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SPARK Process

Economic Revitalization

Meeting #3B

March 11, 2022

Economic Revitalization | Agenda for Meeting 3B - Initial Ideas & Updates

1. **Overview:** Purpose of today, where we are in the process, what's next (5 min)
2. **Review:** Open questions from filtering process (5 min)
3. **Consider:** Potential programmatic areas with expert input (90 min)
4. **Discuss:** Initial prioritization of programmatic areas (20 min)

Today's Objectives

Review remaining Economic Revitalization Needs & Programmatic Areas

Align on 5 – 8 programmatic areas to prioritize for Meeting 4 discussion and offline scoring

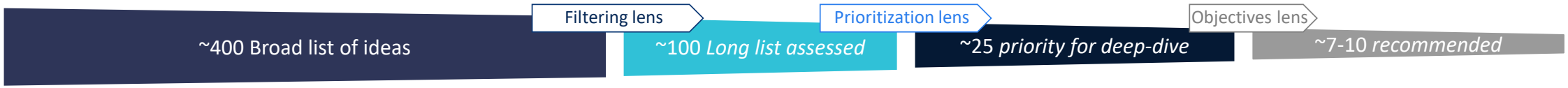
- Chairs to prioritize programmatic areas if Panel cannot reach consensus

We anticipate 5 meetings to reach a final recommendation

	1 Kickoff: Panel Intros & Situational Analysis	2 Initial idea brainstorm	3 Initial ideas & updates	4 Final ideas & priorities	5 Final priorities
Target date	*2/4*	*2/18*	*3/2 and 3/11*	*~3/24*	*~4/4*
Objectives & Agenda	**Introduce panel process**, project plan and engagement model Build **shared understanding of current needs & opportunities** in Kansas **Align on** what we're solving for (**focus areas & opportunities to explore**)	**Preview key themes** from submissions **Brainstorm (incremental & transformational) solutions** within focus areas Align on **key investment ideas for deep-dive / build out** **Review filtering criteria & ideas templates**	Review **filtering process** and discuss **Panel Principles** Discuss **initial programmatic areas with expert input** to begin prioritization and definition of programs Share **program templates** and **prioritization approach**	**Prioritize ideas & narrow potential portfolio** considering core objectives, impact & funding envelope Discuss **scoring of investments** in aggregate Review and pressure test **emerging program templates**	Review and agree on panel's **priorities for high/med./low envelope of funding** Discuss summary output: **key messages for Executive Committee**

Idea submission due 2/16

Idea filtering process



Recall | Economic Revitalization Advisory Panel path to define and prioritize programmatic areas for consideration by SPARK

What This Panel is Responsible For — **Post-Panel**

Focus Areas, Needs & Programmatic Areas	Panel Principles	Program Shaping	Program Prioritization	SPARK Funding Request	SPARK Approval & Programmatic Implementation
Topics developed for discussion based on Panel interest and 400+ idea submissions Submissions aggregated into focus areas, needs and programmatic areas	Panel principles for Econ. Rev. program recommendations, developed through Panel discussion	Programmatic areas filtered & evaluated by Panel Panel to use filtering and live discussion with experts to draft program templates (refined through offline input)	Panel to discuss program prioritization based on alignment with Panel Principles & SPARK Guiding Principles	Panel to set funding request to SPARK for each prioritized program and provide justification for recommendation *SPARK Executive Committee to follow up with Panel with questions or input*	SPARK Executive Committee shapes and approves remaining SFRF portfolio State Finance Council approves funding Administering entities manage program implementation, in alignment with SPARK Executive Committee guidance

We are here

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Recall | Pre-read included filtering exercise for Focus Areas

Goals for today include:

1. Discuss potential programmatic areas and opportunities for impact
2. Align on prioritization and scoring framework

Focus Area: Housing

Programmatic Area	Pathway for Allowability	Alternative Funding *(not exhaustive)*	Existing Program in KS *(not exhaustive)*	Investment Type	Evidence for Need *(not exhaustive)*	Alignment with Panel Priorities & Funding Portfolio
Housing development & construction *49 submissions $540M requested*	Yes	• HUD Affordable Housing Development • HUD Community Development Block Grant	• Moderate Income Housing program • Housing Trust Fund •	Can be one-time	Kansas Statewide Housing Needs Assessment • Shortage of quality, affordable housing	• Catalytically impactful idea that can be one-time funding • Addresses high needs
Down payment assistance *4 submissions $9.7M requested*	Yes	• *See existing programs*	• First Time Homebuyer Program	Potential for ongoing	Kansas Statewide Housing Needs Assessment • High costs for home builders drive higher home prices that many Kansans can't afford	• Addresses high needs
Rental & utility assistance *3 submissions $515K requested*	Yes	• Section 8 vouchers • Build Back Better: $25B for rental assistance • Federal & local programs	• KERA (Emergency Rental Assistance) • Tenant Based Rental Assistance	Potential for ongoing	Kansas Statewide Housing Needs Assessment • Decreasing availability of affordable rentals • Approximately, 16.2% of renters are behind and have an estimated $3571.27 of debt owed per household (2021)	• Addresses high needs

What are your open questions on the filtering process?

Required Filtering Criteria[1]

1. **Allowability**
   Can we use SFRF?
   - Is the investment idea allowable?
     - Yes/no
     - Unclear → More info/detail needed

Potential Filtering Criteria

2. **Alternate funding**
   Are there non-SFRF dollars to consider?
   - Can idea be fully funded via existing agency relief funds? Are there future funds identified?
     - Yes/No
     - Partially
     - Unclear/ delay[2] → More info/detail needed

3. **Existing program[3]**
   Is there already a similar state program in place?
   - Is there an existing or similar state program already ongoing or in the works?
     - Yes/No
     - Partially

4. **Investment type**
   Is this a one-time or ongoing investment?
   - Are funds deployed once, or will ongoing funding be required to continue? Are costs offset by savings?
     - Yes/No
     - Partially

5. **Evidence for Need**
   Is there enough evidence behind the need?
   - Is there enough evidence that demonstrates the underlying need for this program in Kansas?
     - Yes/No

Additionally, programs should align with Panel Principles and funding portfolio

1. Required filtering for allowability is not a task for the advisory panel
2. For example, items that would be funded under the Infrastructure Investment and Jobs Act (IIJA) or potential Build Back Better Act, or items that are likely to be included in the State Budget for FY23
3. Answer may overlap with 'Alternative Funding' criteria

Note: SFRF – State Fiscal Recovery Funds

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Summary | Economic revitalization submissions by focus area

Ideas submitted by state agencies and the public

- Prioritized by panel
- Reviewed by panel; deprioritized
- Panel to review

<40 submissions — *>100 submissions*

Focus Area	Identified Needs	# Submissions
Business	✓ Other industry support (18 submissions - ~$2.6B requested) ✓ Tourism sector support (6 submissions - ~50M requested) ✓ Cybersecurity (3 submissions ~$80.3M requested) ☆ Innovation & entrepreneurship (11 submissions ~$153.2M requested)	38
Workforce	☆ Workforce development (46 submissions - ~$198.3M requested) ☆ Workforce resources (9 submissions - ~$18.8M requested) — Workforce retention and attraction (14 submissions ~$341.5M requested)	69
Housing	✓ Access to affordable, available and quality housing (68 submissions - ~$564.9M requested)	68
Water & Sewer Infrastructure	✓ Clean water infrastructure (95 submissions - ~$911.7M requested) ✓ Access to safe drinking water (14 submissions - ~$131.7M requested)	109
Other Enablers	✓ Infrastructure renovations & development (93 submissions - ~$807.3M requested) ✓ Public space and resource enhancements (13 submissions - ~$1.9B requested) ✓ Food systems infrastructure (12 submissions - ~$75.7M requested) ✓ Other financial assistance (8 submissions ~$10.4M requested)	126

Source: ideas submitted by state agencies and the public
Note: Total submission counts exclude submissions considered 'not allowable' in the Final Rule. Funding amounts are solely based off submissions with no further analysis and could represent duplicative projects

Business Focus Area | Key needs highlighted in submissions

Business Focus Area

Industry support

18 submissions, ~$2.6B requested

- Manufacturing scale-up networks
- Small business support programs (e.g., technical assistance)
- Grant & loan programs for impacted industries
- Business revitalization programs

Tourism Sector Support

6 submissions, ~$50M requested

- Hotel improvements & renovations
- Construction & improvements for tourist assets (e.g., galleries, parks, state fairgrounds)

Cybersecurity

3 submissions, ~$80.3M requested

- Establishment of cybersecurity centers & labs

Housing and Water & Sewer Focus Areas | Key needs highlighted in submissions

Housing Focus Area

Access to affordable, available & quality housing

68 submissions, ~$564.9M requested

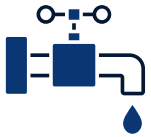
- Down payment assistance
- Rental & utility assistance
- Housing development & construction
- Housing for seniors
- Rehabilitation of housing units

