

2015



**NEVADA FUND FOR AVIATION GRANT PROGRAM
POLICY AND PROCEDURES MANUAL**

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Introduction

The Nevada Fund for Aviation (commonly known as the Aviation Trust Fund) was unanimously passed by the 71st session of the Nevada State Legislature and then signed into law on October 1, 2001 by Governor Kenny Guinn. It amended Chapter 494 of the Nevada Revised Statutes (NRS) creating a fund to be used for the improvement of the airport system within Nevada. The Fund for Aviation was reestablished by the 2015 legislature through SB 514 at \$100,000 per year. The procedures contained herein are in accordance with NRS 494.048. Any differences between policies, procedures, and the contents of this manual will be resolved by the Director of the Nevada Department of Transportation (NDOT). The NDOT will determine the extent that this manual is applied to each project.

Sponsor Eligibility

Principal provisions and eligibility requirements to receive funds under the Nevada Fund for Aviation Grant Program are as follows:

“Expend money in the Fund to award grants to a county, city or other local government in this State for obtaining matching money for federal programs and any other programs relating to airports or for the planning, establishment, development, construction, enlargement, improvement or maintenance of any airport, landing area or air navigation facility owned or controlled by the county, city or other local government”

(Ref. NRS 494.048, 3(a))-“The provisions of this section do not apply to an airport, landing area or air navigation facility that is owned or controlled by the Reno-Tahoe Airport Authority or a county whose population is 700,000 or more.” (Ref. NRS 494.048, 6.)

Fund for Aviation Grants

The Federal Aviation Administration’s (FAA) Airport Improvement Program (AIP) Matching Grant for airports that fall within the National Plan of Integrated Airport Systems (NPIAS) presently reimburses the sponsor up to the 6.25% local match for any Airport Improvement Program (AIP) grant from the FAA. Under the Nevada Fund for Aviation Grant Program some or all the 6.25% local match not covered by FAA AIP may be reimbursed from the Nevada Fund for Aviation, not to exceed \$50,000.

The Fund for Aviation is intended to assist rural General Aviation Airports and will not be available to Commercial Service Aviation Airports.

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To apply for a Nevada Fund for Aviation matching grant, the sponsor shall submit a completed and signed Nevada Fund for Aviation Grant Application or letter to the Department with the following documentation included:

1. Letter of Request or Application. A letter or Grant Application Form from an authorized representative of the sponsor requesting money from the Nevada Fund for Aviation Grant Program. Included within the letter or form will be a brief description of the project being funded, and a summary of each portion of the total project amounts, i.e., the amount of money received from the FAA, amount of money or in-kind services provided by the sponsor, and the amount being requested from the Nevada Fund for Aviation.
2. Local government approval. Either a resolution or approved minutes from the governing board of the sponsor documenting its authorization for filing the application for funding; acceptance of the allocation of funds for the project; an executed grant agreement; and designation of the individual or entity authorized to sign any documents required to apply for and accept these funds on the sponsor's behalf.
3. FAA AIP Grant Agreement. Sponsor shall submit a copy of the FAA AIP Grant Agreement that has been signed by designated representatives of the sponsor and the FAA.
4. Environmental Compliance. Confirmation or Verification that sponsor is in compliance with the National Environmental Policy Act (NEPA).
5. Airport Layout Plan with Project Information. The most recent adopted and FAA approved Airport Layout Plan (ALP) with a depiction of the proposed project and its location highlighted. Either an electronic version or a legible hardcopy of the ALP is acceptable. This requirement does not apply to a grant to prepare or update a new ALP.
6. Additional Information. Sponsor shall provide additional documentation if the Department determines that further information is required to sufficiently evaluate the project for funding.

