



Aviation Capital Improvement Program

2027-2029

Table of Contents

- Executive Summary 3
 - Summary..... 3
 - Background 3
 - Funding 4
 - Figure 1: Traditional TxDOT ACIP Funding Sources 5
 - Figure 2: FY26 TxDOT ACIP Funding Sources 6
 - Figure 3: FYs 2027-2029 Anticipated TxDOT ACIP Funding Levels 7
 - Figure 4: Annual Funding Levels Comparison..... 8
- The 2027-2029 ACIP 9
 - Table 1: Annual Funding Levels Comparison..... 9
- Planning10
 - Texas Airport System Plan10
 - TASP Objectives11
 - Draft Capital Improvement Plan (CIP) Reports11
 - Project Priorities.....12
- Programming13
 - ACIP Project Programming13
 - ACIP Project Programming13
 - Project Implementation14
 - Project Assistance14
 - Financial Assistance15
 - FY2027-2029 ACIP Program.....17
 - FY2027-2029 ACIP Projects.....17
 - About the Projects.....17

Executive Summary

Summary

The Texas Department of Transportation (TxDOT) Aviation Capital Improvement Program (ACIP) is a plan for General Aviation (GA) airport development in Texas. It is a detailed listing of potential projects based on the anticipated funding levels of the Federal Aviation Administration (FAA) Airport Improvement Program (AIP), the State-funded Texas Aviation Facilities Development Program (AFDP), local matching funds, and various other funding programs such as Federal Supplemental and Infrastructure Investment and Jobs Act (IIJA) as applicable. Through multi-year programming, the FAA, TxDOT, and airport sponsors are better able to anticipate airport needs and accommodate changes in project scope, cost, and schedule. The project participants know when projects are scheduled and can plan for their implementation. The Fiscal Years (FY) 2027-2029 ACIP represents a significant investment in preserving and expanding the Texas Airport System and currently includes \$410 million in planned airport improvement projects. Over the three-year period, this represents programmed project funding of over \$220 million in federal funds, over \$132 million in state funds, and over \$57 million in local contributions.

Background

Texas airports play a crucial role in supporting local economies. A growing number of communities have realized that airports are no longer a luxury, but rather a necessary access link for business and industry. The Texas Aviation Economic Impact Study that is currently being evaluated and updated determined that Texas airports have a total annual economic impact exceeding \$235 billion for total annual output, an impact of \$84 billion toward annual payroll, and has created nearly 1.2 million jobs, making Texas airports a strong economic contributor.

Since 1966, via the adoption of Texas Senate Joint Resolution 1, the State of Texas has participated in the development of a statewide system of airports by providing grants and loans to communities for aviation facility improvements. The Texas Transportation Commission (Commission) directs the actions of TxDOT through policy and program decisions. By Texas law, TxDOT is the agent of the State and each political subdivision, and is responsible for "... applying for, receiving, and disbursing..." federal funds for the benefit of GA airports. State funding assistance may be used on federally funded projects. The State may also fund projects at publicly owned facilities that are not otherwise eligible for federal funding. Additionally, in 1993 the State was selected to participate in the State Block Grant Pilot Program, a federal program giving Texas the authority to operate the AIP for non-reliever GA airports. In 1996, the State Block Grant Program (SBGP) became permanent and TxDOT's responsibilities were expanded to include reliever airports. TxDOT identifies aviation facility requirements, airport locations, and timing for development of GA airports. Under the SBGP, TxDOT Aviation refines the projects and determines funding eligibility.

