

FY 2023-24: DEPARTMENT OF TRANSPORTATION
Summary: As Reported by House Appropriations Committee
House Bill 4309 (H-2)



Analyst: William E. Hamilton

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$4,123,800	\$4,353,000	\$4,353,000	\$	\$	\$229,200	5.6
Federal	2,026,480,000	2,090,121,400	2,090,121,400			63,641,400	3.1
Local	85,773,500	85,773,500	85,773,500			0	0.0
Private	16,800,000	16,800,000	16,800,000			0	0.0
Restricted	3,905,021,600	4,082,402,000	4,082,502,000			177,480,400	4.5
GF/GP	91,250,000	303,000,000	525,500,000			434,250,000	475.9
Gross	\$6,129,448,900	\$6,582,449,900	\$6,805,049,900	\$	\$	\$675,601,000	11.0
FTEs	3,056.3	3,224.3	3,224.3			168.0	5.5

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. State-restricted revenue in this budget includes revenue from motor fuel taxes, vehicle registration taxes, and from a \$600.0 million earmark of Income Tax Act revenue. Approximately \$3.7 billion in state restricted revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 ("Act 51") to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs. Federal funds for transportation programs are authorized under the federal Infrastructure Investment and Jobs Act (IIJA).

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Debt Service

Executive includes \$343.7 million for debt service on bonds issued under a pledge of state restricted revenue – a net increase of \$118.4 million as compared to current year. Debt service primarily relates to previously issued and outstanding bonds, although part of the increase relates to debt service for STF bonds MDOT anticipates issuing in 2023 as part of the Rebuilding Michigan bond program.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Gross	\$225,300,500	\$118,439,600
Restricted	225,300,500	118,439,600
GF/GP	\$0	\$0

Debt service is made from different restricted fund sources (STF, Blue Water Bridge Fund, CTF, Local bridge fund, State Aeronautics Fund, or Transportation Economic Development Fund (TEDF)) based on the use of the original bond proceeds. While TEDF-related debt service falls by \$6.0 million, and debt service for CTF-backed bonds would end entirely, STF-related debt service would increase by \$124.5 million as compared to the current year. House concurs with Executive.

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
2. Baseline Staffing and STF Funding Increases	FTE	2,879.3
<u>Executive</u> increases staffing authorization by 165.0 FTE positions across a number of STF-funded operating and service line items, and increases funding by \$9.1 million STF to better align funding with FTE authorization. Specific increases by line item:	Gross	\$638,520,400
	Restricted	638,520,400
	GF/GP	\$0

Business Support: 4.0 FTEs, \$588,200; Commission Audit: \$1.2 million, (no increase in FTE authorization); Office of Transportation Economic Development: 1.0 FTE, \$111,600; Finance, Contracts, Support Services: 10.0 FTEs, \$1.6 million; Planning Services: 3.0 FTEs, \$489,900; Design/Engineering: 139.0 FTEs, \$4.3 million; Maintenance Operations: 8.0 FTEs, \$879,700.

In addition to the STF-funded lines, the request for Office of Rail includes an additional 2.0 FTE positions and a \$300,500 increase in CTF support.

House concurs with Executive.

3. State Trunkline Maintenance	FTE	901.7	0.0
<u>Executive</u> increases STF support by \$21.7 million to recognized increased costs associated with maintenance materials and contract services. <u>House</u> concurs with Executive.	Gross	\$443,561,300	\$21,698,500
	Restricted	443,561,300	21,698,500
	GF/GP	\$0	\$0

4. Design and Engineering Services – Budget Realignment	FTE	1,572.3	0.0
<u>Executive</u> shifts federal and state restricted funding between the capital State Trunkline Road and Bridge line item and Design and Engineering operating line items. See corresponding action in Item #5, below.	Gross	\$190,254,100	\$58,857,400
<u>House</u> concurs with Executive.	Federal	23,529,800	(10,000,000)
	Restricted	166,724,300	68,857,400
	GF/GP	\$0	\$0

Note that these fund shifts affect only the internal structure of the budget and do not affect actual funds available for the capital trunkline road and bridge construction program.

