Meeting purpose: Informational update with initial recommendations for 2 Advisory Panels

Agenda for today

Advisory Panel status update

Connectivity portfolio recommendations

Efficiency & Modernization portfolio recommendations

Other SPARK updates

Next steps
Advisory Panel status update
Advisory Panels gather, evaluate, and recommend priority areas for investment to the SPARK Executive Committee, with the Project Director setting direction through a consistent process designed and facilitated by the SPARK Director and approved by the SPARK Executive Committee.
Advisory Panels have relied on the SPARK guiding principles throughout the portfolio development process:

- **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.
We are nearing the conclusion of the Advisory Panel process.

Objective for final Advisory Panel meetings:

Finalize recommended SPARK investment portfolio to share with SPARK Executive Committee, including:

- Recommended program areas for investment
- Minimum and target funding scenarios
- High fit ideas, as appropriate
SPARK Executive Committee will meet three times to review Advisory Panel recommendations and select programs for investment

### Portfolio Recs (1/2)
**Today**

**Informational meeting**

**Objective:** Advisory Panel Chairs to present proposed portfolios for Connectivity and Efficiency & Modernization

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### Portfolio Recs (2/2)
**April 18, 3-5 pm CT**

**Informational meeting**

**Objective:** Advisory Panel Chairs to present proposed portfolios for Health & Education and Economic Revitalization

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### Aggregate Portfolio
**Following portfolio recommendations**

**Decision-making meeting**

**Objective:** Executive Committee to review all proposed investments holistically to select programs for investment
Given SFRF allocations to date, ~$397M remaining

Millions of dollars as of April 2022

- Total ARPA State Funding: ~$1,600
- SFRF Funded FY21 Budget Bill Directives: $617
- SPARK SFRF Allocations: $272
- SFRF Recouped Remaining SFRF Funding March 2022: ~$738 (46%)
- Proposed SFRF allocations by Legislature: $341
- Estimated remaining SFRF Funding: ~$397 (25%)

See KLRD Tracker (shared in pre-read package) for additional information on all SFRF allocations to date
Connectivity portfolio recommendations
Kansas needs robust internet connectivity...

Kansas currently ranks 28th in the US for internet access
- 600,000+ households do not have robust connectivity\(^1\)
- 400,000+ households cannot access an affordable internet service plan (<$60/month)
- 130,000+ Kansan households lack a suitable device to connect to the internet

Kansas is already committed to addressing this important need, but more support is needed
- Internet access is foundational for economic development, education, health, etc.
- Current funding pipeline of $375M+ from existing and pending sources (including est. Infrastructure Bill)
- However, funding pipeline will not be enough to address total Kansas need ($1B+)

...and SPARK can help address the need

A big problem requires a big solution
- New broadband infrastructure required to provide robust connectivity across Kansas
- Adoption enablement programs needed to drive internet adoption (e.g., affordability, device access, digital literacy)

Clear parameters can help ensure program success
- Solutions must be tailored for each community’s needs and use the best, scalable technology
- Programs can leverage co-investment from local and private funds to grow impact
- Hard to reach areas may benefit from piloting new technologies to address need

\(^1\) "Robust connectivity" defined as 100/100 Mbps by Broadband Now; current standard set by US Treasury guidance, with some exceptions for where needed
Source: BroadbandNow; American Community Survey
Current state of connectivity does not meet the needs of all Kansans

**Access**
- Have robust access: 40%
- Lack minimally viable access\(^1\): 11%
- Lack robust access\(^2\): 49%

**Affordability**
- No affordable service plans\(^3\): 43%
- Access to plan <$60/mo.: 57%

**Devices**
- Lack a suitable device: 13%
- Have a suitable device: 87%

60% of Kansan households (600,000+) do not have access to robust broadband service

>40% of Kansan households (400,000+) lack access to affordable internet service

Over 1 in 8 Kansan households (130,000+) lack a suitable device

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1. Minimally viable defined as 25/3 Mbps broadband (downstream/upstream); 2. Robust defined as 100/100 Mbps broadband (downstream/upstream); 3. Affordable defined as <$60/month for regular standalone internet plans. Data based on most recent provider-reported FCC Form 477s. Where providers have indicated coverage of a census block, analysis assumes availability of national plans and regional plans serving those blocks.

