



Memorandum

Date: July 2, 2019

Subject: INFORMATION: Audit Announcement | FAA's Oversight of the Airport Improvement Program State Block Grant Program | Project No. 193008A000
Federal Aviation Administration

From: Anthony Zakel
Deputy Assistant Inspector General for Aviation Audits 

To: Director, Audit and Evaluation

The Federal Aviation Administration's (FAA) Airport Improvement Program (AIP)¹ provides grants to public agencies—and, in some cases, to private owners and entities—to enhance safety and security, maintain infrastructure, increase capacity, and mitigate airport noise in surrounding communities. FAA has reported that between 2019 and 2023, airports in the United States will need approximately \$35.1 billion for these types of projects. Because of extensive demand, FAA has always emphasized awarding AIP funds to projects consistent with present national priorities and objectives identified through the development of its annual Airports Capital Improvement Plan, which includes the input of States. FAA is responsible for administering the AIP and distributing funds in a way that ensures that the highest priority projects are funded nationwide.

In 1987, Congress authorized a pilot State Block Grant Program (SBGP) to provide AIP funds to certain State aeronautical agencies, and SBGP has continued to expand since that time.² Under this program, FAA provides funds directly to participating States that then agree to assume certain responsibilities related to the administration of the AIP that are otherwise performed by FAA (including project prioritization and selection), and to provide grants to smaller airports.³ FAA initiated the SBGP in 1989 with grants to three States: Illinois, Missouri, and North Carolina, and the program has since increased participation to include

¹ The AIP supports the Nation's airport system by providing funds primarily.

² The Airport and Airway Safety and Capacity Expansion Act of 1987.

³ "Small airports" include general aviation, reliever, and non-primary commercial service airports.

10 States.⁴ From fiscal year 2014 through fiscal year 2017, FAA provided \$13.1 billion—an average of more than \$250 million annually—in AIP funds directly to States via the block grant program. Recent legislation authorized the expansion of the program to include up to 20 States.⁵

Because of the critical need to ensure that Federal AIP funds are spent appropriately and the potential for program expansion, our objectives for this self-initiated audit are to assess FAA's oversight of (1) State project selection, and (2) grantees and sub-grantees compliance with Federal laws and regulations on the use of funds.

We plan to begin the audit later this month and will contact your audit liaison to schedule an entrance conference. We will conduct our audit work at FAA Headquarters in Washington, DC, and select Airport District and State offices responsible for administering the State Block Grant Program. If you have any questions, please contact me at (202) 366-0500 or Nelda Z. Smith, Program Director, at (202) 366-2140.

cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100

⁴ The current participating states are Georgia, Illinois, Michigan, Missouri, New Hampshire, North Carolina, Pennsylvania, Tennessee, Texas, and Wisconsin.

⁵ FAA Reauthorization Act of 2018, P.L. 115-254.