5. Road and Bridge Program – Revenue Adjustments/Fund Shift	Gross	\$1,661,869,600	(\$162,230,600)
<u>Executive</u> funding for the capital State Trunkline Road and Bridge Construction line item would decrease by a net \$162.2 million: federal funds would increase by \$10.0 million while state restricted funds would decline by a net \$172.2 million. The change in this program line item is due to: increases in restricted revenue recognized in the budget, \$53.3 million; the Design/Engineering budget realignment described in Item #4 above, (\$58.9 million); increases in other STF-funded line items totaling \$158.7 million (including \$124.5 million STF debt service increase).	Federal	1,185,230,900	10,000,000
	Local	30,003,500	0
	Private	10,000,000	0
	Restricted	436,635,200	(172,230,600)
	GF/GP	\$0	\$0

See Table below

House concurs with Executive.

Major Budget Changes from FY 2022-23 YTD Appropriations

**FY 2022-23
Year-to-Date
(as of 2/8/23)**

**FY 2023-24
House
Change**

Reconciliation of State Trunkline Road and Bridge Program Changes					
	Changes from FY 2022-23				
Fund Source	FY 2022-23 YTD	Revenue Adjustments	Design/Engineering Budget Realignment ⁽³⁾	Other STF Line Item Increases that Reduce Available STF	FY 2023-24 Net Change
Gross	\$1,661,869,600	\$55,338,200	(\$58,857,400)	(\$158,711,400)	(\$162,230,600)
Federal	1,185,230,900		10,000,000		10,000,000
Local	30,003,500				0
Private	10,000,000				0
Restricted	436,635,200	42,695,500 ⁽¹⁾ 12,642,700 ⁽²⁾	(68,857,400)	(124,523,600) ⁽⁴⁾ (34,187,800) ⁽⁵⁾	(172,230,600)
GF/GP	\$0	\$0	\$0	\$0	\$0

The table reconciles the FY 2023-24 net change in the State Trunkline Road and Bridge Construction line item with the elements that effected that change:

Key:

1. Increase in estimated STF revenue
2. Increase in Blue Water Bridge Fund revenue recognized in the budget.
3. Design/Engineering Budget realignment described in Item #4
4. Increase in STF Debt service
5. Other STF line item budget changes including staffing increases, maintenance costs increases, etc.

6. MTF to Local Road Agencies

Executive includes \$1.95 billion in estimated MTF distribution to local road agencies (county road commissions, and cities and villages), \$39.0 million more than the current year. This reflects the Act 51 distribution of estimated MTF revenue from motor fuel and vehicle registration taxes as well as local road agency share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act. The actual distribution will be based on actual MTF revenue collections. House concurs with Executive.

Gross	\$1,910,975,400	\$39,028,900
Restricted	1,910,975,400	39,028,900
GF/GP	\$0	\$0

7. Transportation Economic Development Fund (TEDF)

Executive includes \$55.4 million for the TEDF program, an increase of \$9.4 million from the current year. The increase primarily reflects a \$6.0 million reduction in TEDF debt service, as well as increases in estimated interest earnings on the TEDF balance.

Gross	\$45,951,000	\$9,418,000
Restricted	45,951,000	9,418,000
GF/GP	\$0	\$0

The TEDF/Target Industries categorical program (Category "A") would increase by a total of \$7.4 million. Of this increase, \$4.2 million reflects the Category A share of the \$9.4 million total TEDF increase, and \$3.0 million is due to shift of \$3.0 million from the TEDF/Community Service Infrastructure program (Category "B") to Category A. The Category B program and \$3.0 million funding earmark, established in 2018 PA 473, sunset at the end of FY 2022-23. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231. House concurs with Executive.

