State Finance Council
SPARK Taskforce Round 3 Recommendations
9/17/2020

SPARK Executive Committee

NAME	TITLE & ORGANIZATION	LOCATION
Tom Bell	President and CEO, Kansas Hospital Association	Topeka
Lyle Butler	President & CEO, Manhattan Area Chamber of Commerce (retired)	Manhattan
Senator Jim Denning	Vice President, Discover Vision Centers	Overland Park
Jill Docking	Senior Vice President, The Docking Group – Baird Financial	Wichita
Alise Martiny	Business Manager, Greater KC Building and Trades Council	Shawnee

SPARK Steering Committee

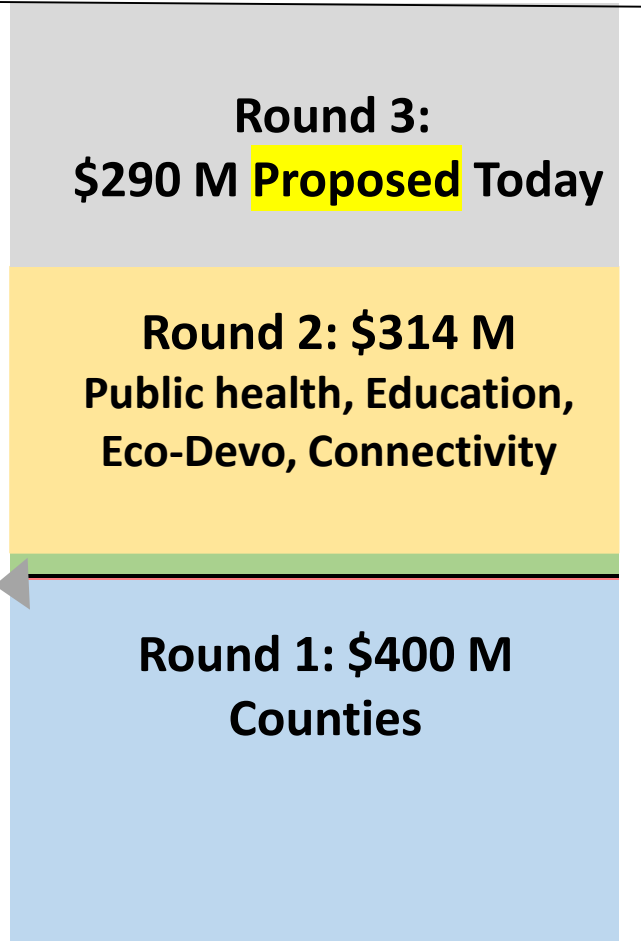| NAME	TITLE & ORGANIZATION	LOCATION
Tom Gentile	CEO Spirit AeroSystems	Wichita
Natalie Haag	Attorney, Capitol Federal Savings	Topeka
David Harwood	Senior VP, Terracon Consultants & Chair, **KANSAS**Works State Board	Olathe
Senator Tom Hawk	Ranking Minority Member, Senate Ways and Means Committee	Manhattan
Representative Dan Hawkins	House Majority Leader	Wichita
Edward Honesty, Jr	President & Chief Operating Officer, Best Harvest Bakeries	Kansas City
Chuck Mageral	Proprietor, Free State Brewing Company	Lawrence
David McCarty	Owner, McCarty Family Farms	Colby
Senator Carolyn McGinn	Chair, Senate Ways and Means Committee	Sedgwick
Shelia Nelson-Stout	President and CEO, OCCK, Inc	Salina
Neelima Parasker	President & CEO, SnapIT Solutions	Overland Park
Jim Robinson	Partner, Hite Fanning & Honeyman	Wichita
Secretary David Toland	Department of Commerce	Topeka
Representative Troy Waymaster	Chair, House Appropriations Committee	Bunker Hill
Representative Kathy Wolfe-Moore	Ranking Minority Member, House Appropriations Committee	Kansas City

Total CRF Allocations to Date

$1.034 B
Total Available

	Round 3: $290 M **Proposed** Today	
	Round 2: $314 M **Public health, Education, Eco-Devo, Connectivity**	
	Round 1: $400 M **Counties**	

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

- More than **20 meetings** have been held since June to develop these recommendations

Provided input/informed SPARK:
- Kansans
- State Finance Council
- Legislative Budget Committee
- State government including executive, judicial & legislative branches

Overview of Each Funding Round Priorities

	1st ROUND:	2nd ROUND	3rd ROUND:
DISTRIBUTED:	July	August	Sept - December
RECIPIENTS:	Local Govts.	Public/Private entities	Public/Private entities
AMOUNT:	$400 M	$314 M	$290 M
Basis of Award and Benefit:	88% Population + 12% Impact Localized solutions to serve each county's unique needs	SPARK & SFC allocation to priorities Statewide investments to serve education, connectivity, economic development & public health goals	SPARK Allocation to priorities, pending Statewide investments in COVID-19 testing, housing stability & child supervision Proposed

