

MEMORANDUM OF UNDERSTANDING

North Central 2023-2026 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) for processing revisions to the North Central TIP.

Background

The TIP is the official transportation improvement program document mandated by federal statute [23 CFR 450.218](#) and recognized by FHWA and FTA. The TIP includes a list of projects to be implemented over a four-year period as well as all supporting documentation required by federal statute.

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 2023-2026 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 act 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 Multi-modal 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 Major Bridge Public Private Partnership (MBP3) Program, 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 (Act 120 of 1970), includes the STIP/TIPs in the first four-year period. The TYP is not covered by Federal statute. Therefore, this MOU covers revisions only to the STIP/TIP.

How and when is a TIP Developed?

For more information on the development of the STIP/TIP, see *Pennsylvania’s 2023 Transportation Program General and Procedural Guidance* and *Pennsylvania’s 2023 Transportation Program Financial Guidance*. These documents were both released on July 15, 2021, and can be found on the [STIP page](#) on the STC Website under 2023 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.

The federal planning regulations, [23 CFR 450.324\(c\)](#), define update cycles for MPO/RPO LRTPs. If a MPO's/RPO's LRTP expires because the LRTP has not been updated in accordance with the planning cycle defined in the federal planning regulations, then the provisions of this MOU will not be utilized for that MPO/RPO. During a LRTP expiration, all STIP/TIP revisions that involve projects with federal funds within that MPO/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 MPO's/RPO's LRTP is once again in compliance with the federal planning regulations.

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 federally funded project 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 Federal obligations.
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 project phase(s) or increases a current project phase or deletes a project phase(s) or decreases a current project phase that utilizes Federal funds where the revision exceeds the following thresholds:
 - \$10 million for the Interstate Management (IM) Program
 - \$1 million for the remaining areas.
 - \$1 million for other federally funded Statewide Programs
5. Involves a Change in the Scope of Work to a project(s) that would:
 - Result in an air quality conformity re-evaluation,
 - 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.
6. 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 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.

All revisions associated with an amendment, including any supporting administrative modifications, should be shown on the same FCC, demonstrating both project and program fiscal constraint. The identified grouping of projects (the entire action) will require review and/or approval by the cooperating parties. In the case that a project phase is pushed out of the TIP period, North Central and PennDOT will demonstrate, through an FCC, fiscal balance of the subject project phase in the second or third four years of the TYP and/or the respective regional LRTP.

The initial submission and approval process of the Interstate Program and other federally funded Statewide Programs and increases/decreases to these programs, which exceed the thresholds above will be considered an amendment and require approval by PennDOT and FHWA/FTA (subsequent placement of these individual projects or line items on respective MPO/RPO 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 PMC and FHWA is required. Statewide managed transit projects funded by FTA programs and delivered via Governor's apportionment are selected by PennDOT pursuant to the Pennsylvania State Management Plan approved by FTA. These projects will be coordinated between FTA, PennDOT, the transit agency and associated MPO/RPO and should be programmed within the TIP where the project is located. These projects and the initial drawdown will be considered an amendment to the Statewide Program.

TIP Administrative Modifications Not Requiring Formal Action

Administrative Modifications do not require federal approval. PennDOT and North Central 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 modification that is not consistent with federal regulations or with this MOU where federal funds are being utilized.

- 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.
- 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 federal 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 of scope or type of funding.
- Adds, advances, or adjusts federal funding for a project based on FHWA August Redistribution based on documented August Redistribution Strategic Approach.
- 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 MPO/RPO, or the threshold established by this MOU (as detailed in the Amendment Section aforementioned); 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.

Financial Constraint

Demonstration that TIP fiscal constraint is maintained takes place through an FCC. Real time versions of the TIP are available to FHWA and FTA through PennDOT's Multi-modal Project Management System (MPMS). All revisions must maintain year-to-year fiscal constraint, per [23 CFR 450.218\(l\)](#) and [23 CFR 450.326\(g\)\(j\)&\(k\)](#), for each of the four years of the 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 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 North Central 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 MPO/RPO and Statewide. In addition, PennDOT will provide the Transit Federal Capital Projects report at the end of each FFY to all the parties listed above and FTA. The reports can be used by the MPOs/RPOs 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 MPOs/RPOs will ensure STIP/TIP revisions promote progress toward achievement of performance targets.

Statewide Transit Projects

Statewide managed transit 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 where the project is located.

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, 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.

Nancy Grupp, Chairman North Central Board of Directors	Date
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Rick Viglione, Chairman Rural Transportation Planning Committee	Date
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Amy Kessler, Community Development/ Regional Planning Director North Central Rural Planning Organization (RPO)	Date
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Michael Imbrogno, Executive Director Area Transportation Authority	Date
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Brian Hare, Director, Program Center Pennsylvania Department of Transportation	Date
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