

FY 2018-2020 Airport Improvement Program  
**Supplemental Appropriation**  
Frequently Asked Questions (FAQs)  
Updated July 15, 2018

This document is closely related to the [Federal Register notice \(FRN\)](#) published on Monday, July 9, 2018. Stakeholders are strongly advised to refer to the FRN because that is the official governing document. This FAQ document is simply an additional resource, and nothing in this FAQ supersedes either the legislation or the FRN. Interested stakeholders may wish to subscribe to the FAA's [Airport Improvement Program \(AIP\) Supplemental Appropriation webpage](#) where this file is posted, in order to be automatically notified of any updates.

**1. Where can I find a copy of the actual legislation that provides the supplemental appropriation and associated requirements?**

The [Consolidated Appropriations Act, 2018](#) is available online. The specific language that provided the supplemental \$1 billion in AIP discretionary funding is on page 1,585 of the PDF version of that legislation. The actual legislative text is also shown below, verbatim, except that it is parsed and bulleted for ease of reference:

For an additional amount for “Grants-In-Aid for Airports”, to enable the Secretary of Transportation to make grants for projects as authorized by subchapter 1 of chapter 471 and subchapter 1 of chapter 475 of title 49, United States Code, \$1,000,000,000, to remain available through September 30, 2020:

- Provided, That amounts made available under this heading shall be derived from the general fund, and such funds shall not be subject to apportionment formulas, special apportionment categories, or minimum percentages under chapter 471:
- Provided further, That the Secretary shall distribute funds provided under this heading as discretionary grants to airports:
- Provided further, That the Secretary shall give priority consideration to projects at
  - (a) nonprimary airports that are classified as Regional, Local, or Basic airports and are not located within a Metropolitan or Micropolitan Statistical Area as defined by the Office of Management and Budget, or
  - (b) primary airports that are classified as Small or Nonhub airports:
- Provided further, That the Federal share payable of the costs for which a grant is made under this heading to a nonprimary airport shall be 100 percent:
- Provided further, That the amount made available under this heading shall not be subject to any limitation on obligations for the Grants-in-Aid for Airports program set forth in any Act:
- Provided further, That the Administrator of the Federal Aviation Administration may retain up to 0.5 percent of the funds provided under this heading to fund the award and oversight by the Administrator of grants made under this heading.

**2. The legislation refers to “projects as authorized by subchapter 1 of chapter 471 and subchapter 1 of chapter 475 of title 49, United States Code.” What does that mean?**

Chapters 471 and 475 establish the eligibility rules, Federal share percentages, and several other key provisions and requirements for Airport Improvement Program (AIP) grants.

These statutory provisions have evolved over many years. They are complicated and contain multiple cross-references, including references to other parts of the authorizing statute, as well as to other statutes, regulations, and agencies. Therefore, instead of requiring individual airports to review and analyze the statute itself, the FAA organizes and simplifies the statutory requirements in FAA Order 5100.38D (“Airport Improvement Program Handbook”), which is designed to provide a clearer, easy-to-follow explanation of how the FAA applies the statutory requirements.

As noted in the FRN, the FAA administers the AIP in accordance with the Handbook, which explains what types of capital projects may be eligible and justified for AIP funding depending on the airport category, project type, and specific category or categories of AIP funding. The [AIP Handbook](#) is available online.

**3. The legislation also says that “...such funds shall not be subject to apportionment formulas, special apportionment categories, or minimum percentages under chapter 471.” What does that mean?**

The FAA’s authorizing statute establishes rules requiring the FAA to modify apportionments if certain minimum levels of discretionary cannot be met, and to calculate minimum discretionary set-asides. This language in the appropriations legislation simply means that those rules do not apply to the supplemental funding.

**4. The legislation also requires the FAA to “...distribute funds provided under this heading as discretionary grants to airports.” What does that mean?**

This provision simply makes it clear that the supplemental funds are discretionary funds, including the associated eligibility rules.

**5. What does “Priority Consideration” mean?**

This provision makes it clear that Congress expects the FAA to direct the majority of the funds for projects at airports meeting the statutory criteria for “Priority Consideration.” However, the legislation does not establish hard parameters, minimums, or limits. Moreover, to the extent that the FAA is able to apply these supplemental funds to projects that meet the criteria for “Priority Consideration,” it may also provide additional AIP funds for other projects elsewhere.

