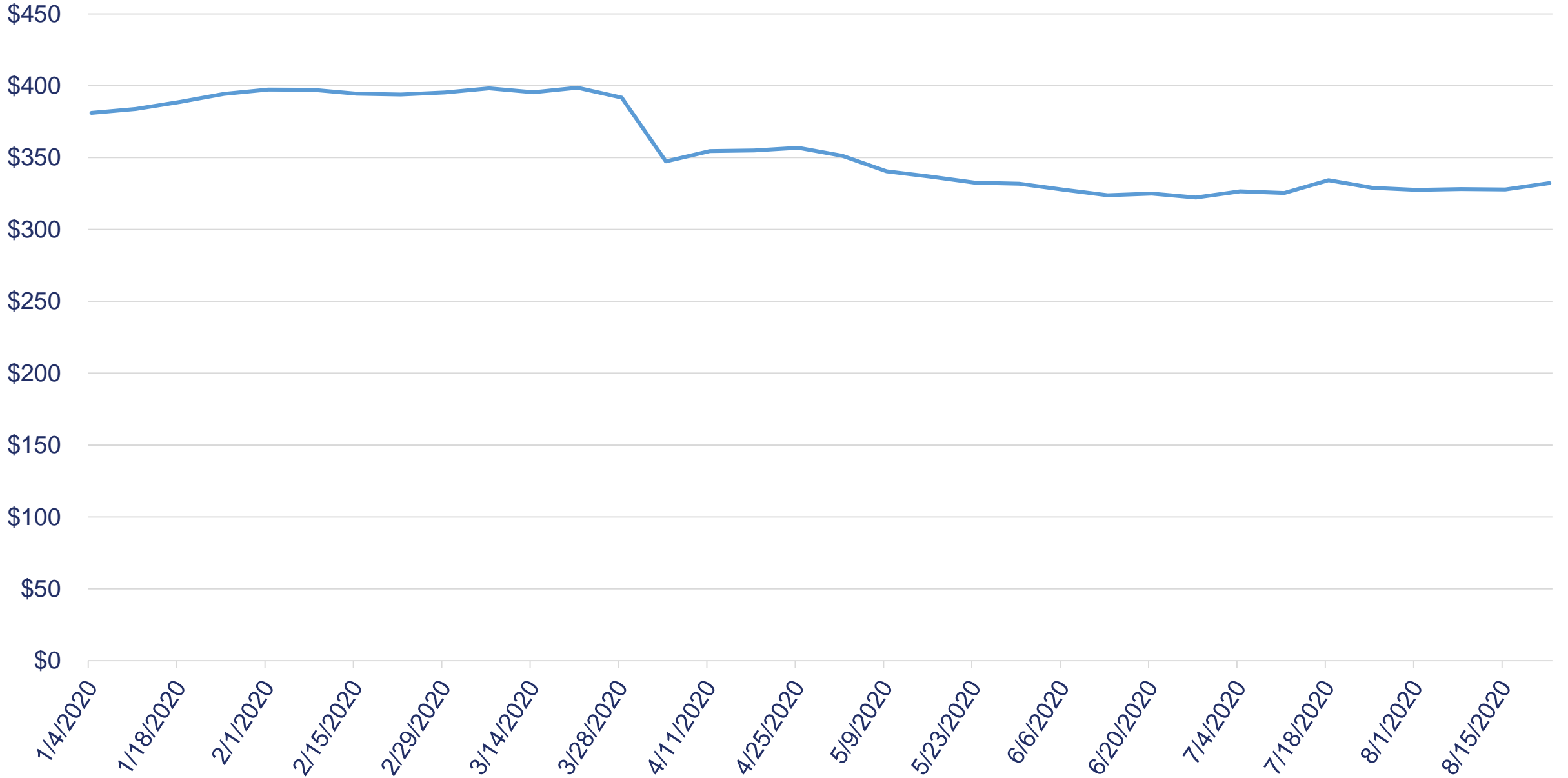


*Data represents the number of initial claims for claimants living in Kansas, including those on workshare. Claimants residing outside of Kansas are not included.

Lost Wage Assistance Program (LWAP)

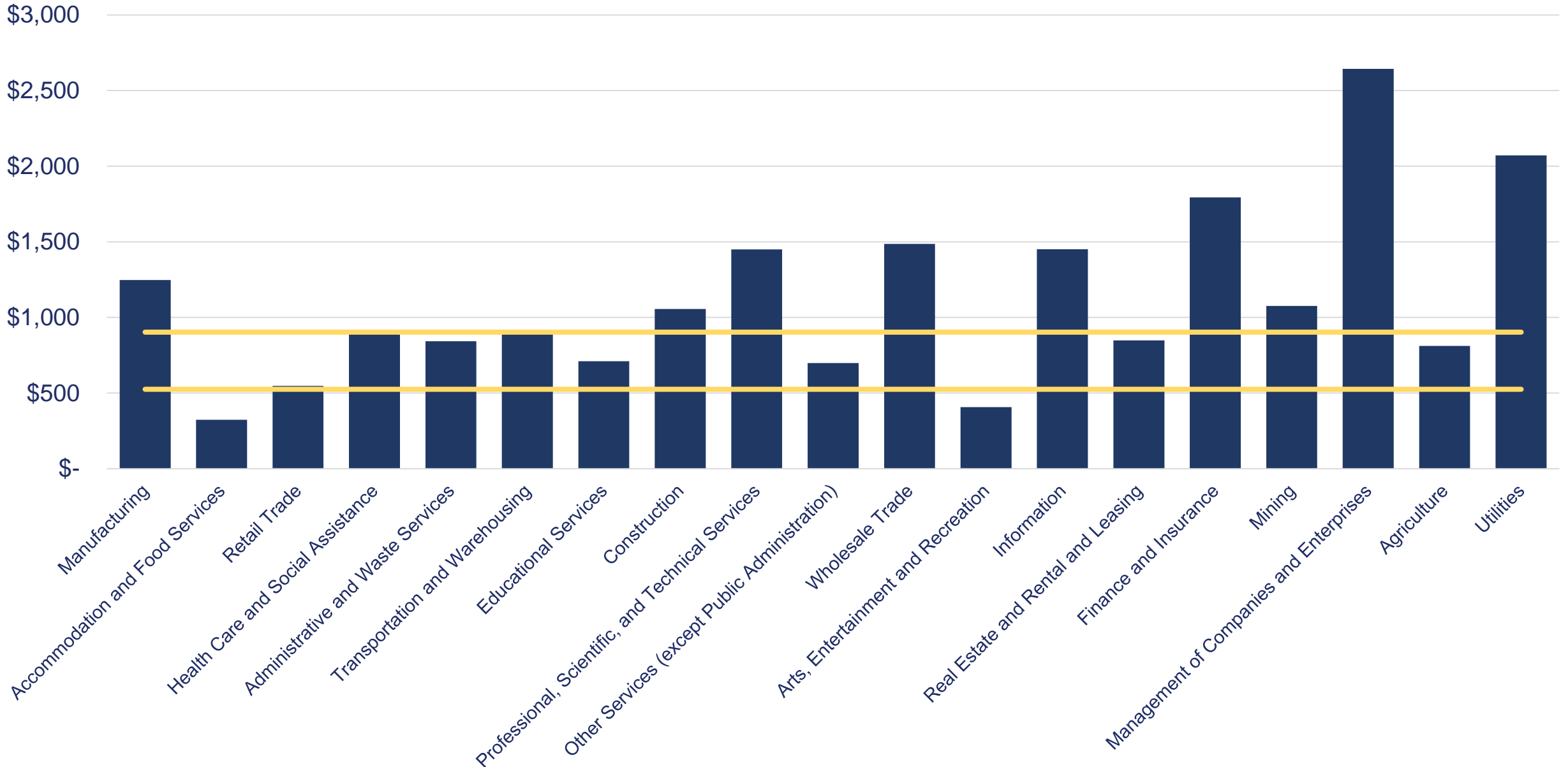
- Allows states to provide up to \$400 in additional unemployment benefits each week to eligible claimants.
- In addition to the normal requirements for unemployment programs, each claimant must:
 - Self-certify that their unemployment or under employment is caused by the COVID-19 pandemic;
 - Be receiving at least \$100 in unemployment benefits from another program.

Average Weekly Benefit Amount for Regular Unemployment



Average Weekly Wage by Industry vs Kansas WBA + \$400 LWAP

■ Avg Wkly Wage — KS Min WBA (\$125) + \$400 — KS Max WBA (\$503) + \$400



Funding for LWAP

- Governor Kelly has proposed funding the State's portion with Coronavirus Relief Funds (CRF) received through the CARES Act.
- Current national estimates are that funding will only last for 3 – 7 weeks.
- KDOL estimates around 80,000 Kansans will be eligible for LWAP, costing the State \$7.6M - \$9.3M per week.