Round 3 Recommendation Delivery Process

Executive Director Julie Lorenz
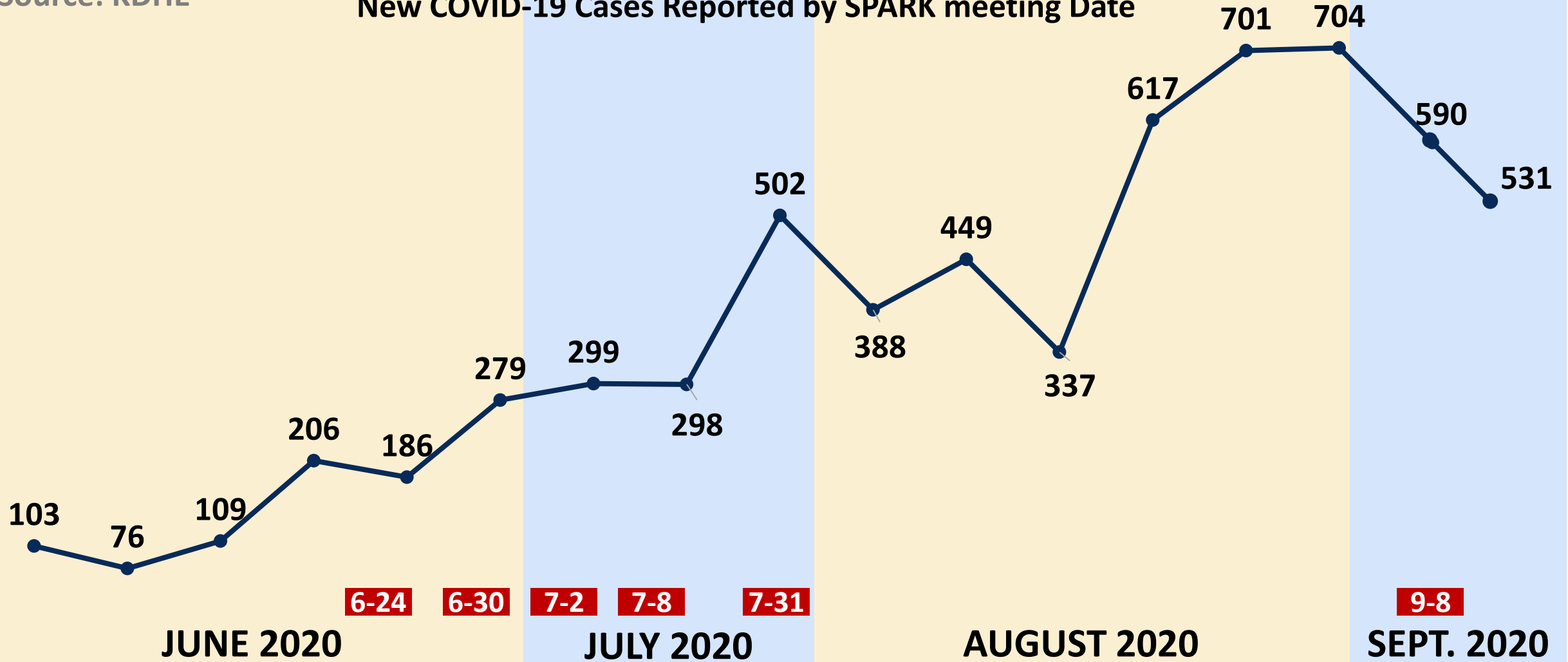
104 Days

Until December 30, counting today.

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

Evolving Process

New COVID-19 Cases Reported by SPARK meeting Date

Source: KDHE

103
76
109
206
186
279
299
298
502
388
449
337
617
701
704
590
531

6-24 6-30 7-2 7-8 7-31 9-8

JUNE 2020   JULY 2020   AUGUST 2020   SEPT. 2020
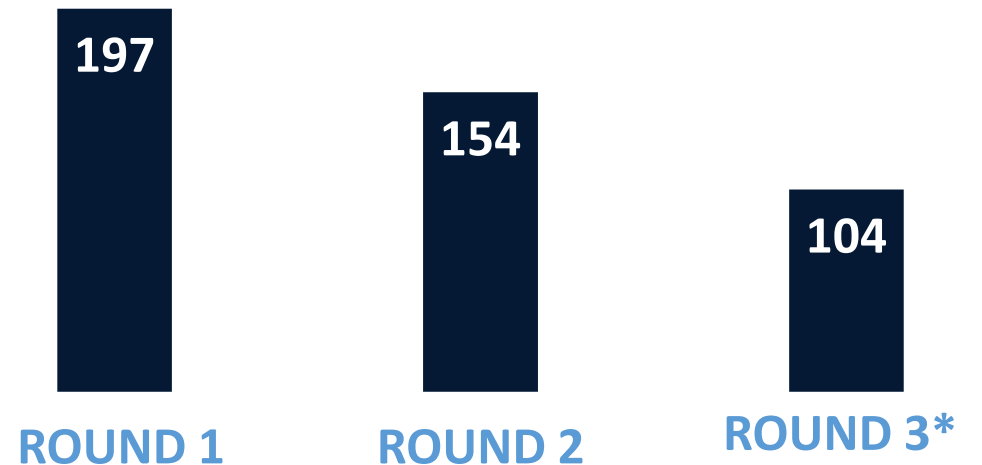
Updated Guidance from U.S. Treasury

