
Strengthening People and Revitalizing Kansas (SPARK)

EXECUTIVE & STEERING COMMITTEES MEETING - JUNE 8, 2020



A large, rugged rock formation stands on a sandy beach at sunset. The rock has a prominent natural archway in the center. The sky is a mix of orange, yellow, and purple, with the sun low on the horizon. The beach is wet, reflecting the colors of the sky and the rock. The text "WELCOME & INTRODUCTIONS" is overlaid in white, bold, sans-serif font, underlined.

WELCOME & INTRODUCTIONS



SPARK **EXECUTIVE** COMMITTEE MEMBERS & STRUCTURE

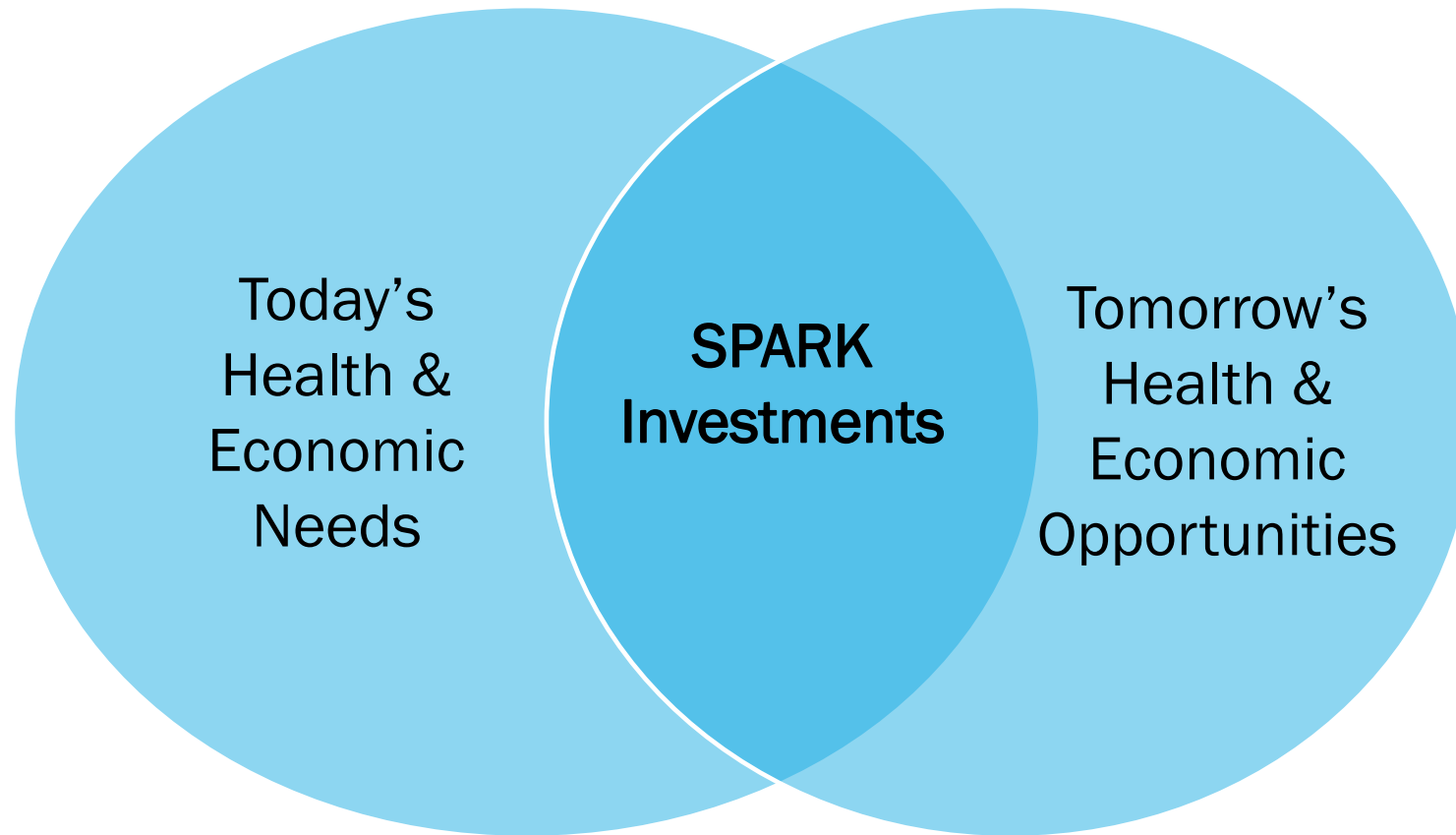
NAME	TITLE & ORGANIZATION	LOCATION
Tom Bell	President and CEO, Kansas Hospital Association	Topeka
Lyle Butler	President & CEO, Manhattan Area Chamber of Commerce (retired)	Manhattan
Senator Jim Denning	Vice President, Discover Vision Centers	Overland Park
Jill Docking	Senior Vice President, The Docking Group – Baird Financial	Wichita
Alise Martiny	Business Manager, Greater KC Building and Trades Council	Shawnee