Grant applications will be accepted at any time up to the end of the Federal Fiscal year ending September 30th, 2015. Applications for all 2015 FAA AIP matching grant funds from the Fund or Aviation will be accepted up until February 15th, 2016. The State of Nevada Fiscal Year began July 1st, 2015 and represents the first Fiscal Year 2015-2016 establishing the Fund for Aviation. Grant applications submitted after September 30th may

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be considered in subsequent years when and funds become available. The balance of the Aviation Trust Fund account will be combined with and rolled together into the Nevada Fund for Aviation in this first year and subsequent years. (See SB 514, all Nevada Airport's combined grants total no more than \$100,000 in Fiscal Year 2015-2016 and \$100,000 in Fiscal Year 2016-2017). Upon award of the grant by NDOT, the applicant will be notified and initiate the development of an agreement under which the grant will be paid.

Each grantee receiving grant funds must have the capability of maintaining the improvements acquired with local resources and this ability should be assured in a realistic maintenance plan. Each grantee that applies for and accepts a grant shall be required to make a commitment to keep the airport facility accessible to and open to the public during the entire life of the grant-funded improvements. If the sponsor fails to keep the facility accessible and open to the public, the sponsor must reimburse the Fund for Aviation for any unexpired useful life of the improvements on a pro-rata basis. Useful life of all projects shall be based on commonly accepted FAA standards and grant assurances.

Project Prioritization

The primary purpose of the Nevada Fund for Aviation Grant Program is to improve the safety and utility of the state's aviation system. FAA AIP approved projects will receive the highest priority for state matching funds. Some airport projects may not be eligible for or under current consideration for FAA AIP grants however may be considered valuable or a priority to the airport. Since the biggest component of safety at airports is the integrity of the runway surface and runway safety areas, the correction of deficient or non-standard safety conditions will receive the highest priority in awarding grant funds.

Non-FAA AIP or State grant projects must meet the FAA minimum design safety requirements. Special emphasis will be put on the purpose, costs, economic benefits, and the effect the project has on the environment, safety, security, infrastructure, and capacity of the airport. All airport projects should be complimentary to the Nevada State Airport System Plan. A proportional weighting of Nevada State projects to determine matching amounts may be based on grant size or a simple percentage award weighing of all State projects based on funds available at the determination of the NDOT Director and Nevada Aviation Technical Advisory Committee (NATAC).

In the future NATAC may consider adoption of an automated matrix point award system to rank Non-FAA AIP grants and likewise award varied matching funds base on the projects value to the aviation system.

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Mandatory Project Standards

A sponsor is required to comply with all current appropriate technical guidelines incorporated into identified FAA Advisory Circulars for the project being funded. Any project that does not comply with these guidelines must have approval for the deviation in writing from the FAA. The list of advisory circulars is published and electronically available at www.FAA.gov. The FAA established Minimum Design Safety Standards in effect on the date of allocation of funds to a project apply to that project. Standards that become effective after the date of allocation may be applied to the project by mutual agreement between the department and the sponsor.

Project Monitoring

Project monitoring site visits may be made by a representative of NDOT for the purpose of assisting the Grantee in meeting the objectives of the grant, complying with administrative requirements of NDOT and resolution of any safety or FAA compliance concerns related to the project.

Copies of all progress and final reports submitted to FAA must also be provided to NDOT. Certification of acceptance of the completed project by the grantee must accompany the request for reimbursement at the close of the project.

Grant Termination

Any party to an agreement for the use of Fund for Aviation (Aviation Trust Fund) monies has the option to terminate the grant award with written notification made at least thirty-days prior to the grant termination. The grantee agrees, if it fails or refuses to comply with the provisions of the grant as set forth in the contract issued by NDOT at the onset of the project, that NDOT may take the following action:

- Cancel, terminate or suspend in whole or in part the agreement, contract or other arrangement with respect to which failure or refusal occurred; and refrain from extending any further State financial assistance to the grant under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the grantee.
- A Grant Amendment must be completed when there is a substantial change in the scope of the project.
- Should the amendment of a contract result in significant changes in the scope and/or intent of the project from a high-priority to one of lesser priority, the Director shall have the right to consult with NDOT, NATAC,

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and/or the FAA and amend the allocation of funding and distribution of state funds for the grant.