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Round 3 Process Needs to be Dynamic & Flexible

EVOLVING NEEDS

- Demand for the round 3 priorities **(testing, child supervision, housing)** could vary considerably within weeks

LESS TIME

Days to Implement

197		
	154	
		104
ROUND 1	**ROUND 2**	**ROUND 3***

*pending SFC approval

Round 3 Programs

3 Big Programs	Public Health	Essential Needs & Services	Biz Resiliency & Workforce Support
	COVID-19 Testing	Housing Stability	Child Supervision

Round 3: Minimum Investments Based on SPARK responses

3 Big Programs	Public Health	Essential Needs & Services	Biz Resiliency & Workforce Support
"Application" minimum for top priorities	COVID-19 Testing **$50 M**	Housing Stability **$35 M**	Child Supervision **$40 M**

Round 3: Additional Priorities in Each Program

	Public Health	Essential Needs & Services	Biz Resiliency & Workforce Support
3 Big Programs			
"Application" minimums for top priorities	COVID-19 Testing* **$50 M**	Housing Stability* **$35 M**	Child Supervision **$40 M**
"Allocations" for additional priorities	$10M KDEM/FEMA $10 M PPE Adult Homes $2M for VA & Corrections testing	$30M COOP $30M KDOL	$5M HIRE Fund

See Recommendation Book for more info about what's included in each program
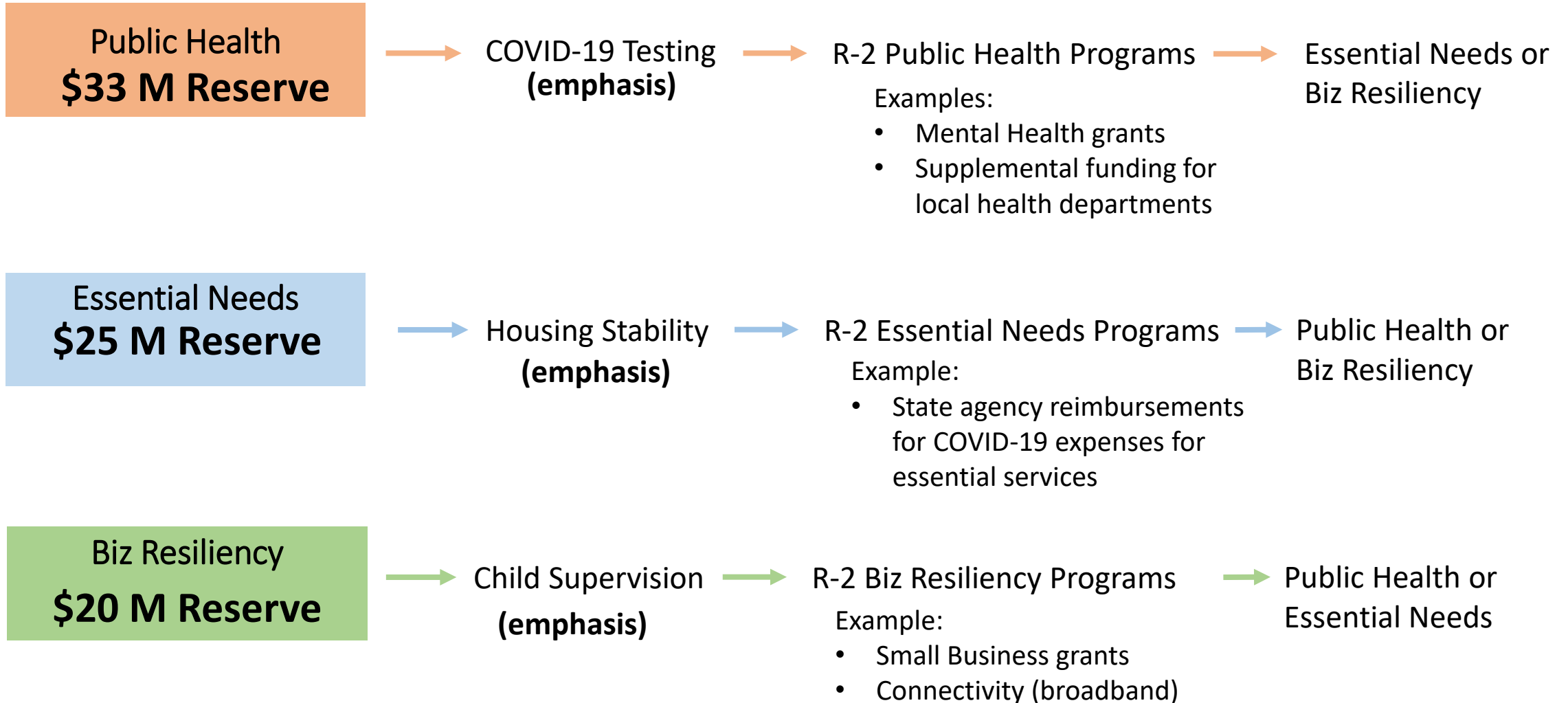
Round 3: Maximum Investments based on SPARK responses