SPARK **STEERING** COMMITTEE MEMBERS & STRUCTURE

NAME	TITLE & ORGANIZATION	LOCATION
Tom Gentile	CEO Spirit AeroSystems	Wichita
Natalie Haag	Attorney, Capitol Federal Savings	Topeka
David Harwood	Senior VP, Terracon Consultants & Chair, KANSAS Works State Board	Olathe
Senator Tom Hawk	Ranking Minority Member, Senate Ways and Means Committee	Manhattan
Representative Dan Hawkins	House Majority Leader	Wichita
Edward Honesty, Jr	President & Chief Operating Officer, Best Harvest Bakeries	Kansas City
Chuck Mageral	Proprietor, Free State Brewing Company	Lawrence
David McCarty	Owner, McCarty Family Farms	Colby
Senator Carolyn McGinn	Chair, Senate Ways and Means Committee	Sedgwick
Shelia Nelson-Stout	President and CEO, OCCK, Inc	Salina
Neelima Parasker	President & CEO, SnapIT Solutions	Overland Park
Jim Robinson	Partner, Hite Fanning & Honeyman	Wichita
Secretary David Toland	Department of Commerce	Topeka
Representative Troy Waymaster	Chair, House Appropriations Committee	Bunker Hill
Representative Kathy Wolfe-Moore	Ranking Minority Member, House Appropriations Committee	Kansas City

MISSION:

TO SERVE OUR IMMEDIATE HEALTH AND ECONOMIC NEEDS & LEVERAGE THESE INVESTMENTS TO CREATE A BETTER, STRONGER FUTURE



AGENDA

- | | |
|--|---|
| ■ Welcome & Introductions | Lyle Butler
Executive Committee Chair |
| ■ Round 1 Distribution & SPARK Process | Cheryl Harrison-Lee
Executive Director |
| ■ Breakout Process Overview | Julie Lorenz
KDOT Secretary |
| ■ Breakout Groups | Facilitated Discussion |
| ■ Report Outs | Facilitators |
| ■ Next Steps | Cheryl Harrison Lee |



CORONAVIRUS RELIEF FUND BACKGROUND

CORONAVIRUS RELIEF FUND – KANSAS ALLOCATION

	CARES Allocation Amounts
Johnson County	\$116,311,034
Sedgwick County	\$99,636,917
State	\$1,034,052,049
Total	\$1,250,000,000

■ Amount we will be
working with

PURPOSE & RESTRICTIONS

- To address medical or **public health needs** related to the emergency & provide **economic support** to those suffering from employment or business interruptions due to COVID-19.
- Payments can only be used for costs:
 - Necessary public health (COVID-19) emergency expenses
 - Not accounted for in the budget approved as March 27,2020
 - Incurred from **March 1 to December 30, 2020**

A landscape photograph of a sunset over a field. The sun is a bright, glowing orb on the horizon, casting a warm orange and yellow light across the sky. The sky is filled with soft, wispy clouds. The foreground is a dark, silhouetted field of tall grass. In the middle ground, there are rolling hills and a line of trees. The text "1st ROUND DISTRIBUTION" is overlaid in white, bold, sans-serif font, with a thin white underline beneath the words "ROUND DISTRIBUTION".

