ARPA and SPARK

Ethan Belshe; Legislative Liaison

November 10, 2021
Recovery Office (RO) created to supported CARES Act Coronavirus Relief Funds (CRF) spending and SPARK 2020

Two subsequent bills – Consolidated Appropriations Act (December 2020) and the American Rescue Plan Act (March 2021) – allocated additional federal dollars to Kansas

- **Consolidated Appropriations Act:** RO managing all streams of funding and providing targeted compliance, reporting, and other support for entities administering funds.
- **American Rescue Plan Act:** RO providing ongoing support for state agencies, NEUs, cities and counties receiving funds, SPARK Executive Committee, and State reporting and compliance.
~$28B in funds available to Kansas through major COVID relief bills

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Funds</th>
<th>CARES Act 3</th>
<th>Consolidated Appropriations Act</th>
<th>American Rescue Plan Act 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>18.1</td>
<td>1.3</td>
<td>8.6</td>
<td>28.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>13.7</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Includes ~$9M in funds from Coronavirus Preparedness and Response Act (March 2020)

1. Pending grant applications will increase the overall volume of funds as applications are submitted and approved
2. Includes Coronavirus Preparedness and Response Act
3. Direct payments include Economic Impact Payments (~2.4B), FPUC (~1.4B), PEUC (~0.2B), and PUA (~0.2B), and Lost Wage Assistance Grant (~0.1B)
4. Includes Economic Impact Payments (~3.5B) Note: Numbers may not sum up due to rounding error

Source: FFIS State Funding for Coronavirus (8/3/21)
Federal relief has been directed mainly toward the economy and essential needs through direct assistance to Kansans.

COVID relief dollars by area of spend ($B)\(^1\)

- **2020 Coronavirus Relief Funds (CRF)**: -$1.3B
- **2021 State Fiscal Recovery Fund**: $1.6B
- **2021 Capital Project Fund**: $0.1B
- **2021 Local Fiscal Recovery Funds**: $1B

**Economic Revitalization**: 8.7
- Includes $5B in PPP, $1.2B to other small business programs\(^3\)

**Essential Needs**\(^4\)**: 8.4
- Includes $5.9B in Economic Impact Payments\(^2\)

**Education & Childcare**: 2.6

**Health**: 1.8

**Other**\(^5\)**: 2.7

**Total**: 28.2

1. Estimated through manual categorization of major federal relief programs (FFCRA, CARES, CAA, ARPA); "connectivity" excluded due to limited SPARK definition as "broadband" specific programs; 2. Distributed through the Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA), American Relief Plan Act (ARPA) 3. PPP = Paycheck Protection Program; other small business loans include Economic Injury Disaster Loans (EIDL) and EIDL Advance (~$1.4B), and State Small Business Credit Initiative (SSBCI); 4. Includes economic impact payments (~$5.9B), food and nutrition assistance (~$1.4B), housing (~$0.5B), transportation (~$0.3B), and other emergency services programs (~$0.2B); 5. Includes Municipal Liquidity Facility (~$2.7B)

Source: FFIS State Funding for Coronavirus (8/3/21), U.S. Department of Labor, U.S. Small Business Administration, U.S. Treasury
Kansas received $8.6B from American Rescue Plan Act (ARPA)

Direct Payments¹ (e.g., economic impact payments) ~$3B+

Education and Childcare ~$1.6B
- K-12 Education ~$900M (ESSER, EANS)
- Childcare & Education ~$350M
- Higher Education ~$325M

Local ~$1.0B
- Local Fiscal Recovery Fund (Counties & Cities) ~$1.0B

State ~$1.6B
- State Fiscal Recovery Fund ~$1.6B
- Capital Projects Fund ~$143M

Health ~$520M
- Mental health ~$40M
- Testing, Vaccines & COVID-19 mitigation ~$480M

Local Fiscal Recovery Fund (Counties & Cities) ~$1.0B
- Local Fiscal Recovery Fund ~$1.0B

State Fiscal Recovery Fund ~$1.6B
- State Fiscal Recovery Fund ~$1.6B

Housing and Economic Revitalization ~$287M
- Housing & rental asst. ~$231M
- State Small Business Credit Initiative ~$56M

1. Direct Payments estimate includes only Economic Impact Payments (~$3.3B est. to KS); additional aid expected through Child Tax Credit (~$1-2B est. to KS; 652,000 children will receive credit), UI Benefits ($TBD); Food Insecurity (~$23M est. to KS) includes increased SNAP benefits to Sep. 30 and WIC vouchers for 4 months; Small Business Relief (~$450-850M+ est. to KS pro rata) through competitive grant programs (e.g., PPP, Restaurant Revitalization Fund, Shuttered Venue Operator Grants) Source: American Rescue Plan Act (H.R. 1319), Government Financial Officers Association
Updated guidance for State & Local Fiscal Recovery Fund

Eligible uses

1. Respond to the **public health emergency** with respect to COVID-19 or its negative **economic impacts**

2. **Provide premium pay** for public employees doing essential work or provide grants to eligible employers

3. **Provide government services** to the extent of reduction in revenue due to COVID-19 relative to revenues collected in most recent full fiscal year

4. **Make necessary investments** in water, sewer, or broadband infrastructure

---

1. Up to $13 per hour—premium amount may not exceed $25,000 with respect to any single eligible worker
Timeline for State & Local Fiscal Recovery Fund

American Rescue Plan Act became law:
March 11, 2021

Costs obligated March 3, 2021, through December 31, 2024

- Interim Final Rule: May 10, 2021
- Balance to be issued not sooner than June 2022

2021

NEUs receive Tranche 1 funding from KS: July 2021

2022

2023

NEUs receive Tranche 2 funding from KS: July 2022

2024

2025

2026

Costs expended by December 31, 2026
Members of the SPARK Executive Committee

Chair: Lieutenant Governor David Toland

Public Sector Representative: Secretary DeAngela Burns-Wallace

Private Sector Representative: Jon Rolph (CEO, Thrive Restaurant Group; Member, Board of Regents)

President of the Senate: Senator Ty Masterson

President of the Senate's appointee: Bill Pickert (Managing Partner, BKD)

Speaker of the House: Representative Ron Ryckman Jr.

Speaker of the House's appointee: Greg Orman (Managing Director, Denali Partners)