3 Big Programs	Public Health	Essential Needs & Services	Biz Resiliency & Workforce Support
Minimum investments for top priorities	**COVID-19 Testing** **$50 M**	**Housing Stability** **$35 M**	**Child Supervision** **$40 M**
Additional priorities	$10M KDEM/FEMA $10 M PPE Adult Homes $2M for VA & Corrections testing	$30M COOP $30M KDOL	$5M HIRE Fund
Reserve Fund	**TBD**	**TBD**	**TBD**
Maximum	**$100 M**	**$100 M**	**$65 M**

Maximums & Reserve Fund for Each Program

3 Big Programs	**Public Health**	**Essential Needs & Services**	**Biz Resiliency & Workforce Support**
Minimum investments for top priorities	**COVID-19 Testing** **$50 M**	**Housing Stability** **$35 M**	**Child Supervision** **$40 M**
Additional priorities	$10M KDEM/FEMA $10 M PPE Adult Homes $2M for VA & Corrections testing	$30M COOP $30M KDOL	$5M HIRE Fund
Reserve Fund	**$33 M**	**$25 M**	**$20 M**
Maximum	**$105 M**	**$120 M**	**$65 M**

Reserve Funds Prioritization

Funds can only go to programs previously approved by SPARK & State Finance Council

| Public Health $33 M Reserve | → | COVID-19 Testing **(emphasis)** | → | R-2 Public Health Programs | → | Essential Needs or Biz Resiliency |

Public Health $33 M Reserve → COVID-19 Testing **(emphasis)** → R-2 Public Health Programs → Essential Needs or Biz Resiliency

Examples:
- Mental Health grants
- Supplemental funding for local health departments

Essential Needs $25 M Reserve → Housing Stability **(emphasis)** → R-2 Essential Needs Programs → Public Health or Biz Resiliency

Example:
- State agency reimbursements for COVID-19 expenses for essential services

Biz Resiliency $20 M Reserve → Child Supervision **(emphasis)** → R-2 Biz Resiliency Programs → Public Health or Essential Needs

Example:
- Small Business grants
- Connectivity (broadband)

R-2 (Round 2)

See Summary Handout for More Information

SPARK Taskforce Round 3 Recommendations Overview

SYNOPSIS: Seeking SPARK Executive Committee and State Finance Council approval for **$290 million of the Coronavirus Relief Fund (CRF)** to be invested in three programs: 1. Public Health, 2. Essential Needs & Services, 3. Business Resiliency & Workforce Support. Recognizing the continuously evolving needs Kansas continues to face in its health and economic response to the pandemic, the round 3 recommendations include dynamic approach that offers the flexibility to increase funds where they are most needed and avoids over committing funds now in case needs shift considerably later this year. It achieves this by creating a reserve fund for each program. See breakdown of investments for each program below.

Pending SFC Approval

$105 million for Public Health
$120 million for Essential Needs & Services
 $65 million for Business Resiliency & Workforce Support
$290 million total from Coronavirus Relief Fund (CRF)

PUBLIC HEALTH	
$52,000,000	COVID-19 Testing. A minimum of $50 million must be invested in COVID-19 testing. Testing proposals will be sought and selection criteria will be informed by SPARK. Potential applicants could include private labs, universities and public agencies. NOTE: This also includes the $2 million for the VA and Dept. of Corrections for testing.
$10,000,000	KDEM/FEMA Match
$10,000,000	PPE for Adult Homes (HB 2016)
$33,000,000	Reserve Fund. These dollars can be used to increase COVID-19 testing, PPE or other previously approved round 2 priorities.
$105,000,000	Total for Public Health

