

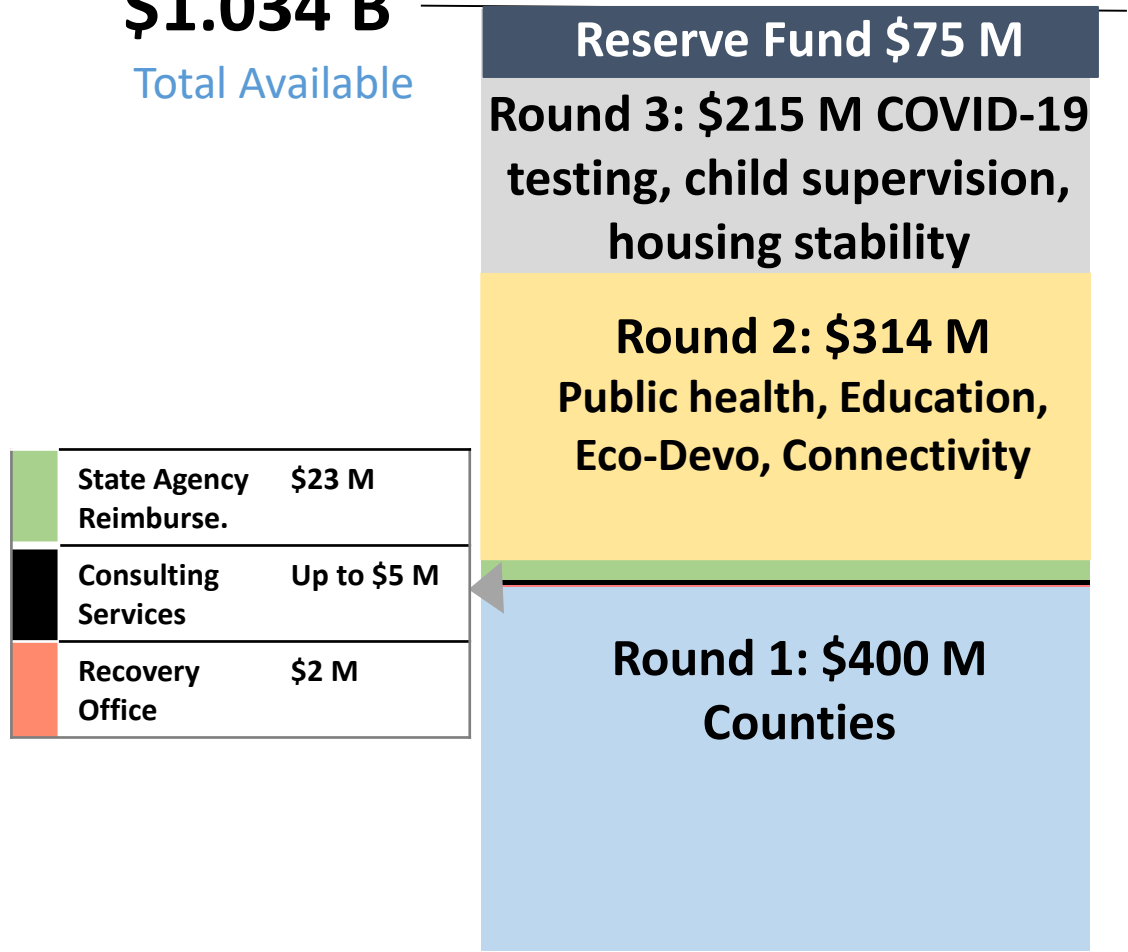


State Finance Council
Office of Recovery Recommendations
10/29/20



Total CRF Allocations to Date

\$1.034 B
Total Available



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

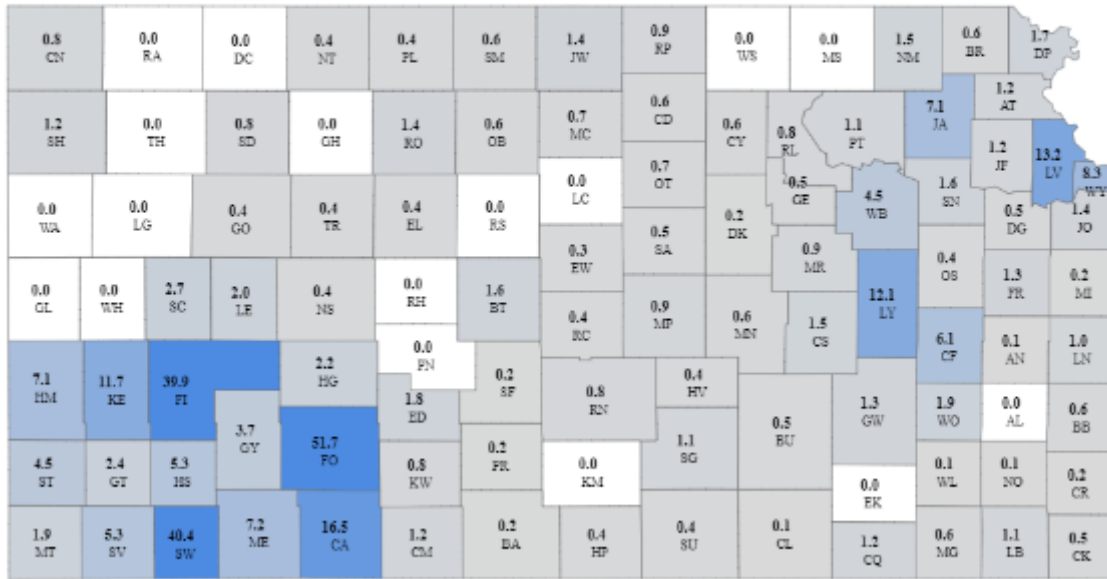
A blue 2020 calendar is shown, partially unrolled, with the year '2020' printed at the top. The calendar displays the months from January to December, with days of the week and dates visible. Overlaid on the calendar in large, white, bold text is the question: 'What have we learned in the last 150 days?'.

