July 29, 2020

STRENGTHENING PEOPLE AND REVITALIZING KANSAS (SPARK) TASK FORCE UPDATE #3

[Note: Italics other than in headlines are used to denote information recently added to this memorandum.]

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, provided $150.0 billion in direct relief from the U.S. Department of the Treasury to states, tribal governments, and U.S. territories through the federal Coronavirus Relief Fund (CRF). CRF moneys were allocated to States based on their populations, with no state receiving less than $1.25 billion. Direct relief from the CRF was made available to local units of governments that serve populations exceeding 500,000. U.S. Department of the Treasury guidance stipulated that CRF moneys may be used only for expenditures related to COVID-19, cannot be used to fill revenue shortfalls, and must be expended by December 30, 2020.

Kansas was allocated $1.25 billion in CRF moneys from the U.S. Department of the Treasury, with $1.03 billion allocated to state government and $215.9 million allocated for direct relief to local units of government in Johnson County and Sedgwick County. HB 2016 (2020 Special Session) (HB 2016) appropriated the state government’s allocation of $1.03 billion to the state Coronavirus Relief Fund (state CRF) in the Office of Governor.

This memorandum outlines the process by which the distribution of the CRF moneys in Kansas was determined.

SPARK Task Force

On May 19, 2020, the Governor established the Strengthening People and Revitalizing Kansas (SPARK) Task Force and charged it with making recommendations to the Governor on how $1.03 billion in state CRF moneys should be distributed. The task force is part of the newly formed Office of Recovery within the Office of the Governor and is composed of gubernatorial-appointed members representing the business community, economic development community, and the Legislature. Within the task force, a five-member executive committee makes recommendations based on the work of a 15-member steering committee. Recommendations of the SPARK Task Force are subject to approval of the State Finance Council (SFC) pursuant to provisions in HB 2016.
Office of Recovery

On May 7, 2020, the Governor established the Office of Recovery within the Office of the Governor for the purpose of managing the State’s economic recovery from the effects of the COVID-19 pandemic. The office provides research and policy support to the SPARK Task Force, administers the distribution of moneys from the state CRF, provides oversight of non-CRF COVID-19 federal relief funds, and manages reporting and compliance among 105 county governments, any additional fund recipients, and the U.S. Department of the Treasury. The Office of Recovery is a temporary entity funded with a portion of state CRF moneys and having 21.5 temporary full-time equivalent (FTE) positions. The Office of Recovery facilitates the work of the SPARK Task Force, but the office is ultimately an extension of the Office of the Governor.

State Finance Council

Pursuant to provisions of HB 2016, enacted on June 9, 2020, expenditures or transfers from the state CRF require an affirmative vote of the Governor and a majority of legislative members of the SFC. The SFC consists of nine members (Governor, Speaker of the House, President of the Senate, and House and Senate majority leaders, minority leaders, and chairpersons of committees on Appropriations and Ways and Means), and it is authorized to make certain budgetary and personnel adjustments when the Legislature is not in session. HB 2016 further directs the SFC to apply the same approval process to any non-CRF COVID-19 federal relief funds provided directly from the federal government to state agencies and permits the SFC to continue the approval process during the Legislative Session.

Current Status of State Finance Council and SPARK Committee Recommendations

Based on recommendations from the SPARK Task Force, the SFC approved a three-round process for distributing $1.03 billion from the state CRF. Round 1 provided $400.0 million to county governments for local needs in responding to the COVID-19 pandemic, with payment of these funds occurring on July 15, 2020. Round 2 allocated approximately $525.0 million to public and private entities for opportunities to generate economic growth, with payment of these funds to occur in August 2020. Round 3 reserved approximately $109.0 million for the possible reemergence of COVID-19 and further economic recovery in the fall of 2020, with payment of these funds to occur in October 2020.

A Round 1 distribution of $400.0 million was issued to county governments on July 15, 2020. Of the $400.0 million, $348.7 million was allocated to all county governments, except those that received direct relief from the federal government (Johnson and Sedgwick counties), based on a rate of $194 per person. That is equivalent to the rate used by the federal government when determining the amount of direct relief for Johnson and Sedgwick counties. The remaining $51.3 million was allocated to county governments, including those receiving direct federal relief, based on COVID-19 case rates and unemployment rates. Prior to receiving state CRF moneys, county governments were required to adopt local resolutions affirming that funds will be shared with educational and municipal entities within their respective counties and a spending plan for the CRF moneys will be submitted to the Office of Recovery by August 15, 2020. Any unspent funds will be returned to the State of Kansas by September 15, 2020, to meet other statewide needs in Round 3, as identified by the SPARK Task Force.

For the Round 2 distribution of $525.0 million from the state CRF to public and private entities to support longer-term investments, the SPARK Task Force identified initial funding
priorities in four strategic areas: connectivity, economic development, education, and health. The task force reviewed CRF usage among other states and examined the allocation of non-CRF COVID-19 federal relief funds in Kansas to determine potential funding gaps. Final funding priorities included, but were not limited to COVID-19 preparedness and mitigation, increased access to telehealth services, mental health treatment, broadband access for underserved areas, public health measures to ensure in-person classroom instruction, development of distance learning, support to small business, and assistance to nursing homes. State agencies were charged with developing proposals that adapt existing programs or implement new programs that use state CRF moneys to rapidly deliver relief, based on priorities determined by the SPARK Task Force.

On July 22, the SPARK Task Force Executive Committee approved state agency proposals totaling $315.3 million for Round 2. Approved programs included, but were not limited to, broadband infrastructure grants ($50.0 million) and small business grants ($32.5 million) through the Kansas Department of Commerce, nursing home assistance ($38.4 million) and behavioral health grants ($12.5 million) through the Kansas Department for Aging and Disability Services (KDADS), and increased state laboratory testing capacity ($20.7 million) and early childhood education support ($4.9 million) at the Kansas Department of Health and Environment (KDHE). These proposals were referred to the SFC for final approval.

The Round 3 initial allocation included approximately $109.0 million from the state CRF for a possible reemergence of COVID-19 and additional economic recovery. The SPARK Task Force conducted preliminary discussions regarding funding priorities that included further public health measures, stabilization of the unemployment trust fund, aid to postsecondary education students impacted by COVID-19, and financial support to K-12 educational institutions. The final determination of funding priorities for Round 3 will be impacted by the amount of unspent funds from Round 1 that are returned by county governments by September 15, 2020.

To build capacity for administering the CRF, the SFC approved recommendations from the SPARK Task Force that provided the Office of Recovery with an operating budget of $63,000 in fiscal year (FY) 2020 and $2.0 million for FY 2020, all from the state CRF, as well as 21.5 FTE positions. The SFC also approved reimbursements to state agencies totaling $16.7 million, all from the state CRF, for expenses incurred during the immediate response to COVID-19.

