

# I Want To... Learn More About Airport Development Funding Through TxDOT



## Aviation Division

### Overview

There are two main programs for airport development that TxDOT Aviation (AVN) administers for airports in the Texas Airport System Plan (TASP): a federal program (administered through the State Block Grant Program [SBGP]) and a state program. **All programs require a minimum 10% local match.**

The federal program (\$55M/yr), which is open to airports in the FAA's National Plan of Integrated Airport Systems (NPIAS), includes nonprimary entitlement (NPE, noncompetitive, \$24M/yr total or \$150K/yr/airport), state apportionment (competitive, \$19M/yr), and discretionary (competitive, \$10-14M/yr). Collectively, NPE, State Apportionment, and Discretionary make up the Airport Improvement Program (AIP). TxDOT will also administer a new federal program: the Infrastructure Investment and Jobs Act (IIJA). IIJA consists of three sub-programs: Airport Infrastructure Grants (AIG, noncompetitive, [allocations vary by classification](#)), Airport Terminal Program (ATP, competitive), and FAA Contract Tower (FCT, competitive). **Both Discretionary and all IIJA grants are issued based on (after) bids.**

The state program consists of the Aviation Facilities Development Program (AFDP, competitive, \$15M/yr), which is generally reserved for publicly-owned, public use non-NPIAS airports and those NPIAS airports not eligible for all federal funding (Unclassified NPIAS airports), and the Routine Airport Maintenance Program (noncompetitive, RAMP, \$5M/yr total or \$50K/yr/airport) which is open to ALL airports, state or NPIAS, for local maintenance projects (see the RAMP "I want to" document for more information about RAMP).



### Federal Program

**Nonprimary Entitlement (NPE):** Each classified NPIAS airport receives an annual "allowance" of the lesser of \$150K/yr or 1/5 of their five-year NPIAS development costs. NPE and IIJA are the only federal sources that can be spent on revenue-producing projects such as hangars and fuel systems (if airside needs are met). An airport can "bank" three years of NPE and combine it with the fourth current year for \$600K towards a project. **Airports must be aware of and proactive in planning to use their NPE** as it expires after four years. If you don't know, ask your planner! NPE is always the first money applied to ANY project. **If you receive funding for a revenue-generating project, you are ineligible for any funding other than NPE for the current year plus two more years.** Though NPE is allocated to individual airports, it cannot be requested at any given time. It must be planned for and shown in the ACIP as we receive one grant each year with all NPE we will be receiving for that year and can't receive a grant for anything not in the ACIP. Early planning and coordination for your NPE is critical to ensuring it is available and will not expire.

**State Apportionment:** Based on an FAA formula, AVN, through the SBGP, is allocated approximately \$19M/yr for competitive grants for NPIAS airports. This is a competitive funding program – airport projects requests compete against each other for this funding. State apportionment is allocated to a project only after NPE is applied and cannot be used toward revenue generating projects.

**Discretionary:** Discretionary funding is a separate bucket of money that is distributed toward projects based on, among other factors, project ranking. We plan for \$10-14M per year in Discretionary funds. Projects should be on primary runways. While we manage Discretionary funds and projects, the process is different than NPE and State Apportionment. The FAA reviews and selects requests and has a more active role in Discretionary projects. Discretionary is run through TxDOT, even though the FAA selects the projects. Each year, the FAA also releases a Notice of Funding Opportunity (NOFO) for a Supplemental Discretionary program and applications go directly to and projects are selected by the FAA.

**Infrastructure Investment and Jobs Act (IIJA):** In 2021, Congress passed the IIJA (sometimes referred to as the Bipartisan Infrastructure Law/BIL) that provides three funding programs for NPIAS airports: airport-specific allocations under AIG and two competitive programs, one for terminals (ATP) and one for air traffic facilities (FCT). Up to five years of funding will be available for each of the three programs. AIG allocations vary based on NPIAS classifications. AIG funds are similar to NPE (though not exactly the same) in that they can be applied to revenue-generating projects as well as all AIP-eligible projects. ATP and FCT funds are similar to Discretionary funds. FAA issues annual NOFOs for ATP and FCT and applications go directly to and projects are selected by the FAA.

#### Contacts

Your Designated Airport Planner

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Not all funding programs are open to all airports. Federal programs are open to those airports in the NPIAS based on their NPIAS classifications. State AFDP is open to non-NPIAS airports and the Unclassified NPIAS airports.

### For What Funding Am I Eligible?

Funding Program	Who Selects	Competitive or Noncompetitive	Airport Classification Eligibility		
			NPIAS Classified	NPIAS Unclassified	State
Federal NPE	N/A	Noncompetitive	X		
Federal State Apportionment	TxDOT	Competitive	X	X*	
Federal Discretionary	FAA	Competitive	X		
Federal IIJA - AIG	N/A	Noncompetitive	X		
Federal IIJA - ATC	FAA	Competitive	X		
Federal IIJA - FCT	FAA	Competitive	X		
State AFDP	TxDOT	Competitive		X	X
State RAMP	N/A	Noncompetitive	X	X	X

\*Unclassified NPIAS airports are only eligible for the following projects: maintenance of the primary runway pavement, obstruction removal for the primary runway, rehabilitation of the primary runway, a project that the Secretary considers necessary for the safe operation of the airport.