**What have we learned
in the last 150 days?**

1

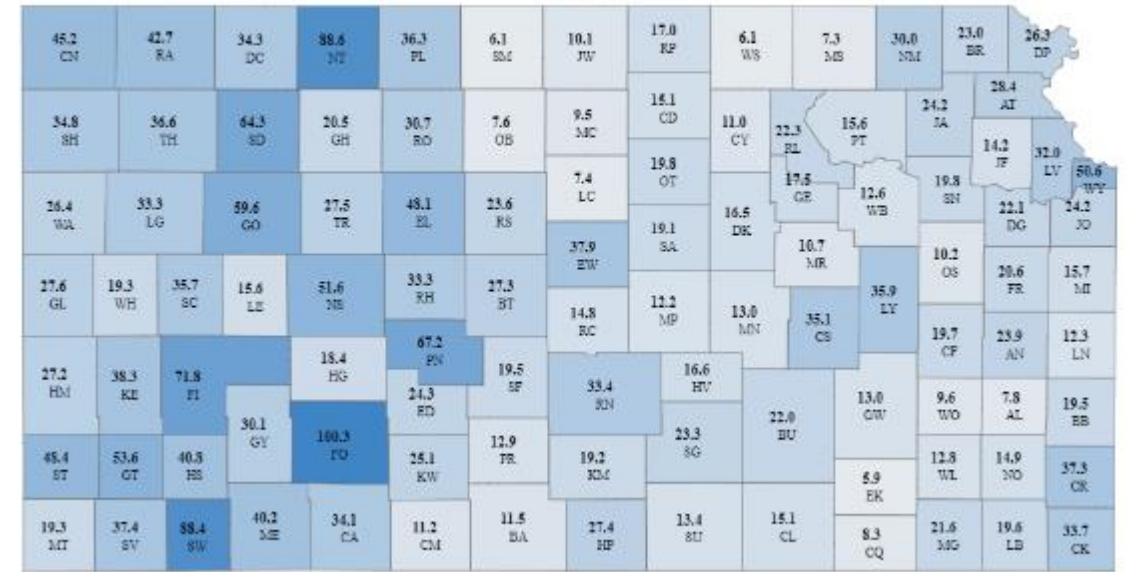
Be flexible/responsive: Needs can shift quickly