Additionally, the SFC approved all expenditures from non-CRF COVID-19 relief funds provided directly from the federal government to state agencies and any future expenditures from such funds. However, such prior approval will not apply to federal relief funds provided to the Office of the Governor.
Meeting Summaries

(State Finance Council, SPARK Steering Committee, SPARK Executive Committee)

State Finance Council

June 16, 2020, SFC Meeting

On June 16, 2020, the SFC met to consider recommendations from the SPARK Executive Committee regarding expenditures from the state CRF. The SFC also considered recommendations from the Office of Recovery regarding a transfer from the Governor’s Emergency Educational Relief (GEER) Fund and expenditures of non-CRF COVID-19 federal relief funds provided to state agencies through new and existing federal programs.

State CRF Expenditures – Round 1 Distribution to County Governments

The SPARK Task Force Executive Committee presented a three-round framework for distributing $1.03 billion in state CRF moneys and requested authorization to distribute an initial $400.0 million, all from the state CRF, to county governments in FY 2020 as part of Round 1. This distribution would include $348.7 million to county governments, except those counties receiving direct relief from the federal government (Johnson and Sedgwick counties), based on a rate of $194 per person. The distribution would also include a newly created Impact Fund totaling $51.3 million for additional relief to county governments, including those receiving direct federal relief, impacted by COVID-19, based on case rates and unemployment rates. County governments would be responsible for sharing the funds with local governments within their respective counties. Prior to receiving state CRF moneys, county governments would be required to certify that funds will be used in accordance with the CARES Act and that unspent funds would be returned to the state government.

The proposed timeline for Round 1 distribution of funds is as follows:

- The Office of Recovery would provide notification of funding to county governments by June 19, 2020;
- The Office of Recovery would distribute funds to county governments by July 13, 2020;
- County governments would provide expenditure plans to the Office of Recovery by September 15, 2020; and
- County governments would return unspent funds to the Office of Recovery by October 1, 2020, for other statewide needs as identified by the SPARK Task Force in Round 3.
SFC discussion included:

- Moving up deadlines for county governments to submit expenditure plans and return unspent funds in Round 1, which would better allow for use of funds as economic recovery in Round 3 as determined by SPARK Task Force;

- County governments would be responsible for distributing funds to cities and local school districts for matters such as reimbursement of COVID-19 related expenses. However, determining those local allocations would be at the discretion of county governments;

- Distribution from the $50.0 million Impact Fund would be provided to county governments based on deviations from the average per county COVID-19 case rate of 3.3 cases per 1,000 and an average per county unemployment rate of 11.0 percent; and

- To mitigate the unemployment effects of COVID-19, county governments may use their distribution to support local businesses impacted by COVID-19 and the SPARK Task Force could recommend the allocation of state CRF moneys from Round 2 for the unemployment insurance.

The SFC approved a resolution authorizing the expenditure of $400.0 million, all from the state CRF, for aid to county governments in responding to COVID-19. The SFC recommended that deadlines by which county governments submit expenditure plans and return unspent funds be moved up and emphasized that county governments are to share their distribution with local governments within their respective counties.

GEER Fund Transfer

The Office of Recovery requested a transfer of $26.3 million, all from the GEER Fund, from the Office of the Governor to the Kansas Board of Regents (KBOR) for distribution to state universities to offset the impact of COVID-19 in FY 2020. This amount equals the totality of the GEER Fund and would leave it with a zero ending balance. GEER Fund moneys were provided to the Office of the Governor through the U.S. Department of Education as part of the CARES Act. Federal guidance states that funds may be distributed to local school districts, institutions of higher learning, and education-related entities to carry out emergency educational services, provide early childhood education, provide social and emotional support, and protect education-related jobs.

SFC discussion included the following:

- The Director of the Budget stated GEER Fund moneys transferred to the KBOR may assist with offsetting potential future allotments;

- A member moved to allocate $3.2 million, all from the GEER Fund, to private universities and colleges. The allocation is 12.0 percent of the fund, which the Representative stated was proportional to the number of students attending private colleges and universities in Kansas. The Governor stated that such
institutions may be eligible for support from the state CRF in Rounds 2 and 3 as
determined by the SPARK Task Force. The motion was not adopted.

The SFC concurred with the Office of Recovery and approved a resolution authorizing
the transfer of $26.3 million, all from the GEER Fund, to the KBOR in FY 2020.

Non-CRF COVID-19 Federal Relief Funds for State Agencies

The Office of Recovery requested approval of all expenditures from non-CRF COVID-19
federal relief funds provided to state agencies thus far and any future expenditures from funds
provided for the same purpose. The CARES Act and other federal COVID-19 relief bills
provided funds to federal agencies for distribution to state agencies through dozens of grant or
supplemental funding programs for defined purposes. Provisions of HB 2016 authorized state
agencies to apply for and receive such funds, but the bill required expenditures from these
funds to be approved by the SFC. The Governor stated these expenditures were necessary to
ensure timely delivery of services and this approval would allow state agencies to draw down
available federal funds and expend them more rapidly. Additionally, state agencies would be
required to submit monthly reports to the Office of Recovery detailing funding received and
expended, as well as describing the purposes of expenditures. Reports would be reviewed by
the SPARK Task Force and submitted to the SFC.

SFC discussion included the following points:

● The request would authorize expenditures from funds such as Supplemental
  Unemployment Insurance ($4.8 million) at the Department of Labor (DOL),
  Community Development Block Grants ($16.9 million) at the Department of
  Commerce, and Medicaid Enhancement ($62.0 million) at KDHE without prior
  approval from the SFC; and

● The Governor stated expenditures from federal relief funds provided to the Office
  of the Governor, including any future federal stimulus funds, would be an
  exception and would continue to be subject to approval by the SFC.

The SFC approved a resolution authorizing state agency expenditures, all from non-CRF
COVID-19 relief funds, and any future expenditures from such funds. The SFC noted that
expenditures from federal relief funds provided to the Office of the Governor should continue to
be subject to approval by the SFC.

