

# MEMORANDUM OF UNDERSTANDING

## North Central 2021-2024 North Central Transportation Improvement Program (TIP)

### Procedures for TIP Revisions

#### Purpose

This document establishes a set of procedures to be used by North Central, the Area Transportation Authority (ATA), other project sponsors and the Pennsylvania Department of Transportation (PennDOT) to revise modify the North Central TIP.

#### Background

This document identifies an approved set of general and procedural guidance to be employed by the North Central Rural Transportation Planning Committee to expedite amendments and modifications to the FFY 2019-2022 Transportation Improvement Program (TIP). The Rural Transportation Planning Committee, in cooperation with PennDOT and the Area Transportation Authority (ATA) transit agency, develops the TIP. Any TIP amendment or modification proposed by any agency must be coordinated through the North Central Rural Transportation Planning Committee. To expedite formal actions, telephone, e-mail, or fax ballots can and will be used to take action on amendments. These actions will then be reaffirmed at the next regularly scheduled meeting.

#### Definitions

- ***Administrative Revisions*** is a minor revision to a Transportation Improvement Program (TIP) or Statewide Transportation Improvement Program (STIP).
- ***Amendment*** is a revision to a TIP or STIP that involves a major change to a project included in a TIP or STIP.
- ***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.
- ***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 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) Lapse*** is where a Planning Partner's LRTP has not been updated in accordance with the cycles defined in the federal planning regulations [23 CFR § 450.322 (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), or the independent County of Wayne.
- ***Public Participation Plan (PPP)*** is a documented broad-based public involvement process that describes how the Planning Partner 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.

## **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 MPOs, RPOs and PennDOT-developed Statewide Programs. 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, Transportation Infrastructure Investment Fund (TIIF), Statewide Transit 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 the first four-year period.

## **How and when is a TIP Developed?**

For more information on the development of the STIP/TIP, see *Pennsylvania's 2021 Transportation Program General and Procedural Guidance* and *Pennsylvania's 2021 Transportation Program Financial Guidance*. These documents were both released on July 31, 2019 and can be found here [STC - Talk PA Transportation](#) under 2021 Guidance Documents.

## **TIP Administration**

FHWA and FTA will only authorize projects and approve grants for projects that are programmed in the current approved TIP. If North Central, ATA, 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 for revisions of the STIP and individual MPO TIPs. The intent of this federal regulation is to acknowledge the relative significance, importance, and/or complexity of individual programming actions. If necessary, [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 Transportation Performance Management (TPM) requirements, Pennsylvania's Long Range Transportation Plan (LRTP), and the North Central 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. 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 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 North Central's Public Participation Plans (PPP). A PPP is a documented broad-based public involvement process that describes how North Central 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.

If a revision adds a project, deletes a project or impacts the schedule or scope of work of an air quality significant project in a nonattainment or maintenance area, a new air quality conformity determination will be required if deemed appropriate by the PennDOT Air Quality Interagency Consultation Group (ICG). If a new conformity determination is deemed necessary, an amendment to the region's LRTP shall also be developed and approved by North Central. The modified conformity determination would then be based on the amended LRTP conformity analysis and public involvement procedures consistent with the region's PPP.

If North Central's Long Range Transportation Plan (LRTP) lapses because it has not been updated according to the required regulations [23 CFR 450.324\(c\)](#) or updated to reflect changes in federal transportation planning regulations, all revisions will be considered to be Amendments that require federal approval, until the LRTP is in compliance with all federal requirements.

If a TIP revision occurs based on FHWA August Redistribution that adds, advances, or adjusts federal funding for a project, North Central will be notified of the Administrative Modification by PennDOT.

### **North Central TIP Revisions**

In accordance with the federal transportation planning regulations [23 CFR 450](#), revisions to the TIP will be handled as an *Amendment* or an *Administrative Modification* based on agreed-upon procedures detailed below.

#### **TIP Amendments Requiring Formal Action by North Central**

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. Addition of a project phase(s) that utilizes federal funds, deletion of a project phase(s) that utilizes federal funds, cost increase or cost decrease for a project phase(s) that utilizes federal funds, where the revision exceeds \$1,000,000

4. 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 North Central (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.
  
5. If North Central's Long Range Transportation Plan (LRTP) lapses because it has not been updated according to the required planning cycle or updated to reflect changes in federal transportation planning regulations, all revisions will be considered to be Amendments that require federal approval, until the LRTP is in compliance with all federal requirements

Approval by the North Central RPO is required for Amendments. North Central must then initiate PennDOT Central Office approval using the e-STIP process. An e-STIP submission must include a Fiscal Constraint Chart (FCC) that clearly summarizes the before, requested adjustments, after changes, and detailed comments explaining the reason for the adjustment(s) and provides any supporting information that may have been prepared. The FCC documentation should include any administrative modification actions that occurred along with or were presented with this action at the North Central meeting. The supporting documentation should include PennDOT Program Management Committee (PMC) materials, if available.

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 North Central TIP 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 PMC and FHWA is required.

