



FAA Airport Improvement Program (AIP)

What is AIP?

The Airport Improvement Program (AIP) provides federal grants to public-use airports designated by the Federal Aviation Administration (FAA) as part of the national airport system – making them eligible for federal assistance. AIP grants are used for planning, development, or noise reduction projects.

Who is eligible to receive AIP?

Public agencies or private airport owners of public-use airports are eligible to receive AIP grants. A public-use airport is an airport open to the public for aviation use.

How is AIP distributed?

The FAA distributes AIP grants based on formula funds (also referred to as entitlement funds) and discretionary funds that FAA awards for selected eligible projects. Entitlement funds are apportioned into four categories: primary, cargo, general aviation, and Alaska supplemental funds. Each category distributes AIP funds by a different formula. The remaining funds are distributed to a discretionary fund. The FAA approves discretionary fund grants based on selection criteria and priority system, which FAA uses to rank projects based on the extent to which they reflect FAA’s nationally identified priorities.

What type of projects are eligible for AIP grants?

AIP grants support airside development projects, such as runways, taxiways, aprons, navigation aids, lighting, and airside safety projects. AIP grants also support some “landside development” projects, such as entrance roadways, pedestrian walkways and movers, and common space within terminal buildings (e.g., waiting areas). See Table 1 for a list of eligible vs ineligible projects.

Federal share of AIP grants

For large and medium primary hub airports, AIP grants cover 75 percent of eligible costs (or 80 percent for noise reduction projects). For small primary,

Table 1: Eligible vs Ineligible Project Examples

Eligible Projects	Ineligible Projects
<ul style="list-style-type: none"> • Runway construction/rehabilitation • Taxiway construction/rehabilitation • Apron construction/rehabilitation • Airfield lighting • Airfield signage • Airfield drainage • Land acquisition • Weather observation stations (AWOS) • NAVAIDs such as REILs and PAPIs • Planning studies • Environmental studies • Safety area improvements • Airport layout plans (ALPs) • Access roads only located on airport property • Removing, lowering, moving, marking, and lighting hazards • Glycol Recovery Trucks/Glycol Vacuum Trucks** 	<ul style="list-style-type: none"> • Maintenance equipment and vehicles • Office and office equipment • Fuel farms* • Landscaping • Artworks • Aircraft hangars* • Industrial park development • Marketing plans • Training • Improvements for commercial enterprises • Maintenance or repairs of buildings <p>**To be eligible, the vehicles must be owned and operated by the Airport and meet the Buy American Preference specified in the AIP grant. *Conditionally eligible at non-primary airports Source: FAA, Overview: What is AIP?, https://www.faa.gov/airports/aip/overview/#what_is</p>

reliever, and general aviation airports, the grants cover 90 percent of eligible costs.

How is the State Block Grant Program (SBGP) different?

Authorized in 1987, the FAA initiated a pilot program using state block grants to provide AIP funds to small airports. "Small airports" are defined as general aviation, reliever, and nonprimary commercial service airports. Three states were authorized initially for the pilot program. The SBGP was capped at 10 participating states in 2000. The 2018 FAA Reauthorization bill (P.L. 115-254) doubled the number of states to 20 that can join the program. Table 2 lists the current 10 states participating in the SBGP.

Table 2

Current State Block Grant Program Participants	
• Georgia	• North Carolina
• Illinois	• Pennsylvania
• Michigan	• Tennessee
• Missouri	• Texas
• New Hampshire	• Wisconsin

How SBGP works

Under this program, the FAA provides two "blocks" of funds directly to participating states. One funding block is referred to as state apportionment and is based on a formula—these funds must be obligated within three years. The second funding block is referred to as non-primary entitlement and provides \$150,000 for each general aviation, reliever, and nonprimary commercial service annually—these funds must be obligated within four years.

In turn, the state Departments of Transportation in the SBGP:

- prioritize, select, and fund AIP projects at their states' small airports; and,
- assist these airports in managing their non-primary entitlement funds.

The SBGP states also perform FAA's oversight role for these airports.

Block Grant States enter into a Memorandum of Agreement (MOA) with the FAA, which obligates and makes available state apportionment, nonprimary entitlement, cargo entitlement, and/or discretionary funds that the state will administer on behalf of FAA for airports included in the SBGP MOA.

Why are increased funding levels for AIP needed?

The United States' airport infrastructure needs are significant. The U.S. Government Accountability Office estimates that airports' planned infrastructure projects will cost an average of \$22 billion annually for fiscal years (FY) 2019 to 2023 (GAO-20-298). Despite the growing need, AIP authorized levels (a key source of airport funding) have remained unchanged since 2011.

Currently, AIP is authorized at \$3.35 billion until FY 2023. While Congress recognized the need for additional funding by providing supplemental funding for airport grants - \$1 billion in FY 2018, \$500 million in FY 2019, and \$400 million in FY 2020 - it still fell short of the demand. Additionally, the significant decline in airport revenue due to the COVID-19 pandemic only increased those funding needs. The CARES Act, 2021 Coronavirus Response and Relief Supplemental Appropriations Act, and the American Rescue Plan have provided much needed relief to airports, but further support is needed to address long-term infrastructure challenges. Ensuring a robust AIP would help airports to make needed updates to the nation's aging airport infrastructure.