



SPARK Executive Committee Program Design Review

December 20, 2022

Agenda for today

1. Review September recommendations
2. For discussion: program designs

On September 16 SPARK recommended \$374M in SFRF allocations

Investment type	Investment	Allocated
SPARK Recommended Pending SFC review (2022)	Connectivity	\$35,000,000
	Efficiency and Modernization	\$100,000,000
	Health and Education	\$109,000,000
	Economic Revitalization	\$130,000,000
<i>SUBTOTAL – 2022 SPARK RECOMMENDED</i>		<i>\$374,000,000</i>

For discussion: SPARK program designs

Connectivity

Detail: Connectivity Proposal

Connectivity

\$35M across 2 programs

Lasting Infrastructure and Network Connectivity (\$30M): Broadband infrastructure investments in high needs areas

Digital Equity Grant Program (\$5M): Increase broadband adoption and enablement by incentivizing participation in connectivity initiatives

Connectivity

Lasting Infrastructure and Network Connectivity (LINC)

Focus Area/Need:

Broadband infrastructure investments

Administering Agency:

Kansas Office of Broadband Development (KOBD)

Funding Request:

\$30,000,000

Program Description

The purpose of the proposed program is to provide competitive grants to enable the deployment of last mile and middle mile broadband infrastructure in areas of the state that lack access to high-speed internet service. KOBD proposes allocating \$20-25M toward a competitive grant process that provides a sliding scale match for last mile broadband grants based on rurality. Projects in higher cost, very rural areas would be eligible for greater public match to incent providers to build in otherwise financially unviable areas. Projects submitted to the CPF program could be considered for these awards. KOBD also propose \$5M-\$10M for a competitive grant program toward middle-mile projects, including internet exchange point solutions.

Goals / Target Outcomes

- Increased access to remote work, telehealth options and distance learning through the enablement of broadband in underserved areas
- Increased adoption of internet service due to lower transport and transit costs for providers through the establishment of middle mile infrastructure and internet exchange point facilities
- Economic activity and job creation as a result of increased connectivity

Program Parameters/Application Process

- Competitive grant opportunity will be made available to entities seeking to make investments in local broadband infrastructure including political subdivisions, corporations, LLCs, partnerships or other business entities, non-profits, and entities authorized to provide broadband services in a proposed service area
- Application process will mimic existing Capital Project Funds (CPF) Broadband Infrastructure program
- Relevant SPARK Idea Submissions will be notified of this funding opportunity

Additional Considerations

- **Why is it needed?:**
 - Research suggests that up to one million Kansans lack robust internet needed to fully engage the digital economy
 - Applications for KOBD's recently launched CPF Broadband Infrastructure was 700% oversubscribed, demonstrating vast need across the state
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, KOBD will comply with ARPA compliance/reporting requirements as needed
- **Match Requirement/Other Costs:**
 - Sliding scale match requirement based on rurality of applicant

Connectivity

Digital Equity Grant Program

Focus Area/Need:

Broadband adoption and enablement

Administering Agency:

Kansas Office of Broadband Development (KOBD)

Funding Request:

\$5,000,000

Program Description

The purpose of the proposed Digital Equity Grant program is to provide competitive grants to facilitate the development of digital literacy skills and adoption of broadband service. KOBD is currently working to complete Kansas' federally funded Digital Equity planning process. This proposed program would compliment those efforts by providing \$5M toward a competitive grant process for applicants committed to increasing digital skills in historically disconnected communities and programs with a goal to increase the rate of broadband adoption in Kansas.

Goals / Target Outcomes

- Broader internet service adoption in low-income households through campaign to increase participation in connectivity programs/initiatives
- Workforce development through digital literacy programs in underserved populations that may lack digital skills
- Increased access to telehealth, remote work, and distance learning through digital literacy training

Program Parameters/Application Process

- Competitive grant opportunity will be made available to entities seeking to make investments in local broadband infrastructure including political subdivisions, corporations, LLCs, partnerships or other business entities, non-profits, and entities authorized to provide broadband services in a proposed service area
- Application process will mimic existing broadband access programs
- Relevant SPARK Idea Submissions will be notified of this funding opportunity

Additional Considerations

- **Why is it needed?:**
 - Universal broadband connectivity requires investments in both infrastructure access and adoption enablement efforts
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, KOBD will comply with ARPA compliance/reporting requirements as needed
- **Misc:**
 - As proposed, program to launch after completion of Kansas' federally funded Digital Equity planning process

Efficiency and Modernization

Detail: Efficiency and Modernization Proposal

Efficiency and Modernization

\$100M across 2 programs

State Efficiency and Modernization (\$95M) – Improve the accessibility and efficiency of delivery of State services to Kansans through investments in State facilities, IT infrastructure, continuity of operations, and safety and security

