

Airport Improvement Program (AIP)

FY 2017 Status Report

Presented to: **FAA Consultants Workshop**

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Federal Aviation
Administration



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Objectives

- Provide current status of AIP legislative authority
- Describe various AIP funding formulas
- Highlight some AIP hot topics



AIP – Legislative Requirements

- **Must have an authorization and appropriation to continue to award grants. (6-month minimum for AIP formulas to work)**
 - ❖ Authorization = authority to award grants
 - ❖ Appropriation = provides limit on obligations

Note: AIP Authorization expired at the end of FY 2014.

AIP – Temporary Extension in FY 2017



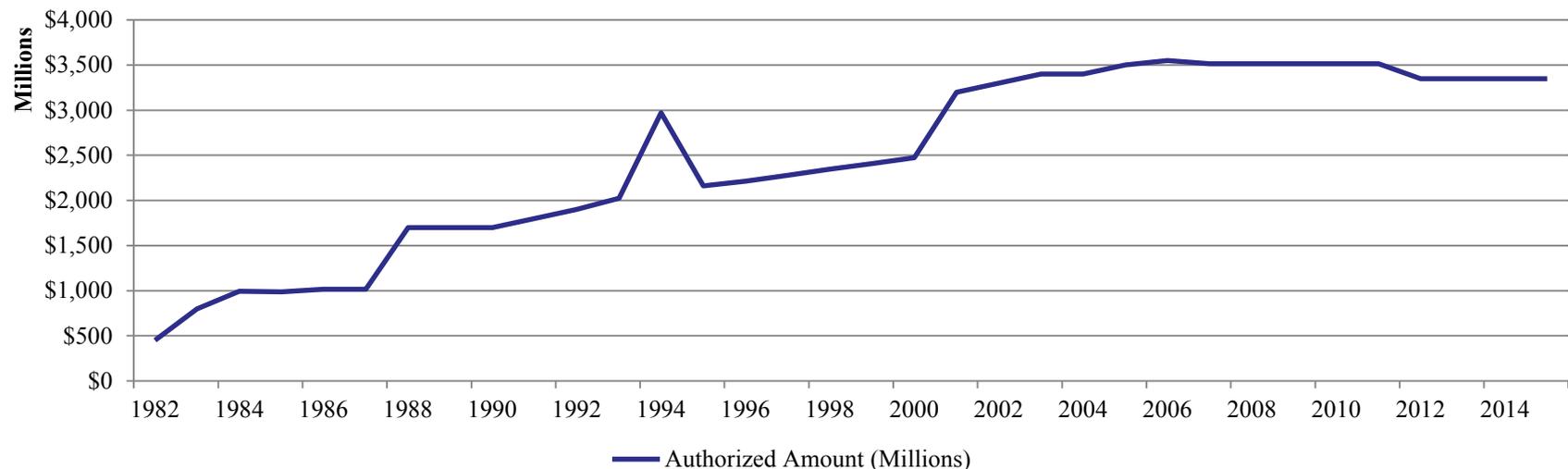
- **What does the “*FAA Extension, Safety, and Security Act of 2016*” through September 30, 2017 mean for AIP? (signed July 15, 2016)**
 - ❖ *The “Consolidated Appropriation Act, 2017” extends funding levels through September 30, 2017. (signed May 5, 2017)*
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1. The Extension provides the authority to collect aviation taxes for deposit into the Airport and Airway Trust Fund (Trust Fund), and to expend money from the Trust Fund.
 2. The Extension allows FAA Office of Airports (ARP) to continue to pay our employees so they can continue to provide oversight of all our ARP programs, in particular AIP.
 3. The Extension allows ARP to continue to make payments on our 5,400 open grants. ARP averages payments on existing grants of over \$3 billion per year.
 4. ARP will be in a position to act upon full grant request as airport sponsors are now getting 2017 projects ready for grant applications. (Part A & B funding)



How much funding is available?

- FY 2017 AIP funding set at \$3.35 billion.
- FAA funds up to 75% of the eligible project cost at large airports and up to 90% at small airports (Some exceptions)
- Other funding sources include: Passenger Facility Charges (PFC), bonds, airport revenue

Authorized Amount (Millions)



AIP Funding Breakdown



➤ Three types of funding:

1. Apportionments (formula driven to AIP)
2. Discretionary (set-asides & minimums)
3. Apportionment/Discretionary Hybrid

60% of AIP

40% of AIP



AIP Apportionments

➤ Passenger Entitlements

- ❖ Formula based on # of annual passenger boardings
 - \$1M min and \$22M max

➤ Cargo Entitlements

- ❖ 3.5% of AIP (100 million lbs landed cargo rate)
 - 8% max/airport

➤ State Funding

- ❖ State Apportionment (20% of AIP)
 - Based on state population and land mass
- ❖ Nonprimary Entitlement (lesser of 1/5 of 5-year NPIAS development or \$150K)

➤ Alaskan Supplemental

AIP Apportionment/Discretionary Hybrid



➤ Small Airport Fund

- ❖ Made up of 87.5% of returned passenger entitlements from large and medium hub airports
 - \$3 PFC = 50% turnback
 - \$4/\$4.5 PFC = 75% turnback
- ❖ Non Hub airports receive 4/7
- ❖ General Aviation airports receive 2/7
- ❖ Small Hub airports receive 1/7



AIP Discretionary

➤ Set-Asides

- ❖ Noise (35% of amount remaining after apportionments)
- ❖ Reliever (0.66% of amount remaining after apportionments)
- ❖ MAP (4% of amount remaining after apportionments)

➤ Minimums

- ❖ Capacity/Safety/Security/Noise (C/S/S/N)
 - 75% of remaining after set-asides (+) 2/3 of 12.5% returned ent.
- ❖ Pure Discretionary
 - 25% of remaining after set-asides (+) 1/3 of 12.5% returned ent.



Our Common Vision

Timely conversion of AIP funding into Airport

Development (funds sitting idle in the Trust Fund does not provide any benefits)

1. Instill good general & capital planning practices.
2. Award grants and start construction in the same year.
3. Monitor grant expenditures through good project management practices
4. Aggressively seek physical and fiscal closure of open grants 4 years and older



Thank You!