1ST ROUND DISTRIBUTION



WE NEED TO MOVE QUICKLY - KANSANS ARE HURTING

- 232 have died from COVID-19
- 917 have been hospitalized
- 200,000+ have filed for unemployment

PHASED APPROACH TO IMPROVE HEALTH & ECONOMIC OUTCOMES



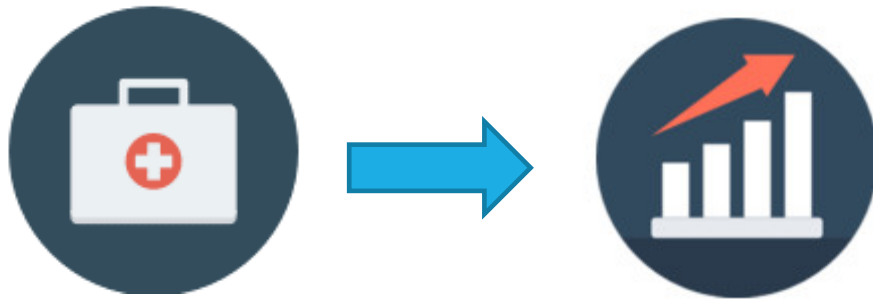
1st ROUND

- **Strengthen health** to allow our economy to reopen safely **AND** to
- **Remain open**
 - Testing, tracing, PPE could be critical to staying open

Goals:

- **Fair**
- **Impactful**
- **Timely**

PHASED APPROACH TO IMPROVE HEALTH & ECONOMIC OUTCOMES



2nd ROUND

- Strategic investments to **revitalize our economy** in the short & long-term
- Significant input from Executive and Steering Committee needed here




PHASED APPROACH TO IMPROVE HEALTH & ECONOMIC OUTCOMES



3rd ROUND

- Reinvest to sustain our health and economy recoveries if COVID-19 reemerges

PROCESS OVERVIEW

	1 st ROUND:	2 nd ROUND:	3 rd ROUND:
			
DISTRIBUTED:	June	August	October
ELIGIBLE:	Local Govts.	Public/Private entitles	Public/Private entitles
AMOUNT:	\$400 M	\$310 M to \$525 M	\$109 M to \$324 M
% of TOTAL:	39%	30% to 50%	11% to 31%

* Legislation restricts Local Governments to only receiving 45% of funding

1ST ROUND FORMULA OVERVIEW

\$350 M →

- All counties receive their portions of funds based on population.



\$194 per person in each county

\$50 M →
IMPACT FUND

- All counties evaluated.
- Shares determined by COVID & unemployment rates
- Counties with higher than average rates receive more funds



Amounts vary per county

Avg. COVID-19 rate -	3.3
Avg. Unemployment rate -	11%

COUNTIES WILL BE ENCOURAGED TO SHARE THEIR FUNDS WITH:

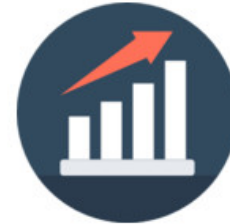
- Cities
- School districts
- Local businesses

COMMITTEE ROLE IN DECISION MAKING

1st ROUND:



2nd ROUND:



3rd ROUND:



HOW MUCH:

\$400 M

\$310 - \$525 M

\$109 - \$324 M

ELIGIBLE:

Local Govts.

Public/Private Entities

Public/Private Entities

FUNDING FORMULA:

Pop. &
COVID Impact

TBD

TBD

DISTRUBUTION TYPE:

50% Reimbursement
50% Direct Aid

TBD

TBD

COMMITTEE ROLE:

Approval

Development &
Approval

Development &
Approval

A close-up photograph of a sunflower's petals, which are covered in small water droplets. The petals are a vibrant yellow, and the background is a clear, bright blue sky. The sunflower's center is visible in the bottom left corner.

2ND ROUND OVERVIEW

PROCESS OVERVIEW

1st ROUND:



June

DISTRIBUTED:

ELIGIBLE:

Local Govts.

AMOUNT:

\$400 M

% of TOTAL:

39%

2nd ROUND



August

Public/Private entitles

\$310 M to \$525 M

30% to 50%

3rd ROUND:



October

Public/Private entitles

\$109 M to \$324 M

11% to 31%

2ND ROUND INVESTMENT CHALLENGES – EVOLVING PROCESS

Allowable expenses according to

April 22 guidance:

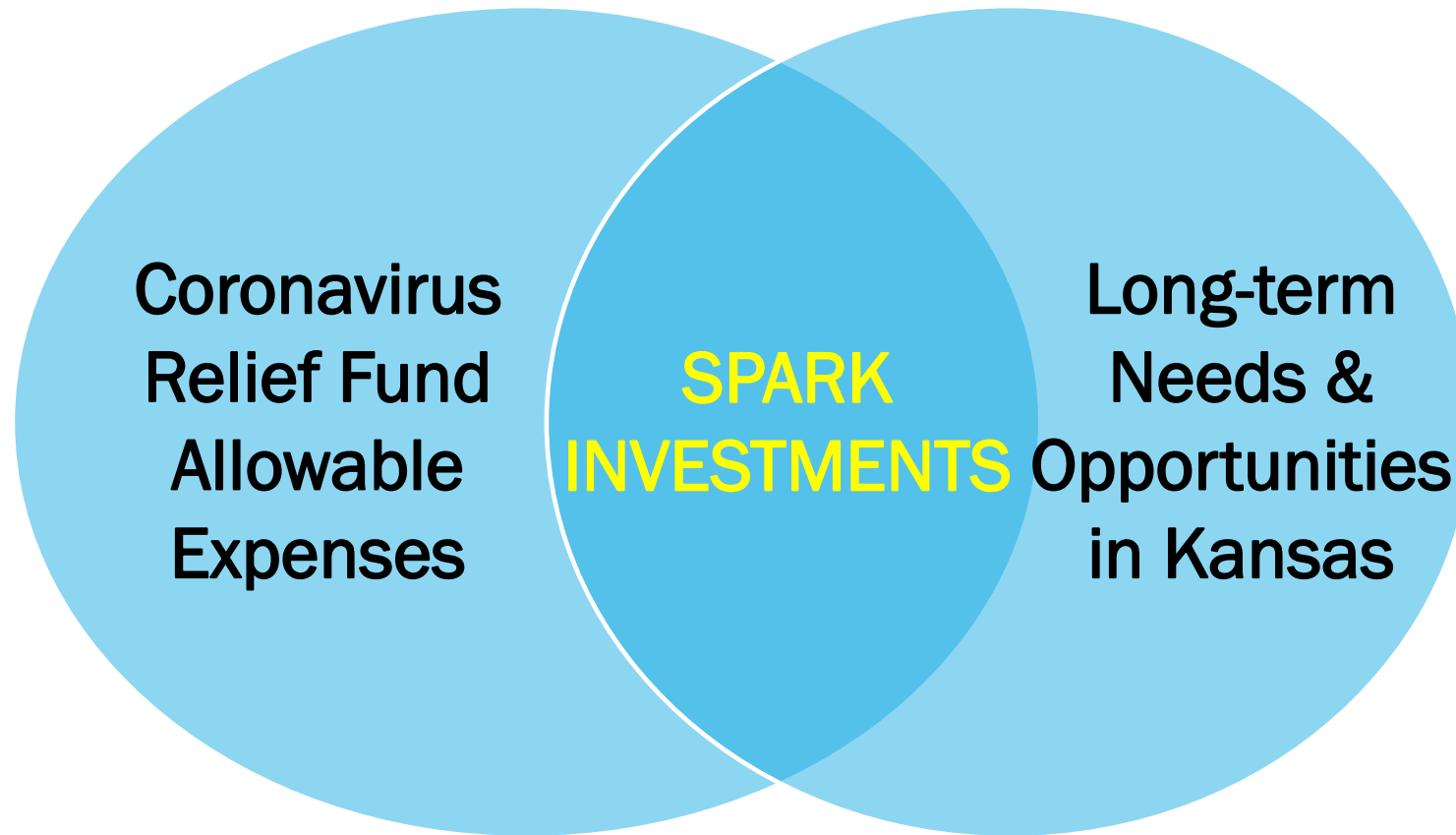
- Establishing and operating public **telemedicine** capabilities
- Technological improvements to facilitate **distance learning**
- Improving **telework** capabilities

May 28 clarification:

- Rural broadband expansion can only occur if it is necessary for the **public health emergency**

Bills have been proposed in the House & Senate calling for more flexibility with how the funds can be spent.