Source: BroadbandNow, American Community Survey.
$345M+ of potential funding for Kansas broadband investments will not be sufficient to fully address total need

**Broadband Expansion Funding**

<table>
<thead>
<tr>
<th>Funded</th>
<th>Pending Funding</th>
<th>Remaining To Be Funded</th>
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</thead>
<tbody>
<tr>
<td>CERG ($50M)</td>
<td>CCPF ($103M)</td>
<td>$1B+</td>
</tr>
<tr>
<td>Acceleration ($10M)¹</td>
<td>Acceleration ($75M)²</td>
<td></td>
</tr>
<tr>
<td>BPAG ($10M)</td>
<td>IIJA (Est. $100M+)³</td>
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<tr>
<td><strong>Total: $70M</strong></td>
<td><strong>Total: $275M+</strong></td>
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1. First two years of distribution. 2. Last eight years of distribution. 3. Based on KOBD estimates. IIJA funding for Kansas has not been determined but will be at a minimum $100M. Significant portion of funding will be allocated through a competitive process.

Note: Connectivity Emergency Response Grant (CERG), Broadband Acceleration Grant (Acceleration), Broadband Partnership Adoption Grant (BPAG), Coronavirus Capital Project Fund (CCPF), The Infrastructure and Investment Jobs Act (IIJA), Internet Service Provider (ISP)

**Potential Funding Pipeline**

1. **State Fiscal Recovery Funds**
   - Scope of SPARK process

2. **Additional federal grants**

3. **State-funded initiatives**

4. **Co-investment**
   - (e.g., local relief funds, private sector dollars)
SPARK investment recommendations made by Connectivity Advisory Panel of public and private broadband experts and stakeholders

Sen. Mike Petersen (Chair)
State Senator District 28

Melinda Stanley (Vice Chair)
Interim Executive Director, Kansas Office of Broadband Development (KOBD)

Sen. Tom Hawk
State Senator District 22

Rep. Adam Smith
State Representative District 120

Daniel Friesen
Managing Partner and CIO Ideatek Telecom

Molly Kocour Boyle
President AT&T Kansas

Jeff Wick
President and General Manager WTC

Dr. Tiffany Anderson
Superintendent Topeka Public Schools

Brian Vulgamore
Business Manager Vulgamore Family Farms

Paul Truitt
VP of Field Operations Cox Communications

Ed Taylor
Principal/CEO UES Consulting Services, Inc
Connectivity Advisory Panel recommendation developed through in-depth discussion and expert analysis

1. **Broadband Needs & Strategic Approach**
   - Aligned on needs and potential **programmatic areas**, informed by idea submissions, funding pipeline, and panel expertise

2. **Programmatic Review & Prioritization**
   - Shaped programmatic areas based on idea submissions and panel expertise
   - **Prioritized programmatic areas** based on funding needs and guiding principles

3. **Final Priorities & Funding Request**
   - Determined SPARK funding **request** considering overall State needs, idea submissions, and alternative funding sources

**Panel Activities**

**Idea filtering process**

- **Broad view of broadband funding needs**
- **Prioritization lens**
- **Prioritized view of funding needs**
- **Objectives lens**
- **Funding recommendations**
Connectivity Advisory Panel is proposing a portfolio of $150M - $275M

