

General Aviation Airport Federal Funding 101: A State Perspective

National Association of State Aviation Officials

Carol Comer
Director, Intermodal Division
Georgia Department of Transportation;
Chair, NASAO Legislative Committee



Agenda

- NASAO Overview
- Why General Aviation Matters
- FAA's Oversight Role
- Airport Funding
 - Overview of Key Sources
 - Airport Improvement Program
 - State Block Grant Program
 - Supplemental Funds
- Doing Our Part
- Airport Funding Challenges

NASAO Overview

Who is NASAO?

The 'Voice of the States' on aviation –
Represents state aviation directors in all 50 states, Guam, and Puerto Rico, who serve the public interest and is a trusted voice in aviation policy.



NASAO Overview Con't

What is a State Aviation Director?

- Oversees state aviation activities to ensure airports are safe and provide maximum utility to communities

What is a State Aviation Program?

- Promotes aviation and aerospace development
- Develops state-wide aviation system plans and airport improvement plans
- Manages state and federal airport grants
- Conducts aviation safety and education programs



Why Does General Aviation Matter?

What is General Aviation (GA)?

All flights that are not conducted by the military or used for scheduled commercial air service

General Aviation is an Economic Engine in the United States...

- Supports **jobs, businesses,** and **local economies**



By The Numbers



1.17
million jobs



\$246.8
billion in economic activity



\$76.7
billion in earnings

Why Does General Aviation Matter?

General Aviation Serves Critical Needs...



Access for
small and rural
communities



Flight training
for future pilots



Agriculture
enhancement



Lifesaving air
ambulance
flights



Improved wildfire
protection and
suppression



Search and
rescue efforts



Better community
security through law
enforcement flights

Key Sources of GA Airport Funding

How are GA airports funded?

- **Airport Improvement Program (AIP)**
- **State and Local Grants**
- **Airport Revenue** from aircraft operation charges



Federal Aviation Administration's (FAA) Role

FAA's primary responsibilities:

- Regulate civil aviation to promote safety
- Encourage and develop civil aeronautics, including new aviation technology
- Develop and operate a system of air traffic control and navigation for both civil and military aircraft

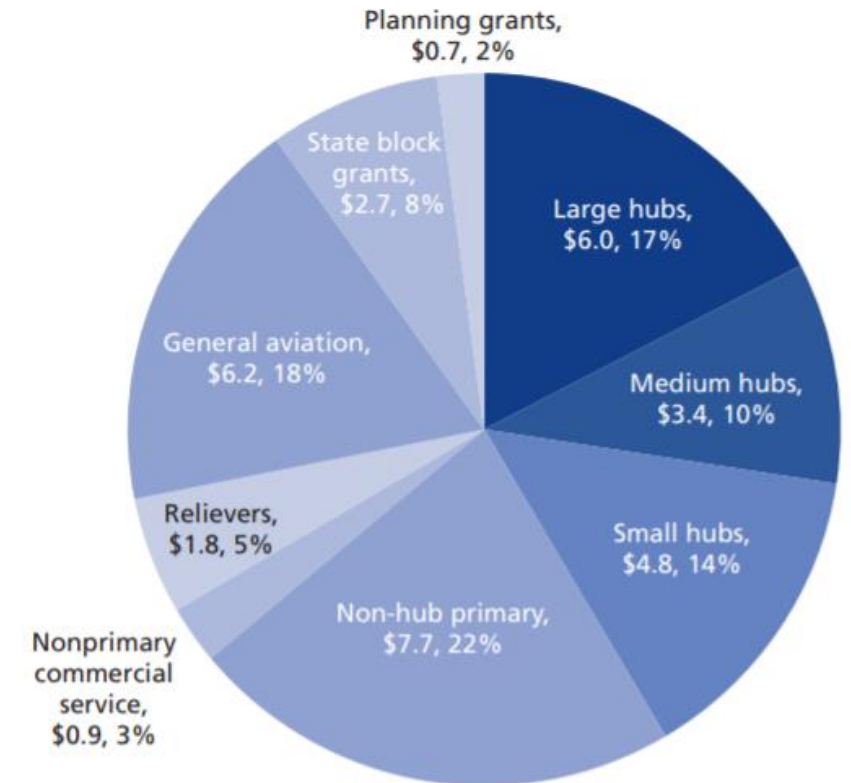


Airport Improvement Program (AIP)

What is AIP?

- Provides Federal grants to public-use airports for planning, development, or noise reduction projects
- Used mainly for **airside** projects and **some landside** projects
- Authorized at **\$3.35 billion** until FY 2023

Billions of Dollars of AIP Grants Awarded, by Airport Category, FYs 2009–2018



SOURCE: FAA, 2019a; RAND calculations.