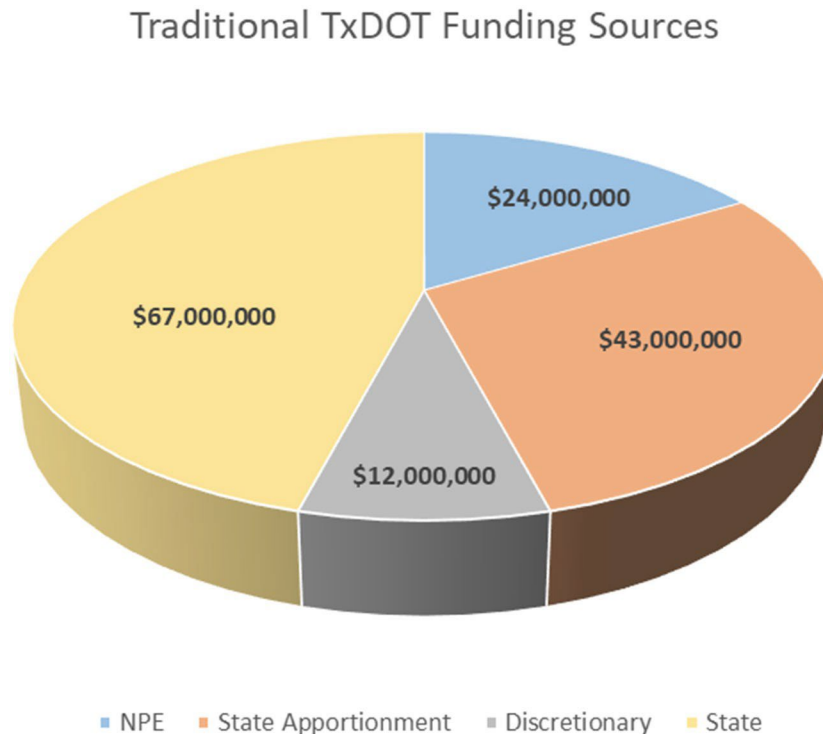
Funding

TxDOT receives approximately \$146 million in federal and state funding annually to execute the ACIP. The amounts shown have varied year to year based on Federal Discretionary and Supplemental funding as well as projects specifically directed and funded in the State budget, but the baseline has remained relatively stable. See Figure 1 on page 3 for a graphical representation of traditional funding sources. A breakdown of the traditional funding follows:

- \$24 million in Nonprimary Entitlement (NPE). Each classified National Plan of Integrated Airport Systems (NPIAS) airport receives an annual “allowance” of the lesser of \$150k per FY or one-fifth of their five-year NPIAS development costs. NPE and IIJA funds are the only federal sources that can be spent on revenue-generating 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. NPE is always the first money applied to ANY project. If funding is received for a revenue-generating project, for the current FY plus two more FYs the airport is ineligible for any funding other than NPE. 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 TxDOT receives one grant each FY for all eligible NPE funds allocated for that year and cannot receive a grant for anything not scheduled in the ACIP. Early planning and coordination for NPE funds is critical to ensuring it is available and will not expire.
- \$43 million in State Apportionment. Based on an FAA formula, TxDOT Aviation is allocated approximately \$43M per FY for grants for NPIAS airports. This is a competitive funding program and airport project requests compete against each other for this funding. State apportionment is allocated to a project only after NPE is applied and cannot be used towards revenue-generating projects. As a result of the FAA Reauthorization Act of 2024, the amounts available for the AIP Program increased to \$4B. In FY 26, this resulted in an increase to TxDOT of AIP State Apportionment Funding from \$19M historically to \$43M. For FYs 27-29, the State Apportionment Funding amount is expected to remain \$43M per FY.
- \$12 million in Discretionary. Discretionary funding is a reserved bucket of money that is distributed to projects based on, among other factors, project ranking. TxDOT plans for \$10-14M per FY in Discretionary funds, but the exact amount is solely at the discretion of the FAA. Projects are to be assigned to primary runways. While TxDOT manages Discretionary funds and projects, the process is different than NPE and State Apportionment. The FAA reviews project requests and has a more active role than TxDOT regarding funding awards for Discretionary projects. Although the FAA ultimately selects the projects, Discretionary is administered through TxDOT. Each year, the FAA also releases a Notice of Funding Opportunity (NOFO) for a Supplemental Discretionary program; applications for Supplemental funding are submitted directly to, and projects are selected by, the FAA. Supplemental Discretionary is not planned or allocated in the TxDOT ACIP.
- For state funding, TxDOT traditionally receives \$20 million of Non-Dedicated Fund 6 to execute the AFDP each FY for airport development. Beginning with the General Appropriations Act for

the FYs 24-25 Biennium, the Legislature appropriated \$47M per year for a total of \$94M in General Revenue to fund the AFDP per biennium. This same level of General Revenue funding has been continued for the FYs 26-27 Biennium. For FYs 28-29, TxDOT anticipates to receive the same level of funding, pending the outcome of the 90th Legislative Session in 2027, and has programmed long-term projects accordingly.