Water & Sewer Focus Area

Clean water infrastructure

95 submissions, ~$911.7M requested

- Water & sewer upgrades for housing
- Improvements to city water mains & systems
- Water infrastructure upgrades (e.g., wells, generators, dams, etc.)
- Rural water infrastructure



Access to safe drinking water

14 submissions, ~$131.7M requested

- Improvements to drinking water distribution systems
- Drinking water treatment plant upgrades

Other Enablers Focus Area | Key needs highlighted in submissions

Other Enablers Focus Area

Infrastructure Renovations & Development

93 submissions, ~$807.3M requested

- Business park development
- Transportation infrastructure (e.g., airports, roads)
- Community infrastructure (e.g., museums, libraries, city halls, stadiums, downtown buildings)
- Technical upgrades to facilities (e.g., factories/manufacturing)

Public Space and Resource Enhancements

13 submissions, ~$1.9B requested

- Development of outdoor recreation spaces (e.g., campsites, trails, playgrounds)
- Beautification of existing public spaces
- Construction of visitor centers

Food Systems Infrastructure

12 submissions, ~$75.7M requested

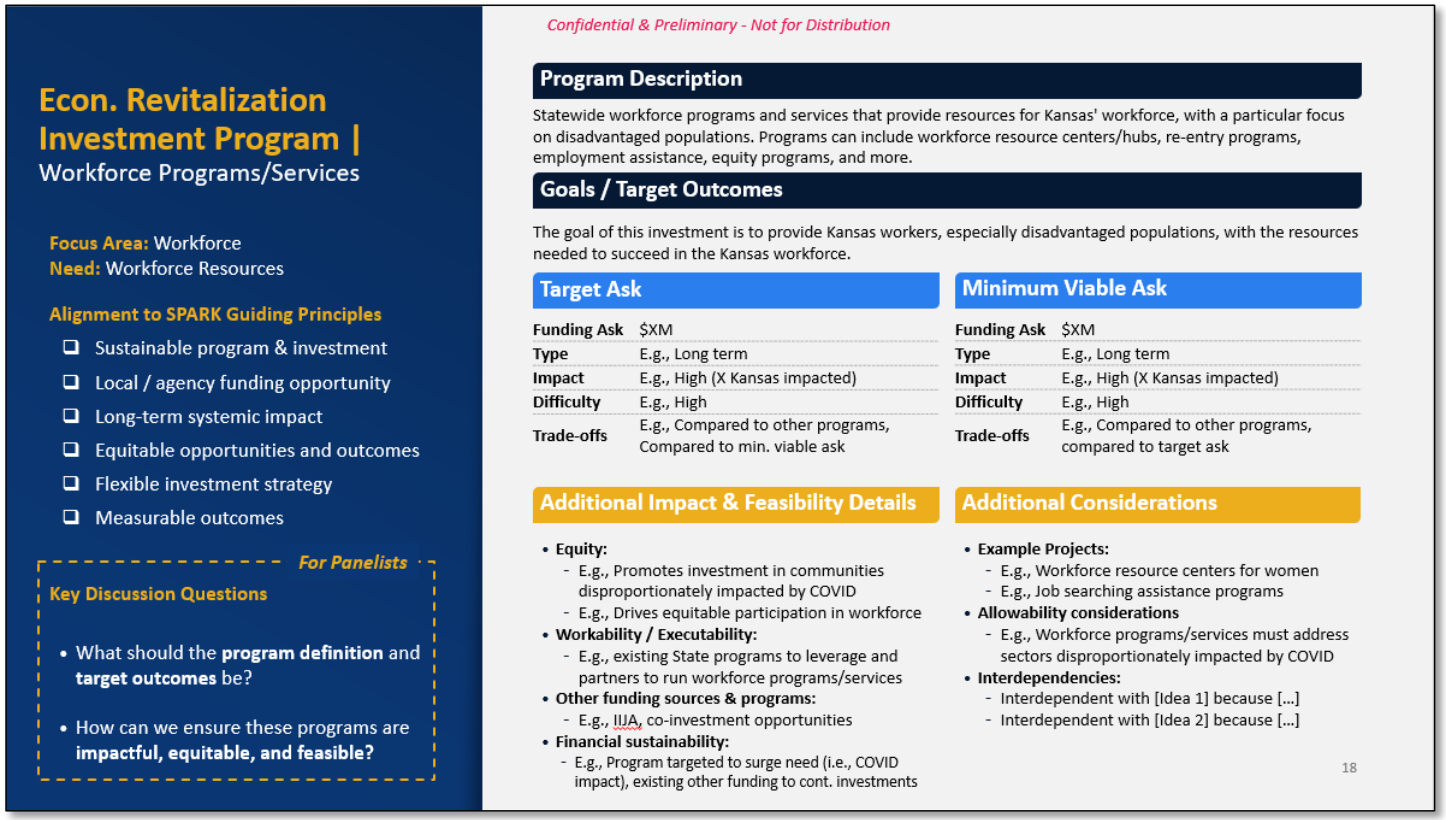
- Infrastructure for processing and storing food
- Assistance to farmers (e.g., for growing crops)
- Grocery store construction