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## State Program

AVN receives \$20 million each year in state funding. \$5 million of that is set aside for RAMP. The remaining \$15 million is available for the Texas AFDP, under which capital projects are funded. **Generally, the only NPIAS (federally-eligible) airports that are eligible for State AFDP funds are those that are unclassified as they are ineligible for most federal projects.**

**Aviation Facility Development Program (AFDP):** The AFDP funds are reserved for non-NPIAS (state) and unclassified NPIAS airports as classified NPIAS airports are eligible for a much larger federal pot of money. All \$15M of state funds are administered through a competitive process in which projects are ranked and funded based on priority and available funding. Sometimes state funds will be used to supplement federal grants for federally ineligible, but justified, items such as a business plan as part of a master plan update.

**Routine Airport Maintenance Program (RAMP):** We administer RAMP which matches local funds up to \$50,000 TxDOT share at 50% for local maintenance projects. The focus of RAMP grants are airside needs, safety deficiencies, maintaining infrastructure programmed as a project in the ACIP, and maintaining infrastructure that was part of a past ACIP project.

## Budget vs. Cost

A critical point to understand about our funding program is the difference between our budgeted/programmed amount and the ultimate actual cost of a project. We have a fixed amount of money for each funding source. Based on those funding limitations, we program projects and plan our financial participation. Often, project bids come in higher than what we have budgeted and that is only becoming more common with inflation and rising construction costs. We do not have the ability to increase our funding in either our state or federal programs, thus we do not have the capability to increase our financial participation for a specific project beyond what is programmed. **In the ACIP, TxDOT's participation should not be taken as a commitment to participate at a certain percentage regardless of what the final project cost is; rather, the dollar amount shown in the ACIP under the federal or state column for a project should be viewed as the maximum dollar level at which TxDOT can financially participate.** The discussion surrounding all costs exceeding what is programmed and published in the ACIP starts at 100% local sponsor and may involve additional TxDOT participation if that capability exists.

## Helpful Links

TxDOT Aviation: <https://www.txdot.gov/about/divisions/aviation-division.html>

Texas Airport System Plan: <https://www.txdot.gov/projects/planning/aviation-capital-improvement/airport-system-plan.html>

TxDOT Aviation Capital Improvement Program: <https://www.txdot.gov/projects/planning/aviation-capital-improvement.html>

TxDOT RAMP: <https://www.txdot.gov/business/grants-and-funding/routine-airport-maintenance-program-ramp.html>

FAA National Plan of Integrated Airport Systems (NPIAS): [https://www.faa.gov/airports/planning\\_capacity/npias/current](https://www.faa.gov/airports/planning_capacity/npias/current)

FAA IJIA Website: <https://www.faa.gov/bil>

FAA AIP Handbook: [https://www.faa.gov/airports/aip/aip\\_handbook/](https://www.faa.gov/airports/aip/aip_handbook/)

FAA Order 5090.5, Formulation of the NPIAS and the ACIP: [https://www.faa.gov/airports/planning\\_capacity/npias\\_acip\\_order](https://www.faa.gov/airports/planning_capacity/npias_acip_order)

## How Are Projects Selected?

### Overview

Historically, we have not had a formal project evaluation, selection, and prioritization process but we are implementing one. This will involve both an evaluation of quantifiable metrics as well as more intuitive evaluation criteria. Ultimately, this will give sponsors and TxDOT a transparent, predictable, and defensible way of selecting projects.

### Eligibility, Justification, and Feasibility

It is important to understand the difference between eligibility, justification, and feasibility. All three come into play as we evaluate and select projects. The first test a project request must pass is to determine whether or not it is eligible. Once a project has been determined to be eligible, the next step is to determine if it is justified. Justification is a common obstacle we see when it comes to projects. Last is feasibility, which can be in many forms including finance and construction. A project might be eligible and justified but not feasible for various reasons.

### Next Step

Next, projects are scored and ranked against each other prior to final ranking and selection.

### More Information

More information can be found in the "I Want to Understand How Projects Are Selected" document.

## Project Funding Limits

TxDOT does not participate financially at the same level for all project types. The following chart details TxDOT's percentage and/or dollar limits for various project types.

Project	TxDOT Share (max.)	Local Share (min.)	TxDOT Dollar Cap
Hangars	90%	10%	\$600,000
Fuel	75%	25%	\$600,000
AWOS	90%	10%	N/A
Terminal*	50%	50%	\$600,000
Tower	90%	10%	N/A
Other	90%	10%	N/A

\*TxDOT's terminal program allows for up to \$500K in TxDOT participation for the building and \$100K for parking, both at 50%.