Figure 1: Traditional TxDOT ACIP Funding Sources



For FY 26, additional federal and state funding was made available for execution of the ACIP, as shown in Figure 2 on the following page. For FYs 27-29, additional federal funds are available and are reflected in Figure 3 on page 5. These funds include:

- \$36 million in IIJA Airport Infrastructure Grant (AIG) funds. In 2021, Congress passed IIJA legislation that provided three funding programs for NPIAS airports: airport-specific allocations under AIG as well as two competitive programs for terminals (ATP) and air traffic facilities (FCT). Up to five years of funding was made available for each of the three programs (for FYs 2022-2026). AIG allocations varied based on NPIAS classifications and are similar to NPE in that they are airport-specific (not competitive). AIG funding rules have expanded availability compared to AIP funding rules but still must be eligible and justified. Additionally, airside needs do not need to be met when using only AIG allocations, therefore they can be applied to eligible and justified revenue-generating projects as well as typical airport developmental and preservation projects. When utilizing AIG allocations, airports are still required to meet basic planning guidelines. AIG

is historically allocated in the TxDOT ACIP. The IIJA program concluded in FY 26 but allocated amounts that have not expired are available for use and are included in the “target” federal funding in Table 1 on page 7 for FYs 27-29. However, since many airports have not requested IIJA funds yet, the “target” amount is much higher than the current “programmed” amount. These amounts will be updated as funds are requested for projects.

- \$131.3 million in state funding riders for specific projects. These are projects that were not funded by TxDOT Aviation but were added to our ACIP for FY 26 to indicate that they were either pass-through projects or that TxDOT was acting as Agent. Legislative riders, while allocated for both years in the FY 26-27 biennium, were only indicated in FY 26 portion of the 2025 published ACIP. Therefore, no legislative riders will be indicated in the FYs 27-29 ACIP published in 2026.