Other Financial Assistance

8 submissions, ~$10.4M requested

- New software systems for local businesses and governments
- Economic development grants for local governments
- Establishment of insurance plans
- Utility cost recovery

Recall | Advisory Panels to develop program templates for SPARK Executive Committee recommendations to define programmatic investments



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Econ. Revitalization Investment Program |
Workforce Programs/Services

Focus Area: Workforce
Need: Workforce Resources

Alignment to SPARK Guiding Principles

- ❑ Sustainable program & investment
- ❑ Local / agency funding opportunity
- ❑ Long-term systemic impact
- ❑ Equitable opportunities and outcomes
- ❑ Flexible investment strategy
- ❑ Measurable outcomes

For Panelists

Key Discussion Questions

- What should the **program definition** and **target outcomes** be?
- How can we ensure these programs are **impactful, equitable, and feasible?**

Program Description

Statewide workforce programs and services that provide resources for Kansas' workforce, with a particular focus on disadvantaged populations. Programs can include workforce resource centers/hubs, re-entry programs, employment assistance, equity programs, and more.

Goals / Target Outcomes

The goal of this investment is to provide Kansas workers, especially disadvantaged populations, with the resources needed to succeed in the Kansas workforce.

Target Ask

Funding Ask	$XM
Type	E.g., Long term
Impact	E.g., High (X Kansas impacted)
Difficulty	E.g., High
Trade-offs	E.g., Compared to other programs, Compared to min. viable ask

Minimum Viable Ask

Funding Ask	$XM
Type	E.g., Long term
Impact	E.g., High (X Kansas impacted)
Difficulty	E.g., High
Trade-offs	E.g., Compared to other programs, compared to target ask

Additional Impact & Feasibility Details

- **Equity:**
  - E.g., Promotes investment in communities disproportionately impacted by COVID
  - E.g., Drives equitable participation in workforce
- **Workability / Executability:**
  - E.g., existing State programs to leverage and partners to run workforce programs/services
- **Other funding sources & programs:**
  - E.g., IIJA co-investment opportunities
- **Financial sustainability:**
  - E.g., Program targeted to surge need (i.e., COVID impact), existing other funding to cont. investments

Additional Considerations

- **Example Projects:**
  - E.g., Workforce resource centers for women
  - E.g., Job searching assistance programs
- **Allowability considerations**
  - E.g., Workforce programs/services must address sectors disproportionately impacted by COVID
- **Interdependencies:**
  - Interdependent with [Idea 1] because [...]
  - Interdependent with [Idea 2] because [...]

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How We Will Develop These Templates

Program Description & Target Outcomes: Drafted live in Meeting 3 discussion

Target and Minimum Asks: Based on final program definition after Meeting 4

Impact, Feasibility, and Additional Considerations: Initial draft based on based Meeting 3 discussion & homework inputs, refined in Meeting 4

Experts joining our session today

Ryan Vincent, Executive Director, Kansas Housing Resources Corporation

Will discuss Housing Topics

Trent Armbrust, Chief Strategy Officer, Kansas Department of Commerce

Will discuss Industry Support & Infrastructure Topics

Tracy Streeter, Former Director of Kansas Water Office, Current Business Development Manager at Burns & McDonnell

Will discuss Water & Sewer Infrastructure Topics

Experts will provide perspective on the landscape of needs, opportunities, and tradeoffs for investing in each space

Experts will engage in a discussion with panelists on Housing, Business, Other Enablers, and Water & Sewer Infrastructure