<table>
<thead>
<tr>
<th>Connectivity</th>
<th>Minimum Ask: $150M</th>
<th>Target Ask: $275M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broadband Infrastructure</strong></td>
<td>$135M - $247.5M (90% of portfolio)</td>
<td>$15M - $27.5M (10% of portfolio)</td>
</tr>
<tr>
<td></td>
<td>33,000 – 60,000+ households connected</td>
<td>12,000 – 20,000+ households supported</td>
</tr>
<tr>
<td><strong>Components:</strong></td>
<td></td>
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<tr>
<td>- Grants to fund the development of new broadband infrastructure</td>
<td>- Grants to ensure equitable access to broadband internet connectivity</td>
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<tr>
<td>- Funding and impact increased by project-specific local and private co-investment</td>
<td>- Funding and impact increased by project-specific local and private co-investment</td>
<td></td>
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<tr>
<td>- Focused on:</td>
<td>- Focused on:</td>
<td></td>
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<tr>
<td></td>
<td>- Robust, scalable connectivity</td>
<td>- Internet service affordability</td>
</tr>
<tr>
<td></td>
<td>- Impactful, equitable outcomes for KS (e.g., underserved &amp; unserved communities)</td>
<td>- Device access</td>
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<td></td>
<td></td>
<td>- Digital literacy training</td>
</tr>
</tbody>
</table>

Programs are interdependent – Any investment in one necessitates some investment in the other

1. Cost estimated to be ~$4K per new household; range based on funding level. 2. Cost estimated to be ~$1.25K per household; range based on funding level
In Meeting 3, Connectivity Advisory Panel aligned on several parameters to help ensure success of broadband investments

<table>
<thead>
<tr>
<th>Broadband Infrastructure</th>
<th>Adoption Enablement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utilize Best Available Technology</strong></td>
<td><strong>Leverage Existing Programs</strong></td>
</tr>
<tr>
<td>- Focus on delivering robust, fiber connectivity, following Treasury guidance on additional solutions in harder to reach communities</td>
<td>- Leverage and learn from existing programs, e.g., FCC's Affordable Connectivity Program, to ensure success of investments</td>
</tr>
<tr>
<td><strong>Connect All Kansans</strong></td>
<td><strong>Engage Partners</strong></td>
</tr>
<tr>
<td>- Establish connections across Kansas, following Treasury guidance to connect unserved and underserved communities</td>
<td>- Work with municipalities, ISPs, and community organizations to empower local solutions and drive community adoption</td>
</tr>
<tr>
<td><strong>Provide Appropriate Funding</strong></td>
<td><strong>Bridge the Gap</strong></td>
</tr>
<tr>
<td>- Leverage co-investment, providing State funding on a sliding scale to decrease match requirements in high-need, high-cost areas</td>
<td>- Tailor programs to provide optimal mix of service affordability, device access, and digital literacy training to meet specific community needs</td>
</tr>
</tbody>
</table>
Proposed Connectivity programs are highly impactful and feasible means to address Kansas' internet connectivity needs.

**Broadband Infrastructure**

**High Alignment to SPARK Guiding Principles:**
- One-time investment drives catalytic impact on Kansan connectivity needs

**High Impact:**
- Supports telework, telehealth, distance learning, eCommerce, transportation, public services, etc.
- Increases reach through project-specific co-investment

**High Feasibility:**
- History of successful grant programs and projects with multiple KS broadband providers

**High Need:**
- 600,000+ Kansas households lack robust connectivity¹
- Received 27 idea submissions (~$1.2B) for broadband infrastructure; also aligned to KOBD strategic priorities

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**Adoption Enablement**

**High Alignment to SPARK Guiding Principles:**
- One-time investment enables equitable adoption of newly developed broadband services

**High Impact:**
- Maximizes investments in broadband infrastructure by ensuring all Kansans can easily and sustainably use new services
- Increases reach through project-specific co-investment

**High Feasibility:**
- Models exist for adoption enablement and can be utilized to ensure sustainable implementation

**High Need:**
- 400,000+ Kansas households lack access to affordable service; 130,000 lack a suitable device
- Received 9 idea submissions (~$16.2M) for adoption enablement; also aligned to KOBD strategic priorities

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¹ "Robust connectivity" defined as 100/100 Mbps by Broadband Now; current standard set by US
The proposed Connectivity portfolio will have significant positive impact for Kansans.