Financial Requirements

The NDOT Intermodal Planning Division is responsible for the timely payment of properly documented invoices.

The method of payment of grant funds to the grantee for work completed to date may occur upon presentation of an invoice to NDOT supporting actual costs incurred during the project billing time frame. NDOT matching for reimbursable costs on a project, must meet the following criteria:

- Must be an eligible federal expense
- Must be reasonable and necessary
- Must be supported by back up documentation
- Must be within the timeframe of the agreement

All claims for matching / reimbursement shall be made on and timely basis.

Accounting Records

All grantee agencies must have the ability to identify and record expenses charged to the project. Project expenditures must be kept separate from other indirect or unrelated expenditures and be recorded directly to a special project account.

Source documents shall be on file to cover all direct and indirect costs charged to the project. Costs billed to the project should appear on the project sponsor's accounting records prior to submitting a claim for matching / reimbursement to NDOT. In the event labor is charged to the project, this includes payroll records with individual time sheets.

Documents that are used to support a claims for matching / reimbursement are to be retained for a period of three (3) years following the payment of the final claim.

All invoices that need to be submitted for costs incurred on a project should be prepared directly from the records of the project accounting system. The Project Director or Sponsor should sign the claim summary or invoice unless this authority has been delegated to another official.

All matching / reimbursements must be consistent with the agreement between NDOT and the airport grantee or Sponsor and may not exceed the federal share of the total funding.

NDOT or its authorized representative shall have the option to inspect, examine and audit the project records, books and accounts, including the right to hire an auditor of the state's choosing and at the state's expense. The audit may be performed at any time during the project life or up to three (3) years after the date of its completion. Coordination and timing for the audits will be conducted by the grantee.

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Appendix A – Glossary

Airport Improvement Program (AIP): The Airport Improvement Program (AIP) provides grants to public agencies and, in some cases, to private owners and entities for the planning and development of public-use airports that are included in the **National Plan of Integrated Airport Systems (NPIAS)**. For large and medium primary hub airports, the grant frequently covers 75 percent of eligible costs (or 80 percent for noise program implementation). For small primary, reliever, and general aviation airports, the grant can covers up to 95 percent of eligible costs.

AIP grants for planning, development, or noise compatibility projects are at or associated with individual **public-use** airports (including heliports and seaplane bases). A **public-use** airport is an airport open to the public that also meets the following criteria; publicly owned, or privately owned but designated by FAA as a **Reliever**, or privately owned but having scheduled service and at least 2,500 annual enplanements.

Further, to be eligible for a grant, an airport must be included in the NPIAS. The NPIAS, which is prepared and published every 2 years, identifies public-use airports that are important to public transportation and contribute to the needs of civil aviation, national defense, and the Postal service. The NPIAS further defines airport categories as follows:

Recipients of grants are referred to as "**sponsors**." The description of eligible grant activities are described in the authorizing legislation and relates to capital items serving to develop and improve the airport in areas of safety, capacity, and noise compatibility. In addition to these basic principles, a sponsor must be legally, financially, and otherwise able to carry out the assurances and obligations contained in the project application and grant agreement.

FAA AIP Eligible projects include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, sponsors can use AIP funds on most airfield capital improvements or repairs and in some specific situations, for terminals, hangars, and non-aviation development. Any professional services that are necessary for eligible projects — such as planning, surveying, and design — are eligible. Aviation demand at the airport must justify the projects, which must also meet Federal environmental and procurement requirements.

Projects related to airport operations and revenue-generating improvements are typically not eligible for FAA AIP funding. Operational costs such as salaries, equipment, and supplies are generally also not eligible for AIP grants.

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Airport Layout Plan (ALP): An ALP is a scaled drawing depicting existing and future facilities and property necessary for the operation & development of the airport. It is a key “communication” and “agreement” document between the Airport Sponsor and the FAA. Components of an ALP include Airport Layout Drawing, Narrative Report, Airport Airspace Drawing, Inner Portion of the Airspace Drawing, Terminal Area Drawing, Land use Drawing, and Exhibit “A” Airport Property Map. In general practice, ALPs should be updated at least every 2-5 years, depending on the type/size of airport.

