

# MEMORANDUM OF UNDERSTANDING

## 2023-2026 Southern Alleghenies Rural Planning Organization (RPO) Transportation Improvement Program (TIP)

### Procedures for TIP Revisions

#### Purpose

This document establishes a set of procedures to be used by the Southern Alleghenies RPO, other project sponsors, and the Pennsylvania Department of Transportation (PennDOT) to revise and modify the Southern Alleghenies TIP.

#### What is a Statewide Transportation Improvement Program (STIP) and a Transportation Improvement Program (TIP)?

The STIP is the official transportation improvement program document mandated by federal statute (23 CFR § 450.218) and recognized by FHWA and FTA. The STIP includes a list of projects to be implemented over a four-year period as well as all supporting documentation by federal statute. The STIP includes regional TIPs developed by the Planning Partners (MPOs and RPOs) and Statewide Programs developed by PennDOT. Statewide Programs are coordinated initiatives, projects or funds that are managed by PennDOT's Central Office on a statewide basis. Examples of Statewide Programs include but are not limited to the Secretary of Transportation's Discretionary (SPIKE), the Rapid Bridge Replacement (RBR) Project developed via a Public Private Partnership (P3), Highway Safety Improvement Program (HSIP) set-a-side, Highway-Rail Grade Crossing Safety (RRX), Surface Transportation Block Grant Program set-a-side (TAP) funds, Green-Light-Go (GLG), Automated Red Light Enforcement (ARLE), Multi-modal (MTF), Recreational (Rec) Trails, and Keystone Corridor projects. The Interstate Management Program will remain its own individual program and includes prioritized statewide interstate projects. The Commonwealth's Twelve-Year Program (TYP), required by state law, includes the STIP/TIPs in its first four-year period.

#### How and when is a TIP developed?

For more information on the development of the TIP, see *Pennsylvania's 2023 Transportation Program General and Procedural Guidance* and *Pennsylvania's 2023 Transportation Program Financial Guidance* dated June 29, 2021. The documentation can be found on the STIP page on the STC Website under 2023 Guidance Documents.

#### Definitions

**Administrative Revisions** is a minor revision to a Transportation Improvement Program (TIP) or Statewide Transportation Improvement Program (STIP) that does not require RTCC approval.

**Amendment** is a revision to a TIP or STIP that involves a major change to a project included in a TIP or STIP that does require approval from the RTCC.

**Betterment** consists of surface treatments/corrections to existing roadway [preferably within the Pennsylvania Department of Transportation's (PennDOT's) right-of-way] to maintain and bring the infrastructure to current design standards for that classification of highway. This may involve full depth base repair, shoulder widening, increased lane widths, correction of super-elevation, as well as drainage improvements and guide rail updates.

**Change in Scope** is a substantial alteration to the original intent or function of a programmed project.

## MEMORANDUM OF UNDERSTANDING

**Cooperating Parties** include PennDOT, Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs), Federal Highway Administration (FHWA), Federal Transit Administration (FTA) and transit agencies.

**Fiscal Constraint Chart** is an Excel spreadsheet, or a chart generated by the Multimodal Project Management System (MPMS) that depicts the transfer of funds from one source of funding to a project or projects and that nets to zero.

**Interstate Management (IM) Program** is PennDOT's four-year listing of statewide interstate maintenance projects.

**Investment Plan** is PennDOT's ongoing assessments and re-evaluation of data associated with the Transportation Investment decisions ensuring that each dollar invested is being directed to meet the strategic decisions and that enhances the overall performance of the Commonwealth's Transportation system. The regional targets were set with a continued focus on maintaining assets with the following priorities: Bridges on the NHS, Roadway conditions on the NHS, Bridges on the balance of the system; and Roadway conditions on the balance of the system.

**Long Range Transportation Plan (LRTP) Expiration** is where a Planning Partner's LRTP has not been updated in accordance with the cycles defined in the federal planning regulations [23 CFR § 450.324 (c)].

