

MEMORANDUM OF UNDERSTANDING LEBCO MPO's and PennDOT's Procedures for FFY 2015-2018 STIP and TIP Revisions

Purpose

This Memorandum of Understanding (MOU) establishes a set of procedures to be used in the Lebanon County Metropolitan Planning Organization (LEBCO MPO) and the Commonwealth of Pennsylvania for processing revisions to the FFY 2015-2018 Statewide Transportation Improvement Program (STIP). The STIP is the aggregation of the Planning Partners' Transportation Improvement Programs (TIPs), including the Statewide Interstate Management (IM) Program and others statewide managed programs (Statewide Programs).

Definitions

- **Administrative Modification** is a minor revision to the TIP or STIP.
- **Amendment** is a revision to a TIP or STIP that involves a major change to a project included in the TIP or STIP.
- A **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.
- A **Change in Scope** is a substantial alteration to the original intent or function of a programmed project.
- **Cooperating Parties** are PennDOT, Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs), Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and transit agencies.
- A **Fiscal Constraint Chart** is an Excel or MPMS-generated chart depicting the transfer of funds from one (source of funding) to a project or projects. Ideally, net change should be zero.
- The **Interstate Management (IM) Program** is PennDOT's four year listing of statewide interstate maintenance (non-capacity adding) projects.
- A **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.
- A **Planning Partner** is the Commonwealth's Metropolitan Planning Organizations (MPOs) or Rural Planning Organizations (RPOs) and an independent county (Wayne County).
- A **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.
- 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 a new project or project phase(s).
- **Revision** is either an amendment or an administrative modification to the STIP or TIP.

- A **Statewide Managed Program (Statewide Programs)** are those transportation improvements 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 and Keystone Corridor projects. The Interstate Management Program will remain its own individual program.
- **The 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 to the STIP. Placement of RBR projects or line items on regional TIPs will be considered as an administrative modification for each MPO/RPO.

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

The STIP constitutes a list of projects to be implemented over a four-year period. It is comprised of regional TIPs developed by the Planning Partners and Statewide Programs developed by PennDOT. The STIP is the official transportation improvement program document mandated by Federal statute and recognized by FHWA and FTA. The Commonwealth's Twelve Year Program which incorporates the TIPs and STIP is updated every two years as required by state law.

How and When is a STIP/TIP Developed?

See General and Procedural Guidance dated November 8, 2013 (attached)

STIP/TIP Administration

FHWA and FTA will only authorize projects and approve grants for projects that are programmed in the current approved STIP. If a Planning Partner, Transit Agency, or PennDOT wishes to proceed with a project not programmed on the TIP, a modification 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 modifications, and other actions taken to modify 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 § 450.324 permits the use of alternative procedures by the cooperating parties to effectively manage actions encountered during a given TIP cycle. The Federal Transportation Planning Regulations require that any alternative procedures be agreed upon, and such alternative procedures be documented and included in the TIP document.

All revisions must maintain year-to-year fiscal constraint [23 CFR § 450.324 (e), (h) & (i)] for each of the four years of the STIP/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 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.

In addition, TIP revisions must be consistent with the Planning Partner's Long Range Transportation Plan (LRTP), and must correspond to the adopted provisions of the Planning Partner's Public Participation Plan (PPP). A reasonable opportunity for public review and comment shall be provided for significant revisions to the STIP/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 Interagency Air Quality Consultation Group. If a new conformity determination is deemed necessary, an amendment to the region's LRTP shall also be developed and approved by the MPO/RPO. The modified conformity determination would then be based on the amended LRTP conformity analysis and public involvement procedures consistent with the region's PPP shall be required.

If August Redistribution of Federal Highway Funds adds, advances, or adjusts federal funding for a project, the Planning Partner will be notified of the administrative modification by PennDOT.