Experts will also be available to answer questions that panelists have regarding today's topics

Presentation on Housing

Presentation on Business & Other Enablers

Presentation on Water & Sewer Infrastructure

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Prioritization criteria for programmatic areas

3 primary inputs to determine relative priority of programmatic areas

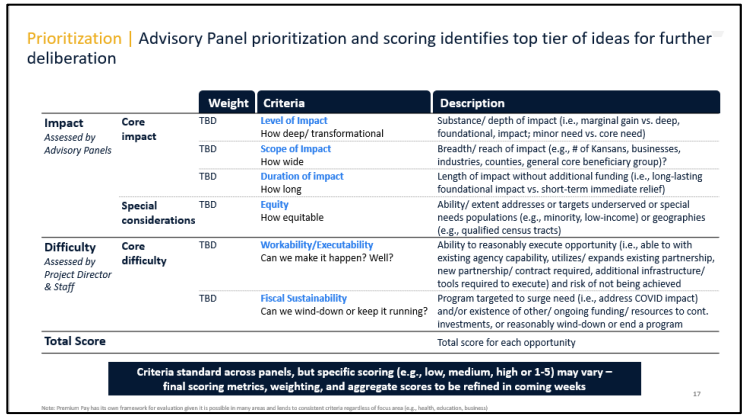
SPARK Guiding Principles

Prioritized programs should align with the SPARK Guiding Principles

Panel Principles

Prioritized programs should align with the principles developed by this Panel

Potential Impact



Prioritized programs should be high impact, as defined by Panel input on impact

Recall | Guiding principles for SPARK and investment of ARPA funds

To inform evaluation criteria of policies, investments, and initiatives

- **Prioritize sustainable programs & investments** through one-time use of funds vs substantial expansion of existing services
- **Combine with / leverage local and agency funds** to maximize use of discretionary funds
- **Foster long-term systemic impact** for Kansans
- **Consider equitable opportunities** and outcomes
- **Enable flexibility within investment strategies** (e.g., in case of emerging needs, changing federal landscape)
- **Ensure results are measurable** to enable tracking & transparency

Recall | Emerging Panel principles

Investments should address **high needs with catalytically impactful ideas** (e.g., not short-term point solutions)

Investments should be made in **areas that have largely allowable programs** and **existing funding is insufficient**

Investments should **avoid establishing programs requiring ongoing funding** (e.g., new long-term budget items)

Investments should **leverage existing frameworks and programs** that can be utilized to implement one-time funding

submissions

Interactive discussion | What should the panel explore as programs for investment?

For discussion; panel may redefine, narrow, split, or remove any of the programmatic areas listed below

Business	Workforce	Housing	Water & Sewer	Other Enablers
Working program areas:	Working program areas:	Working program areas:	Working program areas:	Working program areas:
Parking lot:	Parking lot:	Parking lot:	Parking lot:	Parking lot:
Entrepreneurial/Innovation Ecosystem Programs & Spaces (11)	Worker Training Programs (46)	Housing Development & Construction (49)	General Water & Sewer Infrastructure Upgrades (92)	Building Improvements & Construction (77)
Cybersecurity Centers & Learning Grants (3)	Workforce Programs & Services (9)	Rehabilitation of Housing Units (7)	Water & Sewer Upgrades for Housing (3)	Transportation Improvements & Construction (16)
Improvements & Construction of Tourist Assets (6)	Staff Retention / Attraction Programs (14)	Down Payment Assistance (4)	Improvements to Drinking Water Systems (14)	Other Funding to Support Businesses and Communities (8)
Programs to Grow & Support Industries (18)		Rental & Utility Assistance (3)		Outdoor Recreation & Community Spaces (13)
		Housing for Seniors (5)		Food Infrastructure Development Programs (12)

Next steps: Prioritize and force-rank program templates to determine SPARK funding request portfolio

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Next Steps

Once all programs are defined, panel will ***prioritize program templates***

Exit survey:

Please take 5 mins to complete exit survey after this meeting

Key topics and logistics for our next meetings

Meeting date:
Week of 3/21

Please respond to updated availability survey

Goals of Meeting #4:

Review **scoring & prioritization** framework

Discuss completed **program templates**

Force-rank programs to prioritize & narrow potential portfolio

GREAT SEAL OF THE STATE OF KANSAS
AD ASTRA PER ASPERA
JANUARY 29, 1861

Questions?