Office of Recovery Operating Expenditures

The SPARK Executive Committee requested $63,000 in FY 2020 and $986,000 for FY
2021, all from the state CRF, for operating expenditures at the Office of Recovery. Expenditures
in FY 2020 include salaries and wages for 1.0 FTE position, the Executive Director ($29,184).
Expenditures for FY 2021 include salaries and wages for 20.0 FTE positions ($836,250) that
include the Executive Director, program analysts, accountants, public affairs liaisons, and legal
counsel to ensure compliance with federal CARES Act requirements.
SFC discussion included the following points:

- Operating expenditures for FY 2021 would be only for the period of July 1, 2020, to December 30, 2020, as further guidance is required regarding the use of CRF moneys beyond December 30, 2020;

- Discussions are ongoing regarding the option of outsourcing positions to contracted accounting and finance services. Hiring staff with adequate expertise on short notice for a limited period may present challenges; and

- While noting the urgency needed to begin communications with county governments for Round 1 distribution, SFC members expressed concern about the lack of details regarding salary and wages expenditures for FY 2021.

The SFC approved an expenditure of $63,000, all from the state CRF, for the Office of Recovery operating budget in FY 2020. The SFC recommended the SPARK Task Force give additional consideration to expenditures for FY 2021 and seek approval from the SFC at a later date, but prior to July 1, 2020.

State CRF Expenditures for State Agency Reimbursements

The SPARK Executive Committee requested expenditures totaling $16.7 million, all from the state CRF, to reimburse state agencies for unanticipated expenditures related to the immediate impact of COVID-19 in FY 2020. Included are expenditures for personal protective equipment (PPE), cleaning supplies, and information technology (IT) programming to allow for telework. The Director of the Budget stated that, starting in early March 2020, agencies began tracking COVID-19 expenditures separately so they could seek reimbursement. Approximately 75.0 percent of the request supports the Adjutant General Department’s purchase of swabs, testing kits, and other scientific supplies. This would be the first of multiple reimbursement requests from state agencies. This request includes direct expenses only, with reimbursement for COVID-19-related salaries and wages to be submitted at a later date.

SFC discussion included these points:

- The request covers a three-month period and is not intended for reimbursement of expenditures for new programs; and

- Future reimbursement requests would continue to be coordinated through the SPARK Executive Committee in order to align with more strategic allocations intended for Round 2.

The SFC approved a resolution authorizing the expenditure of $16.7 million, all from the state CRF, to reimburse state agencies for unanticipated COVID-19-related expenditures in FY 2020.

June 26, 2020, SFC Meeting

On June 26, 2020, the SFC met to review the local CRF resolution language and consider FY 2021 operating expenditures for the Office of Recovery.
Local CRF Resolution Language

The SPARK Executive Committee reviewed the resolution language that county governments would be required to adopt in order to receive state CRF moneys as part of Round 1 distribution.

SFC discussion included these points:

● County governments must adopt the resolution language generally as provided. However, county governments are permitted to adjust the whereas clauses;

● Members inquired as to how county governments would allocate CRF moneys to school districts with institutions located in multiple counties. The resolution language clarifies that the county that is the site of an educational entity’s principal office or headquarters would be responsible for providing funds.

Office of Recovery FY 2021 Operating Expenditures

The SPARK Executive Committee requested revised operating expenditures totaling $2.0 million, all from the state CRF, and 21.5 FTE positions for the Office of Recovery for FY 2021.

SFC discussion included these topics:

● Members inquired as to whether other states have established an entity similar to the Office of Recovery for the purposes of distributing CARES Act relief. According to the SPARK Task Force Executive Committee, states have responded in a variety of ways, to include using CRF moneys to support administrative and oversight functions; and

● Members expressed concern about approving operating expenditures for an entire year when the CARES Act requires that CRF moneys be expended by December 30, 2020. The Governor stated further federal relief seems likely, which may extend the deadline beyond December 30, 2020.

The SFC approved expenditures totaling $2.0 million, all from the state CRF, for operating expenses at the Office of Recovery for FY 2021. The approval included the 21.5 FTE positions.

SPARK Task Force Steering Committee

June 8, 2020, SPARK Task Force Steering Committee Meeting.

On June 8, 2020, the SPARK Steering and Executive Committees met to review CARES Act requirements, discuss recommended rounds of funding, and determine funding priorities for the distribution of the State’s allocation of CRF moneys during Round 2. After reviewing the Executive Committee’s recommendations regarding Round 1 distribution, the committees split
into work groups to determine funding priorities that would shape language used in a request for proposals made available to public and private entities seeking support in Round 2. Discussion focused on four strategic areas: economic development, education, health, and infrastructure. Discussion questions that guided each group included what the task force would like to see accomplished in Kansas within the next five years, how the task force could invest these funds to make this possible, and what organizations would work well in those spaces. The following priority items emerged from the groups’ work:

**Economic Development**

- Strengthen workers’ compensation programs and stabilize unemployment insurance;
- Provide financial support to small businesses for the purchase of PPE and costs associated with mitigating the impact of COVID-19;
- Provide seed money that would allow businesses to restart in a safe manner;
- Provide support to businesses for internships, apprenticeships, and workforce training to create a workforce that is adaptable to resurgence of COVID-19 and future public health events;
- Develop workforce retraining programs to address those unemployed as a result of COVID-19;
- Ensure state funding support does not duplicate support provided through other federal relief programs; and
- Assist Kansas businesses focused on producing material critical for COVID-19 response, such as PPE and ventilators.

**Education**

- Find ways to bring K-12 and postsecondary education students back in a safe manner that includes support of PPE, testing, treatment, and vaccination;
- Ensure all students have Internet access, whether through digital hot spots or broadband expansion. Place emphasis on connecting underserved populations in rural areas and low-income urban areas;
- Place more emphasis on STEM (science, technology, engineering, and mathematics) education in order to better prepare a future workforce;
- Address mental health needs among students resulting from COVID-19;
- Enhance access to digital devices among students and implement rigorous cybersecurity to control content and protect personal information;
- Develop a high-quality digital curriculum, which better positions schools for another wave of COVID-19 and provides more learning options in the future; and
- Invest in virtual learning among technical schools and align curriculum with the needs of businesses to generate a more skilled future workforce.

**Health**

- Address community health services needs, such as PPE, testing, tracing, and vaccination, and enable hospitals to continue routine procedures during a public health crisis;
- Support rural nursing homes, which may lack resources to respond to potential outbreaks;
- Further develop telehealth capabilities to aid in COVID-19 response, but also to address chronic individual health issues and future public health events, particularly among unserved populations; and
- Consider a reinsurance program for the individual marketplace to lower premiums.

**Infrastructure**

- Broaden the 5G network and expand broadband capabilities to ensure the flow of critical information, such as public health notices and commerce related to food and supplies; and
- Enhance support infrastructure for vulnerable populations through housing, food banks, and support systems for homeless populations.

**June 30, 2020 - SPARK Task Force Steering Committee Meeting**

On June 30, 2020 the SPARK Steering Committee met to review new federal guidance regarding use of CRF moneys, refine funding priorities for the Round 2, and discuss prioritization and criteria for evaluating requests for funding.