This is a key part of the reason that the FAA established the process outlined in the FRN for airports to notify the FAA of any supplemental funding requests—so that the FAA can consider the full range of available resources for the full range of funding requests. As stated in the FRN, the FAA will consider such requests with due consideration of the FAA’s existing responsibility to fully obligate all other available AIP funds by September 30 of each fiscal year, generally for projects previously requested through the [Airports Capital Improvement Plan \(ACIP\)](#) process.

**6. What do the terms “Metropolitan or Micropolitan Statistical Area” mean in the legislation, and who defines these areas?**

The Office of Management and Budget (OMB) issued a Federal Register Notice on June 28, 2010, that updated these terms. In constructing and defining Metropolitan and Micropolitan Statistical Areas (MSAs), the OMB uses Core Based Statistical Areas (CBSAs) that:

*...consist of the county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. The general concept of a CBSA is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core.*

Metropolitan Statistical Areas are:

*CBSAs associated with at least one urbanized area that has a population of at least 50,000. The metropolitan statistical area comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.*

Micropolitan Statistical Areas include the same criteria as Metropolitan, except Micropolitans have populations of at least 10,000 but less than 50,000.

The OMB MSA definition was applied to Census Bureau data and depicted in individual U.S. state maps available to the public on the [Census Bureau’s website](#). Read more about the [definitions of Metropolitan and Micropolitan](#).

**7. What does it mean where the legislation says that “...the Federal share payable of the costs for which a grant is made under this heading to a nonprimary airport shall be 100 percent”?**

This means that grants awarded to nonprimary airports from the supplemental funding will be 100 percent of eligible and allowable costs, with no local match

required. For grants at primary airports, the normal Federal share applies based on the airport category and project type.

**8. What does it mean where the legislation says that “...the amount made available under this heading shall not be subject to any limitation on obligations for the Grants-in-Aid for Airports program set forth in any Act”?**

This means that when Congress passes appropriations bills for FY 2019 and FY 2020 (or any other legislation affecting those fiscal years, the obligation limits set in those bills will not affect the continued availability of the supplemental \$1 billion that Congress appropriated in FY 2018.

**9. How long does the FAA have to spend the supplemental appropriation?**

The agency has until September 30, 2020, to obligate the supplemental \$1 billion. Any portion of this \$1 billion not obligated by that date will expire, be returned to the U.S. Treasury, and no longer be available to the FAA (for example, to increase any grant from this funding that may have exceeded original bid amounts).

The FAA has until September 30, 2025, to liquidate (pay out) any obligation made under this provision. That is, grant recipients and the FAA need to make all requests for drawdowns to ensure the U.S. Treasury can process all payments by September 30, 2025. After that date, this funding will be unavailable for liquidation of any obligation.

Please also see question #23 for discussion of Period of Performance.

**10. If a grant can't be awarded before the end of FY 2018, will the FAA be able to continue awarding grants early in FY 2019?**

As long as the FAA's authorization does not lapse at the end of FY 2018, and as long as other key parts of the FAA have sufficient funding to continue functioning, then the FAA will be able to continue awarding grants from the supplemental appropriation throughout FY 2019 and FY 2020, until the funds are fully obligated.

**11. What is the FAA's decision-making process for the supplemental appropriation?**

The FAA already has a backlog of discretionary funding requests that exceed the amounts available from the normal available AIP funding in any given year, including FY 2018. As a result, the FAA routinely has to work with airports to either break their projects into smaller phases over multiple years, encourage airports to seek other funding sources, or delay the project until funding becomes available.

However, in light of the unique statutory requirements associated with the supplemental discretionary funding made available by the Act, the FAA has

established a supplemental process, which is outlined in the FRN. Once funding requests have been received in accordance with the deadlines set forth in the FRN, the FAA will evaluate the requests based on the stated criteria and with due consideration of the overall funding sources available to address the requests received.