\$400/week to Claimant

Federal (FEMA Disaster Relief Fund)	\$300
State	\$100
<hr/>	
Total to claimant	\$400

LWAP Implementation

- Application to FEMA in process; IT development has started.
- Earliest LWAP payments expected to begin in Kansas is late September.
- Implementation costs can not be paid using existing federal administrative funds.
 - States will receive 5% of LWAP grant to fund administrative costs. States must provide a 25% match of that funding.

Lost Wages Assistance Program (LWAP)

- LWAP will end no later than December 27, earlier if:
 - FEMA expends the \$44 billion designated;
 - The total balance in the account decreases to \$25 billion;
 - Legislation is enacted that provides similar compensation for unemployed individuals.

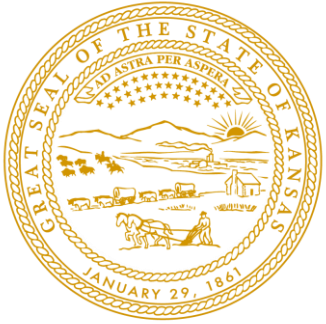
QUESTIONS?





Possible Round 3 Proposals

Dr. DeAngela Burns-Wallace,
Secretary of Administration
Julie Lorenz, *Executive Director*



• State Agency Proposal Process

2 Types of Applications

Operational Expenditure

Project Proposals

Agency Examples:

- Increasing law enforcement connectivity
- Legislative videoconferencing to conduct state business and ensure citizen access and engagement
- Courts/Judicial operational and system needs for continuity of operations
- Kansas School for the Deaf and the Blind technology and distance learning needs
- State Fair continuity of operations
- Additional cybersecurity enhancements for stronger citizen data protection and secure service delivery
- Emergency protective measures (PPE, screening and protective equipment, disinfect supplies) to help keep public facing offices and state buildings open for service

Applications Due Sept. 4



Application Portal

FY21 Agency Project Application

The following application allows state entities to apply for Coronavirus Relief Funds to cover necessary COVID-19 related projects that were not and can not be funded through SFG. This application requests CRF dollars for July 1, 2020 to December 31, 2020 and must be for funds NOT defined as operational expenditures. Please submit the FY21 Operational Expenditure Application for any requests of CRF that are categorized as operational expenditures. For detailed instructions on how to submit the following application please review the FY21 Agency CRF Application Memo.

Date of submission *

Requesting Agency *

Agency Number *

Primary Agency Contact *

First Name

Last Name




Proposed by:

Agency

SPARK

Other

\$290M remaining

Support Level	Public Health	Essential Needs & Services	Business Resiliency	Education	Connectivity
 \$100M +	Testing and tracing \$?	Continuity Ops: Law Enforce, Leg Affairs, State Fair \$30M KDOL UI Stability & Support \$30M?	PPE for Adult Homes (HB2016) \$10M KDEM: PPE \$15M (FEMA Local Match)	Childcare support \$? Landlord support Eviction Assist. \$15M?	
 \$68M			Lost Wages Assist Program \$63M Commerce HIRE Fund \$5M		
					
Examples Not Yet Determined			Energy Industry support	School infrastructure (facilities modifications)	Broadband access



Follow-Up on Taskforce Requests

Executive Director Julie Lorenz

Request: What are counties with low COVID-19 case rates spending reimbursement money on?

	Cheyenne	Marshall
Total COVID Cases	5	13
Population	2,657	9,707
Allocation	\$527K	\$1.9M
Example Subrecipients/ transfers	<p>Cheyenne County Village (non-profit)</p> <p>Bird City Housing Authority</p> <p>Schools</p> <p>EMS, Small businesses</p>	<p>Schools (public and private)</p> <p>EMS</p> <p>Twin Valley Development Services</p> <p>Ultraviolet disinfecting lights</p>





Next Steps

State Finance Council Meeting:

- Thursday, September 3rd

Upcoming SPARK Taskforce Meetings:

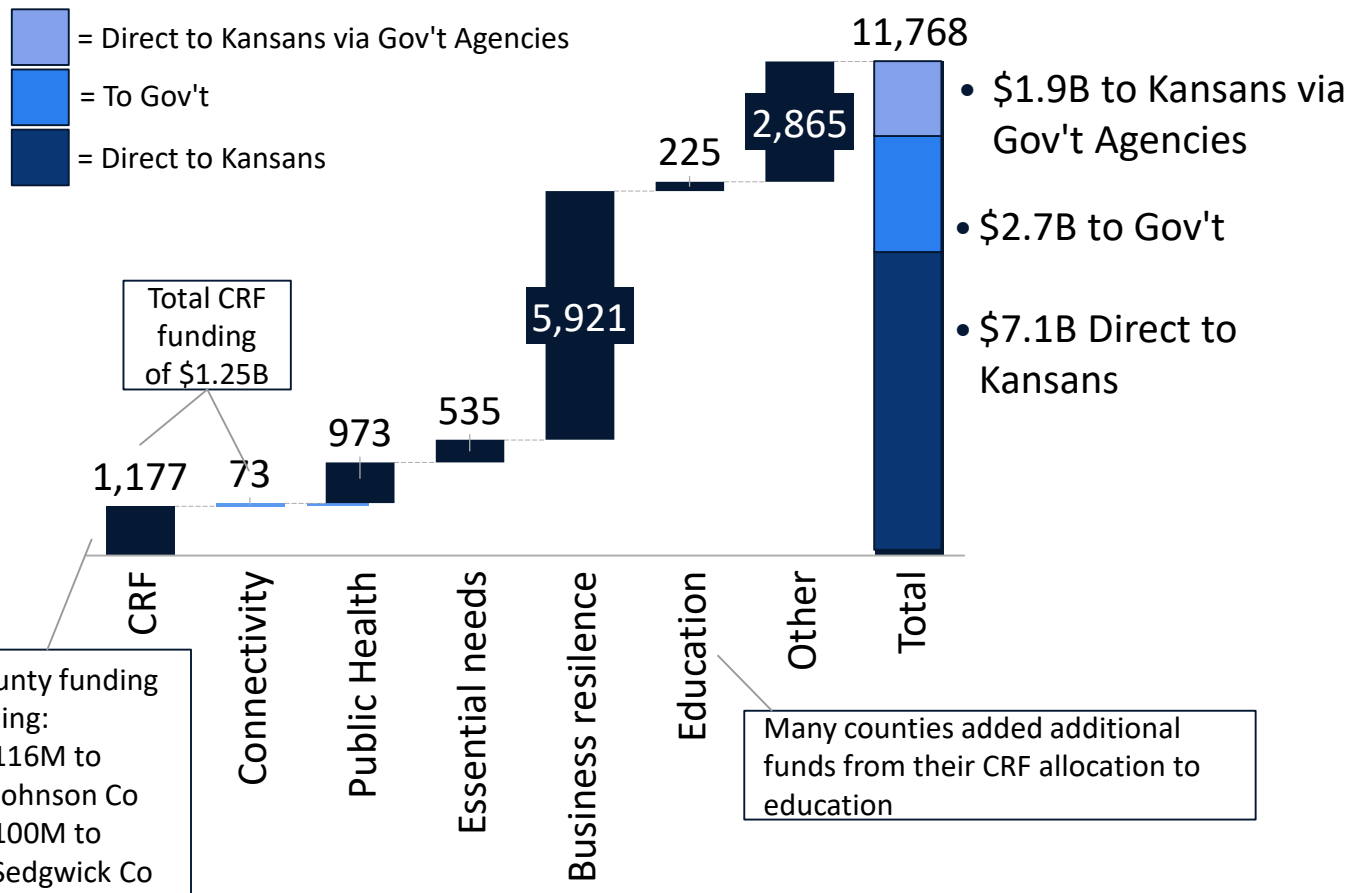
- Wednesday, September 9th

Appendix

CARES Funding Section

Federal funding to Kansas totals \$11.8B; Public Health and Business Resilience largest funding categories to Kansans

Total funding to Kansas by impact category (\$M)



Key breakouts by impact category

Service delivery to Kansans (via Gov't Agencies) (\$1.9B)

- Public Health
 - \$890M for provider relief
- Education
 - \$260M for higher ed. operations

To Gov't (\$2.7B)