ESSENTIAL NEEDS & SERVICES	
$35,000,000	Housing Stability. A minimum of $35 million must be invested in housing stability, which will include rental assistance, landlord support, and utilities assistance. The program will be administered by the Kansas Housing Resources Corp.
$30,000,000	Continuity of Operations (COOP) – For State executive, legislative and judicial agencies to ensure provision of essential services and continuity of essential operations.
$30,000,000	Dept. of Labor UI Stability & Support – For IT upgrades, increased staffing to deliver the Pandemic Unemployment Assistance program and enhanced fraud identification and mitigation efforts.
$25,000,000	Reserve Fund. These dollars can be used to increase investments in Housing Stability, COOP, or other previously approved round 2 priorities.
$120,000,000	Total for Essential Needs

BUSINESS RESILIENCY & WORKFORCE SUPPORT	
$40,000,000	Kansas Children's Cabinet Trust Fund to provide remote learning centers for school-age children. A minimum of $40 million must be invested in child supervision/ remote learning for working parents.
$5,000,000	Dept. of Commerce for HIRE Fund.
$20,000,000	Reserve Fund. These dollars can be used to increase investments in remote learning centers for school-age children or other previously approved round 2 priorities.
$65,000,000	Total for Business Resiliency

Process & Delivery Framework for Round 3

Round 3 Process Mirrors Round 2 Process

Allocations	
$10 M	KDEM/FEMA Match
$10 M	PPE for Adult Homes (HB 2016)
$30 M	KDOL UI Stability & Support
$30 M	Continuity of Operations (COOP)
$5 M	HIRE Fund

Applications	
$35 M	Housing Stability
$40 M	Childcare Support
$52 M	COVID-19 Testing

Process by Distribution Types

	Allocations	**Applications**
Cost	Fixed	Minimum investments required. Can increase.
Fund Distribution	One-time	Ongoing
Recipients	Public Agencies	Public/Private entities
Compliant	Yes	Application process supports
Statewide Coordination	Yes	Selection parameters will ensure
Begins	Immediately following SPARK & SFC approval	Applications begin on or before Oct. 1 pending SPARK & SFC approval

Approaches Built upon **SPARK** Input

Essential Needs & Services – *Housing Stability*
Application

What is the goal?
- Address housing stability to mitigate risk of widespread evictions after federal moratorium ends
- Provide financial support, namely **rental assistance**, to **4,700 – 18,750 at risk households**, which represents 4 - 16% of **total** at risk households

Why is it needed?
- 30 – 44% of Kansas renters are currently **at risk of**
- **Low income households** are disproportionately im

Who is eligible?
- Families who are at risk of eviction due to COVID insurance); household income **may not exceed 85**
- Landlords who have eligible tenants

Costs, metrics, and benchmarks

Proposed Funding for Round 3: $35M

Cost	Number of households	Months covered
$15M	4,700	Up to 9
$35M	10,950	Up to 9
$60M	18,750	Up to 9

Duration of support: Up to 9 months (payments in arrears back to April, and forward payments up to December)

Estimated cost: Up to $3,200 per household

Prioritization
- Low incom
- First phase DCF syster
- Second ph included i

Scale
- Payments w
  — Pay am
  — Up dep

Essential Needs ③

Process

Administrating agency:
Kansas Housing Resources Corporation

Recommendation Book

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- Shorten testing turnarounds
- Clearly defined populations or locations to serve for testing
- Number of Kansans impacted
- Impact on Kansans if need not addressed

Recommendation Book

Public Health – *COVID-19 Testing*
Application

What is the goal?

- Protect the health of Kansans by **minimizing disease transmission as we move towards a fully re-opened state**
- Provide funding to support a **unified testing strategy** (e.g., lab capacity, logistics, reporting) to meet the unique needs of population groups and regions/counties across Kansas

Why is it needed?

- As Kansas reopens, an increase in contact intensity and **disease transmission is highly likely**
- Broad testing program will be critical to **controlling disease transmission, keeping Kansans safe, and keeping the economy / businesses open**

Who is eligible?

- **State agencies; Application process** for additional testing elements (e.g., lab capacity, logistics) for qualified/ eligible providers (e.g., private labs, universities)

Costs, metrics, and benchmarks

Allocation for Round 3: $52M+

Round 1 (County): $10M[1]
Round 2 (State): $24M

Prioritization

- *Prioritize populations who are deemed higher risk and underserved communities / regions*
  - Ongoing re-prioritization of groups (e.g., nursing homes, prisons) and regions (e.g., rural areas) based on disease transmission
  - Means testing of uninsured and asymptomatic individuals in prioritized populations/ regions

Scalability

- *Scale capacity up based on disease transmission and ongoing analysis of need*
  - Run open, transparent procurement process for additional lab resources and ongoing logistics
  - Set up stable supply chains for testing supplies with option to expand volume & speed up test results

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Process

Administrating agency:
Kansas Department of Health & Environment (KDHE)

Federal requirements:
- ✓ Not included in previous budgets
- ✓ Expenditures before Dec. 30th
- ✓ Aligned with US Treasury guidance on CRF eligible expenditures

Application process:
- State agencies to submit proposals for populations
- KDHE to create application process for (e.g.,) lab capacity, logistics; open to qualified providers (e.g., MAWD, WSU)

Technical assistance:
- KDHE and Governor's Office will give ongoing direction on state of disease in KS and the resultant priorities for labs, populations, and logistics

1. Due to classification differences, this figure may over or underestimate spending (e.g., some transfers to healthcare institutions may be classified as testing expense)

Public Health – *Emergency Protective Measures*
Allocation

What is the goal?