**New Project** is a project that is not programmed in the current STIP/TIP and does not have previous obligations from a prior STIP/TIP.

**Planning Partner** is one of the following: Metropolitan Planning Organizations (MPO) or Rural Planning Organizations (RPO)

**Public Participation Plan (PPP)** is a documented broad-based public involvement process that describes how the RPO will involve and engage the public in the transportation planning process to ensure that the concerns of stakeholders are identified and addressed in the development of transportation plans and programs.

**Rapid Bridge Replacement (RBR) Initiative** (developed via a Public Private Partnership-P3) will follow the Statewide Managed Program guidance in the administration of the program. For example, the RBR Initiative project rollouts, independent of time intervals, will be considered an amendment on the STIP. Placement of RBR projects and or line items on regional TIPs will be considered as an administrative action for each MPO/RPO.

**Reserve Line Item** holds funds that are not dedicated to a specific project(s) and may be used to cover cost increases or add a new project or project phase(s).

**Revision** is either an Amendment or an Administrative Modification to the STIP/TIP.

**Statewide Managed Program (Statewide Program)** includes those transportation improvements or projects that are managed on the STIP including project selection, at the PennDOT Central office level, with possible regional Planning Partner input and solicitation. Examples include but are not limited to HSIP, RRX, "TAP", Green Light Go, ARLE, Multi-modal, Recreational Trails and Keystone Corridor projects. The Interstate Management Program will remain its own individual program.

# MEMORANDUM OF UNDERSTANDING

## **TIP Administration**

FHWA and FTA will only authorize projects and approve grants for projects that are programmed in the current approved TIP. If the RPO or PennDOT wishes to proceed with a project not programmed on the TIP, a revision must be made.

The Federal Statewide and Metropolitan Planning regulations contained in 23 CFR § 450 govern the provisions of the STIP and of individual MPO TIPs, related to STIP and TIP revisions, and other actions taken to revise the TIP. The intent of this Federal regulation is to acknowledge the relative significance, importance, and/or complexity of individual programming actions. Federal Transportation Planning Regulations 23 CFR § 450.328 permits the use of alternative procedures by the cooperating parties to effectively manage actions encountered during a given TIP cycle. Cooperating parties include PennDOT, MPOs, RPOs, FHWA, FTA, and transit agencies. Any alternative procedures must be agreed upon and documented in the TIP.

TIP revisions must be consistent with Pennsylvania's Performance Management (TPM) requirements, PennDOT's Transportation Investment Plan priorities, Pennsylvania's Long Range Transportation Plan (LRTP), and Southern Alleghenies RPO LRTP. In addition, TIP revisions must support Pennsylvania's Transportation Performance Measures, the Transportation Asset Management Plan (TAMP), the Transit Asset Management (TAM) Plan, the Strategic Highway Safety Plan (SHSP) and Congestion Management Plan (CMP), as well as PennDOT's Connects policy. Pennsylvania's Transportation Investment Plan is PennDOT's ongoing assessments, target settings, and re-evaluations of data associated with the TIP investment decisions, ensuring that each dollar invested is being directed to meet strategic decisions, and that enhances the overall performance of the Commonwealth's transportation system. Over the years, Pennsylvania has utilized a comprehensive planning and programming process that focuses on collaboration between PennDOT, FHWA, FTA, and MPOs/RPOs at the county and regional levels. This approach will be applied to begin implementation of TPM and Performance Based Planning and Programming (PBPP). PBPP is PennDOT's ongoing assessment, target setting, reporting and evaluation of performance data associated with the STIP/TIP investment decisions. This approach ensures that each dollar invested is being directed to meet strategic decisions and enhances the overall performance of the Commonwealth's transportation system.