Total Case Rate per 1,000 by County



COVID-19 Case Rates at 1st SPARK Meeting
June 2, 2020

Total Case Rate per 1,000 by County

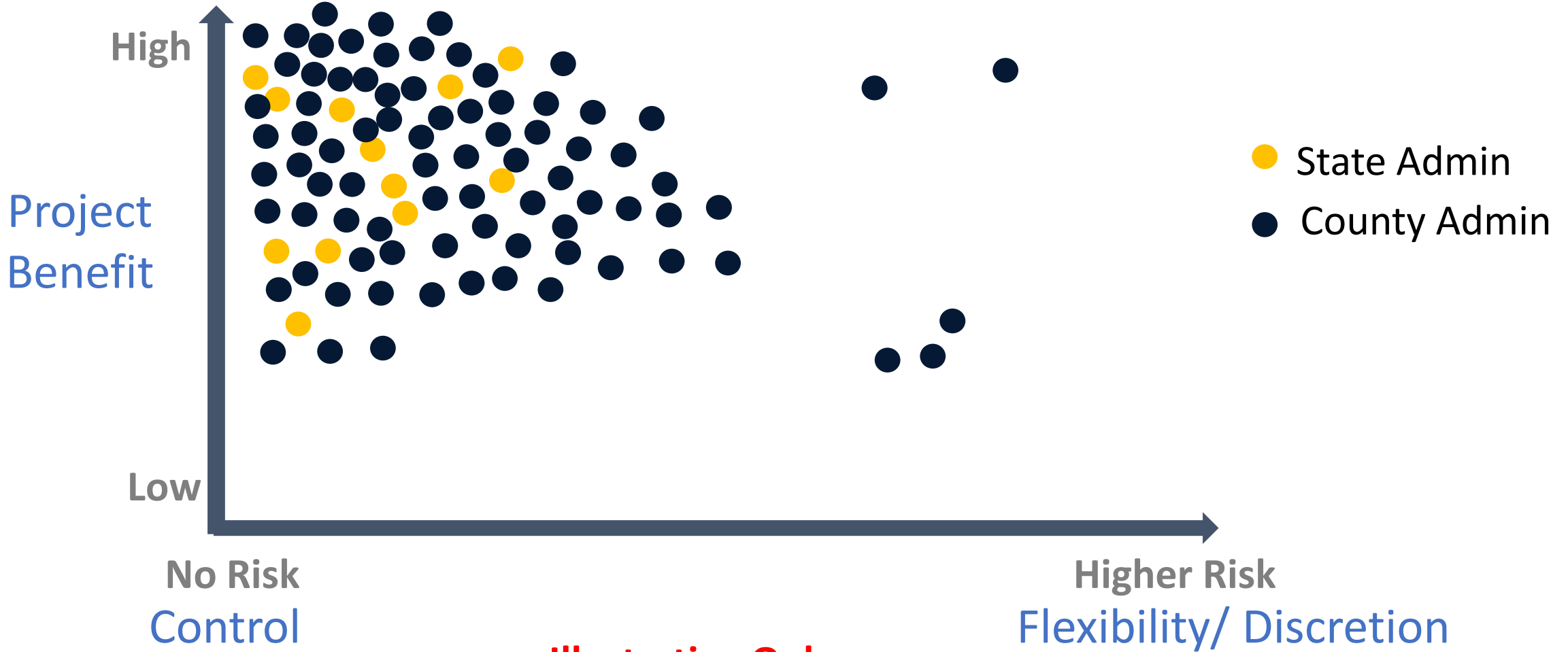


Current COVID-19 Case Rates
October 27, 2020

Ex: Allowing **counties to tailor investments** to their needs & adjust along the way

2

Benefit, risk & guidance



Illustrative Only

Kansas has a strong oversight process

	Approved Allocation	Projects & Programs Shaped by	Monitors for Compliance	Risk Mitigation
Round 1: Counties	SFC & SPARK	Counties & Local taskforces	Office of Recovery	County Resolution
Rounds 2 & 3 State Agencies	SFC & SPARK	SFC & SPARK	Office of Recovery	State Agency MOA

- Keep in mind that compliance is a moving target.
 - U.S. Treasury has sent updated guidance **frequently**

We work with counties to
ensure investments are
compliant & to **strengthen**
these **investments**



3

Be open to new **strategies**
and **partnerships**

Don't spend just "to
spend"

Ex: Statewide Courier



4

Program **specificity** can limit our ability to serve **Kansans**

External issues can create delays

Ex: Support for Essential Workers



5

Delivery **time** matters!

Only **39 working days** remain
before Dec. 30 deadline

Impacts all investments

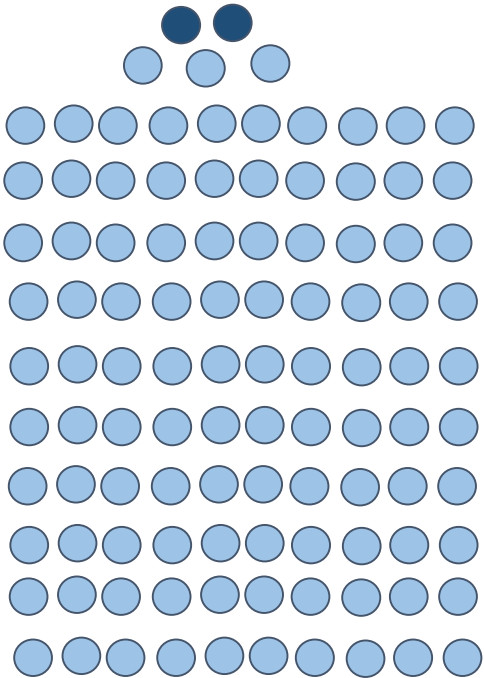




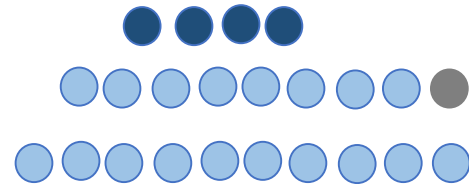
**Recovery Office
compliance, coordination**



- Complete
- Underway
- Not needed



**Round 1:
105 Counties**



**Round 2:
23 Statewide Programs**



**Round 3:
3 Statewide Programs**

Overview of Each Funding Round Priorities

	1st ROUND:	2nd ROUND	3rd ROUND:	Reserve Funds:
DISTRIBUTED:	July	August	Sept - December	Oct. – Dec.
RECIPIENTS:	Local Govts.	Public/Private entities	Public/Private entities	Public/Private entities
AMOUNT:	\$400 M	\$314 M	\$215M	\$75M
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: education, connectivity, economic development & public health goals	SPARK & SFC allocation to priorities Statewide investments: public health, essential needs, business resiliency & workforce support	N/A Round 2 or 3 priorities depending on demand



