



REGIONAL GUIDANCE LETTER—AIRPORTS DIVISION

NUMBER: 5100.35

DATE: February 9, 2011

SUBJECT: FAA Oversight of State Block Grant Program

REFERENCES: FAA Order 5100.38C (“Airport Improvement Program Handbook”) Title 49, United States Code, Para. 47128 (“State Block Grant Program”) Regional Guidance Letter 5100.25 (“Updating State Block Grant Agreement”) Updated Individual State Block Grant Memorandums of Agreement (SBG MOA) with Illinois, Michigan, and Wisconsin

Background

The FAA’s authorizing legislation (Title 49 USC, Para. 47128) sets forth requirements for participation in the State Block Grant Program (SBGP).

FAA Order 5100.38C, Airport Improvement Program (AIP) Handbook, Chapter 10, Section 9, further refines specific requirements and program guidance related to States participating in the SBGP. Section 9 also details the role of State Aviation Agencies, the grant process, and the various responsibilities related to the program. It directs FAA and the participating State to develop an agreement on how the SBGP will be administered.

Great Lakes Regional Guidance Letter (RGL) 5100.25, issued on Dec 12, 2007, provides for the regional standardization of block grant agreements between FAA and participating states in the Great Lakes Region. The RGL outlines a standard format and minimum requirements that must be addressed in the formation of each updated agreement.

Great Lakes RGL 5050.10, updated October 14, 2010, provides for FAA Oversight of Environmental Processing in Block-Grant States. The RGL requires any ADO having a state participating in the SBGP to conduct a formal, triennial review of the state’s performance related to environmental processes.

Given the increasing complexity of administering the AIP, the Airports Division, Great Lakes Region, will initiate a formal review of states participating in the SBGP, as authorized by Title 49 USC, Para 47128. This formal review serves two purposes. First, it will allow each ADO to provide guidance, direction, and oversight to States as they

administer this complex program. The many program letters, advisory circulars, and guidance related to the AIP can be challenging to apply appropriately. Second, a formal review will help ensure SBGP requirements are being met consistently throughout the Great Lakes Region, and that each State continues to effectively administer the AIP through the SBG program.

Policy and Procedures

Accordingly, it shall be the policy of the Airports Division, Great Lakes Region that any ADO having a state participating in the SBGP must conduct a formal, periodic review of the state's performance associated with program requirements outlined in FAA Order 5100.38C, as well as the procedures agreed to in the Memorandum of Agreement (MOA) signed by FAA and each participating state. The focus of the review is overall program administration, although each ADO may elect to focus on any project funded under the SBG program (sub-award grant), with special attention given to those with discretionary funding.

1. Frequency. Each ADO shall conduct a formal review at least once annually, beginning in Federal Fiscal Year 2011. This formal review should focus on any of the topic areas outlined below. It is understood that this list is not all inclusive, and that each ADO can review any areas outlined in the SBG MOA with their respective state. In addition, in cases where the FAA identifies significant unresolved issues, whether substantive or procedural, the ADO may (at its sole discretion) conduct more frequent or detailed reviews as needed.
2. Scope of Review. The review shall examine specific requirements (see further guidelines below), program-level policies and procedures, as outlined in the FAA Order 5100.38C (AIP Handbook) and SBG MOA.
3. Review Topics. The ADO Manager shall determine the number and specific areas to review. The following list is provided as a guideline and is not all inclusive:
 - a. Financial-
 - i. Audit of subgrants under a specific SBG. This will entail an examination of a random sampling of subgrants and a review of the financial records related to each.
 - ii. Payments (Reimbursement to subgrant sponsor at correct % for completed work).
 - iii. Allocation of NP funds, transfer agreements.
 - iv. Close-out documentation, if appropriate.
 - v. Overall grant administration, including required closeouts.

- b. Standards-

- i. A review of runway development projects that would have resulted in a runway safety area determination being issued, and a review of determinations issued over the last 5 years (random sample).
 - ii. A review of ALPs for non-primary locations, to assess currency.
 - iii. A review of modification to standards that are in place, to ensure they are still needed.
 - iv. Exhibit "A" review for currency.
 - c. AIP eligibility-
 - i. A random review of projects funded with non-primary entitlements to ensure compliance with FAA orders and guidance.
 - ii. Revenue producing projects (t-hangars & fuel farms). Ensure use of revenue producing form. Also verify that discretionary funds are not requested at these locations for 2 years after the revenue producing project.
 - iii. BCA's are conducted as appropriate (AWOS, NAVAIDS, Visual Aids, projects exceeding discretionary funding threshold, etc).
 - d. Miscellaneous topics outlined in the SBG MOA-
 - i. All land releases, approved by FAA, are included on the ALP Exhibit "A".
 - ii. Terms and conditions have been signed by the Sponsor.
 - iii. SBG has advised ADO as soon as possible of potential compliance issues. SBG has then performed adequate compliance follow-up.
 - iv. ADO has advised SBG of high interest projects (RSA, RSAT, wildlife, etc.) SBG has then adjusted ACIP accordingly.
- 4. A narrative report will be generated identifying review findings, and if necessary any corrective action needed to meet the intent of FAA Order 5100.38C and each SBG MOA.
- 5. Within 30 days of completing the review, the ADO shall submit a draft of its report to the state for review. The state shall have 30 days to comment.
- 6. If any finding outlined in the draft report is in dispute, the state may appeal to the Great Lakes Region Airports Division, Manager, Planning/Programming Branch, AGL-610, for a determination.
- 7. The ADO shall finalize its report after review, and submit to the Manager, Planning/Programming Branch, AGL-610.

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