TIP revisions must correspond to the adopted provisions of RPO's Public Participation Plans (PPP) [23 CFR § 450.316 (c)]. A PPP is a documented broad-based public involvement process that describes how the RPO will involve and engage the public in the transportation planning process to ensure that comments, concerns, or issues of the public and interested parties are identified and addressed in the development of transportation plans and programs. A reasonable opportunity for public review and comment shall be provided for significant revisions to the TIP.

The federal planning regulations, 23 CFR 450.324(c), define update cycles for the RPO's LRTPs. If the RPO's LRTP expires because it has not been updated according to the required planning cycle or updated to reflect changes in federal transportation planning regulations, then the provisions of this MOU will not be utilized for the RPO. During a LRTP expiration, all TIP revisions that involve projects with federal funds within the RPO, where the LRTP expiration occurred, will be treated as an amendment, and require federal approval. There will be no administrative modifications to projects with any federal funds until the RPO's LRTP is in compliance with the federal planning regulations.

# MEMORANDUM OF UNDERSTANDING

## **Southern Alleghenies RPO TIP Revisions**

In accordance with the federal transportation planning regulations [23 CFR § 450], revisions to the TIP will be handled as either an *Amendment* or an *Administrative modification* based on agreed upon procedures detailed below:

An *Amendment* is a TIP revision that adds a new project, deletes an existing project, or involves a major change to an existing project included in a TIP that:

- 1.) Affects air quality conformity regardless of the cost of the project or the funding source.
- 2.) Adds a new project or deletes a project that utilizes Federal funds or federalizes a project that previously was 100% state and/or locally funded. A new project is a project that is not programmed in the current TIP and does not have previous obligations from a prior TIP.
- 3.) Deletes a project that utilizes federal funds, except for projects that were fully obligated in the previous TIP and no longer require funding. In this case, removal of the project will be considered an administrative modification.
- 4.) Adds a new phase(s), deletes a phase(s) or increases/decreases a phase(s) of an existing project that utilizes federal funds that exceeds the following thresholds:
  - \$2 million for the Southern Alleghenies RPO
- 5.) Involves a Change in the Scope of Work to a project(s) that would:
  - Result in an air quality conformity reevaluation,
  - Result in a revised total project estimate that exceeds the thresholds established between PennDOT and the RPO (not to exceed any Federally funded threshold contained in this MOU),
  - Results in a Change in the Scope of Work on any Federally funded project that is significant enough to essentially constitute a New Project.

Approval by the RPO is required for *Amendments*. The RPO must then request PennDOT Central Office approval using the e-STIP process. A Fiscal Constraint Chart (FCC) must be provided that depicts the transfer of funds from one source to another, demonstrating fiscal constraint. The FCC summarizes the before, requested adjustments, after changes, and detailed comments explaining the reason for the adjustment(s), and provides any PMC materials that may have been prepared, along with an updated TIP. PennDOT's Central Office will review, approve, and forward to the appropriate federal agency for review and approval, with a courtesy copy to the other federal agency.

The initial submission and approval process of the federally funded Statewide Program or increases/decreases exceeding the thresholds above will be considered an amendment (subsequent placement of these individual projects or line items on respective planning partner TIPs will be considered an administrative modification). In the case of Statewide Programs, including the IM Program and other federally funded statewide programs, approval by PennDOT's Program Management Committee (PMC) and FHWA is required.

An *Administrative Modification* is a minor revision to a TIP that:

- Adds a new phase(s), deletes a phase(s) or increase/decreases a phase(s) of an existing project that utilizes federal funds and does not exceed the thresholds established above;
- Adds a project from a funding initiative or line item that utilizes 100 percent state or non-federal funding;