Revisions – Amendments and Administrative Modifications

An *amendment* is a STIP/TIP revision that:

- Affects air quality conformity regardless of the cost of the project or the funding source;
- Adds a new project or deletes a project that utilizes Federal funds from a statewide line item that exceed the thresholds listed below and excludes those federally-funded Statewide Program projects;
- 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:
 - \$5 million for the Interstate Management (IM) Program
 - \$1 million for other federally-funded Statewide Programs
 - \$5 million for MPOs with 2010 US Census population > 1,000,000
 - \$3 million for MPOs with 2010 US Census population > 200,000 but < 1,000,000
 - \$2 million for the remaining Planning Partners
- 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 Planning Partner (not to exceed any federally-funded threshold contained in this MOU),
 - Result in a change in the scope of work on any federally-funded project that is significant enough to essentially constitute a new project.

The initial submission and approval process of the federally-funded Statewide Program will be considered an amendment (subsequent placement of these individual projects or line items on the respective planning partner TIPs will be considered an administrative action).

Approval by the MPO/RPO is required for amendments. The MPO/RPO must then request PennDOT Central Office approval using the e-STIP process. A Fiscal Constraint Chart (FCC) must be provided (in Excel format) which summarizes the before, requested adjustments, and after changes 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.

In the case of 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 STIP/TIP revision that:

- Adds a project from a funding initiative or line item that utilizes 100 percent State or non-federal funding; or regional TIP placement of federal-funded Statewide Program or federal funds from a statewide line item that do not exceed the thresholds established by the Planning Partner;
- 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 STIP/TIP reserve line item and does not exceed the threshold established in the MOU between PennDOT and the Planning Partner;
- Adds Federal or state capital funds from low bid savings, deobligations, release of encumbrances, or savings on programmed phases to another programmed project phase or line item.

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 exceed the threshold established in the MOU between PennDOT and the Planning Partner, or the threshold established by the PennDOT/FHWA/FTA MOU (as detailed in the amendment section); and does not result in a change in the scope of any federally-funded project that is significant enough to essentially constitute a new project.

Administrative modifications do not require federal approval. PennDOT and the Planning Partner 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 the PennDOT/FHWA/FTA MOU where federal funds are being utilized.

All revisions shall be identified and grouped as one action on a Fiscal Constraint Chart (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, the Planning Partner will demonstrate, through a FCC, fiscal balance of the subject project phase on the second period of the respective Planning Partner's Long Range Transportation Plan.

Programming Statewide 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 urbanized area where the project is located.

Financial Constraint

Demonstration of STIP/TIP financial constraint to FHWA and FTA takes place through a summary of recent administrative modifications and proposed amendments. Real time versions of the STIP/TIP are available to FHWA and FTA through PennDOT's Multimodal Project Management System (MPMS).

STIP/TIP Financial Reporting

At the end of each quarter, PennDOT will provide each Planning Partner with a STIP/TIP Financial report of actual Federal obligations and state encumbrances for highway/bridge and transit programs in their region. At the end of the Federal Fiscal Year, the PennDOT report card can be used by the Planning Partners as the basis for compiling information in order to meet the Federal Annual Listing of Obligated Project requirement. The STIP/TIP Financial Report provided to FHWA and FTA will also include the FHWA Planning Performance Measure – "percent of STIP/TIP projects advanced per year" on a Statewide and Planning Partner basis. A summary report detailing this information will be provided no later than 30 days after the end of a federal fiscal year.

TIP Revision Procedures

As each Planning Partner's TIP is adopted, their respective MOU will be included with the TIP documentation. The MOU will clarify how the planning partner will address all TIP revisions. **In all cases, individual planning partner revision procedures will be developed under the guidance umbrella of the PennDOT/FHWA/FTA MOU.** If a Planning Partner 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, 2014, and remain in effect until September 30, 2016, 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.


Jo Ellen Litz, Chairwoman of the LEBCO MPO

6.19.14
Date

Mr. Larry S. Shifflet, Director
Center for Program Development and
Management
Pennsylvania Department of Transportation

Date