**12. In what ways (if any) will the supplemental funding affect the normal AIP discretionary funding process?**

This supplemental funding does not change any of the rules or policies for the normal AIP funding process. However, as noted above, the additional discretionary funds made available to “Priority Consideration” airports, could free up other types of AIP funds for other airports. See question #5 for further discussion.

**13. Are other airports eligible to receive grants under the supplemental appropriation?**

Any airport included in the National Plan of Integrated Airport Systems (NPIAS) is potentially eligible as long as it meets the legal criteria. Approximately 30 airports listed in the NPIAS, however, are currently ineligible to receive grants due to ownership issues, compliance issues, etc.

For any NPIAS airport that has not previously taken an AIP grant, the FAA strongly urges consultation with the appropriate FAA Airports District Office or Regional Office before submitting a funding request.

**14. Do all NPIAS airports meet the criteria for “Priority Consideration” criteria?**

The legislation directs the FAA to give “Priority Consideration” to certain specific categories of airports. See Question #1 for further details.

For FY 2018, the FAA has identified the airports that currently meet the criteria for “Priority Consideration.” The [Priority Consideration list](#) is available online.

**15. Will the list of airports meeting the criteria for “Priority Consideration” stay the same through FY 2020?**

At the beginning of FY 2019 and FY 2020, the FAA will update the list of primary airports that meet the criteria for “Priority Consideration” based on the most current year’s classification in accordance with the FAA’s authorizing statute. For nonprimary airports, the FAA will update the list based on the updated NPIAS report, which the FAA expects to publish by the end of September 2018 for the timeframe 2019-2023. These updates will likely result in a few changes to the list of airports that meet the criteria for “Priority Consideration.”

**16. Will there be a National Priority Rating (NPR) threshold for projects selected for this supplemental funding?**

In general, the FAA will focus on high-priority infrastructure projects—typically, but not limited to, those with NPRs above the established fiscal year NPR threshold. High-priority infrastructure projects generally include runways, taxiways, aprons, limited building construction, and other safety critical development. This does not mean that airports cannot request funding for lower-priority projects. The FAA will evaluate and consider all requests submitted in accordance with the stated deadlines and criteria.

**17. Will the FAA consider grants for planning, environmental review, or architectural or engineering design?**

In general, the FAA will focus principally on infrastructure development projects that have already been through the planning, environmental, and design processes. The FAA may consider requests for grants for architectural or engineering design in accordance with the established requirement that there has to be a documented plan to fund construction starting within 2 years. Again, however, the FAA will tend to prioritize actual development.

**18. Can airport sponsors carry over entitlements and request a project be funded with only the supplemental funding?**

As noted in the FRN, an airport sponsor may request supplemental funding even if using entitlements on a lower-priority project. However, the FAA is required to consider that fact as part of the evaluation process. The same is true if the airport sponsor chooses to carry over entitlements.

In general, the FAA will continue to apply the existing rule, based on statute, that if an airport uses its entitlements for a lower-priority project or carries over its entitlements, then the FAA would not consider the airport (or would at least consider the airport to be a significantly lower priority than other airports) for a project for discretionary funding.

One possible exception might be if a nonprimary airport plans to commit its nonprimary entitlement funds for a revenue-generating facility. Based on the FAA's implementation of the associated statutory provisions, the airport's airside needs must be met first. However, the FAA might still be able to consider the airport for supplemental funding if a compelling case is made.

**19. Can the supplemental funding be combined with other types of AIP funding on the same project?**

Yes, but with one important caveat. The FAA cannot combine the funds in a single grant, and each grant must result in a complete and useable unit of work.

Accordingly, this will most typically be accomplished by using the supplemental funding for a discrete phase of a multi-phase project.

**20. Can supplemental funds be added to existing AIP grants?**

No.

**21. Can supplemental funds be granted for work that is already underway?**

No.

**22. What happens if there is an unavoidable cost increase on a grant funded with the supplemental funds?**

As always, the FAA intends to award grants based on bids, and the FAA expects airport sponsors to manage projects within the available funds. The FAA will not have the latitude to add regular AIP funds to help address any cost increases.