**TIP Administrative Modifications Not Requiring Formal Action by North Central**

- Shifts Federally-funded projects, a Federally-funded project phase(s), or Federal funds to existing Federally-funded projects or a Federally-funded project phase(s) in the approved TIP and must maintain year-to-year TIP fiscal constraint requirements.
  
- Adds a project from a funding initiative or line item that utilizes 100 percent state or non-Federal funding; or regional TIP placement of the Federally-funded Statewide Program.
  
- Adds a project for emergency repairs to roadways or bridges, except those involving substantial, functional, location or capacity changes.
  
- Draws down or returns funding from an existing TIP reserve line item and does not exceed the threshold established in the MOU between PennDOT and North Central. 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 but does not exceed the above thresholds.

- Addition/deletion of a project or project phase(s) that utilizes Federal funds, where the revision is \$1,000,000 or less.
- Cost increases/decreases of \$1,000,000 or less for any project included on the TIP or approved on previous TIPs.
- Change in the scope of a project that results in a revision of \$1,000,000 or less to the total estimated project cost, or \$1,000,000 or less for Federally-funded Statewide Managed Program projects.
- Deletion of a Federally-funded Statewide Managed Program project.
- Addition of, deletion of, cost increase or cost decrease for a project phase(s) in Federally-funded Statewide Managed Program projects, where the revision is \$1,000,000 or less.
- 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 North Central, 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.
- Advancement of incidental Right of Way (ROW) or Utility work, when a project is listed in the TIP without a ROW or Utility phase and incidental work is needed during other phases. The advancement of ROW or Utility work may be authorized under other phases without amending the TIP, or the ROW or Utility phase could be added to the TIP by shifting funds from another phase(s) of the parent project.
- Administrative Modifications **do not** require Federal approval. PennDOT and North Central 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.
- All revisions shall be identified and grouped as one action on a FCC demonstrating both project and program fiscal constraint. The identified grouping of projects (the entire Amendment action) will require approval by the Cooperating Parties. In the case that a project phase is pushed out of the TIP period, North Central will demonstrate, through a Fiscal Constraint Chart, fiscal balance of the subject project phase on the second period of their respective Long Range Transportation Plan.

### **Documentation**

1. All revisions shall be identified on a Fiscal Constraint Chart (FCC) that specifies the current status, requested adjustments, and resulting status and demonstrates both project and overall TIP fiscal constraint. If a project phase(s) is deferred beyond the TIP period into the next

LRTP time period, North Central will prepare a FCC that demonstrates fiscal balance in the next time period of the LRTP.

2. The North Central Planning Committee is **required** to approve all amendments. North Central will then request approval by the PennDOT Central Office by the submission of an FCC through the electronic e-STIP process. PennDOT Central Office will review, approve and forward the amendment to FHWA or FTA for review and approval.
3. The North Central Planning Committee is **not required** to approve administrative modifications. North Central and project sponsor will work cooperatively to prepare and review the FCC and to respond to any comments from FHWA and FTA.
4. PennDOT will provide a TIP Financial Report to North Central on a quarterly basis which will include actual federal funding obligations and state funding encumbrances. At the end of the federal fiscal year, PennDOT will provide North Central with a summary Financial Report.
5. A telephone ballot, e-mail ballot, or fax ballot can and should be used to expedite action on amendments to the TIP, when North Central RPOs meeting schedule would:
  - Cause a delay in accomplishing a major milestone (e.g. missing of a bid letting); or
  - Cause the actual loss of federal funding or obligation authority; or
  - Unduly delay the processing and approval of an amendment

Actions taken by such ballots will be confirmed at the next regularly scheduled meeting.

### **Programming Statewide Transit Managed Funds**

Projects funded by FTA programs and delivered via Governor's apportionment are selected by PennDOT pursuant to the Pennsylvania State Management Plan approved by the FTA. These projects should be programmed within the TIP of the area where the project is located.

### **Financial Constraint**

Demonstration that STIP/TIP fiscal constraint is maintained takes place through a FCC. Real time versions of the STIP/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 450.218\(l\)](#) and [23 CFR 450.326\(g\)\(j\)&\(k\)](#) for each of the four years of the STIP/TIP. All revisions shall account for year of expenditure (YOE) 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 STIP/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 Transportation Performance Management**

In accordance with [23 CFR 450.326\(c\)](#), PennDOT and the MPOs/RPOs will ensure STIP/TIP revisions promote progress toward achievement of performance targets.

## **TIP Revision Procedures**

As North Central's TIP is adopted, the respective MOU will be included with the TIP documentation. The MOU will clarify how North Central will address all TIP revisions. **In all cases, North Central's revision procedures will be developed under the guidance umbrella of this document.** If North Central 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, 2020, 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.



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Jeffrey Pisarcik, Chairman  
North Central Full Board of Directors

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Date

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Jeremy Morey, Chairman  
Rural Transportation Planning Committee

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Date

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Amy Kessler, Community Development/  
Regional Planning Director  
North Central Rural Planning Organization (RPO)

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Date

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Michael Imbrogno, Executive Director  
Area Transportation Authority

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Date

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Brian Hare, Director, Program Center  
Pennsylvania Department of Transportation

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Date