TODAY'S FOCUS



2019 STATEWIDE RURAL PROSPERITY TOUR RESULTS: WHAT BARRIERS PREVENT FUTURE PROSPERITY?

- Lack of quality, affordable housing
- Workforce development
- Quality roads & bridges
- Insufficient funding & resources
- State rules & regulations
- Limited access to healthcare/lack of Medicaid expansion
- Lack of quality, affordable broadband
- Rural stigma & mindset
- Low wages
- Declining & gaining population
- Limited job opportunities
- Taxes in general
- Negative attitudes
- Access to quality, affordable Child Care
- Property taxes

KANSAS CITY & WICHITA SHARE SOME OF THESE CONCERNS TOO WHEN THEY IDENTIFIED BARRIERS TO ECONOMIC PROSPERITY

KC Economic Development Strategy Plan:

- Lack of low-cost **housing and affordable** housing near suburban job centers
- Large number of **adults without necessary skills** to fill in-demand available jobs.
- Low state support for **education** — pre-K, K-12 and higher education

Wichita Regional Growth Plan:

- Need a competitive, sustainable, adaptable and skills rich **workforce**
- Lack of high-speed **broadband** has been cited as one of the biggest challenges affecting the greater Wichita region's economic competitiveness
- **Career focused education** & training programs

Only 3 counties in Kansas meet the need for Child Care

KANSAS FRAMEWORK FOR GROWTH IDENTIFIED THESE OPPORTUNITIES:

- **Win the Talent War:** upskill/reskill **workforce** for in demand skills
- **Innovation & Entrepreneurship:** Increase innovation activity and start-up rate resulting from commercialization
- **Focus on Tradeable Sectors:** Businesses that sell a majority of their goods or services outside of Kansas bring money into the state and determine our level of economic prosperity.
- **Digitalization & Broadband:** Improve the quality and quantity of broadband services; assist Kansas workers and companies with digital transformation
- **Advanced manufacturing:** Implement Industry 4.0 through the use of data analytics, cloud technology, automation, cyber-physical systems, internet of things (IoT). Leads to new opportunity and allows KS manufacturers to compete in the global marketplace.
- **Logistics, Distributions and E-Commerce:** Kansas is geographically well positioned, automation and digital tools are disrupting this sectors, opportunity for Kansas to become a leader through investment and talent development. **Supply Chain vulnerabilities** identified during COVID crisis have reinforced need for advanced logistics and distribution systems.

The Kansas Department of Agriculture has identified 19 sub-sectors for growth

Crop & Livestock Production		
Beef	Corn	Cotton
Dairy	Equine	Pork
Poultry	Sorghum	Soybeans and Other Oilseeds
Specialty Crops	Specialty Livestock	Wheat

Agriculture Processing and Support		
Ag Equipment Manufacturing and Sales	Ag Tech and Entrepreneurship	Animal Health
Feed and Forage	Food Processing	Pet Food Manufacturing
	Unmanned Aerial Systems	

UNIVERSITY OF KANSAS INSTITUTE FOR POLICY & SOCIAL RESEARCH INVESTMENT RECOMMENDATIONS:

- Support for advanced manufacturing
- Transmission lines for Kansas wind energy
- High tech agriculture
- Safer meatpacking manufacturing