Local Safety and Security Equipment (\$5M) - Enable safe and secure crisis response for Kansans through investments in local public safety infrastructure

Efficiency and Modernization

State Efficiency and Modernization Program

Focus Area/Need:

Investments to improve the accessibility and efficiency of State services to Kansans

Administering Agency:

Kansas Department of Administration (DofA)

Funding Request:

\$95,000,000

Program Description

The proposed State Efficiency and Modernization program will provide SFRF dollars to State entities to enhance government services to Kansans in four primary areas. The proposed program will address the following:

- **Facilities Modernization:** Enable critical facility improvements that ensure Kansans can safely and efficiently access services
- **IT Infrastructure:** Accelerate and enhance state delivery of public services through interoperable, secure, modern IT infrastructure
- **Continuity of Operations:** Adapt to COVID-driven increases in demand or services and build state resilience against future disruptions
- **Safety and Security:** Modernize state safety and security equipment for safe and secure government communication/public safety response

Goals / Target Outcomes

- **Facilities Modernization:** Targeted upgrades to create safe public-facing spaces for citizens accessing government services, increase state building utilization and create future cost efficiencies
- **IT Infrastructure:** Interoperable, secure, standardized, and modern technical infrastructure that supports critical state functions, delivers streamlined and secure government services, and provides protection against cybersecurity threats
- **Continuity of Operations:** Increase ability for state entities to meet COVID-driven demand for services and to mitigate future operational issues
- **Safety and Security:** Deploy critical upgrades to state safety infrastructure to improve emergency operations and interoperability across government entities

Program Parameters/Application Process

- Competitive application open to State entities including State Agencies, Non-Cabinet Agencies, Judicial branch, Legislative branch, and offices of Elected Officials. Entities can submit applications for multiple projects
- SPARK idea submissions to be reviewed to ensure all State entities that submitted proposals to the SPARK process have the opportunity to apply

Additional Considerations

- **Why is it needed?:**
 - COVID-19 pandemic highlighted opportunities to improve and modernize the State's provision of services to Kansans
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, DofA will address federal compliance and reporting requirements with recipients as needed

Efficiency and Modernization

Local Safety and Security Equipment Grant Program

Focus Area/Need:

Public safety infrastructure for local government entities

Administering Agency:

Kansas Governor's Grants Program (KGGP)

Funding Request:

\$5,000,000

Program Description

The proposed program will assist local jurisdictions across Kansas achieve modernization of communications infrastructure and equipment, enabling local public safety entities to meet the latest federal encryption standards and facilitate interoperability with local, county, and state communications. The program will provide a competitive grant opportunity to support equipment upgrades critical to emergency response and/or law enforcement operations, expanding local entities' ability to ensure safe and secure government-citizen interactions. These upgrades necessitate one-time investments larger than most local jurisdictions can accommodate within existing resources.

Goals / Target Outcomes

- Interoperability to increase efficiency of communication and service delivery
- Increased officer and citizen safety
- Adherence to federal communication encryption standards
- Decreased risk of equipment failure through modernization efforts

Program Parameters/Application Process

- The competitive funding opportunity will be open to any Kansas local governmental entity (specifically jurisdictions' emergency response departments including but not limited to first responders, law enforcement, fire departments, and paramedics) with a need to modernize safety and security equipment required to establish interoperability and adhere to federal communications encryption standards
- Local government entities will be eligible to apply for funding via application designed by the KGGP
- Notice of funding opportunity to be publicized in the Kansas Register, posted on the KGGP website, shared with relevant SPARK idea submitters, and distributed by mass email to local government officials that perform emergency response functions

Additional Considerations

- **Why is it needed?:**
 - COVID-19 pandemic brought to the forefront the need for interoperability for emergency responders; local governments often lack resources to unilaterally make necessary upgrades
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, KGGP will comply with ARPA compliance/reporting requirements as needed
- **Match Requirement/Other Costs:**
 - Program to include local match requirement
- **Misc:**
 - KGGP administers more than \$35 million annually in state and federal grants, including federal JAG grants from US DOJ

Health and Education

Detail: Health and Education Proposal

Health and Education

\$109M across 3 programs

Health Facilities and Program Expansion (\$66M) - Expand statewide health and behavioral health services to close service gaps in the continuum of care and expand workforce

Child Care and Community Resource Capacity Accelerator (\$38M) - Increase childcare capacity and enhance community resources across Kansas

Early Childhood Data Integration and System Enhancements (\$5M) – State early childhood data and IT system modernization

Health and Education

Health Facilities and Program Expansion

Focus Area/Need:

Expand statewide health and behavioral health services to close service gaps in the continuum of care and expand workforce

Administering Agency:

Kansas Department for Aging and Disability Services (KDADS)

Funding Request:

\$66,000,000

Program Description

The proposed program will work to close service gaps in the continuum of care through investment in health facility infrastructure and/or programs to expand innovative care models and treatment, as well as efforts that will lead to workforce expansion. The competitive grant program will fund facility development, renovation, and targeted program expansion that impact both service and workforce capacity in the health and behavioral health sectors. The program will address statewide shortages of health and behavioral health services with long-term impact via expansion of facilities and near-term impact via innovative care models and treatment.