Figure 2: FY26 TxDOT ACIP Funding Sources

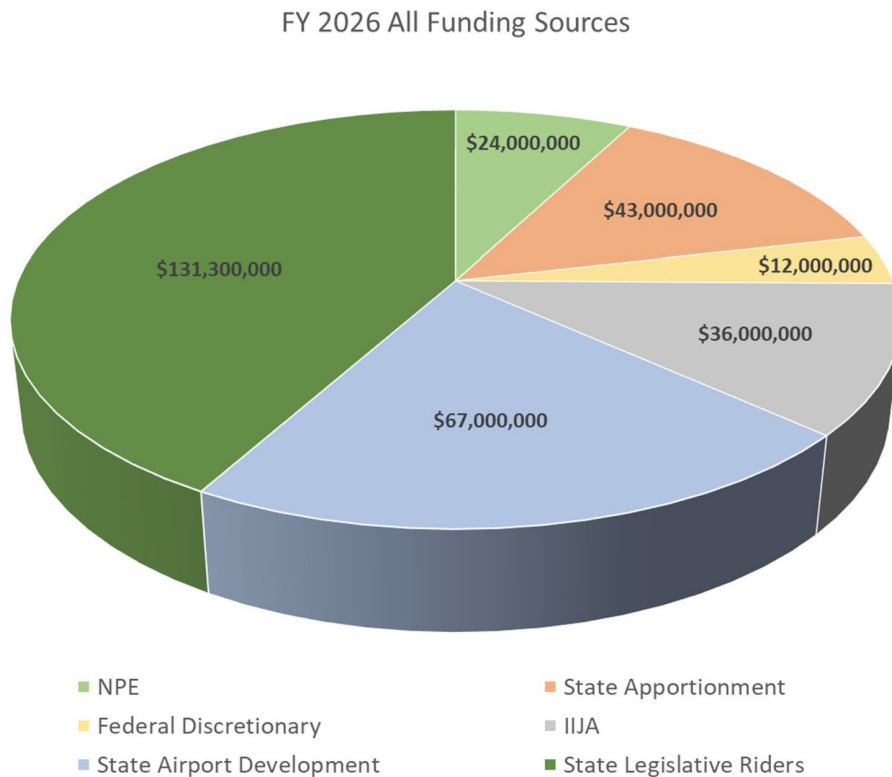
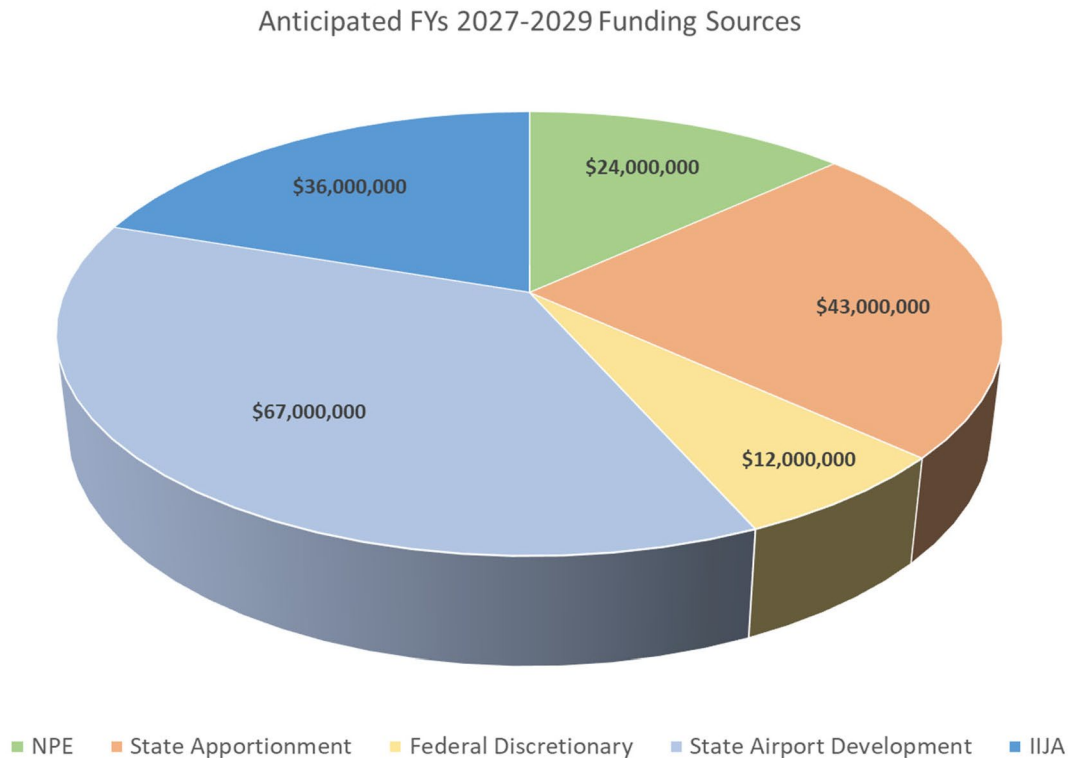