Fund for Aviation: The Nevada Fund for Aviation is an Aviation Trust Fund in the State Treasury administered by the Director of the Nevada Department of Transportation. The Nevada Fund for Aviation also represents the funds previously held by the Aviation Trust Fund.

Federal Aviation Administration (FAA): US Federal Agency a part of the US Department of Transportation.

National Environmental Policy Act (NEPA): In 1969, NEPA, or the National Environmental Policy Act, was one of the first laws ever written that establishes a broad national framework for protecting our environment. NEPA's basic policy is to assure that all branches of government give proper consideration to the environment prior to undertaking any major federal action that could significantly affect the environment.

NEPA requirements go into effect when airports, buildings, military complexes, highways, parkland purchases and other federal activities with the potential for impacts are proposed. **Environmental Assessments (EA's)** and **Environmental Impact Statements (EIS's)**, which are assessments of the likelihood of impacts from alternative courses of action, are required from all federal agencies and are the most visible NEPA requirements.

NEPA establishes the requirement that all federal agencies' funding or permitting decisions be made with full consideration of the impact to the natural and human environment. And it requires agencies disclose these impacts to interested parties and the general public. The central element in the environmental review process is a rigorous evaluation of alternatives including the "no action" alternative.

Nevada Department of Transportation (NDOT): is a government agency in the U.S. state of Nevada. NDOT is responsible for maintaining and improving Nevada's highway system, which includes U.S. highways and Interstate highways within the state's boundaries. NDOT also prepares and administers the **State Airport Systems Plan**. This plan identifies the aeronautical role of existing and recommended airports. It provides a comprehensive planning framework, consistent with state goals and objectives for economic development, transportation, land use, and the environment.

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Sponsor: The airport sponsor is the entity that is legally, financially, and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants and other obligations required of sponsors, which are contained in the AIP grant agreement and property conveyances.

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Appendix B – NRS 494.048

NRS 494.048 Fund for Aviation: Creation; administration by Director of Department of Transportation; investment of money; expenditure of money as grants; regulations; use and separate accounting of money; exception.

1. The Fund for Aviation is hereby created as a trust fund in the State Treasury. The Director:

(a) Shall administer the Fund; and

(b) May apply for and accept any gift, bequest, grant, appropriation or donation from any source for deposit in the Fund.

2. Any money received by the Director pursuant to the provisions of subsection 1 must be deposited in the Fund. The money in the Fund may be invested as the money in other state funds is invested. After deducting any applicable charges, all interest and income earned on the money in the Fund must be credited to the Fund. The money in the Fund may be expended only in accordance with the terms and conditions of any gift, bequest, grant, appropriation or donation to the Fund or in the manner provided in subsection 3. Not more than 1 percent of the money in the Fund may be used to pay the costs of administering the Fund.

3. Except as otherwise provided in this section, the Director may:

(a) Expend money in the Fund to award grants to a county, city or other local government in this State for obtaining matching money for federal programs and any other programs relating to airports or for the planning, establishment, development, construction, enlargement, improvement or maintenance of any airport, landing area or air navigation facility owned or controlled by the county, city or other local government; and

(b) Adopt regulations to carry out the provisions of paragraph (a).

4. The Director shall:

(a) In adopting regulations pursuant to subsection 3, determine the order of priority for the expenditures from the Fund by considering, without limitation, the following factors:

(1) The purpose of the project;

(2) The costs and benefits of the project; and

(3) The effect of the project on the environment, safety, security, infrastructure and capacity of the airport; and

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(b) Before awarding a grant or adopting a regulation pursuant to subsection 3, consult with the Nevada Aviation Technical Advisory Committee and any person who represents an airport in this State used by the general public.