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
8. Transit Programs – Local Bus Operating Assistance	Gross	\$201,750,000	\$75,000,000
<u>Executive</u> increases state operating support for local public transit by \$15.0 million CTF. The increase is possible as a result of an increase in available CTF revenue available as well as appropriation of the available CTF fund balance. <u>House</u> includes an increase of \$75.0 million CTF as compared to current year, \$60.0 million more than the Executive.	Restricted	201,750,000	75,000,000
	GF/GP	\$0	\$0
9. Transit Capital	Gross	\$179,076,100	\$43,641,400
<u>Executive</u> recognizes \$43.6 million increase in estimated federal transit capital grants for local transit agencies. <u>House</u> concurs with Executive.	Federal	78,000,000	43,641,400
	Local	31,000,000	0
	Private	2,000,000	0
	Restricted	68,076,100	0
	GF/GP	\$0	\$0
10. Specialized Services	Gross	\$26,541,300	\$3,771,100
<u>Executive</u> includes a baseline increase of \$3.8 million CTF for this targeted transit line item. The increase is made possible as a result of an increase in available CTF revenue. <u>House</u> concurs with Executive.	Federal	13,127,400	0
	Local	4,185,000	0
	Restricted	9,228,900	3,771,100
	GF/GP	\$0	\$0
11. Van Pooling	Gross	\$195,000	\$205,000
<u>Executive</u> includes \$400,000 CTF for the van pool program; \$205,000 CTF more than current year. <u>House</u> concurs with Executive.	Restricted	195,000	205,000
	GF/GP	\$0	\$0
12. Detroit/Wayne County Port Authority	Gross	\$500,000	\$100,000
<u>Executive</u> would retain current year funding levels of \$500,000 CTF. <u>House</u> includes \$600,000 CTF, \$100,000 more than Executive.	Restricted	500,000	100,000
	GF/GP	\$0	\$0
13. Marine Passenger Service	Gross	\$4,964,000	\$188,000
<u>Executive</u> increases CTF support by \$188,000 for line item that provides capital assistance to eligible public ferry services in Michigan. <u>House</u> concurs with Executive. [See also one-time funding.]	Federal	2,652,000	0
	Local	500,000	0
	Restricted	1,812,000	188,000
	GF/GP	\$0	\$0
14. Capital Outlay – Salt Storage and other Property Maintenance	Gross	\$5,501,500	\$2,499,000
<u>Executive</u> increases STF support by \$2.5 million for construction of salt storage facilities and capital maintenance of other MDOT-owned facilities. <u>House</u> concurs with Executive.	Restricted	5,501,500	2,499,000
	GF/GP	\$0	\$0
15. Capital Outlay - Airport Improvement Program (AIP)	Gross	\$160,461,900	\$19,607,800
<u>Executive</u> includes \$180.0 million for program of federal capital assistance to eligible local public airports in the state, a net increase of \$19.6 million. Recognizes \$155.0 million in federal AIP funds, an increase of \$20.0 million from current year. Also reflects estimated available State Aeronautics Fund revenue. This program is shown in the budget under the line item Airport Safety, Protection, and Improvement (ASAP). <u>House</u> concurs with Executive.	Federal	135,000,000	20,000,000
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	5,961,900	(392,200)
	GF/GP	\$0	\$0
16. Detroit Metropolitan Wayne County Airport	Gross	\$5,850,000	\$520,000
<u>Executive</u> increases Qualified Airport Fund support by \$520,000 reflecting revenue estimates. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport. <u>House</u> concurs with Executive.	Restricted	5,850,000	520,000
	GF/GP	\$0	\$0
17. IJJA Airport Infrastructure Grants	Gross	\$95,000,000	\$0
<u>Executive</u> retains current year \$95.0 million federal spending authority for a new program of federal aid to public airports established under Division J of IJJA. <u>House</u> concurs with Executive.	Federal	95,000,000	0