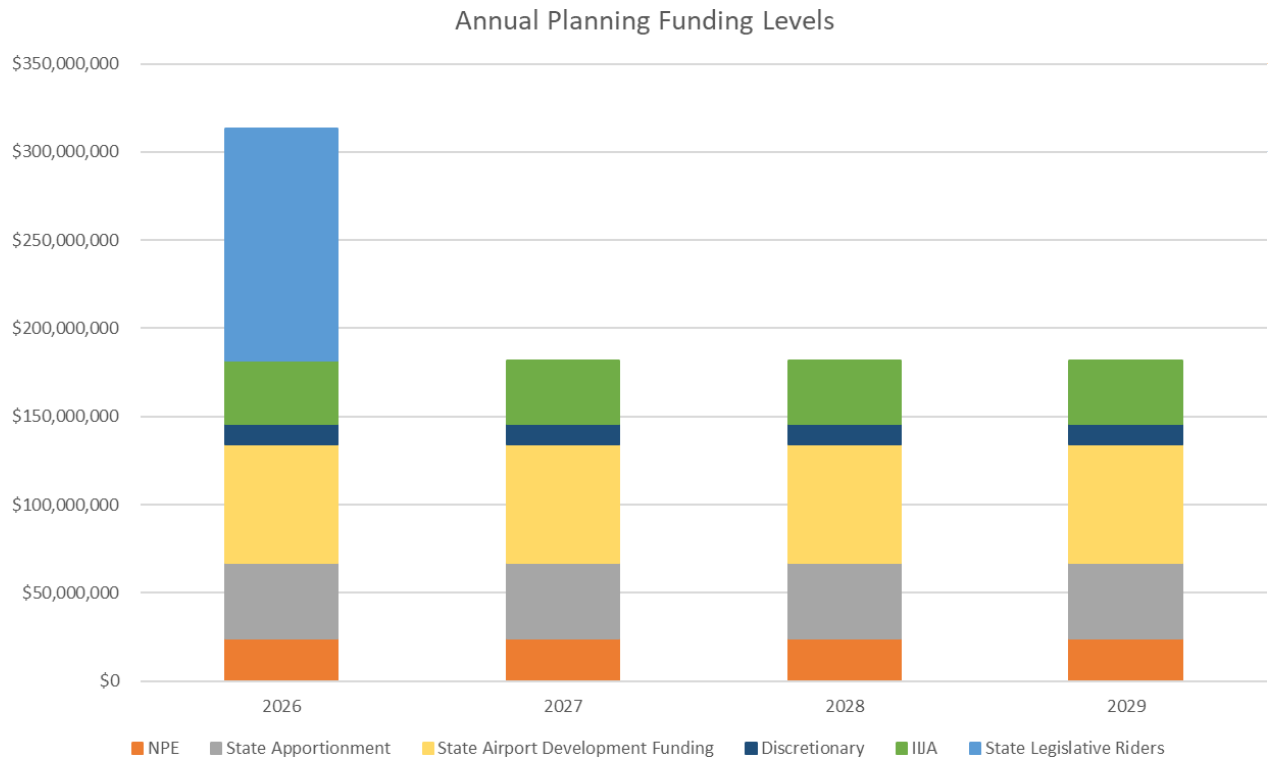
Figure 3: FYs 2027-2029 Anticipated TxDOT ACIP Funding Levels



For FY 27, at the time of publication of this report, supplemental and community funding grants have not yet been finalized. If funding is awarded, TxDOT will update documentation as needed. As a result of the 2024 Reauthorization Act, the “Supplemental Discretionary Funds” heading has been rebranded into the “Airport Safety and Resilient Infrastructure Discretionary Program (ASRID)”. ASRID also changes general project eligibility requirements. If funding is awarded, TxDOT will update documentation as needed.

Figure 4 on the following page shows the anticipated annual funding for the FYs 27-29 ACIP compared to the FYs 26-28 budget. The \$36M allocated IIJA funds are included for FYs 27-29 in green but a large amount of funds have not yet been requested by sponsors. Therefore, the IIJA amounts shown in Figure 4 are subject to change.

Figure 4: Annual Funding Levels Comparison



The 2027-2029 ACIP

The ACIP is a **tentative** schedule of federal and state airport development projects. Airport needs are categorized by the objective(s) they address. Following are the objectives in order of importance:

- Enhance safety
- Preserve existing facilities
- Respond to present needs
- Provide for anticipated needs

The 2027-2029 ACIP represents a significant investment in preserving and expanding the Texas Airport System and currently includes \$410 million in airport improvement projects. Over the three-year period, this represents programmed project funding of over \$220 million in federal funds, over \$132 million in state funds, and over \$57 million in local contributions. Table 1 below summarizes the 2027-2029 ACIP costs.

Table 1: Annual Funding Levels Comparison

YEAR		FEDERAL	STATE	LOCAL	TOTAL
FY27	Target	\$115,000,000	\$67,000,000	N/A	\$182,000,000
	Programmed	\$88,106,729	\$45,720,216	\$15,444,957	\$149,271,902
FY28	Target	\$115,000,000	\$67,000,000	N/A	\$182,000,000
	Programmed	\$70,236,462	\$46,720,136	\$30,500,930	\$147,457,528
FY29	Target	\$115,000,000	\$67,000,000	N/A	\$182,000,000
	Programmed	\$62,338,526	\$40,117,500	\$11,306,235	\$113,762,261
TOTAL	Target	\$345,000,000	\$201,000,000	N/A	\$546,000,000
	Programmed	\$220,681,717	\$132,557,852	\$57,252,122	\$410,491,691

The ACIP totals presented above are based on a series of assumptions regarding future funding, airport sponsor actions, construction prices, legislative appropriations, and aviation activity and are subject to change. To the extent the basis for these assumptions changes, the ACIP will require adjustment.