5. Any money received by a county, city or other local government pursuant to the provisions of this section must be accounted for separately by the county, city or other local government and may be used only for the purpose for which the money was received by the county, city or other local government.
6. The provisions of this section do not apply to an airport, landing area or air navigation facility that is owned or controlled by the Reno-Tahoe Airport Authority or a county whose population is 700,000 or more.
7. As used in this section, "Director" means the Director of the Department of Transportation.

(Added to NRS by 2001, 1238; A 2011, 1291)

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Appendix C – Senate Bill (SB) 514 - 2015 Session Excerpts:

Sec. 50.

1. There is hereby appropriated from the State General Fund to the Fund for Aviation, created by NRS 494.048, the sums of \$100,000 in Fiscal Year 2015-2016 and \$100,000 in Fiscal Year 2016-2017 for enlargement, improvement or maintenance of rural airports, landing areas or air navigation facilities in Nevada.

2. The money appropriated by subsection 1 must be used by rural airports to match money that is available from the Federal Aviation Administration.

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Appendix D – Information about the NPIAS:

National Plan of Integrated Airport Systems (NPIAS): is an inventory of U.S. aviation infrastructure assets. It is developed and maintained by the FAA. It identifies existing and proposed airports that are significant to national air transportation in the U.S., and thus eligible to receive federal grants under the Airport Improvement Program (AIP). It also includes estimates of the amount of AIP money needed to fund infrastructure development projects that will bring these airports up to current design standards and add capacity to congested airports. The FAA is required to provide Congress with a 5-year estimate of AIP-eligible development every 2 years.

Current NPIAS Definition of Airport Categories

Commercial Service Airports are publicly owned airports that have at least 2,500 passenger boardings each calendar year and receive scheduled passenger service. Passenger boardings refer to revenue passenger boardings on an aircraft in service in air commerce whether or not in scheduled service. The definition also includes passengers who continue on an aircraft in international flight that stops at an airport in any of the 50 States for a non-traffic purpose, such as refueling or aircraft maintenance rather than passenger activity. Passenger boardings at airports that receive scheduled passenger service are also referred to as Enplanements.

Nonprimary Commercial Service Airports are Commercial Service Airports that have at least 2,500 and no more than 10,000 passenger boardings each year.

Primary Airports are Commercial Service Airports that have more than 10,000 passenger boardings each year. Hub categories for Primary Airports are defined as a percentage of total passenger boardings within the United States in the most current calendar year ending before the start of the current fiscal year. For example, calendar year 2001 data are used for fiscal year 2003 since the fiscal year began 9 months after the end of that calendar year. The table below depicts the formulae used for the definition of airport categories based on statutory provisions cited within the table, including Hub Type described in 49 USC 47102.

Cargo Service Airports are airports that, in addition to any other air transportation services that may be available, are served by aircraft providing air transportation of only cargo with a total annual landed weight of more than 100 million pounds. "Landed weight" means the weight of aircraft transporting only cargo in intrastate, interstate, and foreign air transportation. An airport may be both a commercial service and a cargo service airport.

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Reliever Airports are airports designated by the FAA to relieve congestion at Commercial Service Airports and to provide improved general aviation access to the overall community. These may be publicly or privately-owned.

The remaining airports, while not specifically defined in Title 49 USC, are commonly described as **General Aviation Airports**. This airport type is the largest single group of airports in the U.S. system. The category also includes privately owned, public use airports that enplane 2500 or more passengers annually and receive scheduled airline service. The airport privatization pilot program authorized under Title 49 U.S.C., Section 47134, may affect individual general aviation airports. Under this program, some private rather than public ownership provisions are allowed.

New NPIAS General Aviation Airport Roles: “A Nation Asset”

This study aligns GA airports into four new categories national, regional, local, and basic based on their existing activity levels. The new categories better capture their diverse functions and the economic contributions GA airports make to their communities and the Nation. The airports roles to be shown in the next NPIAS will also include Unclassified and Closed. NDOT Aviation and NATAC will need to readdress these facilities levels of ownership, service level, and disposition or roles in the upcoming NPIAS.