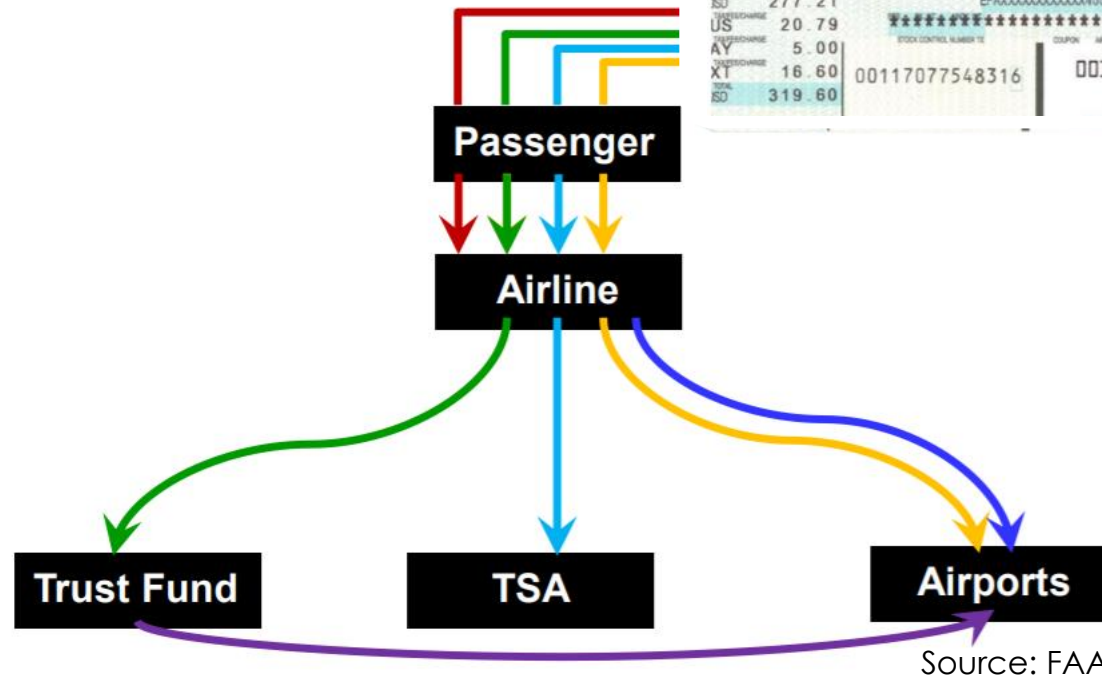
NOTE: Total percentage does not sum to 100 because of rounding.

 Public-use airport = an airport open to the public for aviation use

Airport Improvement Program (AIP)

How is the AIP funded?

...Through the **Airport and Airway Trust Fund**



Key

- Airfare
- Ticket Taxes
- Security Taxes
- Passenger Facility Charges
- Airport rents and landing fees
- AIP grants

Airport Improvement Program (AIP)

How are AIP grants allocated?

First

Entitlement

2/3 of AIP

(Distributed by
formula)

and

Then

Discretionary

1/3 of AIP

(Distributed by
priority)

Airport Improvement Program (AIP)

How are AIP grants allocated?

Entitlement:

2/3 of AIP

Distributed by formula:

- **Primary airports** (# of passengers)
- **Cargo service airports** (3.5%)
- **General Aviation Airports** (20%)
- **Alaska supplemental**

Small Airport Fund

General Aviation Airports

- **State apportionment** (20% of total AIP minus NPE; distributed based on population/land mass)
- **Non-primary entitlements (NPE)** (\$150k/year max for eligible airports)

Small Airport Fund

- 1/7 for small hubs
- 4/7 for nonhub, commercial service
- 2/7 for general aviation and reliever

Airport Improvement Program (AIP)

How are AIP grants allocated?