Consistent approach, changes reflective of lessons learned

	9/17 SFC Meeting Approved	Proposed Today
Office of Recovery must request SFC approval to distribute Reserve Funds for previously approved programs	✓	
Reserve Fund prioritization process	✓	
Recommendations to release Reserve Funds		✓
Modifications to existing Round 2 programs, ability to transfer funds among programs to expediate delivering services for Kansans		✓

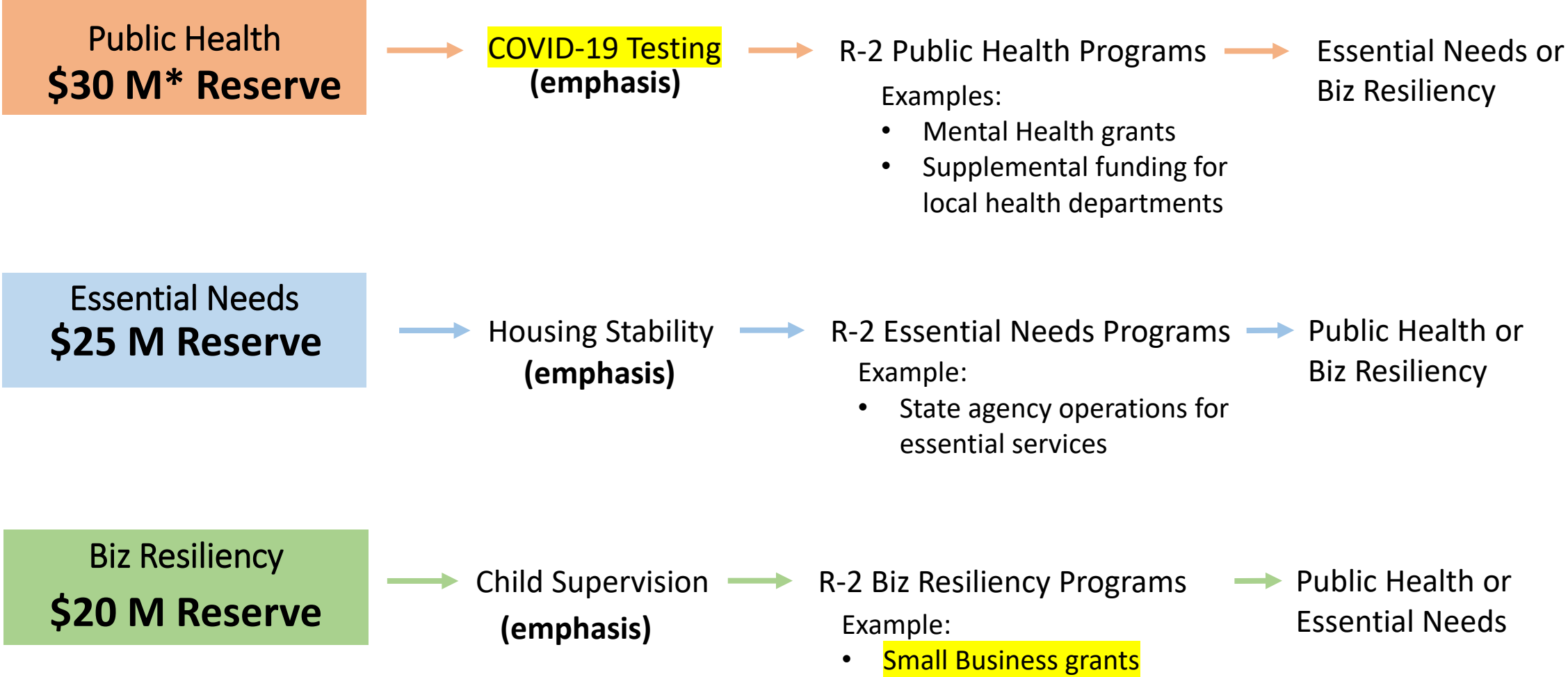
Round 3: Maximums & Reserve Fund for Each Program

3 Big Programs	Public Health	Essential Needs & Services	Biz Resiliency & Workforce Support
Minimum investments for top priorities	COVID-19 Testing \$53 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	\$30 M	\$25 M	\$20 M
Maximum	\$105 M	\$120 M	\$65 M