- Other
 - \$2.7B to municipal liquidity

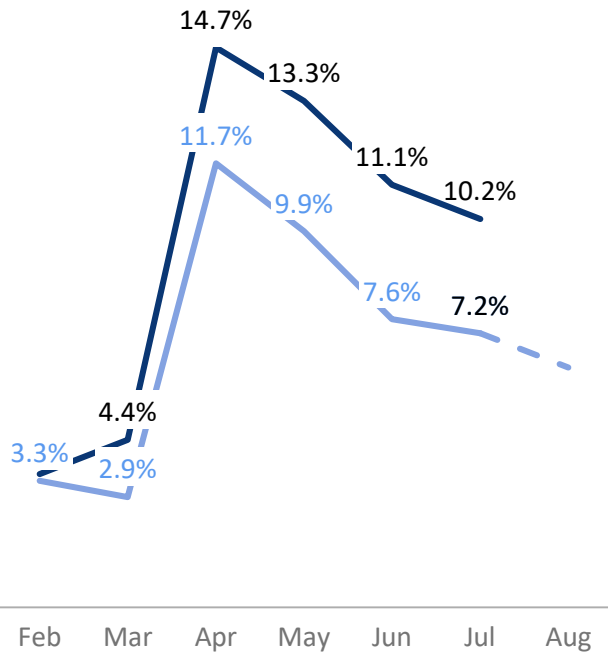
Direct assistance to Kansans (\$7.1B)

- Essential Needs
 - \$370M to emergency food assistance
 - \$55M to housing security
- Business Resilience
 - \$6B to small business support (e.g both loans and grants, including PPP...)

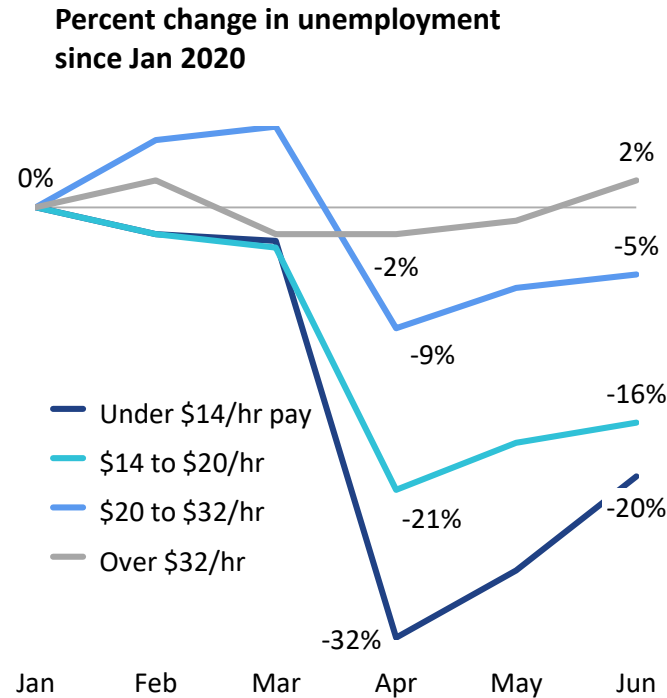
Kansas Trends & Needs Section

With pandemic still active and continuing economic strain, significant needs across Kansas

At 7.2%, KS unemployment above US avg with initial weekly claims steady at ~10K

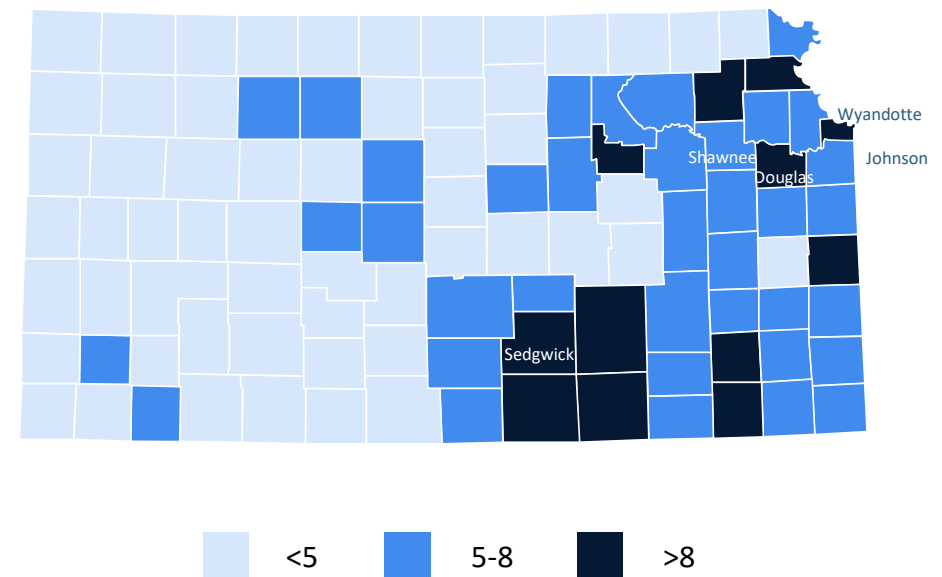


... however, jobs for those earning below \$32/ hr remain depressed...



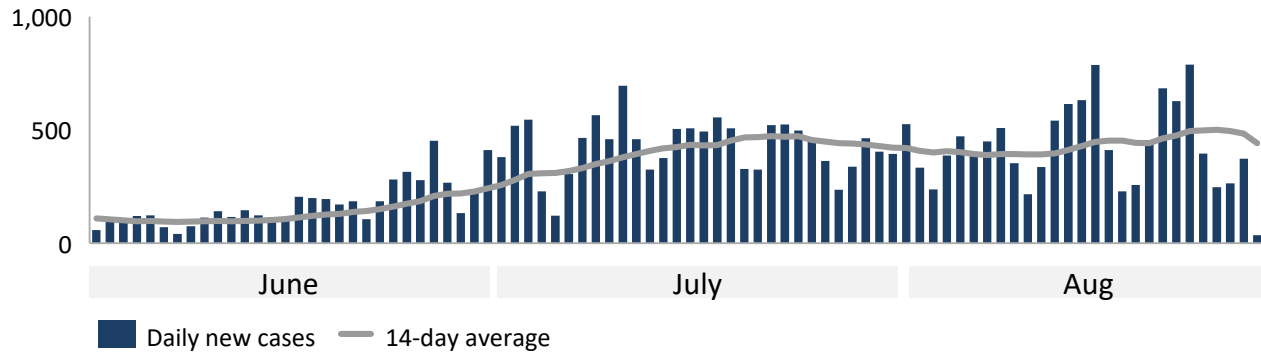
...and impact varies across geographies, with more densely populated areas showing higher levels of unemployment

Unemployment rate by county, June 2020



Kansas continue in the red zone, with case rate and positivity rate above US average and WHO guidelines...

New cases statewide



**New cases rate
per 100,000
(Week of Aug 23rd)**

Kansas

108

US

93

WHO guidelines

10






**Positivity rate
(Week of Aug 23rd)**

10%

6%

5%

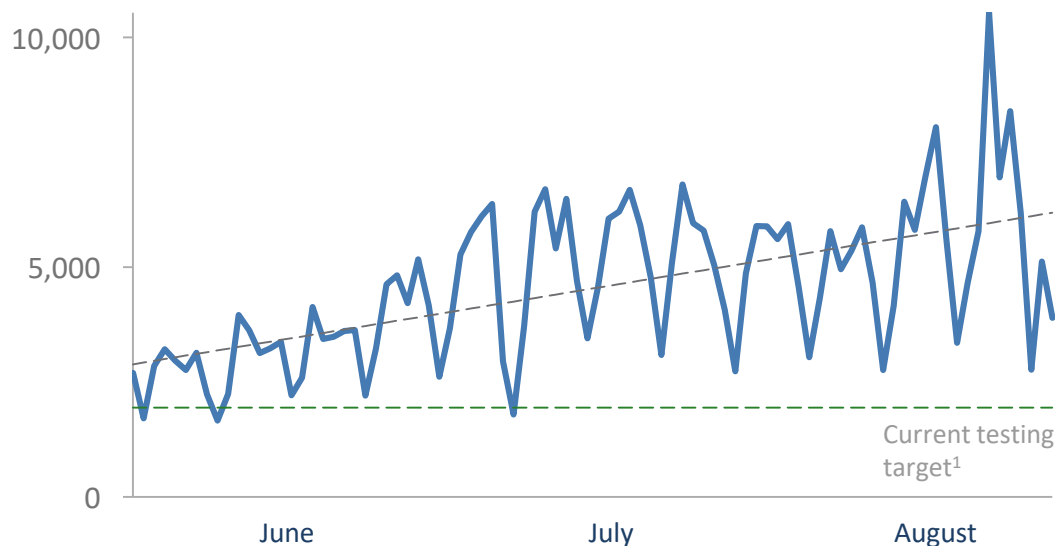
Main active clusters

	Outbreaks	Cases
 Meat packing	8	2,003
 Corrections	8	1,127
 Long-Term Care	48	674
 Universities	18	244
 School	4	35