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 House Change</u>
18. Back Out FY 2022-23 One-Time Items	Gross	\$92,500,000	(\$92,500,000)
Removes one-time FY 2022-23 items not carried forward for FY 2023-24: Replace Weather Station Equipment, \$3.9 million GF/GP; Airport Infrastructure Grants, \$25.0 million GF/GP; Basic Marine Dock, \$700,000 CTF; Magnetic Roadway Sweepers, \$350,000 GF/GP; Priority Grade Separation Projects, \$12.0 million GF/GP; Technical Assistance, Planning, and IJJA Match Grants, \$25.0 million GF/GP; Upper Peninsula Freight Rail Infrastructure, \$550,000 CTF; Category "B" TEDF projects, \$25.0 million (in supplemental, 2023 PA 1.)	Restricted GF/GP	1,250,000 \$91,250,000	(1,250,000) (\$91,250,000)
19. One-Time – Intermodal Capital Investments Grants	Gross	\$0	\$100
<u>Executive</u> includes \$160.0 million (\$100.0 million GF/GP, \$60.0 million CTF) for a one-time program in support of intermodal capital grants. <u>House</u> includes as a \$100 GF/GP placeholder; shifts \$60.0 million CTF to Local bus operating.	Restricted GF/GP	0 \$0	0 \$100
20. One-Time GF/GP – Michigan Bridge Bundling Initiative	Gross	\$0	\$100
<u>Executive</u> includes \$200.0 million in one-time GF/GP for a targeted program to address failing or critical bridges in need of rehabilitation or replacement. <u>House</u> includes \$100 GF/GP placeholder.	GF/GP	\$0	\$100
21. One-Time GF/GP – MI Contracting Opportunity	Gross	\$0	\$5,000,000
<u>Executive</u> includes \$3.0 million in one-time GF/GP for program to increase contracting opportunities for socially or economically disadvantaged business concerns. <u>House</u> includes at \$5.0 million GF/GP.	GF/GP	\$0	\$5,000,000
22. One-Time GF/GP – County Road Association Software	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million one-time GF/GP for software development, defined in boilerplate, Sec. 1002.	GF/GP	\$0	\$1,000,000
23. One-Time GF/GP – Local Road Preservation	Gross	\$0	\$400,000,000
<u>House</u> includes \$400.0 million one-time GF/GP for distribution to local road agencies by population formula, defined in boilerplate, Sec. 1008.	GF/GP	\$0	\$400,000,000
24. One-Time GF/GP – Marine Passenger Capital Grant	Gross	\$0	\$15,000,000
<u>House</u> includes \$15.0 million one-time GF/GP for St. Mary's River passenger ferry, defined in boilerplate, Sec. 1006.	GF/GP	\$0	\$15,000,000
25. One-Time GF/GP – Michigan Mobility Challenge	Gross	\$0	\$10,000,000
<u>House</u> includes \$10.0 million one-time GF/GP for grants for projects in support of enhanced mobility, defined in boilerplate, Sec. 1001.	GF/GP	\$0	\$10,000,000
26. One-Time GF/GP – Miss Dig	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million one-time GF/GP for utility mapping and education/outreach, defined in boilerplate, Sec. 1003.	GF/GP	\$0	\$1,000,000
27. One-Time GF/GP – New Technology/Mobility	Gross	\$0	\$42,500,000
<u>House</u> includes \$42.5 million one-time GF/GP for a number of projects in support of new transportation technology, defined in boilerplate, Sec. 1006.	GF/GP	\$0	\$42,500,000
28. One-Time GF/GP – Shared Streets/Shared Spaces	Gross	\$0	\$5,000,000
<u>House</u> includes \$5.0 million one-time GF/GP for new competitive grant program, defined in boilerplate, Sec. 1004.	GF/GP	\$0	\$5,000,000
29. One-Time GF/GP – S. S. Badger Conversion	Gross	\$0	\$5,000,000
<u>House</u> includes \$5.0 million one-time GF/GP to support conversion of the S. S. Badger from coal, defined in boilerplate, Sec. 1007.	GF/GP	\$0	\$5,000,000
26. One-Time GF/GP – Speed Enforcement Pilot Project	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million one-time GF/GP for a speed enforcement pilot project, defined in boilerplate, Sec. 1005.	GF/GP	\$0	\$1,000,000