- **FEMA Match:** Provide **FEMA funds for eligible emergency protective measure expenses** for stakeholders, including, but not limited to **first responders, hospitals, long-term care, health departments and other local/state personnel**[1]
- **Adult Homes (HB 2016):** Secure Protective Personal Equipment (PPE) pipeline for the long-term (2.5 months) for anticipated demand in Fall

Why is it needed?

As we approach the Fall, there is a **risk that increasing PPE demand** could put at risk supply availability of PPE in the long term

FEMA Match

- Since activating in March, the State Emergency Operations Center (SEOC) has supported the delivery of ~8,500,000 pieces of PPE to partners experiencing supply shortfalls
- Stafford Act includes a 25% local cost share (FEMA Match) for FEMA-eligible expenses, for which CRF funds can be used

Adult Homes (HB 2016)

- Adult homes are potential COVID-19 hot spots as they combine numerous risk factors (congregate living, vulnerable population...) and have incurred unexpected expenses related to COVID-19 and need assistance to offset the cost of securing PPE supplies

Who is eligible?

- **KDEM SEOC:** KDEM is the lead agency in coordinating emergency operations through all phases of emergency management. The SEOC is a multi-agency coordination center from which the state's response and recovery actions to support local levels of government before, during and after a disaster
- **PPE for Adult Homes:** +700 Assisted Living, Residential Health Care, Home Plus and other not Medicaid certified nursing facilities (unlike Medicaid / Medicare certified facilities, these facilities have not received direct payments from CMS)

Costs, metrics, and benchmarks

Proposed Funding for Round 3: $20M

Round 1 (County) Allocation: $4M[2]
Round 2 (State) Allocation: $38M

Allocation	Cost	Impact
• KDEM – FEMA Match Program	$10M	n/a
• KDADS – PPE for Adult Homes (HB 2016)	$10M	15,100 residents (2.5 months)

Process

Administrating agency:
- Kansas Division of Emergency Management (KDEM)
- Kansas Department for Aging and Disability Services (KDADS)

Federal requirements:
- ✓ Not included in previous budgets
- ✓ Expenditures before Dec. 30th
- ✓ FEMA eligible expenses (only applies to the KDEM dollars & does not apply to adult homes PPE)

Application process:
- No application required

Technical assistance:
- n/a

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1. Funds are only eligible for KDEM SEOC expense portion of FEMA match; 2. Does not include direct-expenditures from counties / cities in PPE in Round 1, dollars were allocated to KDEM to purchase PPE for counties; 3. Subject to changes in guidance from FEMA effective Sept. 15, 2020

Essential Needs & Services – *Housing Stability*
Application

What is the goal?

- Address housing stability to mitigate risk of widespread evictions after federal moratorium ends
- Provide financial support, namely **rental assistance**, to **4,700 – 18,750 at risk households**, which represents **4 - 16% of total** at risk households

Why is it needed?

- **30 – 44% of Kansas renters** are currently **at risk of eviction**, representing **117 – 155K households**
- **Low income households** are **disproportionately impacted** by lack of housing stability

Who is eligible?

- **Families who are at risk of eviction due to COVID-19** (e.g., job loss, hours/wage reduction, loss of unemployment insurance); household income **may not exceed 85% of area median income**
- **Landlords who have eligible tenants**

Costs, metrics, and benchmarks

Proposed Funding for Round 3: $35M

Round 1 (County) Allocation: $10.3M
Round 2 (State) Allocation: n/a

Cost	Number of households	Months covered
$15M	4,700	Up to 9
$35M	10,950	Up to 9
$60M	18,750	Up to 9

Duration of support: Up to 9 months (payments in arrears back to April, and forward payments up to December)

Estimated cost: Up to $3,200 per household

Prioritization
- Low income families, households that make 85% or less of state median income
- First phase – work directly with landlords of affordable housing units within the DCF system, to provide support for eligible tenants within those units
- Second phase – direct application from eligible tenants, outside of those included in the first phase

Scale
- Payments will be made up until the point of making tenants whole
  - Payments in arrears will be made to remove any outstanding rental amounts owed for tenants
  - Up to 3 months of payment looking forward (October to December), depending on availability and need of household

Process

Administrating agency:
Kansas Housing Resources Corporation

Federal requirements:
- ✓ Expenditures before Dec. 30th
- ✓ Aligned with US Treasury guidance on
- ✓ CRF eligible expenditures

Application process:
- First phase - Landlords of affordable housing units within DCF system
- Second phase – households, not included in first phase will apply through direct application
- Funding will go directly to landlords
- Landlords will sign a renter protection contract, restricting them from evicting tenants for, or reporting to credit agencies, tenant rental arrears
- Compliance division will monitor and audit to ensure no subsequent evictions
- KHRC will confirm with tenant that they have not already received prior assistance

Technical assistance:
- Department for Children and Families has database that can help in application & decision processes

Essential Needs & Services – *Continuity of Operations*
Allocation

What is the goal?