While testing per capita exceeds State's goal of 2% population per month, positive test rate is high, which may indicate undetected prevalence of cases

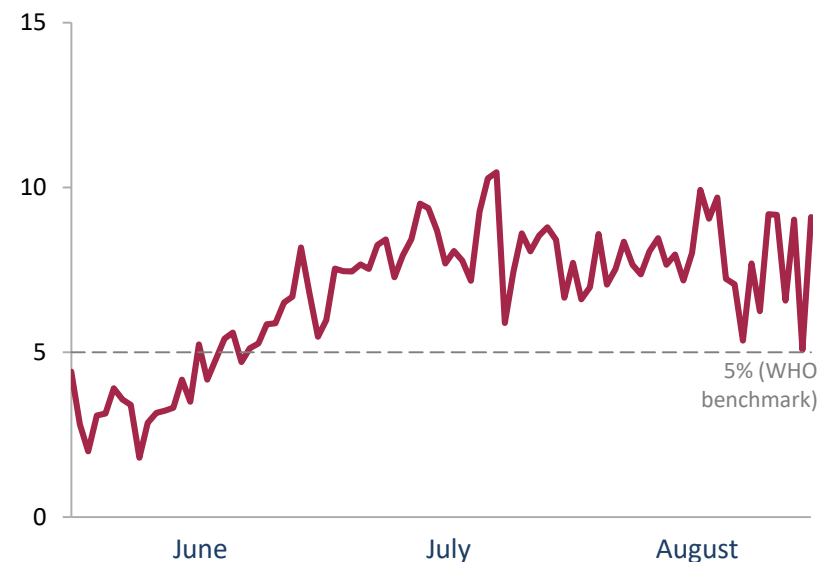
**Testing capacity has increased and almost doubles
Kansas' goal of ~60k tests/month²**

of daily tests in Kansas



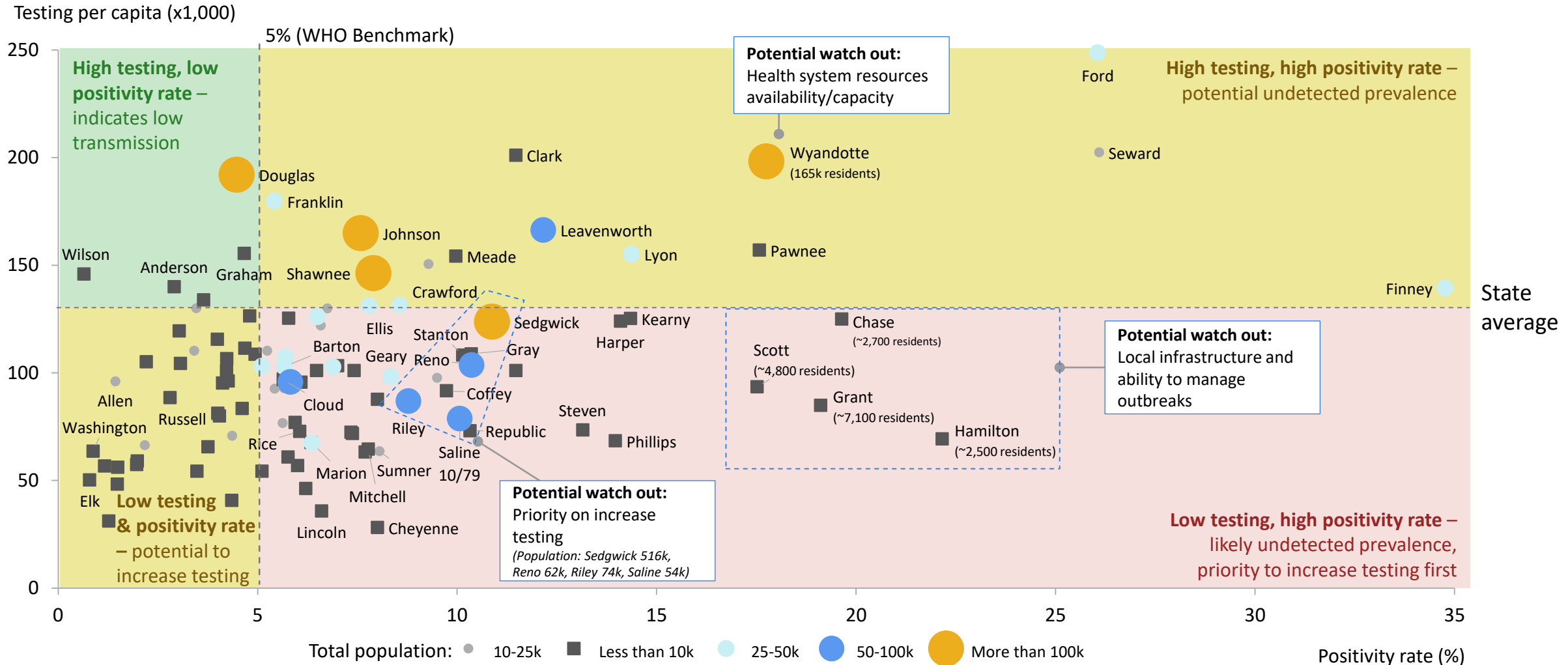
**However, the positive tests rate is still well above WHO
guidelines, indicating undetected prevalence of cases**

Positive test rates



1. Target of 2% of Kansas Population by month, following state goal by the Department of Health and Environment (Total Kansas Population 2.9M)
Source: Kansas Department of Health and Environment

Most urban areas still over the recommended WHO positivity rate; several rural-areas show lower testing levels with 10%+ positivity



Source: Kansas Department of Health and Environment (Aug 27th, 2020)

Kansas counties locating potential major sources of COVID-19 outbreaks

Not exhaustive

Potential sources of COVID-19 outbreaks



Universities

Counties

- Kiowa: Barclay
- Ellis: Fort Hays
- Rice: Sterling
- McPherson: McPherson Univ., Bethany, Central Christian
- Lyon: Emporia State
- Johnson: KCC, MidAmerica Nazarene
- Harvey: Bether, Hesston
- Marion: Tabor
- **Saline**: Kansas Wesleyan
- **Sedgwick**: Friends, Newman, UK Medicine, WSU
- Cowley: Southwestern
- **Riley**: Manhattan Christian
- Crawford: Pittsburg State
- Shawnee: Washburn
- Atchison: Benedictine
- Pottawatomie: St. Mary
- Douglas: Heritage Baptist
- Douglas: KU, Baker
- Franklin: Ottawa



Corrections

- Butler: El Dorado
- Ellsworth: Ellsworth
- **Reno**: Hutchinson
- Shawnee: Kansas Juvenile
- Leavenworth: Lansing
- Pawnee: Larned
- Norton: Norton
- Shawnee: Topeka
- Cowley: Winfield
- **Sedgwick**: Wichita Work