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 House Change</u>
27. One-Time GF/GP – Rail Grade Separation Program	Gross	\$0	\$32,999,800
<u>House</u> includes \$33.0 million one-time GF/GP for a rail grade separation program, defined in boilerplate, Sec. 1010.		GF/GP \$0	\$32,999,800
28. One-Time GF/GP – Air Service/Airport Revitalization	Gross	\$0	\$7,000,000
<u>House</u> includes \$7.0 million one-time GF/GP for an air service/airport revitalization grant program, defined in boilerplate, Sec. 1013.		GF/GP \$0	\$7,000,000
29. Economic Adjustments	Gross	NA	(\$84,800)
Reflects net decrease in estimated costs of \$84,800 Gross (\$0 GF/GP)		IDG NA	(8,300)
for negotiated salary and wage increases (2.0% on October 1, 2023),		Federal NA	(136,100)
actuarially required retirement contributions, worker's compensation,		Restricted NA	59,600
building occupancy charges, rent, and other economic adjustments.		GF/GP NA	\$0

Major Boilerplate Changes from FY 2022-23

Sec. 214. Annual Legacy Costs – DELETED

Executive does not include section that identifies estimated department "legacy costs" for the upcoming fiscal year. [Total legacy costs are \$59,196,000, of which pension related costs were \$38,949,600 and retiree health care costs \$20,246,400]. House concurs with Executive and deletes.

Sec. 218. State Administrative Board Transfers – DELETED

Executive does not include section that provides for the legislature to intertransfer funds within this departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. House concurs with Executive and deletes.

Sec. 222. Restrictions on COVID-19 Passport – DELETED

Executive does not include section that restricts use of COVID-19 "passports" to document vaccination status. House concurs with Executive and deletes.

Sec. 225. Access to State and Local Services – NEW

Executive includes new section that prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion, to restrict or impede community access to government programs, or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers. House concurs with Executive and includes.

Sec. 302. Report on Debt Service Coverage – DELETED

Executive deletes section that established a reporting requirement regarding debt service. House concurs with Executive and deletes.

Sec. 303. Signage Related to Bond-Financed Projects – DELETED

Executive does not include language related to signage identifying trunkline construction projects as bond-financed. House concurs with Executive and deletes.

Sec. 309. Remanufactured Parts – DELETED

Executive does not include language requiring the use of remanufactured parts. House concurs with Executive and deletes.

Sec. 311. Bridge Bundling Report – RETAINED

Executive does not include reporting requirement related to 2021-2022 bridge bundling initiative. House retains with updated reporting date.

Sec. 312. Prohibition on Establishment of Non-Directional Markings – DELETED

Executive does not include intent language regarding placement non-directional markings on public roads or streets. House concurs with Executive and deletes.

Sec. 386. Toll Credits – DELETED

Executive deletes section that provides for a report on use of toll credits as a method in financing federal-aid highway projects, which established priority in using toll credits, and which required a report on toll credits earned and year-end balance. House concurs with Executive and deletes.

Major Boilerplate Changes from FY 2022-23

Sec. 389. Long-Term Obligations – DELETED

Executive deletes reporting requirement related to long-term agreements that obligate the department to make future payments of over \$5.0 million for five or more years. House concurs with Executive and deletes.

Sec. 603. Mackinac Bridge Report – DELETED

Executive does not include reporting requirement: that the department report by December 31, 2023 on the operational condition of the Mackinac bridge, its long-term viability, the costs of preventative maintenance and potential upgrades, and the cost and feasibility of constructing a separate method of transporting commercial, emergency, and passenger vehicle traffic. House concurs with Executive and deletes.

Sec. 614. Earmark for Low Impact Development Stormwater Management Practices – NEW

House earmarks \$5.0 million to incentivize and support the inclusion of low impact development stormwater management practices in trunkline and local road agency construction projects.

Sec. 615. Earmark for Federal Vehicle Usage Fee Pilot Program – NEW

House earmarks \$1.0 million to provide the non-federal match for federal grants established under IIJA for a per-mile user fee pilot project.