**Federal Guidance Update**

The Office of Recovery provided an update on U.S. Department of the Treasury guidance issued on June 24, 2020, regarding the use of CRF moneys, which included:

- Funds may be used for the purposes of marketing and tourism, provided expenses relate to publicizing the resumption of activities and measures taken to ensure a safe experience. Funds may not be used for long-term marketing plans or infrastructure improvements unrelated to the public health emergency;
- Funds may be used as local match for Federal Emergency Management Agency (FEMA) assistance, provided that local match is used for COVID-19-related costs. Local match remains subject to FEMA determination of eligibility under the Stafford Act;

- Funds may be distributed to non-profit organizations, provided the purposes are COVID-19-related. Organizations may retain a portion for administrative expenses;

- Funds may be used for the entire payroll cost of an employee, provided the majority of that employee’s time was dedicated to the mitigation or response to COVID-19;

- Funds may be used as assistance to farmers or meat processors for expanding capacity, provided the need is COVID-19 related.

This guidance was provided to county governments on June 26, 2020, to aid in consideration of utilizing Round 1 distribution. County governments may request further guidance interpretation by the Office of Recovery through an online submission process.

CARES Act Funding Overview

The Office of Recovery provided an overview of all COVID-19 federal relief funds allocated to entities in Kansas thus far, which totaled $12.1 billion. This includes CRF moneys, funds provided directly to local entities and individuals, such as Paycheck Protection Program (PPP) loans, and funds provided to state agencies through supplemental federal programs. The allocation overview was then organized by strategic areas previously identified by the SPARK Steering Committee, which included economic development ($9.5 billion), infrastructure and connectivity ($144.6 million), health ($855.9 million), and education ($308.9 million), in order to determine gaps that may be suitable for state CRF support. The Office of Recovery reviewed trends among other states regarding the use of CRF moneys. Trends included loan deferment programs for businesses, stipends for childcare providers, pay boosts for healthcare and nursing home workers, digital infrastructure for contact tracing, support to educational institutions for distance learning, and relief for housing, food, and utilities. The majority of states utilized existing state agency programs to deliver relief funds rapidly.

State CRF Round 2 Funding Priorities

The Steering Committee reviewed funding priorities identified on June 8, 2020, and considered additional items, including the following:

- Contact tracing and integration of technology to better enable this function during future outbreaks;

- Remedy problems with the unemployment insurance (UI) data system to ensure timely delivery of payments and implement measures to prevent fraud, waste, and abuse;
Support apprenticeships that allow businesses to train currently unemployed workers with new and emerging skills;

Address animal health issues for populations adversely impacted by COVID-19 shutdowns;

Assist private colleges and universities with providing aid to students and implementing public health measures;

Ensure recovery efforts involve Kansas manufacturers and service providers;

Provide mental health and telehealth services for vulnerable populations, including nursing home residents, people with disabilities, and homeless people;

Assist small businesses, such as restaurants, with implementing public health measures and transitioning to online ordering services; and

Enable the Judicial Branch to maintain operations during periods of COVID-19 restriction.

Priorities and Evaluation Criteria

The Office of Recovery sought feedback from Steering Committee members regarding whether requests for funding should be prioritized and what types of evaluation criteria should be considered.

Steering Committee discussion included these points:

Members recommended there be a critical massing of funding to impact the largest number of people and the SPARK Task Force avoid supporting multiple discrete initiatives that are disconnected;

PPP loans addressed only certain areas of support for employers. For those areas not addressed by PPP loans, the banking industry suggested additional support be provided and considered urgent in order to prevent closures;

Unemployment Insurance Trust Fund stabilization was recommended as an urgent matter to avoid increases in employer rate contributions for FY 2022. The Office of Recovery acknowledged this concern, but indicated this might best be addressed with the Round 3 distribution;

Members stated that while Round 1 distribution had a specific purpose of supporting public health measures at the local level, it is likely additional support will be needed in Round 2 for such purposes, specifically regarding contact tracing and acquisition of quality PPE at nursing homes; and
Consider giving priority to partnerships with private industry, such as Farm Bureau or telecommunications companies, to provide relief more rapidly.

Closing Considerations

The Office of Recovery asked Steering Committee members to complete a survey that would further prioritize needs for Round 2 distribution. Survey results would be shared with the SPARK Task Force Executive Committee on July 6 and a COVID-19 state agency working group on July 13, 2020, for development of programs to address identified priorities.

July 20, 2020, SPARK Task Force Steering Committee Meeting

On July 20, 2020, the SPARK Steering Committee met to review state agency proposals requesting a total of $300.5 million from the state CRF in Round 2 for programs that deliver relief and provide economic growth. The proposals were generated by cabinet-level state agencies utilizing the funding priorities determined by the Steering Committee.

Health

A state agency working group composed of representatives of KDHE, KDADS, the Department for Children and Families (DCF), and the Kansas Division of Emergency Management (KDEM) presented the following proposals totaling $86.1 million in the strategic area of health:

- $2.8 million to KDHE for expansion of the contact tracing workforce. This funding would allow for the addition of 60 investigators to provide surge capacity to local health departments as needed throughout the state;
- $34,138 to KDHE for the procurement of two vehicles to support regional public health nurses with providing technical assistance to local health departments in counties experiencing a surge in COVID-19 infections;
- $20.7 million to KDHE to increase testing capacity at the state laboratory. Currently, the laboratory can test 1,000 samples per day. This funding would allow the laboratory to test 5,000 samples per day, which would meet the increased need for testing among vulnerable populations, schools, and childcare centers. Funds would be used for testing instruments, testing supplies, and the addition of staff at the laboratory;
- $500,000 to KDHE for the establishment of a statewide courier system to transport COVID-19 test samples and materials. The system would reduce shipping time and enhance the security of transported material;
- $1.3 million to KDEM for a business PPE program designed to support private entities experiencing supply chain disruptions. The funding would allow for the establishment of a business support center at KDEM to vet PPE suppliers and would provide grants to businesses for the acquisition of PPE under certain conditions;
● $1.6 million to KDEM for enhancement of capabilities among emergency management operations centers in rural areas. This grant program would focus on improving communications systems and connectivity among local agencies that lack financial resources;

● $1.0 million to KDHE for the procurement of COVID-19 testing instruments that would be deployed to local health departments in high impact areas with significant homeless, uninsured, or otherwise vulnerable populations;

● $400,000 to KDHE for a mobile collection unit program to assist local health departments in the testing of influenza and COVID-19 within high risk areas. Funding would support the purchase and equipping of three vehicles for deployment to large urban areas or areas with a high rate of disease spread;