Discretionary:

1/3 of AIP

Distributed by priority:

First

- **Set-asides** ----->

Then

- **Capacity/Safety/Security**
(75% of remaining)
- **“Pure” Discretionary** (25%
of remaining)

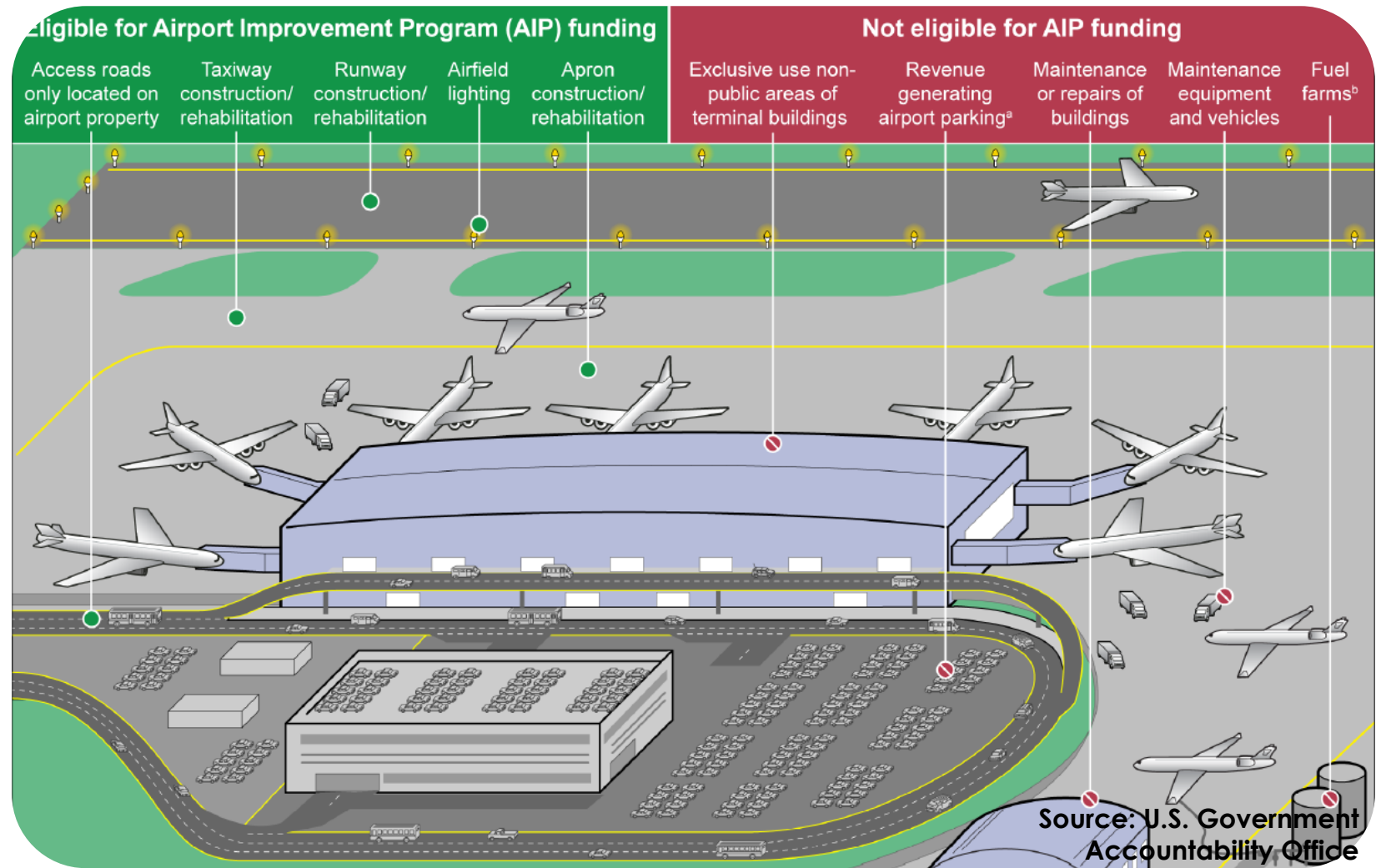
Set-asides:

- Airport Noise (35%)
- Military Airport Program (4%)
- Grants for Reliever Airports
(0.66%)

Airport Improvement Program (AIP)

What type of projects are eligible for AIP grants?