Planning

Texas Airport System Plan

The geographic size of Texas and the distance between population centers make air travel in the state necessary. In addition to serving business and recreational needs, air transportation offers many opportunities for development and diversification of the Texas economy. TxDOT, in cooperation with local airport sponsors and the FAA, has developed a statewide airport system plan known as the Texas Airport System Plan (TASP). The TASP includes all airports in the NPIAS as well as participating non-NPIAS publicly owned public-use airports across the state. Although commercial hub and non-hub airports are included in the TASP, they are funded directly by the FAA, and therefore not generally included in the ACIP. The goal of the plan is to develop a statewide system of airports providing air access to the population and economic centers of Texas.

Planning provides a framework within which prudent aviation investment decisions can be made. System-level planning activities and close coordination with local airport sponsors are the basis for the ACIP. TxDOT regularly updates its listing of specific airport needs through continuous dialog and planning meetings held with airport sponsors across the state. Each airport in the TASP has an assigned TxDOT planner who works closely with the sponsor to identify and understand their unique needs, and identify anticipated short-, intermediate-, and long-term improvements.

During the process of updating the TASP, important aviation-related information is collected, including operations levels and facility conditions. This information and sponsor history regarding airport maintenance and grant compliance also factors into the development of the ACIP.

The state system plan:

- Provides *data and justification* to the FAA for including airports in the NPIAS, thereby making them eligible for federal financial assistance.
- Provides a *basis for coordinated airport planning and development* throughout Texas, reflecting the overall airport system goals.
- Indicates the *role that aviation should play* as an element of the Texas transportation system in connecting population and economic centers.
- Identifies the *general size, locations, and types of airport facilities* to enhance air transportation access in Texas communities.

The TASP development process results in the collection of important aviation-related information and includes:

- An inventory of existing airport facilities, services, and traffic volumes.
- Analysis of the existing capacity of airports and forecast activity levels.
- An airport classification system with appropriate facility standards.
- A general estimate of needed improvements and associated costs at each airport.
- Alternatives for implementation of airport improvements.
- Recommended state legislation and funding for airport improvements.

The Draft TASP, currently being finalized, totals 287 facilities in the Texas Airport System including Commercial Service, General Aviation, Relievers, Airports in the National Plan of Integrated Airport Systems (NPIAS), and Control Towers. Improvements at each airport are classified into three time frames, based on expected aviation activity:

- Short term, 0-5 years
- Intermediate term, 6-10 years
- Long term, 11-24 years

TASP Objectives

The objective of the state airport system is to provide adequate access to the population and economic centers of Texas. Adequate access is expressed in terms of driving time between activity centers and appropriate airport facilities:

- *Scheduled air carrier service* should be within a 60-minute drive for virtually all Texas residents.
- *Business jet aircraft access* should be with a 30-minute drive of significant population and mineral resource centers.
- *Light piston-engine aircraft access* should be within a 30-minute drive of agricultural centers.

Draft Capital Improvement Plan (CIP) Reports

A Draft CIP Report (Report) is maintained in BlackCat, TxDOT's database platform, for each project at any airport that is included in the TASP. The annual ACIP is then developed from these Reports. Projects must be shown on a Report for consideration in the ACIP. Reports contain important data for each project and facility including:

- Airport roles and classification.
- Planned airport improvements by time frame.
- Cost estimates for improvement projects.

Airport sponsors may currently request changes to a Report at any time by contacting the airport designated planner(s). TxDOT Aviation reviews Report requests and changes for compatibility with airport roles and classification and determines appropriate changes to any applicable Reports. Up-to-date Reports for each airport allows TxDOT Aviation to maintain current knowledge of aviation improvements needed at any point in time in the TASP.

Project Priorities

To make the best use of limited state and federal airport development funds, the Commission establishes a priority system that allows TxDOT Aviation to identify projects that meet present system needs. Current priorities are:

- *Safety* - Projects necessary to make the facility safe for aircraft operations.
- *Preservation* - Projects necessary to preserve the functional or structural integrity of the airport.
- *Standards* - Improvements required to bring the airport up to design standards for current user aircraft.
- *Upgrades* - Improvements required to allow the airport to accommodate larger aircraft or longer stage lengths.
- *Capacity* - Expansion required to accommodate more aircraft or higher activity levels.
- *New Access* - A new airport providing air access to a previously unserved area.
- *New Capacity* - A new airport needed to add capacity or relieve congestion at other area airports.