● $5.0 million to DCF for the establishment of a COVID-19 Health Fund to cover medical expenses incurred by essential workers who contracted COVID-19 while performing on-site duties during state or local stay-at-home orders. Payments to eligible applicants would be issued through an existing benefits payment mechanism at DCF. Applicants would be required to provide proof of employment during eligible periods;

● $23.6 million to KDADS for a temporary rate increase in payments to more than 300 nursing facilities and intermediate care facilities for costs incurred while responding to COVID-19, such as PPE, sanitation supplies, and staffing needs. Payment would be delivered through an existing special disbursement process at KDHE. The request is based on an increased reimbursement rate of $20 per Medicaid-qualified resident for 120 days. However, KDADS acknowledged that COVID-19 impacted all residents, not just Medicaid-qualified residents. To cover costs associated with all residents, a larger request would need to be determined;

● $4.1 million to KDHE for supplemental funding to 100 local health departments serving all 105 counties. Funds would sustain operations in responding to COVID-19, such as critical disease control and contact tracing functions at the local level. Local health departments would be allocated funding based on service area population size and a rate of $1.41 per person;

● $12.6 million to KDADS to support a temporary 5.0 percent reimbursement rate increase to home and community-based service (HCBS) providers and providers of the Program of All-Inclusive Care for the Elderly (PACE) for up to 120 days to cover costs incurred while responding to COVID-19. HCBS providers serve people who are elderly or intellectually or physically disabled, and children and adults with brain injuries. Eligible costs would include PPE, sanitation supplies, staffing needs, and public health modifications; and

● $12.5 million to KDADS to supplement existing grants to behavioral health providers for costs incurred while responding to COVID-19 and to support the transition to telemedicine. Additionally, funding would support mental health and substance use disorder treatment related to the secondary impacts of COVID-19, with a focus on uninsured and low-income populations.
Steering Committee discussion included the following points:

- Members suggested that consideration be given to adding $15.0 million for nursing facilities assistance, for a total of $38.6 million, which would allow for assistance to be based on all residents and not just Medicaid-eligible residents.

- Members inquired as to why 120 days was selected when determining assistance to nursing facilities and community-based services. KDADS stated that 120 days covers the period of March 13, 2020, to July 11, 2020. Members suggested extending that period to cover continued costs.

- Members expressed concern that utilizing Round 2 funding for local health departments would duplicate funding provided to county governments as part of Round 1. KDHE indicated that county governments may prioritize other needs over local health departments and that recent COVID-19 case increases will likely require additional support in Round 2 regardless.

Economic Development

A state agency working group composed of representatives of the Kansas Department of Agriculture (KDA), Kansas Department of Commerce, KDHE, and Kansas Department of Transportation (KDOT) presented the following proposals totaling $78.6 million in the strategic area of economic development.

- $32.5 million to the Kansas Department of Commerce for grants to small businesses in Kansas with up to 500 employees, as defined by U.S. Small Business Administration. Businesses would be eligible for funding in two categories: working capital to offset revenue losses of 25.0 percent or more over FY 2019 and support for disease mitigation efforts, such as space modification or workforce training in public health protocols. Businesses would be broadly defined, and would include but not be limited to manufacturers, hospitality entities, entertainment venues, nonprofits, arts organizations, and minority-owned businesses. Applications would be reviewed on a rolling basis by Kansas Department of Commerce teams of sector experts;

- $7.0 million to the Kansas Department of Commerce for grants to Kansas businesses that are conducting research and development of COVID-19-related products. Applications would be reviewed on a rolling basis by Kansas Department of Commerce teams of sector experts;

- $22.0 million to the Kansas Department of Commerce for grants to existing Kansas businesses, and businesses expanding to Kansas, to support the manufacturing of PPE and other COVID-19-related products. Applications would be reviewed on a rolling basis by Kansas Department of Commerce teams of sector experts;

- $9.0 million to KDA for grants to food supply chain businesses with up to 500 employees for the purpose of securing local food systems. Funding would support implementation of COVID-19 public health measures, development of
online sales capabilities, and expansion of capacity. Eligible applicants would include food producers, processors, distributors, food banks, and retail entities; and

- $8.1 million to the Kansas Department of Commerce for grants to support workforce support and retraining initiatives. Areas may include training in emerging fields, such as IT, and technical college instruction in advanced manufacturing. Eligible applicants would include nonprofits, educational institutions, and governmental entities that demonstrate a need related to COVID-19.

Steering Committee discussion included these points:

- Members expressed concern the $78.6 million for economic development was not sufficient when compared to neighboring states’ use of CRF moneys for the same purpose.

- Members inquired as to how much COVID-19 federal relief was provided to businesses and individuals through PPP loans and unemployment insurance payments. A representative of the Kansas Department of Commerce stated the maximum amount of individual small business grants would likely not exceed $20,000 per grant, but that would depend on the total funding recommended by the SPARK Task Force. The Kansas Department of Commerce representative further stated the funds for such grants would be set aside for the Wichita and Kansas City metro areas, with the balance made available to the remainder of the state in order to achieve geographic dispersion.

Connectivity

A state agency working group composed of representatives of the Department of Administration, KDA, Kansas Department of Commerce, KSDE, KDHE, and KDOT presented the following proposals totaling $60.0 million in the strategic area of connectivity:

- $50.0 million to the Kansas Department of Commerce Office of Broadband Development for grants to expand broadband infrastructure to underserved areas (defined as download/upload speeds less than 25/3). In addition to internet service providers (ISPs) and municipal entities, health care facilities and educational institutions would be eligible to apply for funding to support development of telehealth, telemedicine, and distance learning capabilities; and

- $10.0 million to the Office of Broadband Development for a Provider Partnership Support program, which would use existing programs at ISPs to provide Internet access and assistance to low-income households.