Goals / Target Outcomes

- Increase access to care in the long term by investing in innovative facility and program expansion opportunities
- Improve health outcomes
- Decrease waitlists/wait times for services through expanded service capacity

Program Parameters/Application Process

- Eligible applicants will include hospitals, community-based organizations, educational institutions, local governments, and care providers
- Limited beneficiaries have already been identified based on received SPARK Idea Submissions and those beneficiaries will be invited to submit grant applications to compete among each other for available funding
- KDADS will contact those entities to verify their continued need and interest in this grant program and will invite them to submit an application in response to the Request for Applications

Additional Considerations

- **Why is it needed?:**
 - COVID-19 pandemic patient demand resulted in increased pressure on the health services system requiring increased capacity to close service gaps in the continuum of care
 - SFRF funding presents opportunity to address long-term gaps in health and behavioral health through catalytic one-time investments
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, KDADS will comply with ARPA compliance and reporting requirements as needed

Health and Education

Child Care and Community Resource Capacity Accelerator

Focus Area/Need:

Increase child care capacity and enhance community resources across Kansas

Administering Agency:

Kansas Children's Cabinet and Trust Fund/Kansas Department for Children and Families (DCF)

Funding Request:

\$38,000,000

Program Description

The proposed program will support community driven efforts to solve child care capacity gaps and enhance the availability and accessibility of health, education, and early childhood resources to Kansans. As Kansas communities make strides in securing economic development projects and rebuilding their local economies, affordable and accessible child care and family services continues to be a need. Funding will be utilized to create additional child care slots through grants for building and enhancing physical childcare facilities and launch operations, as well as improvement and expansion projects for facilities/organizations that provide health, education, and/or early childhood services to Kansans.

This program will provide a comprehensive framework and supports for communities to develop and implement solutions to meet the unique local needs of their area through two competitive grant streams:

- **Child Care Capacity Accelerator:** Grants focused on construction and capital enhancement of child care facilities
- **Community Resource Capacity Accelerator:** Grants focused on capital improvement projects and program expansion opportunities for facilities/organizations that provide health, education, and early childhood resources to Kansas communities (ex: learning centers, family resource centers, children's museums, health initiatives etc.)

Goals / Target Outcomes

- Increased number of licensed child care facilities and child care slots
- Improved ratio of licensed child care slots to children birth-5 in the community
- Increased availability and accessibility of health, education and early childhood resources for Kansas communities
- Economic activity through capital improvement projects

Program Parameters/Application Process

- Children's Cabinet to administer Child Care Capacity, DCF to administer Community Resource Capacity
- The funding opportunity will be open as a competitive grant application process to communities across Kansas ready to support and implement projects that add child care slots or support resources for families
- Priority will be given to shovel-ready projects that support communities with significant child care and resource needs
- Relevant SPARK Idea Submissions will be notified of this funding opportunity

Additional Considerations

- **Why is it needed?:**
 - COVID-19 pandemic exacerbated families' lack of access to quality, affordable care for their young children
 - Child care and related family resources are necessary infrastructure for continued economic development and workforce growth
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, the Kansas Children's Cabinet and DCF will comply with ARPA compliance/reporting requirements as needed

Health and Education

Early Childhood Data Integration and System Enhancements

Focus Area/Need:

State early childhood data and IT system modernization

Administering Agency:

Kansas Department of Health and Environment (KDHE)

Funding Request:

\$5,000,000

Program Description

The proposed program will accelerate early childhood data integration and system enhancements to modernize data and IT systems, ensure data security, and improve accountability, effectiveness, and quality of early childhood services to children and families across the state through one-time investments in State early childhood data systems. The program will also fund one-time investments that enhance and modernize existing State data system capabilities, including components that streamline data sharing and integration across services to meet demand for more accurate and timely service delivery. KDHE will collaborate with other early childhood agencies in these efforts, including DCF and the Children’s Cabinet. These enhancements will improve the ability of early childhood stakeholders to address persistent disparities in service availability, reduce the cost-of-service delivery, and increase the uptake of services.