*SFC amended to include \$2.77M for private colleges

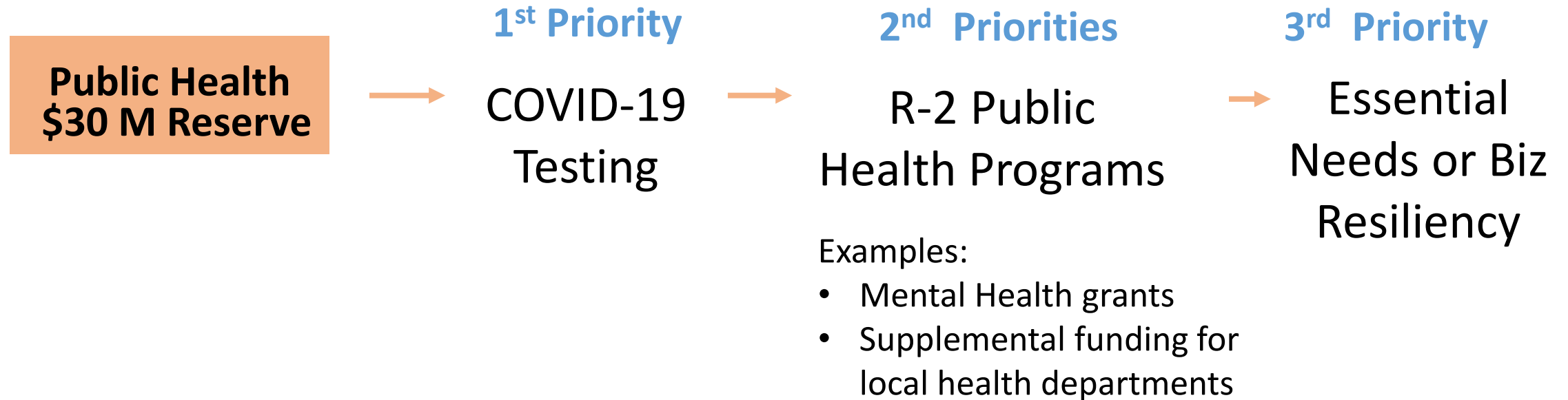
Reserve Funds Prioritization

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



*Reserve adjusted based on SFC amendment for \$2.77 M to private colleges

Reserve Funds Prioritization for **Public Health**



Investment Recs driven by need & delivery time

Public Health
\$30 M Reserve

1 Did the proposals for COVID-19 testing exceed the \$50M minimum?

YES. KDHE could potentially utilize up to \$95M for testing.

2 Is expanding COVID-19 testing a top need for Kansas?

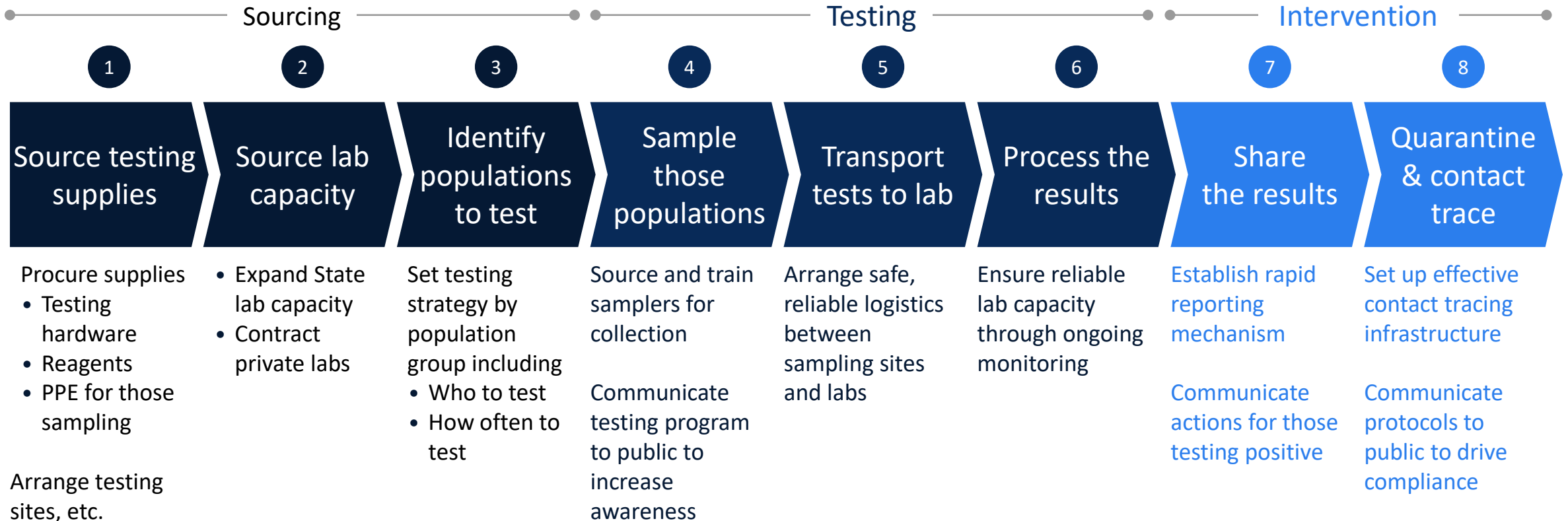
YES. Kansas is experiencing its highest case rates now. Mitigating spread has been a top priority for SPARK & SFC.