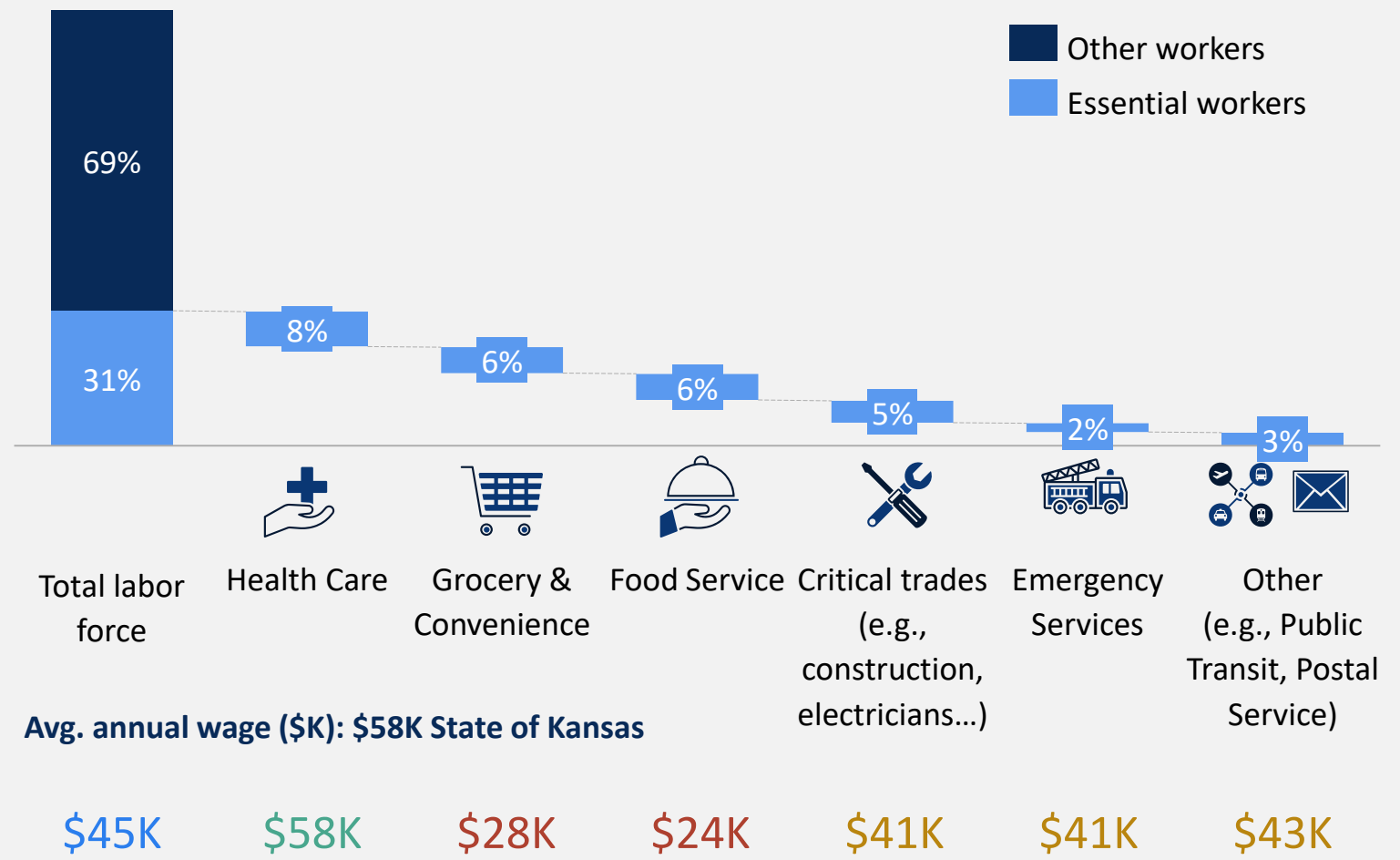


Meat packing

- Rawling: Ben-Lee Processing
- Finney: Tyson Fresh Meats
- Ford: National Beef Packing
- Barton: Ellinwood Packing Plant
- Meade: T&T processing
- Seward: National Beef Dodge
- Lincoln: Elkohrn Valley
- Cowley: Creekstone
- **Sedgwick**: Cargill Protein
- Pottawatomie: Onaga
- Crawford: Sugar Creek Packing
- Nemaha: Bern Meat
- Butler: Walnut Vally Packing
- Allen Meat
- Jefferson: Bowser

~1/3
of Kansans employees are **essential workers**, and most earn less than the **average Kansan citizen**

% of labor force by occupation, 2019

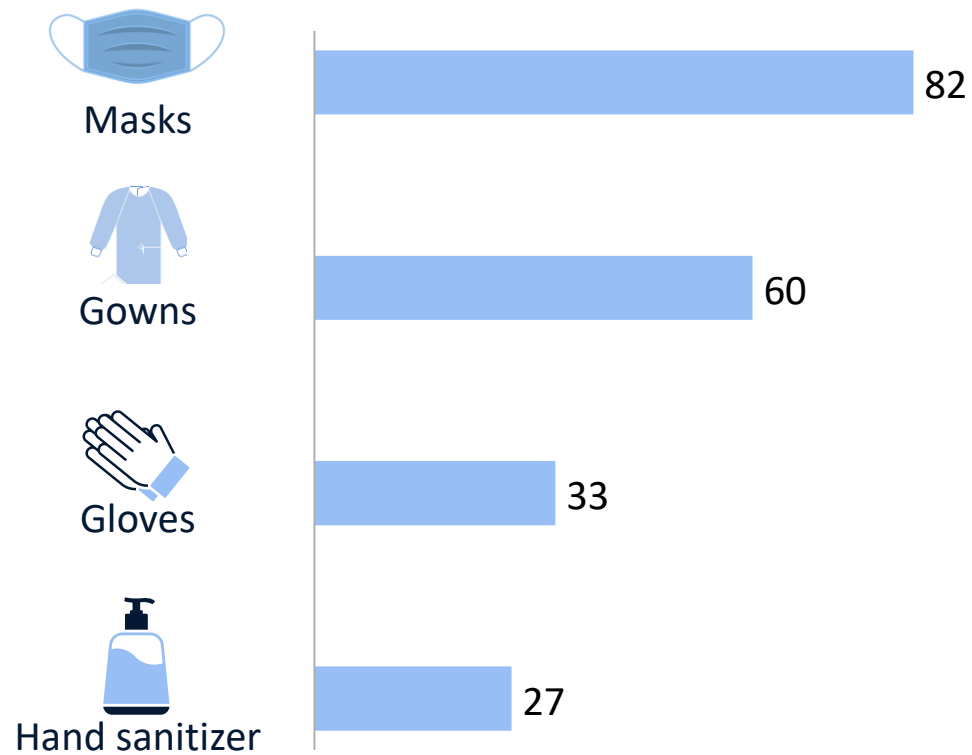


Avg. annual wage (\$K): \$58K State of Kansas

Note: Essential workers as defined in Executive Order No. 20-16 by the State of Kansas
Source: Kansas Labor Information Center, Kansas Wage Survey, 2019

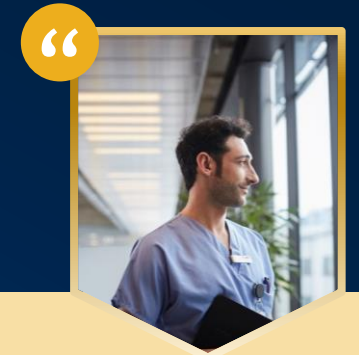
And there are some indications of essential workers running out of supplies

Nursing homes that indicate one week or less supply (week ending Aug 16th)



"Masks are being reprocessed and used more than once"

Nurse, Aug 5th









Nurse, Aug 5th

"It's putting a stress and burden on good-quality patient care"

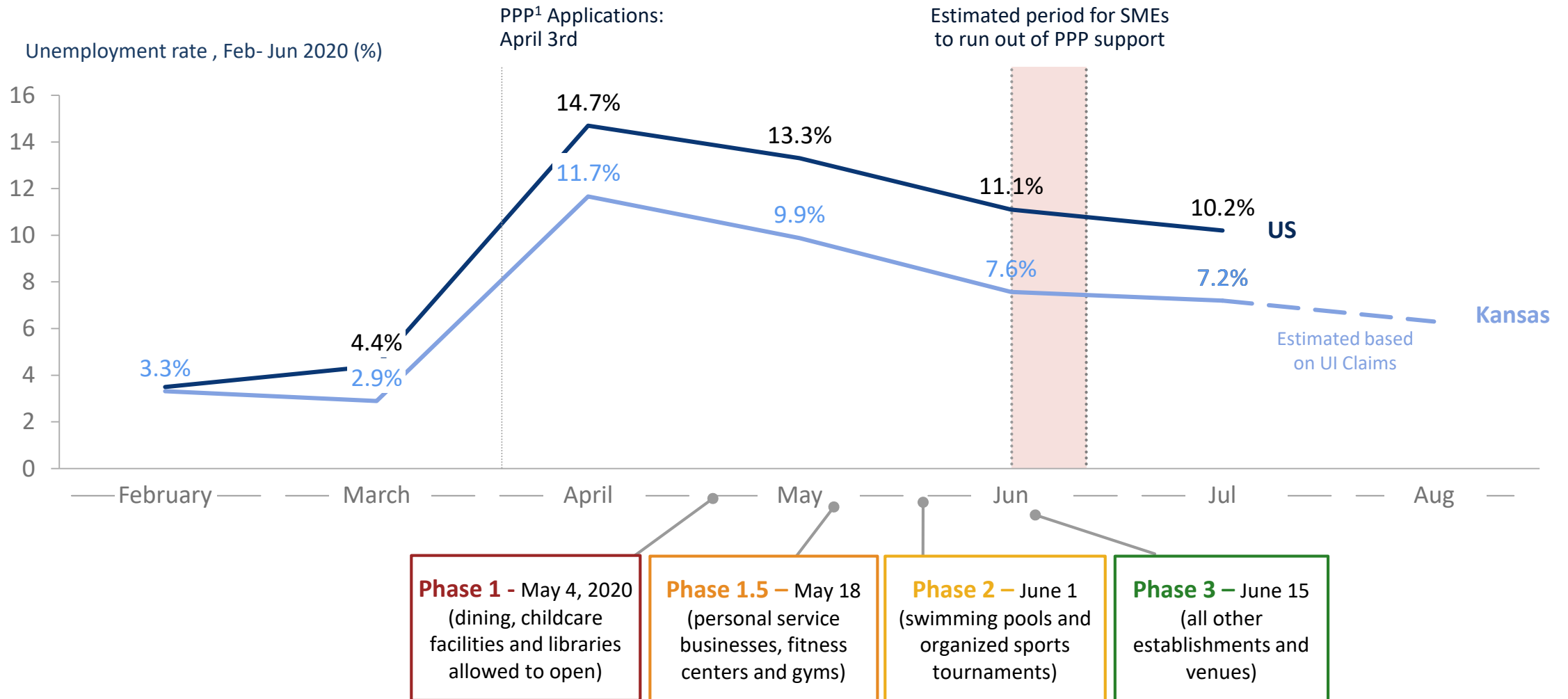
Source: KBMC News, "Nurses protest outside Research Medical Center calling for more PPE"; Nursing Home COVID-19 Public File, CMS (330 responses in Kansas)

