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To: House Committee on Appropriations

cc: Speaker Johnson

From: House Committee on Transportation

Date: June 10, 2020

The House Committee on Transportation makes the following proposal on the anticipated second phase of emergency economic recovery grants for eligible businesses from the Coronavirus Relief Fund.

The Committee recommends that an additional \$3,000,000 be appropriated to the Agency of Commerce and Community Development for grant awards to highway contractors, where highway contractors are eligible businesses, as defined in S.350, that provide highway and bridge maintenance services for the Agency of Transportation or municipal highway departments, or both.

Our small highway contractors were kept from doing any construction work at all for nearly three months this spring. Costs such as keeping management staff, heavy equipment and building amortization, environmental mitigation, utility and other fixed costs remained during this time. When they start up again, hopefully this summer, they will be operating at about 75% of their usual capacity as a result of social distancing which means fewer employees which means taking longer to finish projects, which means fewer projects completed in our short construction season.

After taking testimony from the Agency of Transportation, the Committee determined that the Agency of Commerce and Community Development would be better suited to administer this sort of grant program, possibly in conjunction with the grant program that is expected to be established pursuant to S.350, after enactment.

Accordingly, the Committee recommends that the appropriation for the anticipated second phase of emergency economic recovery grants for eligible businesses from the Coronavirus Relief Fund be increased by \$3,000,000 and that the bill include both a definition for "highway contractor" and the following carve out language:

"not less than \$3,000,000.00 shall be set aside for grant awards to highway contractors."

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