Appendix C

Memorandum of Understanding on Procedures to Amend and Modify the TIP

DELAWARE VALLEY
dvrpc
REGIONAL
PLANNING COMMISSION

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Delaware Valley Regional Planning Commission

Memorandum of Understanding
Concerning
Special Procedures for Expediting TIP Amendments and Modifications for DVRPC's Pennsylvania Region

Adopted by the DVRPC Board on July 23, 2026

This Memorandum of Understanding will begin October 1, 2026, and remain in effect until September 30, 2028, unless revised or terminated. Furthermore, it is agreed that this MOU will be reaffirmed every two years.

I. Purpose and Background

The **purpose of this memorandum** is to establish a set of procedures to be employed by the Delaware Valley Regional Planning Commission (DVRPC) and its member agencies (PennDOT, the counties, cities, and transit operators) to expedite amendments and modifications to the regional Transportation Improvement Program (TIP).

Federal law (Titles 23 and 49, United States Code), as amended by the **Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)**, the **Transportation Equity Act for the 21st Century (TEA21)**, the **Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU),** the **Moving Ahead for Progress in the 21st Century Act (P.L. 112-141) (MAP-21),** the **Fixing America's Surface Transportation Act (P.L. 114-94) (FAST Act), and the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58, also known as the "Bipartisan Infrastructure Law")** requires every metropolitan planning organization (MPO, in this case DVRPC) to produce a multi-year TIP which includes all projects which will seek federal funds and all other regionally significant transportation projects. This TIP must be developed through the MPO's planning process which must be open to public input and comment. Federal law also requires the State to develop a Statewide Transportation Improvement Program (STIP) which includes all projects from the metropolitan TIPs (Pennsylvania has 19 MPOs, 4 Rural Planning Organizations, and an individual County).

These federal laws require a TIP to cover a minimum of four years and be updated at least every four years. State law requires PennDOT and its Planning Partners (MPOs/RPOs/Individual County) to update the TIP and Twelve Year Plan (TYP) every two years. The regional TIP for the five DVRPC Pennsylvania counties (Bucks, Chester, Delaware, Montgomery, and Philadelphia) is updated every

other year (on odd years) to coincide with the update of the PennDOT STIP and the Twelve Year Program. The timing of the update process during a particular year is dictated by the need to have a TIP/STIP in place (i.e., adopted by the MPO, approved by the Governor, and accepted by the federal agencies of FHWA, FTA, and EPA) so that federal funding can proceed for the designated federal fiscal year, which begins on October 1.

The federal **Statewide and Metropolitan Planning Regulations** (23 CFR 450), which govern the provisions of ISTEA/TEA21/SAFETEA-LU/MAP-21/FAST Act/IIJA(BIL) concerning the TIP, make a distinction between TIP amendments and other actions taken by the MPO which modify the TIP. The intent of this distinction is to streamline the procedures for implementing projects while still providing transparency. Furthermore, the regulations permit the use of expedited procedures to accomplish certain changes if prior agreements have been established. 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.

Based on these regulations, DVRPC and its member agencies agree to recognize two categories of MPO actions concerning changes to the TIP: **Amendments** and Administrative **Modifications** which are described below. In all cases in this MOU, the term TIP shall mean TIP/STIP.

II. TIP AMENDMENTS

Federal regulation defines a TIP amendment as the **addition, deletion, or a major change to an existing federally funded project included in the TIP**, and DVRPC and its member agencies agree that TIP Amendments require **formal action by the DVRPC Board**, generally based on a recommendation from the Regional Technical Committee (RTC). **Exceptions are allowed** under certain circumstances for projects which received federal authorization under a previous TIP, or for which another "Administrative Amendment" condition applies (see Section III. B.).

In order **to add a <u>new</u> project to the TIP**, the sponsor must identify an equivalent cost reduction in the appropriate year or additional funds made available to the region and the action must maintain the overall financial constraint of the four year program. Reductions do not have to come from the sponsor's county, as long as they are acceptable to the parties involved. Funding is allocated to the project, not the County.

The Clean Air Act Amendments (CAAA) require a new conformity determination if the TIP is amended by adding or deleting an Air Quality (AQ) regionally significant project, except for traffic signal projects which can be initially added without a regional emissions analysis but must be included in all subsequent emissions analyses as required by the Final Conformity Rule. The addition or deletion of a project classified as exempt in the CAAA does not require a new conformity

analysis. In consultation with the appropriate agencies if needed, DVRPC staff will determine whether a project is exempt from the conformity requirements.