3 Can these funds be delivered on-time?

YES.

REC: Invest \$30M of Public Health Reserve in COVID-19 Testing

Kansas Unified Testing Strategy | Steps Involved in COVID-19 Testing



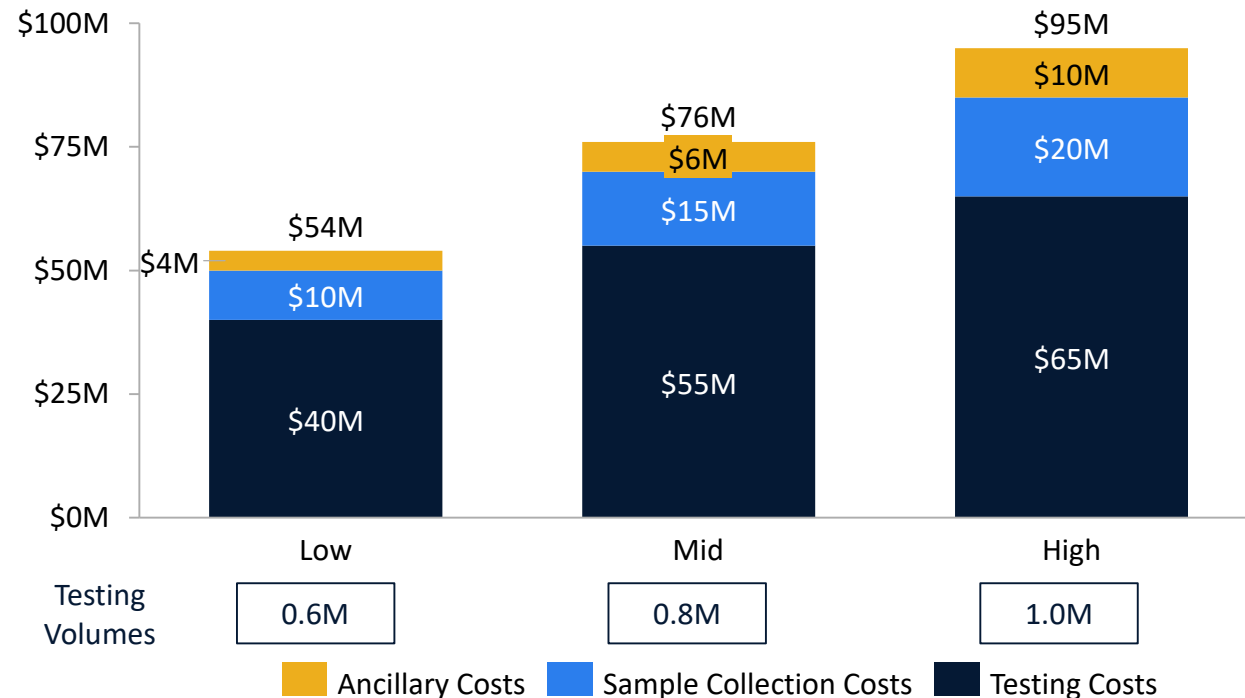
Estimated cost of testing strategy up to \$95M by end of year

Composed of testing costs, sample collection costs, and ancillary costs



Total estimated cost to State up to \$95M for testing volumes of 0.6M - 1.0M tests by end of 2020

Projected total Cost to State by end of 2020



Explanation of Ancillary Costs

Marketing / Communications – Generate awareness of and demand for testing across Kansas

Contact Tracing Expansion – Increase utilization of current third-party vendor contract for contact tracing as increased testing will lead to greater need for contact tracing

IT – Improve Kansans' ability to locate, schedule, and access testing using digital solutions

Quarantine & Isolation – Provide support for Kansans under quarantine & isolation (food, water, essentials, etc.) as increased testing will lead to more quarantine & isolation

Administration Costs – Administrative costs needed to project manage the testing ramp up