POTENTIAL INVESTMENT AREAS & FRAMEWORK FOR OUR DISCUSSION

4 investment areas

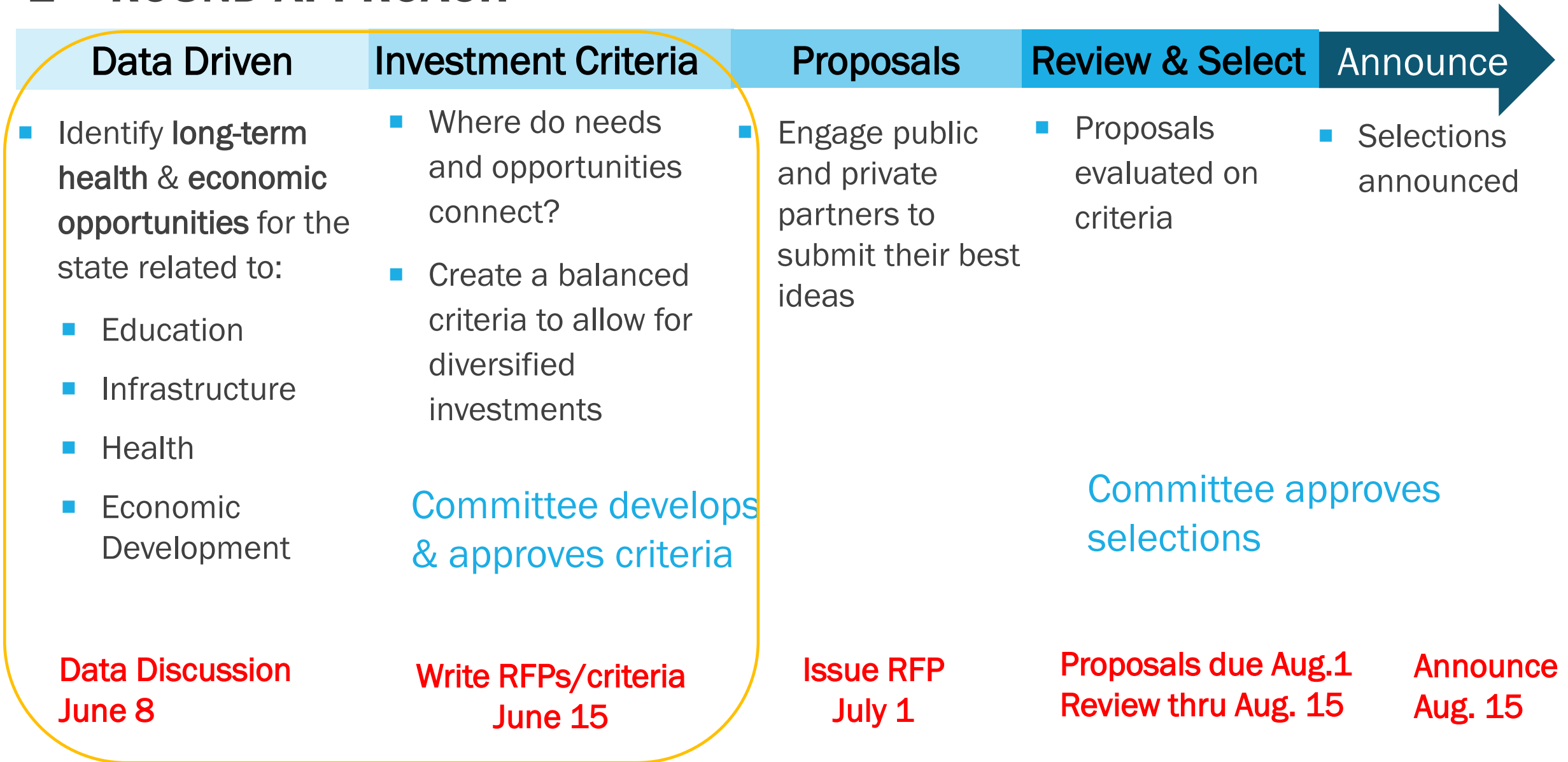
	Health	Infrastructure	Education	Economic Development
Expand broadband access	✓ Telemedicine	✓ Digital	✓ Distance Learning	✓ Telework
Child Care			✓ “Improved outcomes for children”	✓ Workforce support
Adequate & affordable housing	✓ Better Hygiene	✓ Long-term Asset	✓ “Improved outcomes for children”	✓ Workforce support
Workforce development	✓ Increase health care workers		✓ Better connect education to Careers	✓ Workforce support
Safer meat processing	✓ Healthy workers	✓ Secure food supply chain		✓ Increase jobs



