

FINANCIAL PROGRAMS UPDATE

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Federal Aviation
Administration



Financial Update

- **Realistic Look at Needs Versus Available Funds**
- **Sponsor Performance**
- **Need For Good Estimates**
- **Project Selection and Your Bottom Line**



A Close Look At Needs



- Needs far exceed available capital
- Discretionary is to support shortfall in entitlements
- ANM been receiving 80 – 85% of discretionary planning ceiling
- Convincing justification in support of project



Sponsor Performance



- FAA Transition To Performance & Outcomes
 - Not counting widgets (grants) but focusing on what is accomplished
- Goals pertain to the efficient use of Federal resources
 - Closeout goal: don't want funds tied up in grants where the work is complete but administrative action is needed
 - Inactive goal (18 months no payments): don't want money lying around
 - Based on bid: reduction of amendments, matching dollars and projects

Sponsor Performance

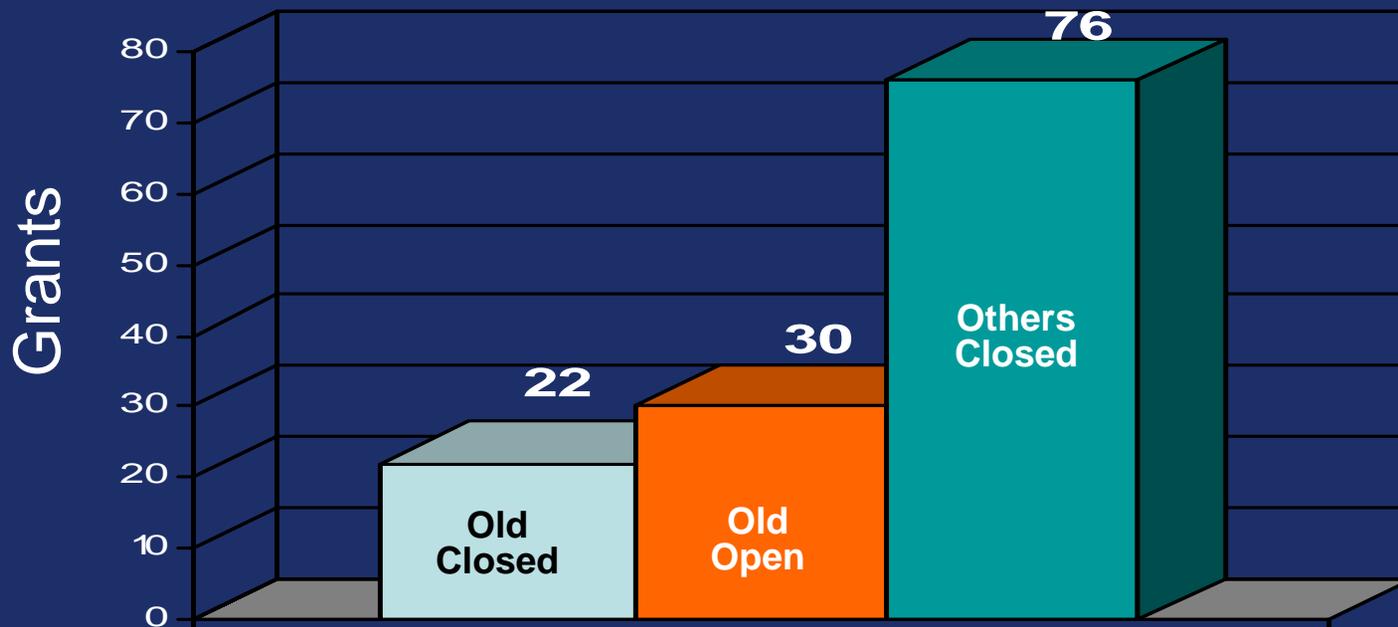
- Undelivered Order (UDO) Concept
 - How fast is the funding being used
 - Consistent with OMB funds use goal
 - 82% (year 1); 40%; 19%; 9%; 4%
- Sponsor performance is one of many factors used in considering discretionary requests

ANM FY-2007 Percent of Funds Remaining									
FY	Grant Years	OMB Goal	Oct. 1	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 28	March 31
2006	1	82%	74.24%	59.72%	52.47%	45.60%	41.34%	38.71%	36.65%
2005	2	40%	23.36%	16.14%	13.24%	10.77%	9.31%	8.85%	8.13%
2004	3	19%	8.95%	8.62%	8.30%	7.46%	7.21%	6.94%	5.94%
2003	4	9%	9.76%	8.80%	7.79%	7.46%	5.20%	5.05%	4.64%
2002	5	4%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
2001	6	1%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%



Best Practices: Close-Outs

- Only 30 old grants (2003 and prior) are open. Closed 22 already (42.3%) this is about where we were last year at this time (42.4%).
- As of 4/9/07, ANM has closed 106 grants for FY-07 (76 newer grants).



Good Estimates

- **Poor estimates adversely affect planning**
- **Do ground work early**
 - Review costs periodically
 - Consider inflation
 - Outside factors (e.g., fuel)
 - Know time frame for CIP update
- **Recognize the level of funding you are working with and design accordingly**
- **Consider phasing work if project is more than 15% above estimate**



The Bottom Line



- **Small Impact**
 - Higher O&M– Excess pavement
- **Medium Impact**
 - Higher CPE - Keeping up with the Jones (terminal)
 - Field of Dreams = Underused Infrastructure
 - Caution with revenue production activities
- **Large Impact**
 - Runway extension
 - Failure to recognize customer needs – loss of service

QUESTIONS

FAA Website:

www.faa.gov

Regional Airports Website:

www.faa.gov/airports_airtraffic/airports/regional_guidance/northwest_mountain/



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