Members inquired as to how ISPs would determine user eligibility for the Provider Partnership Support program. Representatives of the Office of Broadband Development stated such programs already exist among ISPs and qualification for the National School Lunch Program and Supplemental Nutrition Assistance Program (SNAP) are typically used to determine eligibility.
Education

A state agency working group composed of representatives of the KDHE, KBOR, and Kansas State Department of Education (KSDE) presented the following proposals totaling $74.3 million in the strategic area of education:

- $4.9 million to KDHE for an early childhood education consultant network that would deploy childcare health consultants to each of the six public health regions in Kansas. Consultants would advise childcare facilities on public health measures in accordance with Centers for Disease Control and Prevention COVID-19 guidance. Funding would also be provided as grants to childcare facilities for the implementation of modifications;

- $3.0 million to KDHE for establishment of an Early Childhood Workforce Health Fund to cover the medical expenses incurred by uninsured licensed childcare providers and other early childhood professionals for treatment related to COVID-19. Payments would be issued through an existing special health care needs program within KDHE’s Bureau of Family Health. Eligible expenses would be capped at $25,000 per individual;

- $1.5 million to KDHE for a Technology for Families program, which would provide needy families with access to equipment, such as routers and wireless components, as well as devices such as tablets and smart phones, to support early learning during the COVID-19 pandemic. Eligible households would be determined by existing home visitors from four state agencies. The program would be administered by the Kansas Children’s Cabinet and Trust Fund;

- $55.5 million to KBOR for assistance to six public universities for expenses including the purchase of PPE and other supplies ($7.3 million), development of distance learning for contingency purposes ($17.5 million), public health modifications to facilities ($11.9 million), student health centers ($5.3 million), and systemwide COVID-19 testing and contract tracing provided by the University of Kansas Health System ($13.6 million);

- $9.4 million to the KBOR for assistance to 52 community and technical colleges for expenses including the purchase of PPE, sanitation supplies, and testing needs ($2.7 million), adjustments to dual-credit courses for K-12 students in critical fields, such as nursing ($1.5 million), and distance learning equipment and training ($5.2 million);

A KSDE representative stated significant funding was provided as direct relief from the U.S. Department of Education to local school districts for implementing public health measures. However, KSDE would likely submit a request in Round 3 for additional funding to support space modifications in schools and to support at-risk students. Members expressed concern that submitted proposals do not provide adequate funding to K-12 educational institutions to support in-person classroom instruction, which is necessary to allow parents to fully return to work.
Next Steps

Upon conclusion of the proposal overview, Steering Committee members were asked to score proposals based on their alignment with task force funding priorities. Proposals and Steering Committee scoring results were to be presented as recommendations to the SPARK Executive Committee on July 22, 2020.

SPARK Task Force Executive Committee

June 2, 2020, SPARK Task Force Executive Committee Meeting

On June 2, 2020, the SPARK Task Force Executive Committee met to establish a framework for distributing moneys from the state CRF. The Office of Recovery proposed a three-round process:

- Round 1 would provide $400.0 million to county governments for public health expenditures in responding to the COVID-19 pandemic. This round includes distribution of $350.0 million to county governments, except those counties receiving direct relief from the federal government (Johnson and Sedgwick Counties). Counties would receive at least $194 per person, which is equivalent to the rate used by the U.S. Department of the Treasury when determining the direct relief for Johnson and Sedgwick counties. The Executive Committee further recommended that county governments receiving moneys from the state be responsible for allocating and sharing awarded funds with local units of government within their respective counties. Payment of these funds would be issued in June 2020. Round 1 details are as follows:
  - In Round 1, 50.0 percent of those funds would be distributed immediately and 50.0 percent would serve as reimbursement for eligible expenditures. Counties will be required to reconcile their expenditures to demonstrate a purpose that is in compliance with the Federal CARES Act by September 1, 2020 and return any unspent funding to the State by November 1, 2020; and
  - Round 1 also would include establishment of an Impact Fund totaling $50.0 million to provide additional funds to county governments, including those receiving direct federal relief, most impacted based on COVID-19 case rates and unemployment rates;

- Round 2 would provide approximately $525.0 million for short-term and long-term opportunities to generate economic growth, such as broadband expansion to support distance learning or affordable housing. This phase will require the greatest input from the SPARK Task Force. Proposals would be solicited from public and private entities, with payment of these funds occurring in August 2020; and

- Round 3 would provide approximately $109.0 million to respond to a possible reemergence of COVID-19 in the fall of 2020 and further economic recovery. Round 3 would also include the reallocation of any unspent funds returned from
county governments after Round 1. Both public and private entities would be eligible for funding, with payment of these funds occurring in October 2020.

June 15, 2020, SPARK Task Force Executive Committee Meeting

On June 15, 2020, the SPARK Executive Committee met to review the Office of Recovery's proposed operating budget and consider requested reimbursement of state agencies for COVID-19 expenditures.

Office of Recovery Budget

The Office of Recovery requested operating expenditures totaling $63,000, all from the state CRF, and 1.0 FTE position in FY 2020, from April 1, 2020, to June 30, 2020. The request included salaries and wages for an Executive Director position ($29,184), and initial expenditures, such as the purchase of laptops and technology fees, that allowed the office to establish capacity and conduct public communications in accordance with the Kansas Open Records Act. During this period, staff of the offices of the Governor and Lieutenant Governor were reassigned. However, the Office of Recovery stated that such a configuration was unsustainable given the scope of work.

The Office of Recovery requested operating expenditures totaling $986,000, all from the state CRF, for FY 2021, from July 1, 2020, to December 30, 2020. The request included salaries and wages for 20.0 FTE positions ($836,250) that included the Executive Director, program analysts, compliance accountants, and grant managers, to ensure expenditures are in accordance with federal CARES Act requirements. The Office of Recovery stated salaries were anticipated to range from $42,500 to $120,000 per year, noting that employees would be recruited with short notice and serve for a limited period. The request also included expenditures for office space, advertising, supplies, and Office of Information Technology Services fees.

The Executive Committee concurred with the Office of Recovery and recommended the request be approved. The Executive Committee further noted that additional information should be provided to the SFC regarding the distribution of salaries among Office of Recovery staff.

Agency Reimbursements

The Director of the Budget provided an overview of $16.7 million in requested reimbursements for COVID-19 related expenditures from 63 state agencies, departments, boards, and commissions. Of that, the Adjutant General’s Department requested $12.0 million primarily for PPE and testing equipment. The reimbursements being sought are for direct expenses incurred by agencies. Reimbursements for salaries and wages would follow after further consideration is given to staff time eligible for federal relief funding. The Director of the Budget stated expenditures reported by agencies have not yet been audited and such auditing is beyond the Division of the Budget’s scope and available staff resources. The Office of Recovery would be responsible for auditing once it is staffed and operational.

The Executive Committee concurred and recommended the request for $16.7 million, all from the state CRF, be approved and referred to the SFC for approval. The Executive
Committee noted additional detail regarding the nature of expenditures would likely be necessary prior to approval by the SFC.

**Office of Recovery Operations**

The meeting concluded with the Executive Director of the Office of Recovery discussing the office’s next steps. She stated that, pending the outcome of the SFC meeting, the next step for the Office of Recovery would be to begin hiring and training staff.

**June 22, 2020, SPARK Task Force Executive Committee Meeting**

On June 22, 2020, the SPARK Executive Committee met to discuss an adjusted timeline for Round 1 distribution, review resolution language that county governments would be required to adopt prior to receiving state CRF moneys, and consider a revised FY 2021 operating budget for the Office of Recovery. The Executive Committee also discussed refined guidance for Steering Committee consideration in Round 2.