Some essential workers are worse positioned to face COVID-19, due to lack of benefits and exposure to vulnerable populations in their households

		Workers living in a multigenerational household	Health care uninsured (%)	Access to paid sick leave ¹
	Health Care	5%	6%	56%
	Grocery & Convenience	7%	16%	38%
	Food Service	8%	26%	27%
	Critical trades	5%	22%	30%
	Emergency Services	4%	1%	42%
	Other (e.g., Public Transit, Postal Services)	7%	9%	38%
Total Kansas labor force		5%	12%	44%

1. Based on select occupation categories for U.S. national averages for civilian workers (Registered nurses for HC, Service occupation for Food Service, Retail for Grocery & Convenience, Construction and maintenance for Critical trades, Protective Service for Emergency Services, Transportation and material moving for Other)
Source: Kansas Labor Information Center, Kansas Wage Survey, 2019; U.S. Census ACS 2018; 2019 National Compensation Survey, BLS

At 7.2%, KS unemployment is above the US average but shows signs of recovery slow down



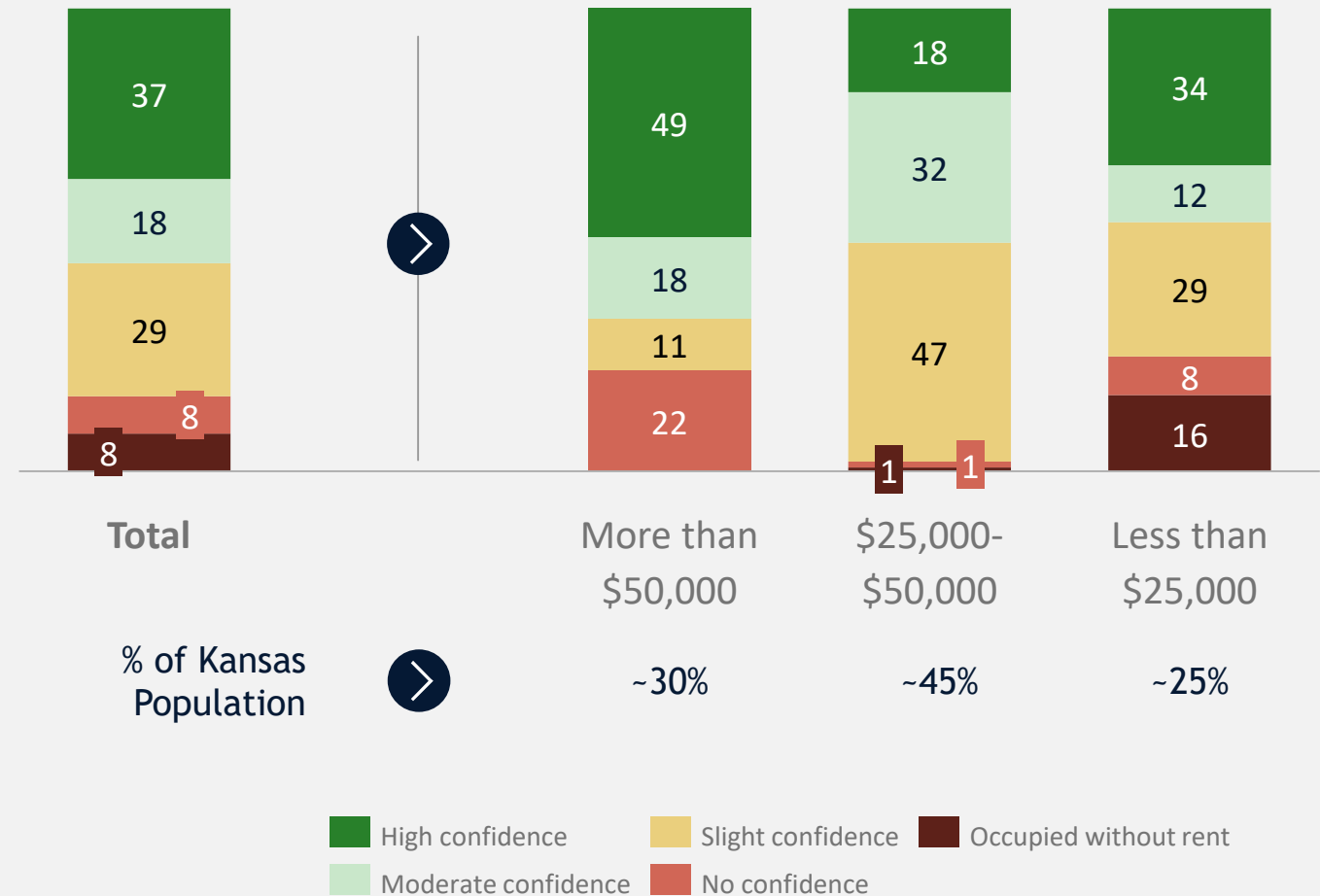
1. PPP as for Paycheck Protection Program

Source: Bureau of Labor Statistics; Ad Astra: A plan to reopen Kansas; Unemployment Insurance Weekly Review Publications, Kansas Department of Labor

Without access to long-term supply of resources, low-income families in Kansas lack confidence in ability to pay next month's rent



Reported confidence in ability to pay next month's rent by household income bracket, July 2020 (%)

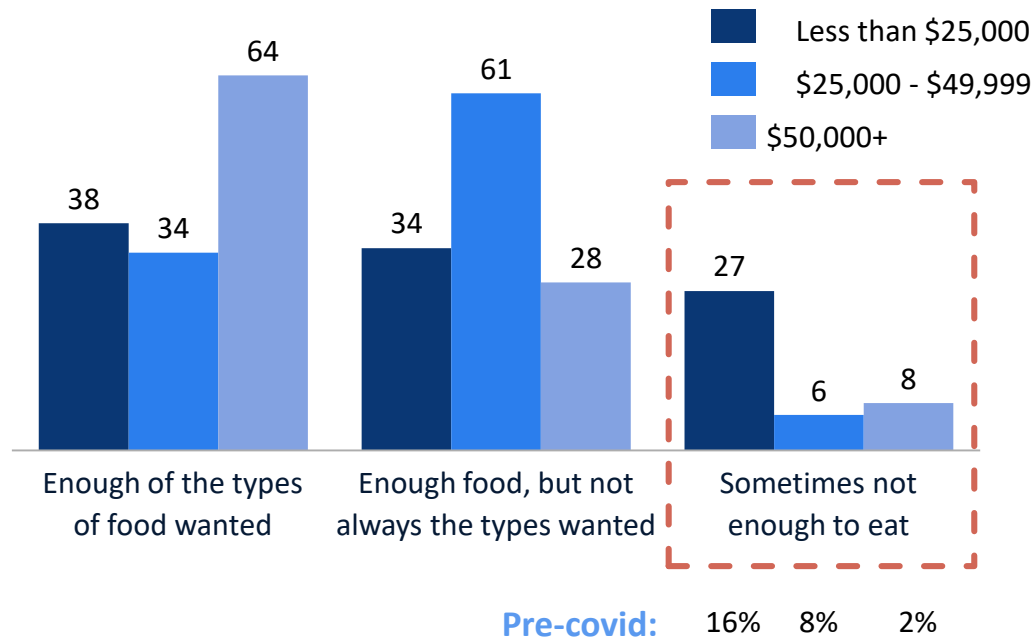


Note: Household Pulse Survey for Kansas accounts 577,155 responses
 Source: U.S. Census Bureau Household Pulse Survey, July 16th -21st, 2020

Low-income families in Kansas face increased food insecurity and rely on community support to fill gaps