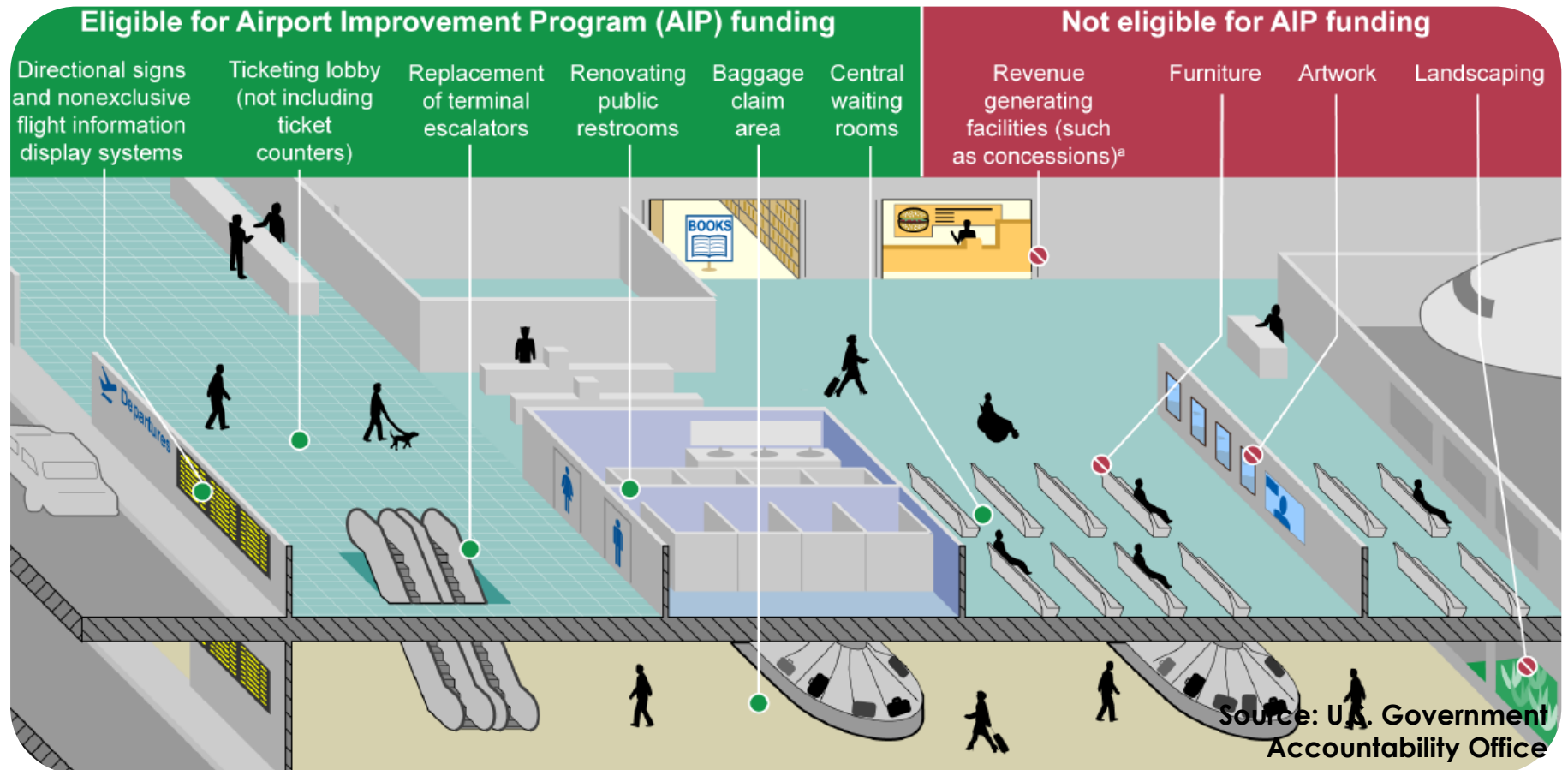
On the airside...



Airport Improvement Program (AIP)

What type of projects are eligible for AIP grants?

On the terminal-side...



Airport Improvement Program (AIP)

What is the role of state aviation agencies in AIP?

- It varies state-to-state:
 - **State works with airports** to prepare/submit grant applications
 - **FAA runs the AIP entirely** in the state
 - **State administers AIP grants for small airports** (via State Block Grant Program)



Small airports = nonprimary commercial service, reliever, and general aviation airports

State Block Grant Program (SBGP)

What is a Block Grant State?

- A state that **assumes responsibility for administering AIP grants** in their state for **small airports**
- State agrees to comply with FAA rules, guidelines, and policies for administering AIP grants

SBGP Participants:

- Georgia
- Illinois
- Michigan
- Missouri
- New Hampshire
- North Carolina
- Pennsylvania
- Tennessee
- Texas
- Wisconsin



Small airports = nonprimary commercial service, reliever, and general aviation airports

State Block Grant Program (SBGP)

How does SBGP work?