## MEMORANDUM OF UNDERSTANDING

- Adds a project for emergency relief (ER) program, except those involving substantial functional, location, or capacity changes;
- Adds a project, with any federal funding source, for immediate emergency repairs to a highway, bridge or transit project where in consultation with the relevant funding agencies, the parties agree that any delay would put the health, safety, or security of the public at risk due to damaged infrastructure;
- Draws down or returns funding from an existing STIP/TIP reserve line item and does not exceed the threshold established in the MOU between PennDOT and the MPO/RPO. A reserve line item holds funds that are not dedicated to a specific project(s) and may be used to cover cost increases or add an additional project phase(s) to an existing project;
- Adds federal or state capital funds from low-bid savings, de-obligations, release of encumbrances, or savings on programmed phases to another programmed project phase or line item and does not exceed the above thresholds;
- Splits a project into two or more separate projects or combines two or more projects into one project to facilitate project delivery without a change in scope or type of funding;
- Adds, advances, or adjusts federal funding for a project based on FHWA August Redistribution.

**Administrative Modifications** do not affect air quality conformity nor involve a significant change in the scope of work to a project(s) that would trigger an air quality conformity re-evaluation; does not add a new federally-funded project or delete a federally-funded project; does not exceed the threshold established in the MOU between PennDOT and the RPO, or the threshold established by this MOU (as detailed in the Amendment Section); and does not result in a change in scope on any federally-funded project that is significant enough to essentially constitute a new project. A change in scope is a substantial alteration to the original intent or function of a programmed project.

**Administrative Modifications do not require federal approval.** PennDOT and the RPO will work cooperatively to address and respond to any FHWA and/or FTA comment(s). FHWA and FTA reserve the right to question any administrative action that is not consistent with federal regulations or with this MOU where federal funds are being utilized.

### **Fiscal Constraint**

Demonstration of TIP financial constraint is maintained takes place through an FCC. Real time versions of the TIP are available to FHWA and FTA through PennDOT's Multimodal Project Management System (MPMS)

All revisions must maintain year-to-year fiscal constraint [23 CFR § 450.326 (g), (j) & (k)] for each of the four years of the TIP. All revisions shall account for year of expenditure and maintain the estimated total cost of the project or project phase within the time-period [i.e., fiscal year(s)] contemplated for completion of the project, which may extend beyond the four years of the TIP. The arbitrary reduction of the overall cost of a project, or project phase(s), shall not be utilized for the advancement of another project.

### **TIP Financial Reporting**

PennDOT will provide reports to the Southern Alleghenies RPO and FHWA no later than 30 days after the end of each quarter and each Federal Fiscal Year (FFY). At a minimum, this report will include the actual federal obligations and state encumbrances for highway/bridge projects by the RPO and Statewide. In addition, PennDOT will provide the Transit Federal Capital Projects report at the end of each FFY to

MEMORANDUM OF UNDERSTANDING

all of the parties listed above and FTA. The reports can be used by the RPO as the basis for compiling information to meet the federal annual listing of obligated projects requirement 23 CFR 450.334. Additional content and any proposed changes to the report will be agreed upon by PennDOT, FHWA and FTA.

**TIP Transportation Performance Management**

In accordance with 23 CFR § 450.326 (c), PennDOT and the RPO will ensure TIP revisions promote progress toward achievement of performance targets.

**TIP Revision Procedures**

As the RPO’s TIP is adopted, the respective MOU will be included with the TIP documentation. The MOU will clarify how RPO will address all TIP revisions. **In all cases, the RPO’s revision procedures will be developed under the guidance umbrella of this document.** If the RPO elects to set more stringent procedures, then FHWA and FTA will adhere to those more restrictive procedures.

This document will serve as the basis for PennDOT when addressing federally funded Statewide Program TIP revisions.

This Memorandum of Understanding will begin October 1, 2022, and remain in effect until September 30, 2024, unless revised or terminated. Furthermore, it is agreed that this MOU will be reaffirmed every two years.

We, the undersigned hereby agree to the above procedures and principles:

\_\_\_\_\_  
Mr. Larry S. Shifflet  
Deputy Secretary for Planning  
Pennsylvania Department of Transportation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mr. Steven K. Howsare  
Executive Director  
Southern Alleghenies Planning and  
Development Commission

\_\_\_\_\_  
Date