- **Provide funds to Kansas Agencies and branches** to ensure **provision of essential services** (e.g., distance learning needs, expansion of isolation and quarantine units) and **continuity of essential operations** (e.g., cover additional staffing support, technology and tools for remote working, ensure health safety guidelines in the workspace)

Why is it needed?

- Government agencies negatively impacted as social distancing prevents public service from working as usual; **requires new people, processes, and technologies** to continue provide **essential services to Kansans**
- COVID-19 has stressed the need to **adapt models of government operations and interactions with citizens to the new reality**

Who is eligible?

- **State agencies, all branches, and state elected officials' offices**

Costs, metrics, and benchmarks

> **Proposed Funding for Round 3:** $30M

Round 1 (County) Allocation: n/a
Round 2 (State) Allocation: n/a

Illustrative proposals	Cost
• Legislative Branch – Kansas Virtual Statehouse	$5M
• Judicial Branch – Courts / Judicial Protective Measures, Remote Service Needs, etc.	$3.5M
• Kansas School for the Deaf and the Blind – Tech & Distance Learning Needs, Air Quality	$898K
• *State Fair (note: contingent on changes in federal guidelines)*	$2M
Remainder	$16.6M
Total	**$30M**

Process

Administrating agency:
Kansas Department of Administration

Federal requirements:
- ✓ Not included in previous budgets
- ✓ Expenditures before Dec. 30th
- ✓ Aligned with US treasury guidance on CRF eligible expenditures

Application process:
- Agencies will apply for funds
- Applications reviewed by Division of Budget, Recovery Office and Dept. of Administration

Technical assistance:
- n/a

Essential Needs – *UI Stability & Support Allocation*

What is the goal?

- The Kansas Department of Labor (KDOL) will complete the **build out and staffing of the Pandemic Unemployment Assistance (PUA) program** as well as provide enhanced **fraud identification and mitigation efforts** and **surge support staffing** for KDOL's call centers to handle increased customer service demands.

Why is it needed?

- Kansas Department of Labor facing a historically high volume of unemployment claims due to the COVID-19 pandemic
- Database stabilization and enhancements allow KDOL to better serve Kansans and ensure delivery of unemployment benefits that can help address essential needs and provide roadmap for long-term improvements of the UI program

What is eligible?

- Improving system delivery of benefits to Kansans unemployed due to COVID-19.
  - Includes surge staffing to support claimants, build out of the PUA program, and other system stability efforts.

Costs, metrics, and benchmarks

Proposed Funding for Round 3: $30M

Round 1 (County) Allocation: n/a
Round 2 (State) Allocation: n/a

Cost	Program supported
$9.8M	Surge Staffing (call center, fraud, and adjudications support)
$5.2M	Administration and build out of PUA Program
$15.0M	Other Supports (database stabilization and enhancements)

Prioritization

- *Prioritize customer service delivery to unemployed Kansans*
- *Prioritize system stability to better serve Kansas*

Plan to scale up the program

- *Address short-term crisis to meet needs, then scale down to meet operational needs in the long-term.*

Duration of support:
Until December 31st, 2020

Process

Administrating agency:
 Kansas Department of Labor

Federal requirements:
- ✅ Not included in previous budgets
- ✅ Expenditures before Dec. 30th
- ✅ Aligned with US Treasury guidance on CRF eligible expenditures

Application process:
- No application required

Technical assistance:
- n/a

Business Resiliency & Workforce – *Remote Learning Centers for School-Age Children* - **Application**

What is the goal?
- **Alternative care** models to offer children **learning support and supervision while parents are at work**
- Secure financial support to organizations for **staffing/operations and internet access for 25,000 children (15% reach based on need** for school-age students remote learning during the first semester)

Why is it needed?
- **65-70%** of Kansas children live in households where **all parents work**
- **2/3 of students** ages 5-12 starting school year in **remote or hybrid settings** (~169K students impacted)
- **Need to increase capacity** (currently constrained, with difficulties to meet demand)

Who is eligible?
- **Provider organizations** (e.g., KDHE-licensed early care and youth programs / facilities and local programs with demonstrated experience delivering care [YMCAs, Boys & Girls Clubs, faith-based organizations, other community programs])