- State receives two “blocks” of funds from NPE and state apportionment to **select projects to fund at small airports**
- State **conducts safety inspections and oversight**
- State makes agreement with FAA to distribute NPE, state apportionment, cargo entitlement and/or discretionary funds

Entitlement:

2/3 of AIP

Distributed by formula:

- **Primary airports** (# of passengers)
- **Cargo service airports** (3.5%)
- **General Aviation Airports** (20%)
- **Alaska supplemental**

Small Airport Fund

Discretionary:

1/3 of AIP

Distributed by priority:

First

- **Set-asides**

Then

- **Capacity/Safety/Security** (75% of remaining)
- **“Pure” Discretionary** (25% of remaining)

General Aviation Airports

- **State apportionment** (20% of total AIP minus NPE; distributed based on population/land mass)
- **Non-primary entitlements (NPE)** (\$150k/year max for eligible airports)



Small airports = nonprimary commercial service, reliever, and general aviation airports

State Block Grant Program (SBGP)

What are the benefits of SBGP?

- **Expedited project approvals**
 - Expedited approvals have enabled airports to use contractors more efficiently, saving time and money
- **Reduced paperwork** required to apply
- **Avoided duplication** of airport oversight activities



Supplemental Discretionary Funds

What are Supplemental Discretionary Funds?

- Authorized from FY 2019–2023
 - At least **50% of these funds** are to be used at small airports, nonhub primary, and small hub primary airports; but appropriations bills have allocated funds differently
- Derived from the **General Fund**
- Not subject to existing AIP discretionary formulas or set-asides
- In addition to AIP eligible projects, **terminal development projects** are eligible

Annual Supplemental Discretionary

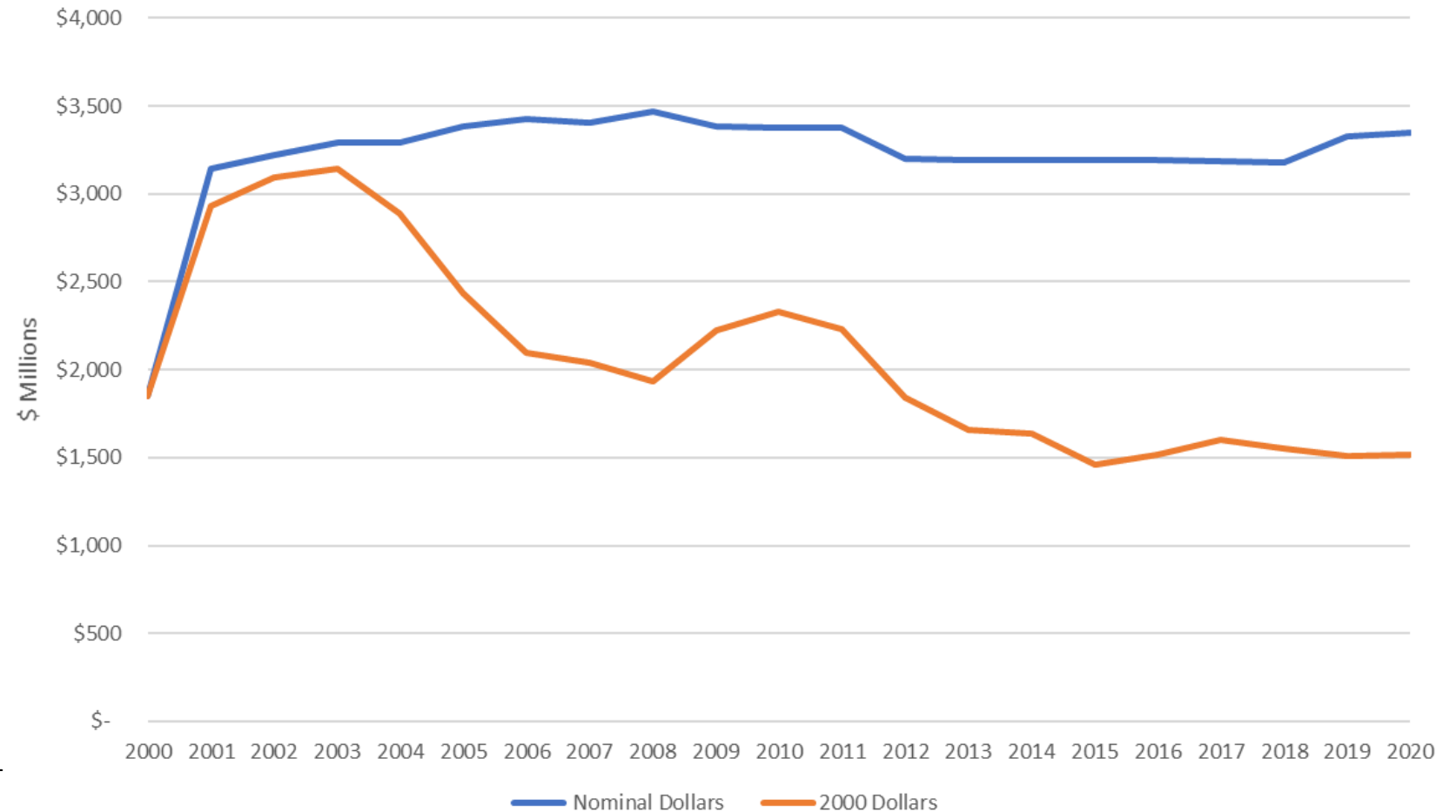
Fiscal Year	Authorized	Appropriated
FY 2019	\$1.02 billion	\$1 billion
FY 2020	\$1.04 billion	\$500 million
FY 2021	\$1.06 billion	\$400 million
FY 2022	\$1.08 billion	TBD
FY 2023	\$1.11 billion	TBD