Goals / Target Outcomes

- Improved State early childhood data system capabilities and overall data system/IT modernization that provide accurate and quality data
- More efficient, secure, and timely data sharing and integration processes that provide real-time information on early childhood service delivery, access and availability, and geographical gaps
- Increased access to quality early childhood services that improve outcomes and experiences for eligible children and families

Program Parameters/Application Process

- This funding opportunity will be open to State Agencies with existing statewide data systems and IT initiatives in place for early childhood services, as well as new State initiatives
- KDHE will administer a competitive process to identify modernization projects, with a priority placed on agile systems that will meet identified outcomes through one-time investments
- Kansas Children’s Cabinet and DCF to assist in evaluation of potential projects and recommendation process

Additional Considerations

- **Why is it needed?:**
 - COVID-19 pandemic exacerbated existing service gaps impacting Kansas children and families and highlighted needs in the early childhood IT space
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, KDHE will comply with ARPA compliance/reporting requirements as needed

Economic Revitalization

Detail: Economic Revitalization Proposal

Economic Revitalization

\$130M across 6 programs

BASE 2.0 (\$50M) – Fund additional economic development infrastructure projects submitted to BASE

Tourism (\$30M) – Investments in tourism projects to spur economic activity

Housing (\$10M) – Housing investments for high-needs populations

Workforce: Aviation and Aerospace (\$20M) – Workforce development incentives for aviation/aerospace manufacturers, supply chain providers, and local airports

Workforce: Delivering Residents and Workforce (\$10M) - Provide incentives to attract and retain critical talent in high demand industries

Small Town Water and Sewer Infrastructure Assistance Program (\$10M) – Infrastructure improvements for small municipal water and wastewater utilities

Economic Revitalization

Building a Stronger Economy 2.0 (BASE 2.0)

Focus Area/Need:

Economic development infrastructure

Administering Agency:

Kansas Department of Commerce

Funding Request:

\$50,000,000

Program Description

BASE 2.0 will provide dollars to eligible applications received by the original BASE grant program authorized through the SPARK process. Like the first iteration of BASE, this program will address infrastructure and economic development needs that were delayed or slowed due to COVID-19 in an effort to expand the state's base of businesses and residents. The Department of Commerce received over 440 applications for the original BASE program and no new applications will be accepted for BASE 2.0.

Goals / Target Outcomes

- BASE 2.0 will provide at least 25-30 additional awardees with the opportunity to move forward with economic development projects necessary for local and statewide growth
- BASE 2.0 will award to entities located within counties that did not receive an award from the original BASE program
- BASE 2.0 will provide opportunities for local entities to create both short-term construction jobs, as well as long-term jobs via awarded projects

Program Parameters/Application Process

- Eligible beneficiaries will include only those entities that originally applied to the original BASE program. Commerce will review previously received applications and make a new round of awards. No additional or revised applications will be accepted or reviewed
- BASE 2.0 will follow the identical protocols and regulations for the original BASE program, including 25% awardee match requirement

Additional Considerations

- **Why is it needed?:**
 - Commerce received over \$1 billion in funding requests for original BASE program, demonstrating vast need across the State
 - One-time investments in key economic development infrastructure projects can foster economic growth for the future
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, Commerce will comply with all federal reporting and compliance requirements
- **Match Requirement/Other Costs:**
 - Awardees must provide 25% match

Economic Revitalization

Tourism

Focus Area/Need:

Drive economic activity through tourism

Administering Agency:

Kansas Department of Commerce

Funding Request:

\$30,000,000

Program Description

This proposed Tourism program will provide funding to support the development and/or improvement of tourism-focused businesses and tourism agencies. During the pandemic some sectors of the Kansas tourism industry experienced increased activity (ex: state parks) while other sectors experienced a decline in activity (ex: museums, performing arts centers, entertainment venues etc.). ARPA funding provides Kansas the opportunity to address these impacts and support the industry as a whole through the enhancement of existing tourism facilities and development of new attractions.

Goals / Target Outcomes

- Enhancement/modernization of existing tourism facilities
- Development of new tourism attractions to spur regional economic development
- Increased tourism related economic activity as a result of investments

Program Parameters/Application Process

- Funding to be used for infrastructure enhancements, capital projects, renovations, etc.
- Potentially eligible applicants for this competitive grant opportunity may include but is not limited to state parks, museums, conference centers, etc.
- Applications will be considered based on potential regional impact, with a priority placed on shovel-ready projects with potential for high economic impact
- Relevant SPARK Idea Submissions will be notified of funding opportunity

Additional Considerations

- **Why is it needed?:**
 - Tourism is a key sector for the Kansas economy and local communities
 - Pandemic highlighted opportunities to grow the tourism sector; investments needed to revitalize the sector and ensure existing tourism attractions remain regional economic drivers
 - Maintaining/enhancing tourism facilities encourages patrons to return, creating ongoing economic activity
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, Commerce will comply with all federal reporting and compliance requirements

Economic Revitalization Housing

Focus Area/Need:

Housing investments for high needs populations

Administering Agency:

Kansas Department of Commerce

Funding Request:

\$10,000,000

Program Description

Proposed program will provide funding for construction and renovation of multi-housing units for elderly or disabled individuals. The program would also allow for new construction providing health and safety accommodations.

