

## ***New Airport Improvement Program (AIP) Performance Metric***

The goal of the Airport Improvement Program is to convert funds from the Airport & Airway Trust Fund into useful airport infrastructure and associated improvements.

Until recently, the FAA had limited ability to efficiently monitor rates of actual drawdown of Treasury funds. The best gauge of how well sponsors were using funds was through activity-based metrics—for example, the percentage of grants issued based on bids, or the number of open grants during a given timeframe.

Beginning in FY-2008, the FAA will implement a new metric to evaluate how effectively AIP funds are being used.

### **Why the change?**

The FAA now has the ability to monitor rates of actual drawdown, not only at the national level but also to drill down by region, ADO, state, sponsor and even down to the individual grant.

Because grant drawdown rates should mirror project implementation, this metric provides a far more useful indicator of how swiftly the funds are being converted to useful infrastructure.

### **How will this help the FAA manage funds more effectively?**

- Better indicator of how fast funds are actually being used.
- Helps explain other policies—e.g., why grants must be closed after four years.
- Helps identify projects that are not being implemented as quickly as expected.
- Allows the FAA to identify where resources

are used most effectively, and to make better decisions about future resources.

### **Does this mean the other goals go away?**

The other grant management goals remain as policies, and we will still have a time-based grant closeout requirement. As long as we meet the target drawdown rates, we should be able to reduce the amount of attention on activity-based metrics.

### **Should sponsors just draw down their grants faster?**

Grants may never be drawn down faster than actual progress. However, once a grant is awarded, the FAA expects sponsors to implement projects swiftly, and to make steady drawdown progress accordingly.

### **What does this mean for airport sponsors and consultants?**

This will become an area of greater scrutiny, and the new metric gives the FAA a better tool to identify issues with project implementation and focus more on projects that are ready to move into implementation.