1. Target ask of $247.5M for Broadband Infrastructure can provide 60,000+ households with robust connectivity.

2. Target ask of $27.5M for Adoption Enablement can ensure 20,000+ households have access to affordable service, devices, and digital literacy.
Questions and Discussion
Efficiency & Modernization portfolio recommendations
The State has made ongoing investments in modernizing government infrastructure and improving service delivery incrementally given project scale and budget constraints.

COVID-19 has elevated the importance of improving the underlying structures & systems that deliver critical services to Kansans.

Catalytic, one-time investments of SFRF funds in efficiency and modernization programs can:

- Accelerate the state's ability to deliver public services reliably and securely.
- Target critical enhancements needed to maintain facilities and promote public health & safety.
- Support agencies as they respond to COVID-driven demand and build resilience for the future.
- Ensure public safety outcomes and interoperable communication systems statewide.
Recommended portfolio was developed through robust engagement with Advisory Panel

**Panel Activities**

- **Situational Analysis**: Build shared understanding of current needs & opportunities in Kansas
- **Initial idea brainstorm**: Preview themes from idea submissions and brainstorm solutions within focus areas
  - Align on investment themes for buildout
- **Program development**: Review filtered long-list of submission ideas
  - Consider & shape programmatic areas for investment
- **Program prioritization**: Narrow and prioritize potential portfolio considering core objectives, impact, feasibility, and parameters
  - Align on panel's priorities for minimum and target funding scenarios and defined SPARK recommendation
- **Portfolio sizing & recommendation**: Align on panel's priorities for minimum and target funding scenarios and defined SPARK recommendation
- **Executive Committee recommendation**: Chairs share recommended portfolio to SPARK Executive Committee for consideration

**Idea filtering process**

- ~140 Broad list of ideas
  - Filtering lens
  - Prioritization lens
  - Objectives lens
- ~80 Long list assessed
- ~8 programs for deep-dive
- ~5 recommended

Note: Refer to pre-read materials for associated ideas for proposed programs.
SPARK investment recommendations made by Efficiency & Modernization Advisory Panel

Rep. Troy Waymaster  
(Chair)  
State Representative  
District 109

Mark Hutton  
(Vice Chair)  
Retired CEO and  
Former Legislator

Sen. Michael Fagg  
State Senator  
District 14

Rep. Kathy Wolfe-Moore  
State Representative  
District 36

Tanya Heffel  
Chief Technology Officer, OITS

Joe Mandala  
Chief Information Officer,  
KBI

Frank Burnam  
Director, OFPM

Matt Billingsley  
Former Kansas Department of Revenue

Michael Wilkes  
City Manager, Olathe

Shane Mathis  
CEO, Ally RNG

Source: SPARK Taskforce press release
Proposed portfolio is designed to address five opportunities to accelerate progress and advance the State's ability to operate and deliver services:

**Opportunities**

- Accelerate and enhance state delivery of public services through interoperable, secure, modern infrastructure
- Enable critical facility improvements that ensure Kansans can safely & efficiently access services
- Adapt to COVID-driven increase in demand for services and build state resilience against future disruptions
- Modernize state safety and security equipment for safe and secure government communications
- Extend local funding to promote public safety outcomes statewide and interoperability with state

**Programs**

- State IT Infrastructure
- State Facilities Modernization
- State Continuity of Operations
- State Safety and Security Equipment
- Local Safety and Security Equipment
### Efficiency & Modernization Portfolio

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Ask</th>
<th>Target Ask</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State IT Infrastructure</strong></td>
<td>Min $28M</td>
<td>Target $46M</td>
</tr>
<tr>
<td><strong>State Facilities Modernization</strong></td>
<td>Min $24M</td>
<td>Target $24M</td>
</tr>
<tr>
<td><strong>State Continuity of Operations</strong></td>
<td>Min $28M</td>
<td>Target $31M</td>
</tr>
<tr>
<td><strong>State Safety &amp; Security Equip.</strong></td>
<td>Min $20M</td>
<td>Target $20M</td>
</tr>
<tr>
<td><strong>Local Safety &amp; Security Equip.</strong></td>
<td>Min $5M</td>
<td>Target $10M</td>
</tr>
</tbody>
</table>