Programming

ACIP Project Programming

The ACIP is an organized statement of the scope and timing of planned improvements at GA airports in Texas. The TxDOT ACIP encompasses all Texas GA airports contained within the TASP, including those designated by the FAA as relievers. It identifies projects eligible for the federal AIP, and projects eligible for the SFDP. The process of developing the Annual Program (Program) is continuous. Through the ACIP and other efforts, TxDOT Aviation resolves investment issues and makes programming decisions. The programming process is conducted annually and includes the following elements:

- Obtaining public comments on the Program and the process
- Identifying needed projects
- Developing alternative project solutions
- Evaluating and selecting elements of projects
- Evaluating and selecting a comprehensive list of projects
- Finalizing the Program consistent with available funding

The Program also provides the flexibility needed to deal with a variety of technical changes that become necessary throughout the development of projects. Changes in both project scope and achievable schedule can be accommodated within the ACIP.

The ACIP identifies specific projects for development over the next three FYs and provides the basis for the airport investment scheduling activities of the FAA, TxDOT, and local governments. Many projects in the first year of the Program are highly anticipated to move forward as planned, while projects in the second and third years, while scheduled, are more likely to shift slightly due to a variety of factors such as being placed on the Commission schedule, emergency projects, and the availability of a sponsor match. Projects are selected from the Reports and evaluated based on need and safety. Due to funding limitations, not all items contained in a Report are included in the ACIP. The ACIP does not reflect all known airport needs and deficiencies, but primarily those identified as needed by sponsors and TxDOT Aviation and found to be consistent with the goals of the TASP.

ACIP Project Programming

The Program is identified from projects programmed into the first FY of the ACIP and is approved by the Commission prior to the start of that FY. Projects that are to be approved for the second FY begin implementation in the first FY and include:

- Environmental projects.
- Plans and specifications.
- Land acquisition projects.
- Airport layout plan and property map preparation.

The Program coincides with the FAA schedule for funding availability. Projects that are shovel ready are moved into the Program, while those not ready may remain in the second FY. Sponsors know in advance whether a project is likely to be funded by its inclusion in the first FY of the ACIP; these projects begin implementation and overlap the programming process for the next two FYs.

Project Implementation

The role of TxDOT in implementing airport improvement projects is established by State legislation and Department rules. TxDOT is the agent of the State and sponsor for the purpose of applying for, receiving, and disbursing federal airport development funds; contracts for project planning, engineering, and construction may be negotiated and executed by the Department on behalf of the sponsor, and the Department may manage many of the project details. When a project is moved into the Program it becomes eligible for funding. The Program is based on funding levels authorized by the Texas Legislature and anticipated federal funding amounts. Implementation of the entire Program is dependent upon actions and funding that occur at local, state, and federal levels.

Project Assistance

Accomplishment of the programmed projects depends on airport sponsor actions, funding availability, priorities, and actual project costs. As a participant in the SBGP, TxDOT has a significant role in the implementation of federal projects. In compliance with state legislation, the Department may act as agent of the sponsor for both state and federal projects, managing many of the project details:

- Assisting with consultant selections
- Assisting with the property acquisition process
- Reviewing and approving project designs and specifications
- Advertising for bids
- Awarding construction contracts
- Coordinating activities as necessary with the FAA
- Inspecting construction
- Applying for and distributing funds

A TxDOT planner or engineer is assigned to each project for oversight purposes. The level of project involvement and disbursement of funding will depend on whether TxDOT is acting as agent or the local sponsor is executing the project on a reimbursement basis. Invoices are prepared by the sponsors and/or consultants and reviewed by TxDOT. Requests for payment go to TxDOT Aviation staff who then determine the accuracy and validity of each invoice and authorizes payment from the project account. Project expenses on federally funded projects are paid by the Department via a letter of credit established with the FAA. TxDOT is responsible for the project audit.

Financial Assistance

When projects move into the Program they become eligible for state or federal funding. For the majority of projects, local contribution for both federal and state grants is 10% of the total project costs, unless applicable program guidance is legislatively approved at either the federal or state level.