The adjusted timeline for Round 1 distribution of funds is as follows:

- **The Office of Recovery provided notification of funding to county governments on June 19, 2020;**
- **The Office of Recovery and the Kansas Association of Counties would jointly host a technical assistance webinar with county governments on June 26, 2020;**
- **County governments would adopt the local CRF resolution by July 13, 2020;**
- **The Office of Recovery would distribute funds to county governments by July 15, 2020;**
- **County governments would submit expenditure plans and their first reconciliation report to the Office of Recovery by August 15, 2020; and**
- **County governments would return to the Office of Recovery by September 15, 2020, any funds that have not been appropriated for expenditures through December 30, 2020.**

The Office of Recovery stated that, moving forward, the Executive Committee would meet every two weeks. The Steering Committee will have a similar structure of recurring meetings.

**Local CRF Resolution Language**

The Office of Recovery requested approval of resolution language that must be adopted by county governments in order to receive state CRF moneys as part of the Round 1 distribution. The resolution would serve as an agreement between the State of Kansas and local governments regarding the use of state CRF moneys. The resolution clarifies stipulations...
contained in the CARES Act and federal guidance regarding expenditures. Examples of acceptable and unacceptable expenditures were provided. The resolution requires that county governments submit spending plans no later than August 15, 2020, and that all unspent funds would be returned to the State of Kansas no later than September 15, 2020. In addition, county governments would be required to submit monthly reconciliation reports. Other elements of the resolution obligate county governments to provide reimbursement funding to local public educational and municipal entities for COVID-19-related expenses, consider requests from such entities for further aid; consider efforts to address the disproportionate impact of COVID-19 on minorities, and agree that county governments are liable for repayment of any inappropriately spent funds.

Executive Committee discussion included these points:

- Members expressed concern that county governments receiving direct relief from the federal government (Johnson County and Sedgwick County) may choose not to share funds with local governments within their counties. The Office of Recovery stated there is no legal means to compel certain usage of federal direct relief in those counties. However, the resolution would require that state CRF moneys provided to those counties through the Impact Fund be shared with educational and municipal entities within their counties;

- Members clarified that the resolution would direct county governments to share state CRF moneys with public educational entities. However, county governments would have discretion to also provide funds to private educational entities.

The Executive Committee approved the local CRF resolution language for use by county governments.

Office of Recovery FY 2021 Operating Expenditures

The Office of Recovery requested revised operating expenditures totaling $2.0 million, all from the state CRF, and 21.5 FTE positions for FY 2021. As directed by the SFC, the Office of Recovery revised its budget request for FY 2021 and was seeking recommendations from SPARK Executive Committee before forwarding to the SFC. The request includes expenditures for the entire fiscal year rather than just six months, as previously proposed. The request also includes 21.5 FTE positions, which is an increase of 1.5 FTE positions above the previous proposal. The Office of Recovery stated that total operating expenditures would comprise 0.25 percent of the state CRF and are necessary to ensure compliance with the CARES Act, manage the Round 1 distribution to 105 counties, and build capacity to deliver and account for funds provided to potentially numerous public and private entities in Rounds 2 and 3. Much of the accounting services would be outsourced and expenditures for such contracted services will be requested at a later date. The Office of Recovery will require four internal accountants because outside vendors are not authorized direct access to state accounting and personnel systems.
Office of Recovery staff would be organized into four departments, addressing compliance, accounting, legal matters, and public communications:

- Community Outreach would provide technical assistance to county governments, businesses, and other potential recipients of state CRF moneys.
- Legal counsel would ensure compliance with the CARES Act.
- Finance would ensure data received from outsourced accountants is entered into the state accounting system.
- The Investment Projects team would develop programs; its tasks would include generating guidance for entities receiving state CRF moneys and managing the internal and public reporting of expenditures.

The Executive Committee recommended the revised request of $2.0 million, all from the state CRF, for the Office of Recovery operating expenditures for FY 2021 be approved and referred to the SFC.

Discussion of Round 2 Guidance

The Office of Recovery requested feedback from the Executive Committee regarding potential guidance for Steering Committee consideration when allocating $525.0 million in state CRF moneys during Round 2.

Executive Committee discussion included these points:

- The Office of Recovery proposed that connectivity replace infrastructure as a strategic area for Steering Committee consideration. This would better accommodate interest in broadband expansion for distance learning and telehealth; and

- The Office of Recovery proposed allocating CRF moneys in Round 2 specifically as set-aside funds for state agencies to support expenditures such as small business relief programs at the Kansas Department of Commerce and unemployment insurance at DOL.

The Executive Committee concurred that allocating set-aside funds for state agency proposals should be considered by the Steering Committee. Members further expressed an interest in programs at the Department of Commerce that would assist small businesses in addressing interruptions experienced as result of COVID-19 closures.

July 6, 2020 - SPARK Task Force Executive Committee Meeting

On July 6, 2020, the SPARK Task Force Executive Committee met to review recent federal guidance regarding use of CRF moneys, discuss the results of a SPARK Task Force Steering Committee survey further defining funding priorities for Round 2, and consider the
involvement of a state agency working group for the development of programs that would use CRF moneys to deliver relief in Round 2.

Federal Guidance Update

The Office of Recovery provided an update on U.S. Department of the Treasury guidance issued on June 30, 2020, regarding the use of CRF moneys, which included these points:

● Necessary expenditures incurred due to the public health emergency may include expenditures for second-order effects, such as the economic impact of business interruptions due to COVID-19-related closures;

● Eligible costs must be incurred by December 30, 2020, which means the delivery of goods or performance of service should occur prior to such date, but payment may be issued within 90 days after the cost was incurred, or no later than March 30, 2021.

● Goods delivered prior to December 30, 2020, need not be used by such date. Given the potential for supply chain disruption, a contract requiring the delivery of goods or performance of services by December 30, 2020, is sufficient.

Federal guidance issued on July 2, 2020, requires states to submit quarterly reports to the U.S. Department of the Treasury detailing CRF expenditures, with an initial interim report due on July 17, 2020, and the first full report due on September 21, 2020.

Steering Committee Survey Results for Round 2 Priorities

The Office of Recovery reviewed the results of a survey conducted with SPARK Task Force Steering Committee members that refined and codified priorities of funding for Round 2 among four strategic areas.

The three highest ranking priorities among each strategic area are as follows:

● Connectivity
  ○ Increasing access to telehealth and telemedicine opportunities;
  ○ Increasing broadband access for rural and underserved areas; and
  ○ Increasing access for continuous distance learning.