**Accelerate major IT enhancements** (digitization, cyber, infrastruct.) to ensure:
- Reliable, efficient, and secure delivery of critical state services
- Enhanced access to services for Kansans
- Interoperability and standardization

**Advance targeted facilities upgrades, maintenance, and renovations** to ensure:
- Maximized building efficiency
- Kansans can safely and efficiently access facilities and services
- Healthy, safe facilities for users & employees

**Provide support to deliver and adapt essential state services** to ensure:
- Minimal disruption to services and adaptation to COVID-driven demand
- Resiliency of services and mitigated impact of future disruptions

**Deploy critical upgrades to state safety comms. infrastructure and equipment** to ensure:
- Compliance with fed. encryption standards
- Improved emergency operations and interoperability across state and local government entities

**Extend local funding via matching for local comms. infrastruct. and equipment** to ensure:
- Compliance with fed. encryption standards
- Improved emergency operations and interoperability across state and local government entities
Idea submissions received by the panel played an important role in shaping programs

<table>
<thead>
<tr>
<th>Efficiency and Modernization High-Fit Ideas by Program Area</th>
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<tbody>
<tr>
<td><strong>State IT Infrastructure</strong></td>
</tr>
<tr>
<td><strong>Min</strong></td>
</tr>
<tr>
<td>$28M</td>
</tr>
<tr>
<td>• KANWIN network modernization (~$13M)</td>
</tr>
<tr>
<td>• Judicial centralized IT projects (~$2M)</td>
</tr>
<tr>
<td>• Infrastructure mod. and upgrades (~$2M)</td>
</tr>
<tr>
<td>• Cybersecurity (~$12M)</td>
</tr>
<tr>
<td>+ Data warehouse (~$5M)</td>
</tr>
<tr>
<td>+ Constituency single sign-on (~$3M)</td>
</tr>
<tr>
<td>+ Children / families electronic records (~$10M)</td>
</tr>
</tbody>
</table>

Note: The idea submissions listed above are not an exhaustive list of needs in all program areas. They are intended to capture the scope of submissions that inspired the program as scoped. At this point, they are idea submissions and do not represent approved projects. Total dollar amounts do not reflect finalized funding allocations or approvals for this program.
Proposed Efficiency & Modernization programs are impactful and feasible and will advance the State of Kansas' ability to operate and deliver services.
Proposed Efficiency & Modernization programs are impactful and feasible and will advance the State of Kansas' ability to operate and deliver services.
The proposed Efficiency & Modernization portfolio will have significant positive impact for Kansans.

1. $28-46M for State IT infrastructure can accelerate reliable and secure delivery of critical state services to Kansans.

2. $24M for State facilities modernization can drive future cost savings and public safety outcomes for the state.

3. $28-31M for State Continuity of Operations can address COVID-driven demand and build resilient capabilities.

4. $20M for State Safety and Security Equipment can support safe, compliant & interoperable communications.

5. $5-10M for Local Safety and Security Equipment can enable safe and secure crisis response for local Kansans.
Questions and Discussion
Other SPARK updates
Frontline Hospital Worker Retention
• Program deadline to expend funds was February 28, 2022
• Final reports were due to Office of Recovery by March 15, 2022

Economic Development Infrastructure (BASE)
• Applications closed on February 28, 2022; 443 submissions received, totaling $1.8B in funding requested
• Awards announced April 12, 2022

Extension of Testing Funding
• FEMA reimbursement received

Learning Recovery Grant Program
• Developing program design

KS Connect and Learn
• $4M transferred to KSDE

24/7 Pay Plan
• Funds continue to be utilized as outlined in SPARK proposal
Next steps
Path forward

Next steps for Executive Committee

• Reflect on additional program information provided from Connectivity and Efficiency & Modernization Panels

• Review initial portfolio recommendations from Health & Education and Economic Revitalization (3–5 pm CT on Mon 4/18)