Sec. 703. Rail Abandonment Notice – DELETED

Executive deletes requirement that MDOT notify legislature when railroad companies file for abandonment of lines. House concurs with Executive and deletes.

Sec. 1001. Michigan Mobility Challenge – NEW

House includes new section that defines the \$10.0 million grant program appropriation in part 1.

Sec. 1002. County Road Association Software – NEW

House includes new section that defines the \$1.0 million part 1 grant to the County Road Association of Michigan for software system development.

Sec. 1003. Miss Dig – NEW

House includes new section that defines the \$1.0 million part 1 grant to Miss Dig for utility facility system mapping and education/outreach.

Sec. 1004. Shared Streets and Spaces – NEW

House includes new section that defines uses of the \$5.0 million part 1 grant program.

Sec. 1005. Speed Enforcement Pilot Project – NEW

House includes new section that defines the \$1.0 million part 1 appropriation.

Sec. 1006. Marine Passenger Capital Grant – NEW

House includes new section that defines the \$15.0 million part 1 grant for acquisition of a ferry for EUPTA service on the St. Mary's River in Chippewa County.

Sec. 1007. S. S. Badger Grant – NEW

House includes new section that defines the \$5.0 million part 1 grant for conversion of S. S. Badger from coal power to electric and diesel power.

Sec. 1008. Local Road Preservation Grants – NEW

House includes new section that defines the \$400.0 million part 1 appropriation for Local Road Preservation. The section establishes a population-based distribution formula: \$400.0 million to be allocated to counties by population, and then within counties distributed between the county road agency and each city/village within the county by population for local road preservation.

Sec. 1009. Rail Grade Separation Program – NEW

House includes section that defines the use of the \$33.0 million GF/GP rail grade separation program funded in part 1.

Major Boilerplate Changes from FY 2022-23

Sec. 1010. New Technology/Mobility Grants – NEW

House includes new section that defines the uses of the \$42.5 million part 1 appropriation:

- (a) \$20.0 million for aerial mobility/ drone infrastructure projects including drone hubs, drone ports, and last mile delivery.
- (b) \$5.0 million for Michigan Mobility Fund Platform and Mobility Public-Private Partnership and Programming projects.
- (c) \$5.0 million an inductive charging interoperability pilot project.
- (d) \$7.5 million for a Lake Michigan Electric Vehicle Circuit Tour project.
- (e) \$5.0 million for a Michigan e-bike purchase incentive program.

The section directs that in implementing the appropriations the department work with Office of Future Mobility and Electrification.

Sec. 1011. MI Contracting Opportunity – NEW

Executive budget included \$3.0 million Mi Contracting Opportunity line item and related boilerplate. The section directs that funds be expended in support of activities that enhance the development and availability of contractors or suppliers for the delivery of department programs that are socially or economically disadvantaged as defined in Section 100002 of IIJA. Also provides for a revolving loan program and revolving loan fund established within the department. House concurs with Executive language for the \$5.0 million program established in House bill.

Sec. 1012. Local Disaster Relief Fund – NEW

House includes new boilerplate appropriation, not reflected in the part 1 summary to appropriate an amount not to exceed \$20.0 million for a local disaster relief fund. The section directs that the local disaster relief fund provide funding for a local disaster relieve program intended to provide grants to local road agencies in response to natural disasters and other emergency events that affect transportation infrastructure or operations. The section indicates that the intent of the current legislature that the legislature made provide appropriations in subsequent fiscal years to maintain a fund balance sufficient to respond to disasters and emergencies impacting local road agency infrastructure and operations.

Sec. 1013. Air Service/Airport Revitalization Grants – NEW

House includes new section that defines the uses of the \$7.0 million part 1 airport grant program:

- (a) \$5.0 million for air service development, air service connectivity, and service retention.
- (b) \$2.0 million for capital development projects at general aviation airports in this state. Capital development projects include obstruction removal, pavement rehabilitation, fuel facility construction, and terminal improvements.