● Economic Development
  ○ Protecting small businesses and the workforce through financial support and health investments;
  ○ Grants and programs targeted toward businesses and nonprofits that did not qualify for federal relief, such as PPP loans; and
○ Financial or technical support for businesses to make necessary public health modifications.

● Education
  ○ Online learning innovation;
  ○ Funding for public health measures that allow for in-person instruction among K-12 and higher education populations; and
  ○ Early childhood education and childcare.

● Health
  ○ COVID-19 preparedness and mitigation;
  ○ Providing assistance to nursing homes to respond to COVID-19; and
  ○ Support for local healthcare facilities and providers.

Survey results prioritized the four strategic areas as follows:

1. Economic development;
2. Healthcare investments;
3. Connectivity; and
4. Education.

Executive Committee discussion included these points:

● The survey results indicate there is a high degree of interest in supporting in-person classroom instruction, provided appropriate public health measures are implemented and contingency plans are developed for distance learning; and

● The Office of Recovery noted survey responses constantly referenced support for small businesses, in-person classroom instruction, nursing homes, rural broadband, telehealth, and mental health treatment.

COVID-19 State Agency Working Group

The Office of Recovery stated these priorities would be provided to a COVID-19 State Agency Working Group, which is an existing ad hoc entity composed of representatives from each cabinet agency. Agencies would be charged with developing proposals that adapt existing programs or implement new programs that use state CRF moneys to rapidly deliver relief, based on the priorities identified by the SPARK Task Force. Agencies would submit proposals to the SPARK Task Force Steering Committee for consideration and possible modification. Proposals would then be considered by the SPARK Task Force Executive Committee and referred to the SFC.
Based on directives from the SPARK Steering Committee, state agency proposals must:

- Adhere to federal CRF guidance and reporting requirements;
- Ensure investments are significant and impactful; and
- Leverage public and private partnerships to the greatest extent possible.

Executive Committee discussion included these points:

- Members emphasized that state agencies should utilize the SPARK Task Force priorities when developing programmatic proposals, which may be different than traditional agency priorities;
- Members expressed the need for efficient delivery of relief, in particular for small businesses or minority-owned businesses, which traditionally have limited access to banking, accounting, and legal services; and
- Members emphasized that state agencies should develop proposals that leverage local nonprofit organizations to assist with delivering relief.

Closing Considerations

The Office of Recovery is coordinating the transfer of staff from other state agencies to alleviate urgent staffing needs in the office. The SPARK Task Force Steering Committee will review state agency proposals on July 20, 2020, and request modifications if needed. The SPARK Executive Committee will review state agency proposals on July 22, 2020, and forward recommendations to the SFC.

July 22, 2020, SPARK Task Force Executive Committee Meeting

On July 22, 2020, the SPARK Executive Committee met to consider agency proposals requesting a total of $300.5 million from the state CRF for programs that deliver relief and provide economic growth in Round 2. The Executive Committee also reviewed recommendations from the Steering Committee’s review of proposals conducted on July 20, 2020.

SPARK Steering Committee Recommendations

Following the Steering Committee’s review of proposals on July 20, 2020, members completed a survey indicating whether they believed agency proposals in each strategic area met the funding priorities provided by the Task Force. Survey results included the following:

- In the area of health, 11 members indicated yes, 1 member indicated no, and 3 members indicated no but the proposals were satisfactory;
● In the area of economic development, 11 members indicated yes, 1 member indicated no, and 3 members indicated no but the proposals are satisfactory;

● In the area of connectivity, 11 members indicated yes, 2 members indicated no, and 2 members indicated no but the proposals are satisfactory;

● In the area of education, 8 members indicated yes, 1 member indicated no, and 6 members indicated no but the proposals are satisfactory.

State Agency Proposals for Phase 2

The Office of Recovery staff presented to the Executive Committee state agency proposals for utilizing state CRF moneys in Round 2. Following the presentation of proposals in each of the four strategic areas, Executive Committee members discussed proposals, posed questions, and had an opportunity to vote on adjustments. Discussion and adjustments included:

Health Proposals

During Executive Committee discussion, members inquired as to whether the additional contract tracing investigators would be added as FTE positions to KDHE or whether this capability would be provided by a contracted service. Staff stated that KDHE would utilize contracted tracing investigators and would require that Kansas residents are given priority for those positions. Members also asked whether Johnson and Sedgwick counties would be receiving contact tracing assistance from these additional investigators since those counties received direct relief from the federal government for such purposes. Staff stated that the expanded contact tracing workforce at KDHE would be made available to all 105 counties.

The Executive Committee adopted two motions to adjust health proposals. The first motion added domestic violence and sexual assault prevention providers as eligible applicants for all applicable programs in Round 2, including behavioral health grants to providers offered through KDADS. The second motion added $14.7 million for nursing facilities assistance provided through KDADS, for a total of $38.4 million. The addition was based on providing a temporary reimbursement rate of $20 per day for all nursing facility residents, not just Medicaid-eligible residents.

Economic Development Proposals

The Executive Committee adopted a motion directing the Kansas Department of Commerce to include a formula in the small business grant application for disease mitigation which would base the funding requests on a business’ total number of FTE positions multiplied by a rate to be determined by the Kansas Department of Commerce. This formula would apply only to businesses with 500 employees or fewer.

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1 Further details of the proposals can be found in the summary of the July 20, 2020, Steering Committee meeting within this memorandum.
Connectivity Proposals

Committee members expressed concern regarding the viability of expending $50 million for broadband expansion projects given the federal guidance stating that services must be delivered prior to December 30, 2020. Members also inquired as to whether the SPARK Task Force would be the entity approving grant applications for broadband expansion. Staff stated the Kansas Department of Commerce would be the approving entity. Members expressed a desire for the SPARK Task Force Executive Committee to be included in the review of any funding request submitted to state agencies exceeding $10.0 million.

No motions were made or adopted to alter agency proposals.

Education Proposals

During Executive Committee discussion, staff noted no proposals for funding support to K-12 educational institutions were submitted. KSDE indicated to the Steering Committee that significant funding was provided as direct relief from the U.S. Department of Education to local school districts. However, KSDE would likely submit a request in Round 3 for additional funding to support space modifications in schools and to support at-risk student populations. Staff further noted that KBOR will likely submit a funding request in Round 3 that includes $26.3 million for financial aid to students impacted by COVID-19.

No motions were made or adopted to alter agency proposals.

Finally, the Executive Committee adopted a motion to approval all proposals as modified, with expenditures totaling $315.3 million from the state CRF, and refer proposals to the SFC for approval.