KDHE has workplan through end of year to ramp testing program

Key testing program workstreams



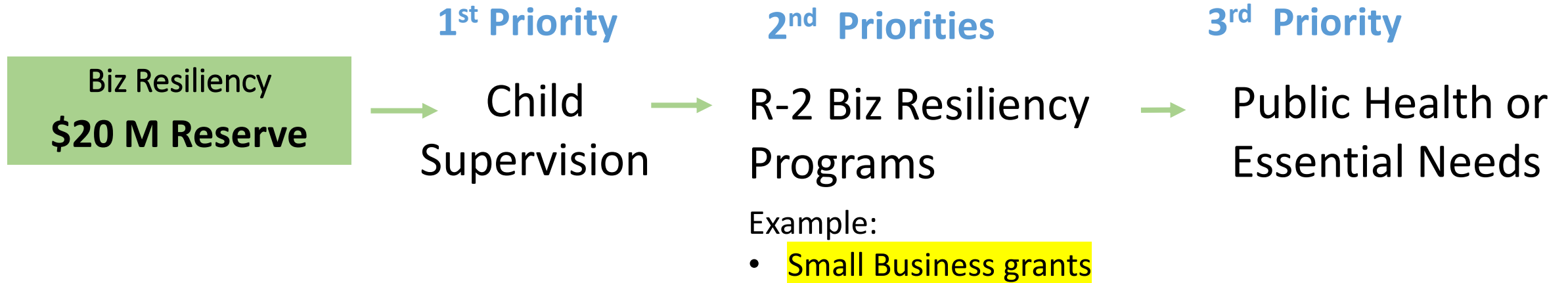
Phases of testing program ramp

Phase I. Finalize strategy & Launch project
Oct 2020

Phase II. Initial testing operations ramp up
Nov 2020

Phase III. Capacity building & 2021 planning
Dec 2020

Reserve Funds Prioritization for Business Resiliency



Investment rec driven by demand, need & delivery time

Biz Resiliency
\$20 M Reserve

1 Did the Child Supervision proposals **exceed the \$40M minimum?**

NO. More time needed to receive applications, but do not anticipate exceeding \$40M

2 Is there **need** or **demand** for more Small Business grants?

YES. More than \$133M requested, about \$35M awarded. Small businesses are among the economic sectors hit hardest. Will save jobs

3 Can these funds be **delivered** on-time?

YES

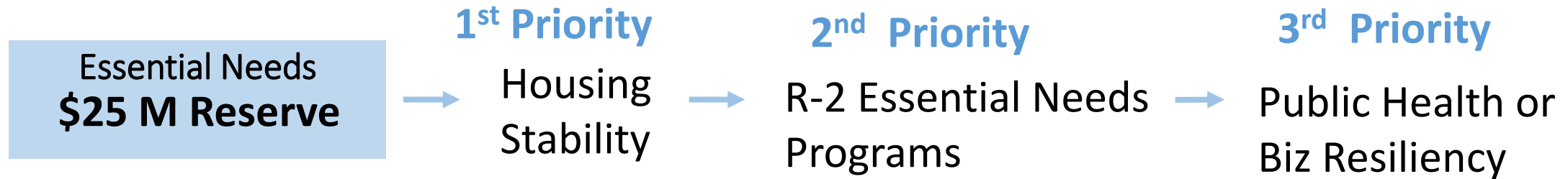
REC: Invest \$20M of Biz Resiliency Reserve in Small Business Grants

Department of Commerce will award funds to existing applicants

- Over 4,500 applicants (out of 5,700+ total) applied within the first 48 hours and were declined because funds ran out.
- Commerce will make more selections in the order the applications were received
- Remainder of applicants will be shared with counties in case they would like to award funds to businesses in their communities who were not funded previously



Reserve Funds Prioritization for Essential Needs



Example:

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

Investment recommendations driven by demand & need

Essential Needs
\$25 M Reserve



1 Did the demand for Housing Stability exceed the \$35M allotted?



TBD. Applications still being received. Statewide announcement made on Oct. 21. More time needed.

2nd Priority for Essential Needs is state agency operations which requires less time to administer that application programs.

REC: Keep \$25M in Essential Needs Reserve for Now.

Rec: Give RO ability to make minor modifications to programs & transfer funds among Round 2 programs

Applies to:

- Includes 23 programs approved under Round 2.
- \$314 M total
- We anticipate less than \$30M total will need to be redistributed or transferred among programs

Modifications:

- Program modifications will not change who receives funds.
- Gives more flexibility for how funds can be used
- All expenses will be compliant

Redistributions/Transfers:

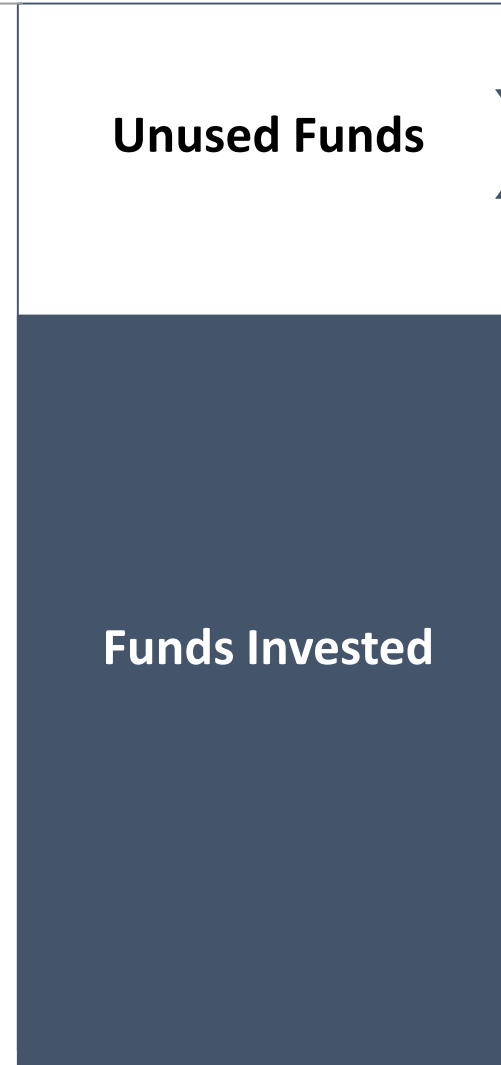
- Directed to in-demand programs that can deliver on-time.