During the pandemic, many elderly and disabled individuals faced housing concerns which disrupted their access to medical care, food and other services. This program would provide advanced housing to support health and safety needs while creating a community of resources to enhance the individual's quality of life.

Goals / Target Outcomes

- Provide multi-housing units for elderly and disabled persons
- Increase opportunities for safe and healthy living conditions for high needs populations
- Increase overall inventory of housing in Kansas

Program Parameters/Application Process

- Competitive funding opportunity to be made available by application for individuals or entities constructing new multi-housing units that provide accommodations for elderly and/or disabled individuals
- Relevant SPARK Idea Submissions will be notified of funding opportunity

Additional Considerations

- **Why is it needed?:**
 - High needs populations struggled with housing access/availability prior to the pandemic, and COVID-19 intensified these issues
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, Commerce will comply with all federal reporting and compliance requirements
- **Match Requirement/Other Costs:**
 - Awardees must provide 1:1 match

Economic Revitalization

Workforce: Aviation and Aerospace

Focus Area/Need:

Aviation/aerospace workforce development

Administering Agency:

Kansas Department of Commerce

Funding Request:

\$20,000,000

Program Description

This proposed program will provide funding to aviation and aerospace manufacturers, supply chain providers, and local airports for training and workforce development initiatives. Aviation and aerospace manufacturers in Kansas have experienced challenges maintaining a qualified workforce. Training incentives will allow employers in the aviation industry to participate in the Registered Apprenticeship program, the Kansas Department of Commerce Workforce AID program, and cover general training costs associated with new hires. Funding will also be available to airport facility or service expansion projects that will yield staff development and training opportunities.

Goals / Target Outcomes

- Increase training and development opportunities for the Kansas aviation sector
- Increase capacity of aerospace and aviation manufacturers
- Increase service of local airports via expansion of airport facilities that provide for additional staff and training opportunities
- Increase participation in the Kansas Registered Apprenticeship program and the Kansas Department of Commerce Workforce AID program

Program Parameters/Application Process

- This competitive funding opportunity will be open for application to eligible manufacturers registered as aerospace part manufacturers and/or supply chain manufacturers
- Local and city owned airports will also be eligible to apply for funding
- Applicants will be required to provide documentation that expansion of services and facilities will lead to new hires, driving workforce development needs
- Relevant SPARK Idea Submissions will be notified of funding opportunity

Additional Considerations

- **Why is it needed?:**
 - The impact of the COVID-19 pandemic highlighted opportunities and gaps in Kansas' aviation industry workforce, one of the State's most economically significant sectors
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, Commerce will comply with all federal reporting and compliance requirements
- **Match Requirement/Other Costs:**
 - Awardees must provide 25% match

Economic Revitalization

Workforce: Delivering Residents and Workforce (DRAW)

Focus Area/Need:

Workforce development in high demand industries

Administering Agency:

Kansas Department of Commerce

Funding Request:

\$10,000,000

Program Description

High demand and critical need industries are facing a severe labor shortage in the State of Kansas. This proposed program will provide training and equipment funding for these industries, and additional incentives to draw new residents into the state.

This competitive grant program will address workforce shortages and training needs in high demand and critical need industries, including but not limited to healthcare providers, education providers, technology-based businesses, and employers working with the blind, visually or hearing impaired, or persons with other disabilities. Eligible expenses include training costs associated with employee development and advancement and equipment related to the training and end-use of customer/client services.