Costs, metrics, and benchmarks

Proposed Funding for Round 3: $40M (minimum)

Round 1 (County) Allocation[2] : $3M
Round 2 (State) Allocation[2] : $10M

Cost	# of students	Days per week
$22.5M		2
$33.8M	25,000	3
$45.0M	(estimated*)	4
$56.3M		5

Duration of support: 14-16 weeks
Estimated cost: ~avg. $30 per child per day*

*Note these numbers are **estimates** that will vary depending on regional cost differences, USD learning modes, and system capacity*

Outside proposals to date *(examples)*:
- Boys & Girls Clubs ($1.2M)
- YMCA ($30M)

Beneficiary prioritization - Applicants will be asked to:
- Demonstrate ability to include children from families in vulnerable or underserved populations (e.g., extreme and very low income, single parent, homeless) – we will work with the programs to ensure we are not double funding families / providers
- Identify proposed catchment areas (school districts potentially served) where schools are in hybrid/remote learning modes (including plan to reach underserved areas)

Sliding scale
- Providers to describe model for a sliding fee scale to ensure inability to pay is not a barrier to services and CRF dollars are maximized

Plan to scale up the program
- Due to the dynamic situation in each school district, providers must hire staff and secure space, internet service, and equipment for the semester. They must be available for daily drop-ins, rather than limiting to families that sign up for regular/ routine care. This comes at a cost families in need cannot manage without assistance

Process
Administrating agency: KCCTF

Federal requirements:
- ✓ Not included in previous budgets
- ✓ Expenditures before Dec. 30th
- ✓ Aligned with US Treasury guidance on CRF eligible expenditures[1]

Application process:
- Provider organizations will apply for funds to serve the projected number of families.
- Allowable costs include operations and subsidized care for families.

Technical assistance:
- The Kansas Enrichment Network will provide webinars that address pressing issues identified by AS/OST providers
- Bi-weekly technical assistance office hours would be available to address site-specific needs
- Be a connector between excess capacity and demand

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1. US Treasury guidance lists "Expenses to facilitate distance learning…to enable compliance with COVID-19 precautions" as CRF eligible   2. Includes all funds allocated to children-related support (e.g., counties allocation to childcare providers in Round 1, ECE Health Consultant Network, ECE Health Fund, and Technology for Families in R2)

Business Resiliency & Workforce – *Commerce HIRE Fund Allocation*

What is the goal?

- Allocate funds from Kansas' **Job Creation Fund** to businesses operating in the **hospitality industry**, in order to mitigate the immediate impacts of COVID-19, felt by those businesses
- Goal was to provide loans to some of the hardest hit small businesses in Kansas, as soon as possible

Why is it needed?

- This program was launched March 20, 2020. When the statewide shut down happened March 16, 2020, businesses within the hospitality industry (restaurants, hotels, etc.) were immediately impacted.
- **1,645 full time and 2,832 part time employees** were retained as a result of HIRE

Who is eligible?

- Businesses within the hospitality industry that were impacted by COVID-19. Businesses had to meet certain requirement to be eligible

Costs, metrics, and benchmarks

Proposed Funding for Round 3: $5M

Round 1 (County) Allocation: n/a
Round 2 (State) Allocation: n/a

Note: Recipients of HIRE funding were also able to apply to Round 2 Small Business Working Capital Grant program[1]

Region	# Businesses Received Loans	$ Amount Loans
Douglas, Johnson, Shawnee, and Wyandotte Counties	136	$2.0M
Sedgwick County	68	$1.0M
Rest of State	140	$2.0M

Estimated cost: *Average loan amount of **$14,500**, total **344 loans** allocated*

Loan repayment terms: *One-time loan of up to $20K at 0% interest for a period of 36 months. No principal or interest payments for the first four months.*

Prioritization

- *Businesses who suffered losses*
- *Businesses who had fewer than 100 employees*
- *Businesses who had no outstanding state obligation*
- *Businesses who submitted personal guarantee of repayment*

Process

Administrating agency:
Kansas Department of Commerce

Federal requirements:
- ✓ Not included in previous budgets
- ✓ Expenditures before Dec. 30th
- ✓ Aligned with US Treasury guidance on CRF eligible expenditures
- ✓ Special consideration on duplication of benefits, from other CARES Act Funding (e.g., PPP & Commerce Small Business Working Capital Grants)

Application process:
- Businesses had to meet the following requirements to be eligible:
  - *Be an existing for-profit hospitality business located in Kansas*
  - *Maintain a staff of fewer than 100 employees*
  - *Have no outstanding state tax obligation*
  - *Be willing to submit a personal guarantee of repayment from the owners of the business*

Technical assistance:
- n/a

1. 107 of 4,600 applicants to the Small Business Grant program indicated they had received HIRE funds