Inclusion of a project in the ACIP is not a commitment for future funding; however, projects in the ACIP are under consideration for funding. TxDOT Aviation will work with sponsors to develop acceptable projects, assuming the projects are consistent with planning and programming standards and priorities. From the ACIP, an annual program of projects is identified and includes the projects programmed from the first FY. These projects are submitted to the Commission for funding approval in the upcoming FY. Generally, projects will progress forward through the ACIP until actual implementation; however, nonrealization of anticipated funding and increases in project costs may hinder progression.

During project development, technical analysis may lead to significant changes in project scope, cost, timing, and/or funding sources. Projects may require additional development time prior to implementation and/or may experience sponsor funding delays, resulting in postponement. Appropriate lead time provides TxDOT with the flexibility needed to replace postponed projects with well-developed projects to best use available funding.

Figure 5 on the following page illustrates the project development process and how airport sponsors work with TxDOT and the FAA to complete capital improvement projects at their airports.

Figure 5: Project Development Process

	Airport Sponsor	TxDOT	Federal Aviation Administration
Planning	<p>Prepares airport master plan which includes short-, intermediate-, and long-term development programs.</p> <p>Requests that a specific project be included in the state's Aviation Capital Improvement Program (ACIP).</p>	<p>Prepares and continually updates the Texas Airport System Plan (TASP) which establishes state aviation priorities.</p> <p>Evaluates proposed projects for consistency with state aviation policies and investment priorities, federal eligibility, and compliance with federal regulations.</p>	<p>Maintains an updated National Airport System Plan which outlines development and identifies airports eligible for federal funding.</p>
Programming	<p>Prepares Letter of Interest (LOI) with project description and cost estimates.</p> <p>Comments on the tentative ACIP.</p>	<p>Prepares ACIP for general aviation airports.</p> <p>The Texas Transportation Commission (Commission) approves the ACIP and funding for each project.</p>	<p>Provides support and technical assistance as requested.</p>
Project	<p>Enters into an intergovernmental agreement authorizing TxDOT as agent.</p> <p>Selects qualified consultant for projects.</p> <p>Reviews project development.</p>	<p>Issues a Request for Qualifications (RFQ) for consultant selection.</p> <p>Reviews consultant selection for general compliance.</p> <p>Provides technical assistance to consultant and reviews project results.</p> <p>Assists with acquisition of property and easements needed for projects.</p> <p>Receives requests for payment, disburses project funds, reviews project development and approves projects.</p>	

FY2027-2029 ACIP Program

2027-2029 ACIP Projects

The following list presents the projects contained in the ACIP and represents TxDOT Aviation's current knowledge of airport needs and potential projects. Projects are organized alphabetically by FY and airport location and indicate the type of work to be performed at each location and estimated project cost.

About the Projects

The Program presented is the result of a series of projections, judgments, and determinations based in policy and technical areas, including:

- Federal policies, laws and regulations.
- Policies of the Department.
- Definition of needs and/or priorities.
- Assumptions about future state and federal airport improvement funding.
- Assessment of current airport deficiencies.
- Anticipation of local airport sponsor actions.

Projects in this list are constantly undergoing development and refinement due to:

- Changes in project scope.
- Updated cost estimates.
- Scheduling changes due to unforeseen delays or complications such as:
 - Changes in the rate of physical deterioration of facilities.
 - Land acquisition issues.
 - Environmental constraints.
 - New and/or updated standards, policies, rules, laws, etc.
 - Requirements of the FAA, the Commission, or other agencies.

For the above listed and other reasons, the projects presented in the following ACIP are subject to change. If funding levels differ from those listed in this ACIP, both project scope and schedule implementation may be affected. Project scope and implementation year may be revised to best fit the overall system needs and existing funding availability. Justification may be required for some projects to comply with TxDOT Aviation Policies and Standards, published June 2007 and approved by the Commission. Some projects listed in this ACIP may not be implemented due to funding restrictions, lack of justification, or other reasons.

To have the most current program information available, the ACIP will be continually updated and made available via the TxDOT website (www.txdot.gov). The annual ACIP will be published for Commission

approval once per FY. TxDOT Aviation regularly receives input from sponsors regarding their airport needs and plans and utilizes this information for the development of the next ACIP.

**** Inclusion in the ACIP is not a promise or guarantee of project execution or funding, and all grants for proposed projects require approval by the Commission. ****

TxDOT welcomes your comments on this document and the ACIP process. Please contact the TxDOT Aviation Division at the following address:

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