Goals / Target Outcomes

- Increased workforce participation in the high demand and critical needs industries
- Increased residency of employees in these industries from out-of-state
- Increased services provided by awarded applicants

Program Parameters/Application Process

- Applications will be made available to eligible employers in high demand industries via an online portal
- Application to request information on training costs, equipment estimates, and potential outcomes of new hires and workforce development
- Additional consideration will be given to applicants with verified new hires that are new Kansas residents
- Relevant SPARK Idea Submissions will be notified of funding opportunity

Additional Considerations

- **Why is it needed?:**
 - Workforce continues to be a key need as Kansas recovers from the pandemic and moves forward with transformational economic development projects
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, Commerce will comply with all federal reporting and compliance requirements
- **Match Requirement/Other Costs:**
 - Awardees must provide 25% match

Economic Revitalization

Small Town Water and Sewer Infrastructure Assistance Program

Focus Area/Need:

Infrastructure improvements for small municipal water and wastewater utilities

Administering Agency:

Kansas Department of Health and Environment (KDHE) – Bureau of Water

Funding Request:

\$10,000,000

Program Description

The proposed Small Town Water and Sewer Infrastructure Assistance program will assist small (population <500-1000) municipal water and wastewater utilities to resolve health and regulatory compliance issues. Program funding will be utilized to provide funding to assist small municipal utilities that have limited options for funding and infrastructure projects due to lack of knowledge, financial capacity, and a marginal economy of scale. Highest priority will be given to projects that incorporate regionalization of systems as long-term remedies.

Goals / Target Outcomes

- Fund infrastructure improvements for small (<500-1000) municipal water and wastewater utilities
- Resolve health and regulatory compliance issues
- Return small town water and sewer utilities to compliance without overtaxing their ability to fund the necessary infrastructure
- Regionalization of water and wastewater utility systems

Program Parameters/Application Process

- The competitive funding opportunity will be open to small municipal water and wastewater utilities identified by KDHE through evaluation of projects previously submitted to SPARK
- Beneficiaries will be required to accept funding through a formal agreement
- A capped grant amount per project may be imposed depending on budget allocation, small town economic profiles, and program demand
- Systems with populations under 1000 will be eligible for this proposed program

Additional Considerations

- **Why is it needed?:**
 - COVID-19 pandemic negatively impacted small utilities and infrastructure projects because of subsequent supply chain disruptions, including the rising cost of materials and a shrinking labor force
- **Compliance/Allowability:**
 - No compliance/allowability issues as proposed, KDHE will comply with ARPA compliance and reporting requirements as needed
- **Technical assistance:**
 - The program will be administered using existing staff as the Bureau of Water has extensive experience through previous management of utility infrastructure improvements through its two State Revolving Fund programs
- **Match Requirement/Other Costs:**
 - Program to potentially include a match requirement determined by a sliding scale of population

Reallocated/recouped SFRF dollars available for recommendation

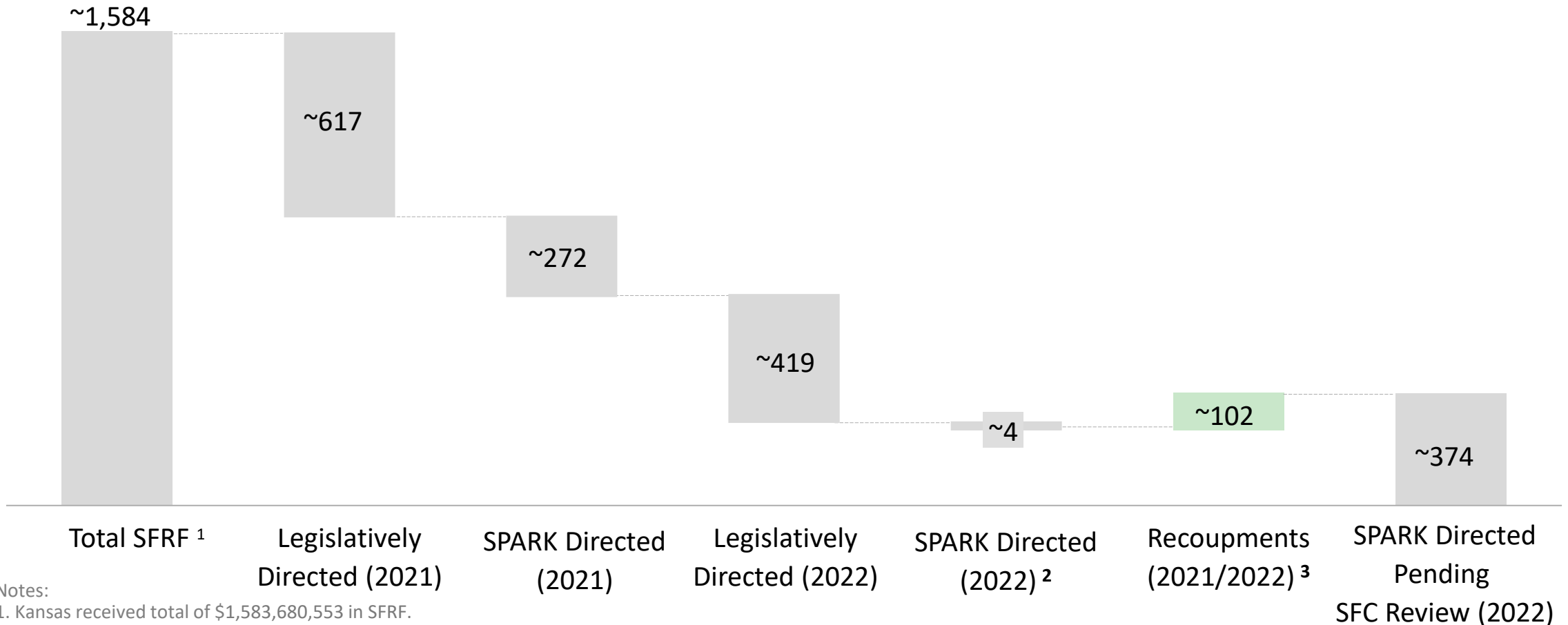
- In addition to the \$374 million recommended by the Executive Committee in September, \$167 million in recouped and reallocated SFRF dollars may become available through two avenues:
 - \$25 million via the reimbursement of previous SFRF expenses with CRF
 - \$142 million - On December 19 Legislative Budget Committee made recommendation regarding second UI Trust Fund payment that, if approved through the legislative process, will free up ~\$142 million SFRF
- The Executive Committee has the opportunity to make a recommendation regarding this \$167 million so that an investment plan is in place should UI Trust Fund recommendation be approved through legislative process