If any projects come in under budget, the FAA will recover the unused funds and may reobligate them on other grants, either to amend prior grants made from the supplemental funds (subject to the normal statutory 15 percent limitation), or potentially to award new grants, but only until September 30, 2020. Any funds still unobligated or recovered after that date will have to be returned to the U.S. Treasury.

**23. How long does an airport have to draw down funds on a grant from the supplemental funding?**

Like other AIP grants, grants from the supplemental funds will be subject to the “Period of Performance” requirements set forth in 2 CFR Part 200. This establishes an upper limit of 1,460 days from grant award. Moreover, as noted under question #9, the FAA has only until the end of FY 2025 to liquidate (pay out) any obligations related to this funding. See also question #22 regarding potential amendments.

**24. What type of projects are eligible for the supplemental funding?**

The legislation stipulates that the funds are discretionary and, therefore, the FAA can provide grants only for projects that are eligible for discretionary funding. This varies depending on the classification of the airport. For example, passenger terminal projects are eligible for discretionary funds only at nonhub primary airports with an aggregate limit of \$20 million or at reliever or nonprimary Commercial Service airports with an annual limit of \$200,000.

Conversely, discretionary funds cannot be used for revenue-generating facilities, such as hangars or fuel farms, even at nonprimary airports. See Chapter 3 of the AIP Handbook for further information.

Within the bounds of eligible projects, the FAA will consider a broad range of requests, including completion or acceleration of a phased project, projects that might not normally compete well for discretionary funds, and projects for which a nonprimary airport might not normally be able to fund the local share.

In all cases, however, the project must be eligible and justified based on current or reasonably forecast aeronautical demand. For example, if an airport is located in an Economically Distressed Area, the FAA may well take that into consideration, but only if there is evidence that the proposed project would fulfill an unmet aeronautical need.

**25. Will the FAA consider grants for land acquisition or to purchase either Aircraft Rescue and Firefighting (ARFF) equipment or Snow Removal Equipment (SRE)?**

The FAA will consider requests for any eligible and justified project. Typically, the acquisition of ARFF is a high priority for regular AIP funding, so it would be unusual for an airport to have unmet needs in this regard, but the FAA will consider such requests.

Land acquisition is also a possibility, but only if there is a clear business case for it. Land acquisition would be a higher priority if it is for protection of runway approaches or for specific planned development to address an eligible and justified safety or capacity constraint.

**26. Will proposed projects need to be in an airport sponsor's current Capital Improvement Plan (CIP) to be eligible? If not, is preference given to those that are within an existing CIP?**

The FRN states that “The FAA may award supplemental discretionary funding regardless of whether the airport sponsor previously identified the project through the Airports Capital Improvement Plan (ACIP) process during the preceding year.”

However, as the FRN also states, for potential grants to be awarded in FY 2018, the FAA will consider grant applications only for projects for which airports have already completed the required planning, airspace reviews, environmental and other permitting requirements, and engineering design.

In addition, for FY 2018 the FAA will consider only grant applications for which construction bids will be received in time for the airport sponsor to be legally prepared to accept a grant by September 4, 2018, with construction starting within 6 months thereafter or no later than March 1, 2019.

The FAA believes that most projects meeting these criteria will likely be in the airport's existing CIP; however, it is not required.

**27. Once the FAA receives each set of funding requests, how long will it take the FAA to reach its funding decisions?**

For any grants to be awarded during the remainder of FY 2018, the FAA will have to make its decisions quickly enough to award the grants between September 1 and September 15. This means that bids have to be in hand, a completed final grant application ready, and all other legal and administrative steps completed by September 4, 2018.

For grants to be awarded during FY 2019 and FY 2020, the FAA will work with the individual airports and/or state aeronautical agencies to identify the critical milestones. Please refer to the FRN for information regarding Deadline #2, which is the second and final deadline in connection with the supplemental funding.

**28. Aside from providing recommendations to the FAA, what role will block-grant states and/or channeling act states play in administering these funds?**

As noted in the FRN, “The FAA will consult with state aeronautical agencies, as appropriate, before making decisions regarding requests from nonprimary airports in each state.”

Beyond that, each state aeronautical agency will fulfill the same roles and responsibilities with respect to the supplemental funding that it does with respect to other AIP funds.