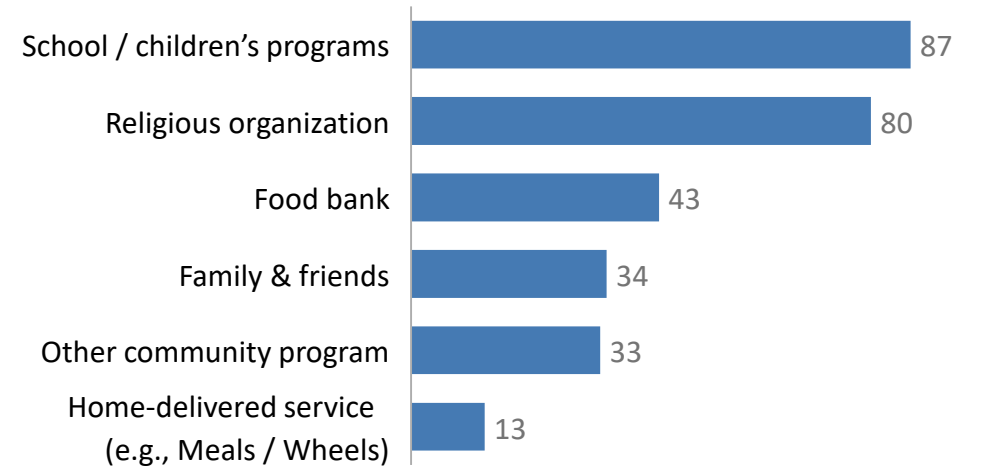
27% of low-income households report sometimes not having enough to eat¹, 11% more than pre-COVID...

Reported food sufficiency by income, July 2020



... and a majority of surveyed respondents rely on community programs for support

Sources of free groceries/meals, July 2020 (in thousands)



1. Compared to 16% pre-COVID

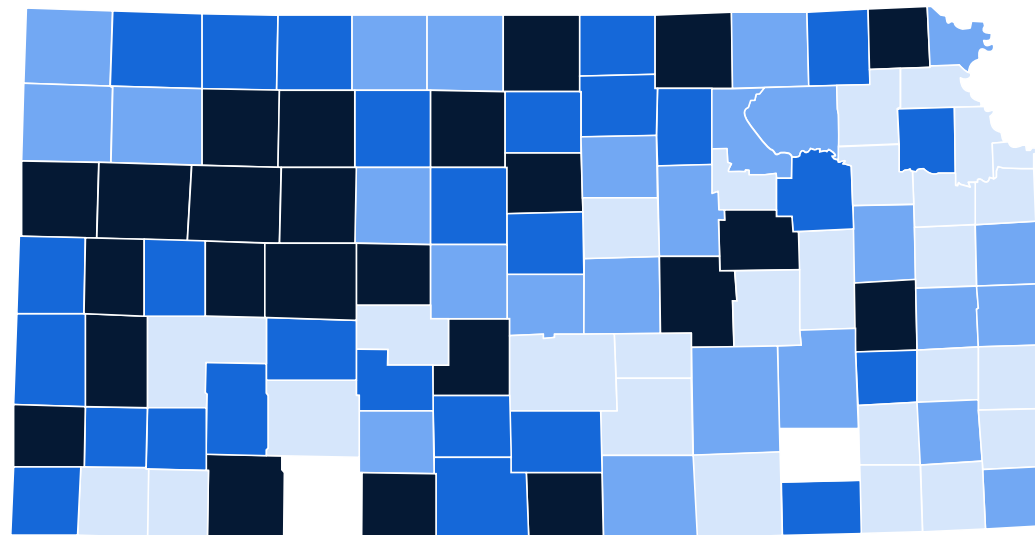
Note: Household Pulse Survey for Kansas accounts 577,155 responses Source: Feeding America; U.S. Census Bureau Household Pulse Survey, July 16th -21st, 2020

SMEs are an integral part of Kansas' economy, representing +90% of employment in some counties...

...and are facing increased difficulties

SMEs employ
51%
of total
employees in
Kansas

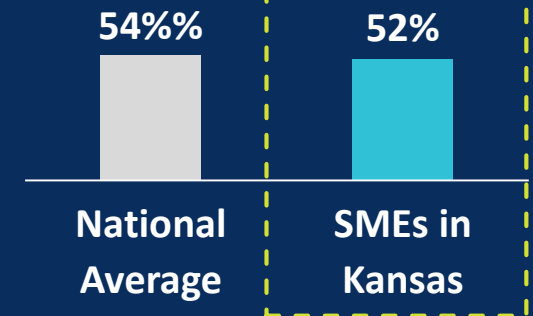
Kansas small business employment by county



Small Business Employment (%)



SMEs that don't expect full recovery within 6 months or ever (%)



130,000

SMEs in **Kansas** will take **more than 6 months** to recover¹

1. 52% of total ~252,000 SMEs in Kansas (defined as those establishments with less than 500 employees, including non-employers)
Source: 2018 U.S. SBA Profiles; 2020 Small Business Pulse Check Survey (collection dates: 8/9 to 8/15, 2020)

Payroll Protection Program partially alleviated SMEs financial situation...

\$5.0B

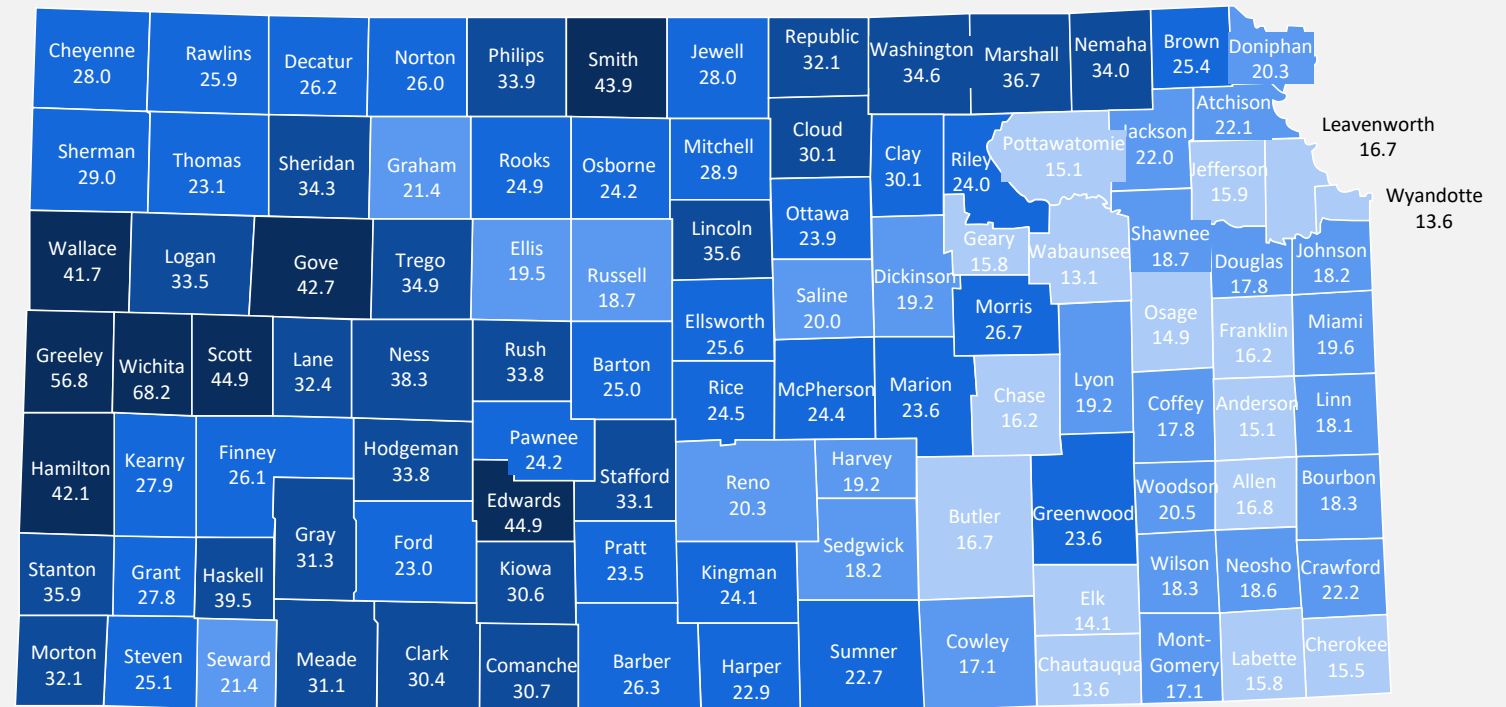
In loans provided¹

52K

Loans approved, representing 20% of all Kansas businesses²

...with strong variance across State counties, with western counties' SMEs more likely to have received PPP support