Investment Area	Previously Recommended (September 16)	Proposed Recommendation for Reallocated Funds	Proposed Final Recommendation
Connectivity	\$35,000,000	\$0	\$35,000,000
Efficiency and Modernization	\$100,000,000	\$30,000,000	\$130,000,000
Health and Education	\$109,000,000	\$35,000,000	\$144,000,000
Economic Revitalization	\$130,000,000	\$102,000,000	\$232,000,000
Total	\$374,000,000	\$167,000,000	\$541,000,000

Appendix –SFRRF Allocations

SFRF Status: All available SFRF allocated, \$374 million pending SFC review

Millions of dollars as of December 2022



Notes:

1. Kansas received total of \$1,583,680,553 in SFRF.

2. Office of Recovery FY 23 Budget is only 2022 SPARK directed allocation approved by SFC thus far.

3. \$27.1M recouped from Extension of Testing Funding program, given reimbursed by FEMA. \$15.4M in unused CRF recouped and applied to first UI Trust Fund Payment, returning equivalent SFRF to SPARK. \$55.4M in CRF reimbursed by FEMA recouped and applied to first UI Trust Fund Payment, returning equivalent SFRF. \$4M in unused SFRF recouped from 24/7 Pay Plan and Frontline Hospital Employee Retention Plan.

SFRF Detail: Legislatively directed SFRF allocations in 2021 totaled ~\$617M

Investment type	Investment	Allocated
Legislatively Directed (2021)	Docking Renovation and KDHE Lab	\$92,500,000
	Unemployment Insurance Modernization	\$9,600,000
	988 Crisis Hotline	\$3,000,000
	Offender Management Data System	\$2,000,000
	2021 UI Trust Fund Replenishment	\$250,000,000
	2022 UI Trust Fund Replenishment	\$250,000,000
	Rural Hospital Innovation Grant	\$10,000,000
	<i>SUBTOTAL – 2021 LEGISLATIVELY DIRECTED</i>	

SFRF Detail: SPARK directed SFRF allocations in 2021 totaled ~\$272M

Investment type	Investment	Allocated
SPARK Directed (2021)	Frontline Hospital Employee Retention Plan	\$50,000,000
	Extension of Testing Funding	\$27,100,000
	24/7 Pay Plan	\$30,300,000
	Economic Development Infrastructure (BASE program)	\$100,000,000
	Individual Education Learning Recovery Grants	\$50,000,000
	Kansas Connect and Learn Initiative	\$4,000,000
	Office of Recovery Operations	\$10,262,284
	<i>SUBTOTAL – 2021 SPARK DIRECTED</i>	

SFRF Detail: Legislatively directed SFRF allocations in 2022 totaled ~\$419M

(1/3)

Investment type	Bill	Investment	Allocated
Legislatively Directed (2022)	SB 267	University Challenge Grant Projects	\$75,000,000
		Business Closure Rebates	\$50,000,000
		University of Kansas Economic Development	\$35,000,000
		Ag Production Economic Development Infrastructure	\$35,000,000
		University of Kansas and Wichita State University Health Sciences	\$25,000,000
		Kansas State University Agriculture Innovation	\$25,000,000
		Moderate Income Housing Expansion	\$20,000,000
		Kansas City Kansas CC Project Grant	\$12,000,000
		Private and Independent College Project Grant	\$10,000,000
		Pathways for Success (KDOC)	\$6,665,392
		Economic Development Rural Kansas Housing Grant	\$5,000,000
		Cloud County CC Project Grant	\$4,000,000
		Cowley County CC Project Grant	\$4,000,000
		Johnson County CC Project Grant	\$2,538,502
		Garden City CC Project Grant	\$1,499,913
Neosho County CC Project Grant	\$1,498,987		