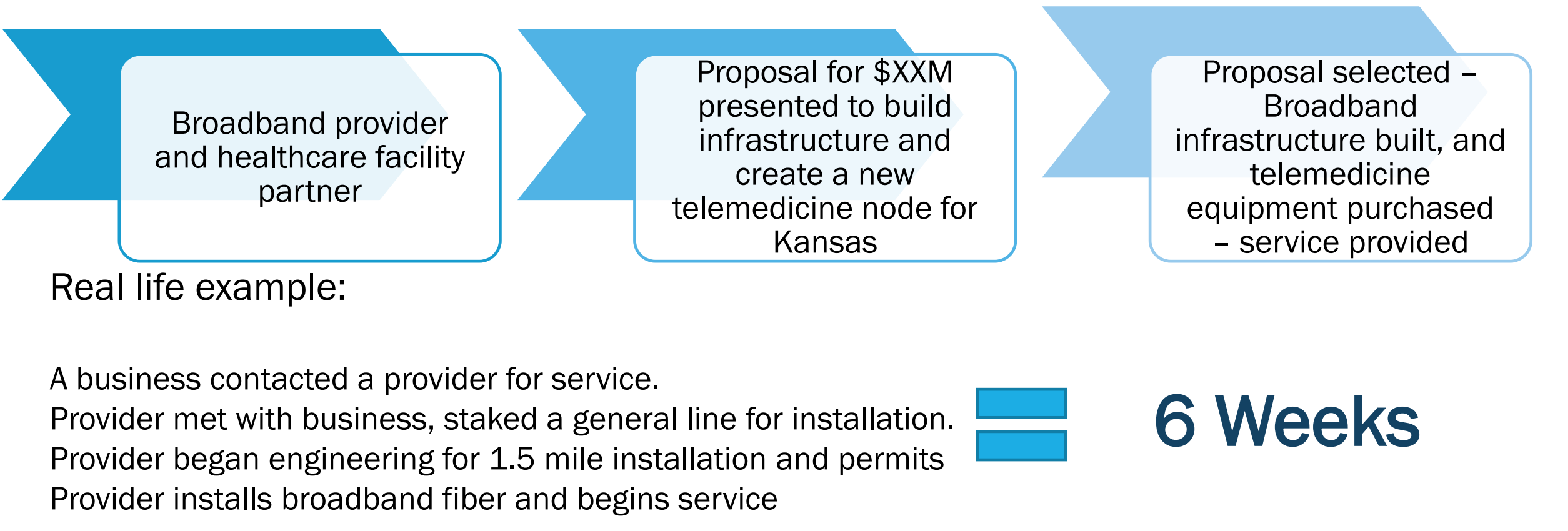
THE NEED FOR SPEED & INNOVATION

- We only have 6 months to get these funds distributed
- 2016 University of Syracuse found Public Private Partnerships are significantly more likely of meeting cost and schedule objectives than traditional public managed infrastructure projects
- We need to tap into the entrepreneurial spirit of Kansans to get the best ideas

2ND ROUND APPROACH



INFRASTRUCTURE: BROADBAND – EXAMPLE PROPOSALS



Broadband provider
and healthcare facility
partner

Proposal for \$XXM
presented to build
infrastructure and
create a new
telemedicine node for
Kansas

Proposal selected –
Broadband
infrastructure built, and
telemedicine
equipment purchased
– service provided

Real life example:

A business contacted a provider for service.
Provider met with business, staked a general line for installation.
Provider began engineering for 1.5 mile installation and permits
Provider installs broadband fiber and begins service



6 Weeks

BREAKOUT GROUPS: YOUR CHARGE

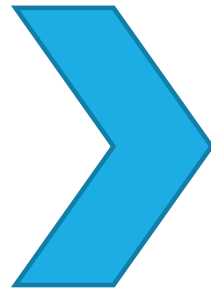
For each sector:

Health

Infrastructure

Education

Economic Development



1. 5 years from now, if you could accomplish one thing in each area, what would that be?
2. What effort(s) could \$150M fund that would make a difference / help you accomplish that one thing in each of these areas?
3. Who is active and good in this space that we'd want to seek proposals from / how do you reach them?
 - Public Sector
 - Private Sector
4. What's the range above/below \$150M you'd like to see (remember \$600M pool)?

Keep in mind...
We need a
balanced approach



HELPFUL INFORMATION AVAILABLE IN HANDOUTS INCLUDING:

- **CARES Act:** How much has Kansas received in total?
- **Coronavirus Relief Fund:** What expenses are allowed which are not?
- **Examples from Other States:** What are they investing in?
- **Investment Sectors:** Supporting research

HOW STATES ARE ALLOCATING CARES ACT CORONAVIRUS RELIEF FUNDING

New Hampshire (\$1.25B received total)

PHASE 1

\$400M - Main Street Relief Fund

Allows businesses to have flexibility in paying bills, mortgages, taxes, etc. with a focus on small businesses. Administered by Department of Revenue through a grant program.

\$60M - Non-Profit Relief Fund

Funds intended to stabilize organizations will be administered through the Charitable F

\$50M - Healthcare I

\$20M market
market sect

\$25M - Child Care

Provides fin
strengthens

\$15M - Farm and Fo

Supports da
\$5M to the f

PHASE 2

Ideas for future
consideration include:

- Housing
- Homelessness
- K-12 Educations
- Private Higher

**ECONOMIC
OPPORTUNITIES &
CHALLENGES FOR
KANSAS**



REPORT BACK



NEXT STEPS

- Next Executive Committee meeting tentatively set June 15.