Impacts of Inflation on Airport Construction 2000-2020

✈ AIP funding levels have remained **stagnant since FY 2001**.

✈ In Texas, FY 2020 AIP dollars have **52%** of the buying power that they did in FY 2001.

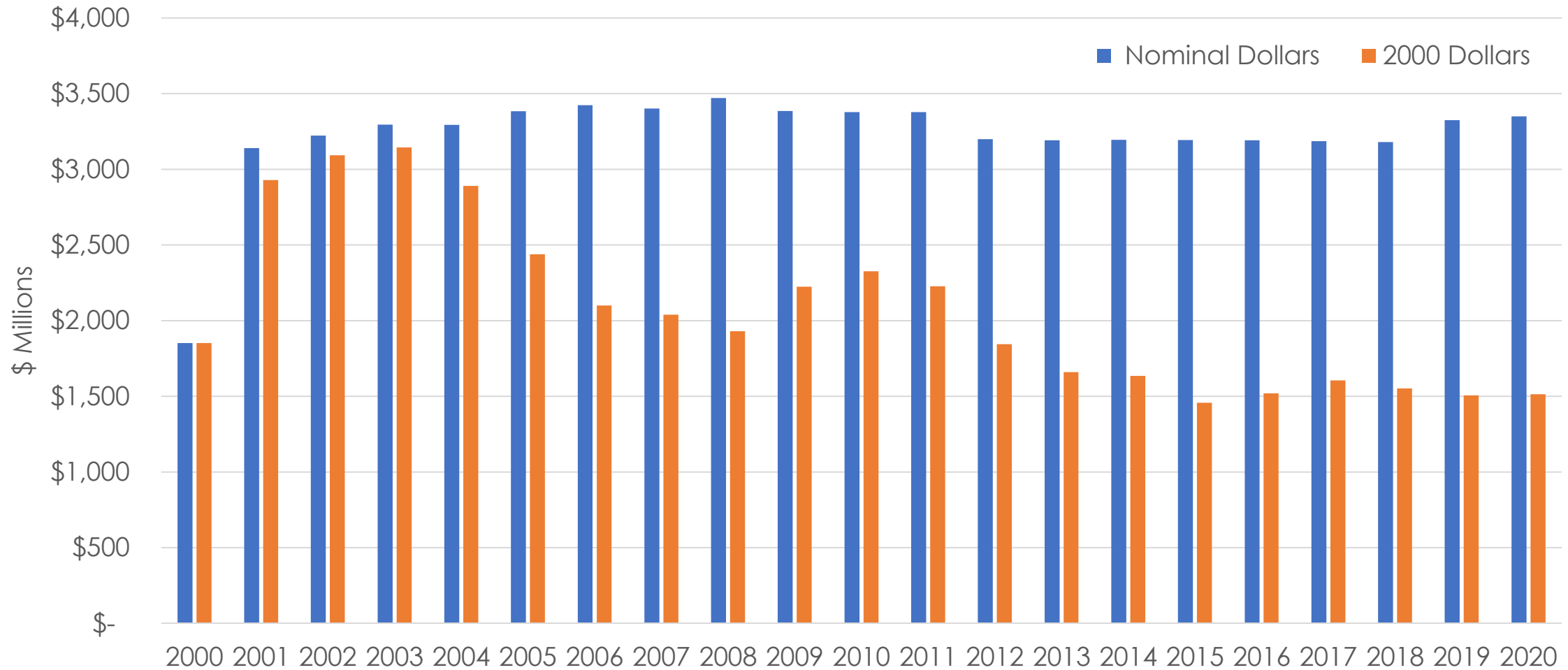
Federal AIP Grant Amounts



Data Sources: FAA, Congressional Research Service, TxDOT-Aviation, TxDOT Highway Cost Index