Percent of small business in Kansas receiving PPP Loans, by county, as of June 30,2020



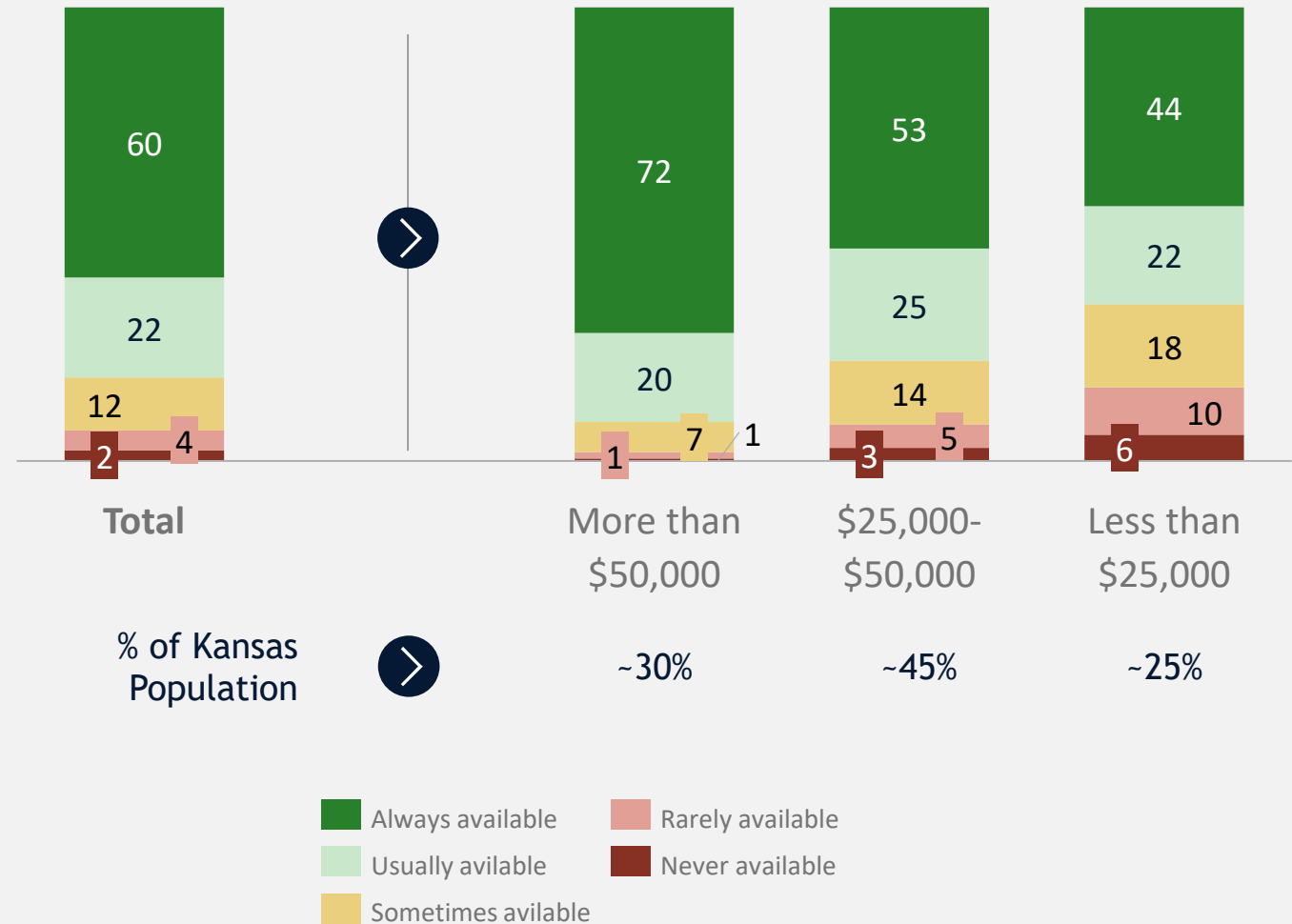
Percent of small business² ■ <17 ■ 17 - 21 ■ 22 - 29 ■ 30 - 39 ■ 40+

1. SBA loan estimate as of 6/30/2020 2. Small business defined as those establishments with less than 500 employees, including non-employers Source: Small Business Administration; Institute for Policy & Social Research Kansas; Institute for policy & social Research, The university of Kansas; data from U.S small business administration and U.S census Bureau, 2016 country business pattern and 2017 nonemployer statistics

~6% of children still lack access to computer for educational purposes, with low-income families most impacted



Computer availability for educational purpose by household income bracket, July 2020 (%)



Note: Household Pulse Survey for Kansas accounts 577,155 responses
 Source: U.S. Census Bureau Household Pulse Survey, July 16th -21st, 2020

Prioritization Examples Section

Set of illustrative strategic options to allocate funding dollars in response to needs

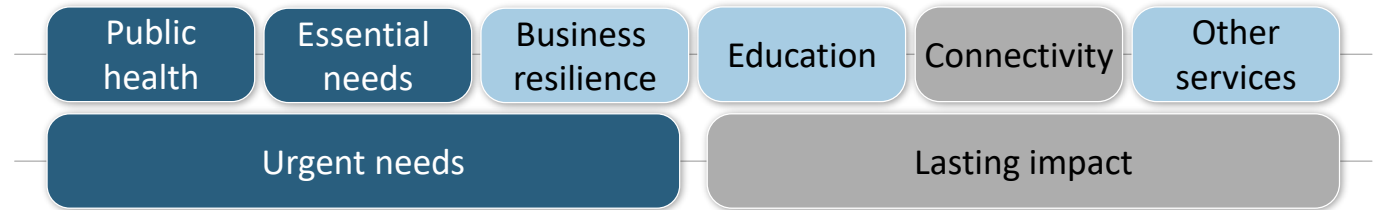
Options are not mutually exclusive, and options may be chosen in conjunction with one another based on allocation dollars

Illustrative

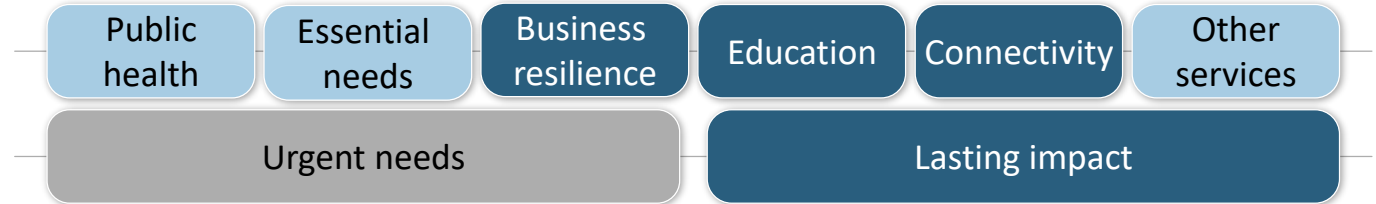
Strategy scenario

Illustration of potential priorities by scenario

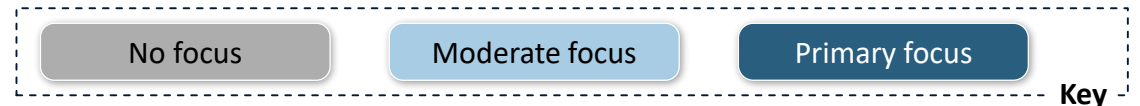
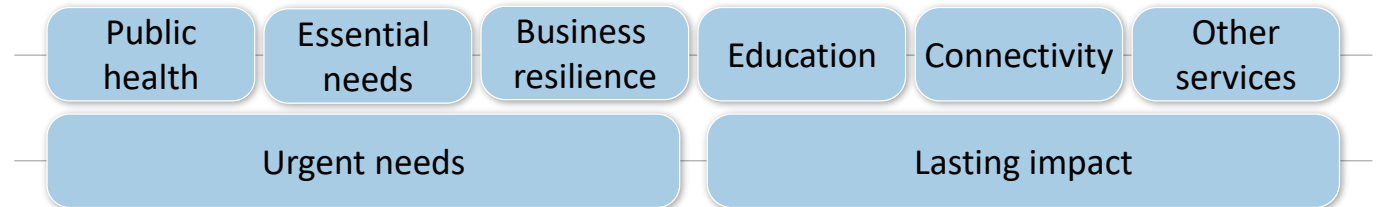
Address **urgent needs** to curb spread of pandemic and support basic needs



Invest in **opportunities for lasting impact** thorough government programs



Widely distribute funds to touch **all areas that have high need**



Initial view of key needs meeting prioritization criteria; Public health and essential needs largest categories of unmet needs