SFRF Detail: Legislatively directed SFRF allocations in 2022 totaled ~\$419M

(2/3)

Investment type	Bill	Investment	Allocated
Legislatively Directed (2022)	SB 267	Personal Protective Equipment for State Fire Marshal	\$1,200,000
		Hutchinson CC Project Grant	\$999,786
		Fort Scott CC Project Grant	\$800,103
		Pratt CC Project Grant	\$788,445
		Highland CC Project Grant	\$425,375
		Children's Language Assessment Program (School for the Deaf)	\$386,000
	CCR HB 2510	Economic Expansion Rural Housing Grant	\$20,000,000
		Nursing Facilities Support	\$15,000,000
		Wichita State University Digital Transformation Program	\$10,000,000
		Emporia State University Project Grant	\$5,000,000
		Pittsburg State University Project Grant	\$5,000,000
		Fort Hays State University Project Grant	\$5,000,000
		Animal Nourishment Facility Economic Development Infrastructure	\$5,000,000
		Southeast Kansas Economic Development Infrastructure	\$5,000,000
		Northeast Kansas Economic Development	\$3,100,000
Washburn University Project Grant	\$3,000,000		

SFRF Detail: Legislatively directed SFRF allocations in 2022 totaled ~\$419M

(3/3)

Investment type	Bill	Investment	Allocated
Legislatively Directed (2022)	CCR HB 2510	Port Authority Transload Facility Economic Development	\$2,500,000
		Colby CC Project Grant	\$1,843,594
		Seward CC Project Grant	\$1,843,594
		Barton CC Project Grant	\$1,843,594
		Washburn Institute of Technology Project Grant	\$1,843,594
		Wichita State Technical College Project Grant	\$1,843,594
		Salina Technical College Project Grant	\$1,843,594
		Manhattan Technical College Project Grant	\$1,843,594
		North Central Kansas Technical College Project Grant	\$1,843,594
		Nutritional Program Grant	\$1,500,000
		Northwest Kansas Technical College Project Grant	\$600,104
		Butler CC Project Grant	\$572,268
		Flint Hills Technical College Project Grant	\$500,000
		Coffeyville CC Project Grant	\$425,987
		HB 2567	Virtual Math Education Program
School Safety and Security Grants	\$1,000,000		
SUBTOTAL – 2022 LEGISLATIVELY DIRECTED			\$418,749,614

SFRF Detail: SPARK directed SFRF allocations in 2022 total \$4M

Investment type	Investment	Allocated
SPARK Directed (2022)	Office of Recovery Operations ¹	\$4,000,000
	<i>SUBTOTAL – 2022 SPARK DIRECTED</i>	<i>\$4,000,000</i>

Notes:

1. Office of Recovery FY 23 budget approved by SPARK Executive Committee and State Finance Council at \$4,999,100. RO estimates ~\$4 million of the budget will need to come from SFRF with the remainder funded with CRF.

SFRF Detail: Recoupments in 2021 and 2022 total ~\$102M

Investment type	Investment	Allocated
Recoupments (2021)	Recoupment: Extension of Testing Funding	(\$27,100,000)
	<i>SUBTOTAL – 2021 RECOUPMENTS</i> (\$27,100,000)	
Recoupments (2022)	Recoupment: Frontline Hospital Employee Retention Plan and 24/7 Pay Plan	(\$4,000,000)
	Recoupment: Unused CRF directed to replace portion of first UI Trust Fund payment	(\$15,449,163)
	Recoupment: FEMA reimbursement of CRF expenses directed to replace portion of first UI Trust Fund payment	(\$55,409,583)
	<i>SUBTOTAL – 2022 RECOUPMENTS</i> (\$74,858,746)	

SFRF Detail: SPARK recommended SFRF allocations in 2022 pending SFC review totals ~\$374M

Investment type	Investment	Allocated
SPARK Recommended Pending SFC review (2022)	Connectivity	\$35,000,000
	Efficiency and Modernization	\$100,000,000
	Health and Education	\$109,000,000
	Economic Revitalization	\$130,000,000
<i>SUBTOTAL – 2022 SPARK RECOMMENDED</i>		<i>\$374,000,000</i>