Need to shift funds **quickly** to better serve Kansas

\$314 M Total in
Round 2 for 23 programs

**Dec. 30
Deadline**



Example:
\$500,000
Statewide Courier



Need to shift funds **quickly** to better serve Kansas

\$314 M Total in
Round 2 for 23 programs

**Dec. 30
Deadline**



Example
In-demand
programs



Need to shift funds **quickly** to better serve Kansas

\$314 M Total in
Round 2 for 23 programs

**Dec. 30
Deadline**



Example
In-demand
programs



Need to shift funds **quickly** to better serve Kansas

\$314 M Total in
Round 2 for 23 programs

**Dec. 30
Deadline**



Example
In-demand
programs



Need to shift funds **quickly** to better serve Kansas

\$314 M Total in
Round 2 for 23 programs

**Dec. 30
Deadline**



Example
In-demand
programs



Summary of Today's Recommendations

Round 2:

- Modifications to existing programs
- Ability to redistribute or transfer funds among programs

Round 3:

- Invest \$30M Public Health Reserve in COVID-19 Testing
- Invest \$20M in Business Resiliency Reserve in Small Business Grants



Next Steps

- RO will present recommendations to SFC for how to invest all remaining funds after the November 10 spending reports have been received/analyzed.



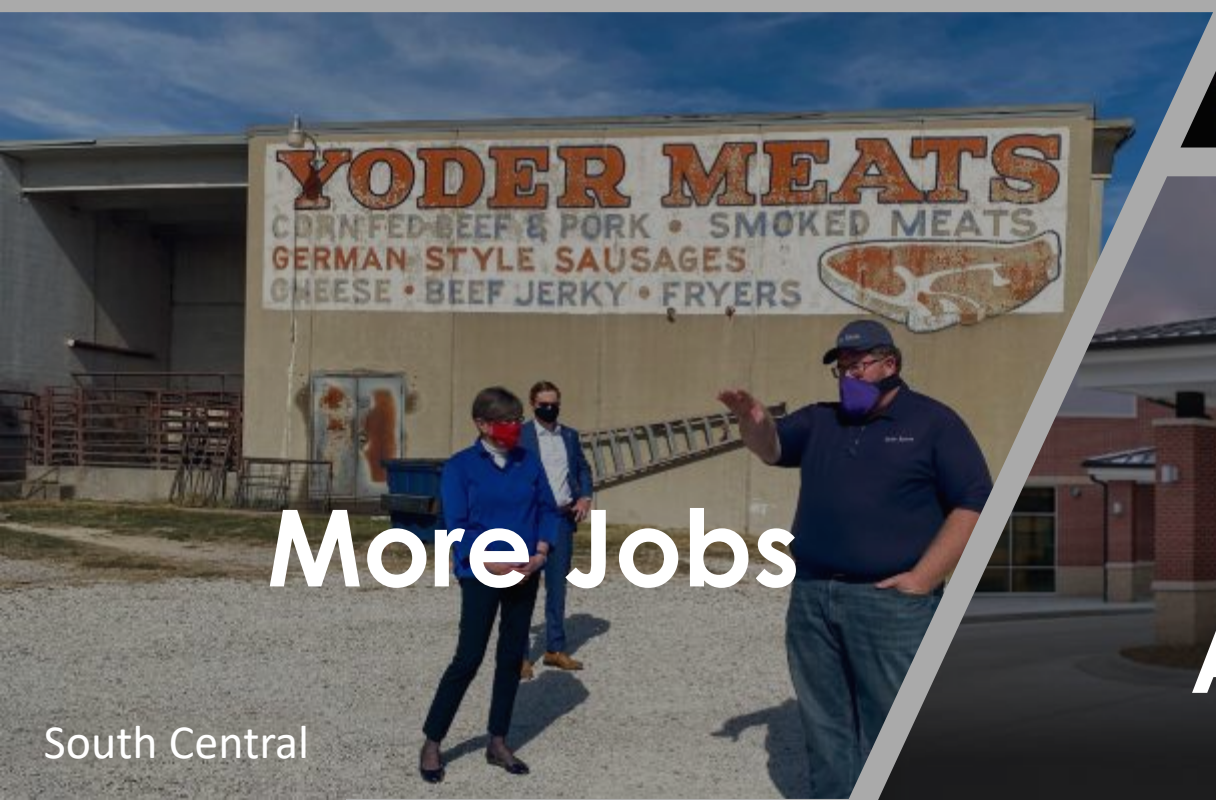
Better service

Statewide



More opportunities

Central Kansas



More Jobs

South Central



Access to telemedicine

North Central



Questions?