Impacts of Inflation on Airport Construction 2000-2020

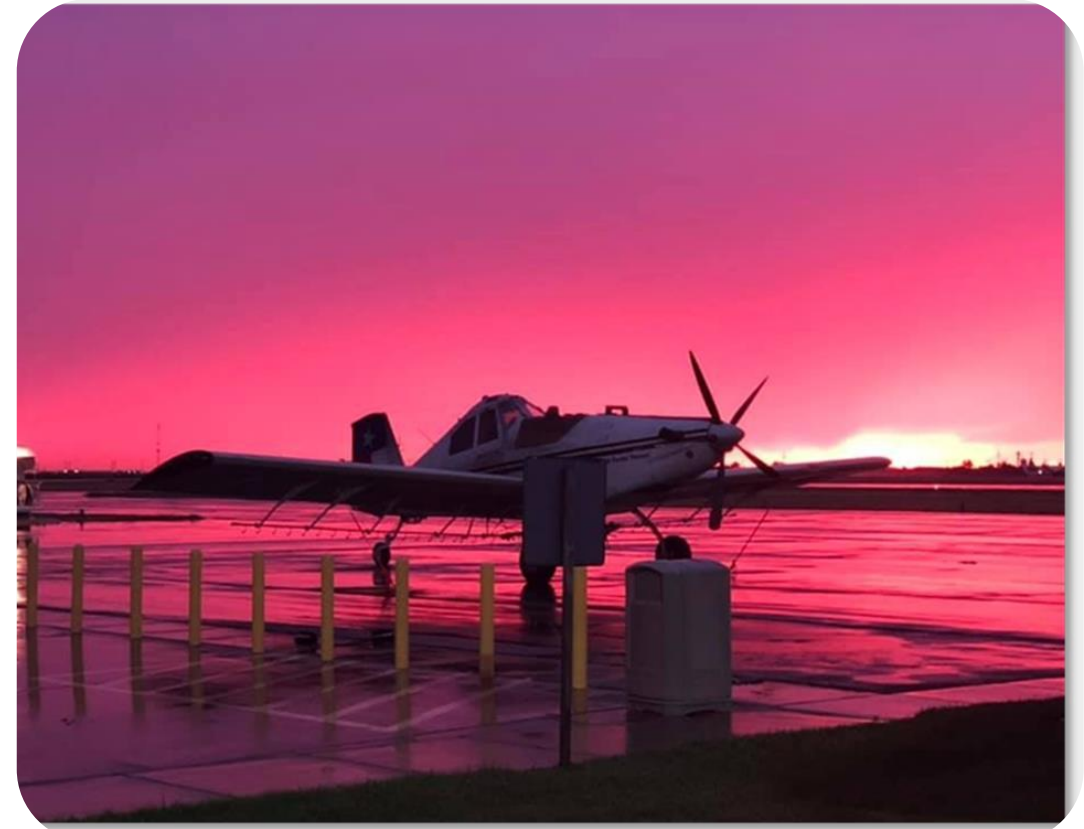
Federal AIP Grant Amounts



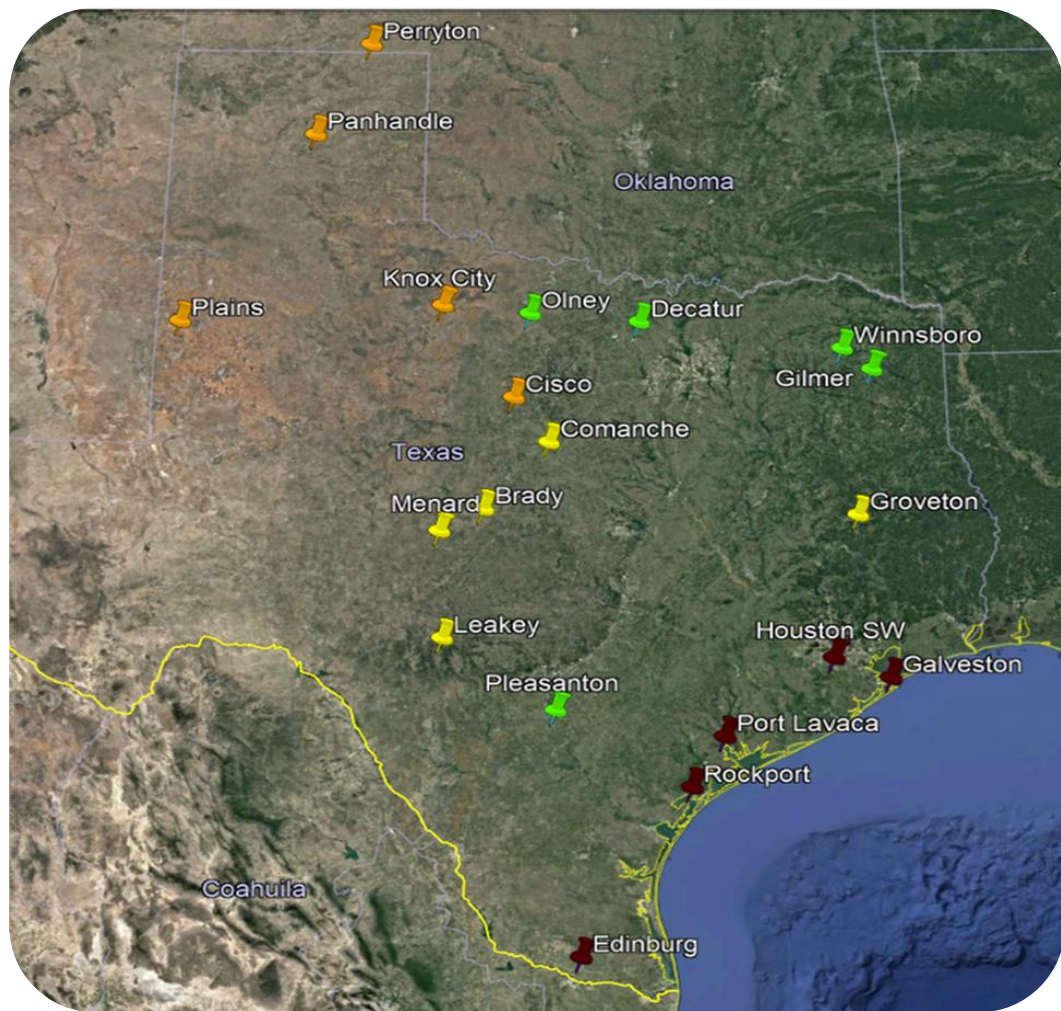
Doing Our Part

Innovating Our Statewide Maintenance Program:

- ✈ Captured the benefit of economies of scale by **purchasing in bulk** for simple sealcoat and other minor pavement improvement projects.
- ✈ TXDOT Aviation has introduced a **pilot program to provide routine pavement maintenance** to clusters of airports across the state.



Doing Our Part



✈ Airports are grouped into clusters based on geographic proximity and similar sized classification.

Key

✈ **Group Alpha**

✈ **Group Bravo**

✈ **Group Charlie**

✈ **Group Delta**

Doing Our Part

Design Fees Savings:

- ✈ On average, we have seen cost **savings of over 57%** in design fees on a per airport basis:
 - ✈ Design fees for stand-alone sealcoat projects average **\$52,510**.
 - ✈ Design fees for grouping sealcoat projects in clusters reduces the average cost per airport to **\$28,923**.
- ✈ To date, we have **saved \$2.1 million**.



Doing our Part

Construction Costs Savings:

- ✈ On average, TxDOT Aviation anticipates a **savings of 33%** in construction costs:
 - ✈ Construction for sealcoat projects have averaged **\$333,759**.
 - ✈ Engineer's estimate for grouping sealcoat projects in clusters is **\$254,584** per airport.
- ✈ Extrapolating, we estimate an **additional savings of \$395,875 per cluster.**



Airport Funding Challenges

Airport infrastructure needs continue to grow...



Airports' planned infrastructure projects will cost an average of **\$22 billion annually** for FY 2019–2023

Source: GAO-20-298



There are +\$7 billion in planned AIP-eligible projects each year between 2019–2023, representing **+3 billion in unmet needs**

Source: FAA



America's aviation infrastructure received a **dismal D+** in ASCE's 2021 report card

Source: American Society of Civil Engineers (ASCE)

Key Takeaways

- General Aviation (GA) airports **provide critical services** and support jobs and local economies
- Our national airport system has **significant infrastructure needs**, especially GA airports
- **AIP grants only meet a portion** of the overall demand
- GA airports **do not rely on the same funding sources** as large commercial airports (no PFCs, less reliance on airport revenue)
- As Congress begins work on an **infrastructure package**, GA airports require additional funding

Questions?



Contact Us



Greg Pecoraro

President and CEO

(202) 925-1337 | gpecoraro@nasao.org



Jessica Nagasako

Director of Government Affairs

(202) 925-1399 | jnagasako@nasao.org

Connect with us!



@NASAOofficial



<https://www.linkedin.com/company/nasao>