For the purposes of public involvement, DVRPC and its member agencies agree to recognize three classes of amendments.

- **Major amendments** include those projects which require a new regional conformity determination. Major amendments will require not less than a 30 day public comment period before Board action.

- **Minor amendments** include those projects which are exempt from the conformity requirements or which have been assessed using project level analysis procedures and found not to change the finding of conformity. Minor amendments will not require a 30 day comment period, but will seek public involvement through DVRPC's RTC and through the many opportunities outlined in DVRPC's Public Participation Plan.

- **Administrative amendments** include actions for projects or project phases that have previously received federal authorization or for which another "Administrative Amendment" condition applies, and which, under this agreement, will only require approval by the Executive Director on behalf of the MPO, as described under Section III.B.

A. Minor TIP Amendments Requiring DVRPC Board Action for projects that do not trigger a new conformity analysis (are not limited to the following):

1. Project actions that **add a new project** to the four year TIP, including advancing a project phase(s) from the second and/or third four years of the 12 year program that has **no phases** obligated, encumbered, or programmed in the first 4 years.

2. Project actions which cause there to be **no phases within the four-year TIP period. If a project with one or more MPMS #s has been Let for construction and has been fully obligated under a previous TIP and the removal of phases causes there to be no phases of the project programmed within the four year TIP, this will be an administrative action.**

3. Project actions that result in a **significant change in project scope** (intent, alignment, degree of local impact, as assessed by DVRPC staff to be significant enough to essentially constitute a new project).

4. Project actions which **increase the overall cost of a project within the four years of the TIP by more than $7,500,000** of state and/or federal funds and local funds (if local funds represent the required match).

5. Project action which **decreases the overall cost of a project within the four years of the TIP by more than $7,500,000** of state and/or federal funds and local funds (if local funds represent the required match).

6. When a project that utilizes 100 percent state funds and needs federal funds to establish Federal Government Agencies as the lead reviewing agency the project will be 'federalized' (placing federal funds on a project).

III. Expedited Procedures for TIP Modifications and Administrative Amendments

The federal regulations permit an MPO to move projects from **years two, three, or four** of a TIP to the first year, or to change the **funding source** of a project, without going through the formal amendment process. The regulations refer to these actions as "project selection actions". DVRPC and its member agencies define these types of actions as TIP modifications and administrative amendments. Also included in the modifications category are project **cost changes** if they do not represent a significant change in project scope.

Federal regulations permit modifications to be made in an expedited manner if agreements exist between the participating agencies. DVRPC and its member agencies recognize that some modifications should be based on a formal action of the DVRPC Board. In many other cases, they can be handled through an interagency memorandum of understanding which establishes less formal administrative procedures.

This Memorandum of Understanding (MOU) establishes such expedited procedures as permitted by the federal regulations. In general, these procedures specify how changes can be made without formal action by the DVRPC Board. Instead, authority is either granted to the implementing agency, delegated to the DVRPC Executive Director or delegated to the RTC, based on specific conditions. The details of these procedures are described below:

A. Modifications Not Requiring Action by DVRPC

1. When there is a cost increase to an overall cost of a project within the four years of the TIP that is **less than or equal to $1,000,000**.

2. When there is a project action which decreases the overall cost of a project within the four years of the TIP by $7,500,000 or less if it does or does not represent a reduction in scope.

3. When a project is listed in an approved TIP without a right-of-way phase or a utility phase and the need for some **incidental ROW or utility work** is discovered during the design phase. Such ROW purchase may be authorized under either the design or construction phases of the project without modifying the TIP. Incidental ROW is the purchase of a minor piece of property (including utility relocation) that does not involve the taking of any residential or business structure(s). The utility phase may be programmed individually.

4. When either PennDOT or SEPTA deems it appropriate to **shift costs between eligible funding categories** in accordance with available resources and eligible facilities/projects. DVRPC partners (e.g. PennDOT, SEPTA, PART, Bucks County, Chester County, Delaware County, Montgomery County, City of Philadelphia) may shift project funding between any of the federal or state funding categories, as well as between federal funds and state funds so long as the changes do not have a cost increase/decrease of more than $7,500,000 or do not involve the federalization of a project.

5. When either PennDOT, SEPTA, or PART need to add certain types of projects to the TIP that do not require formal action by the MPO as **exempted under federal law**. These include the addition of safety projects funded under 23 U.S.C. 402 and the addition of federal Emergency Relief projects (except those involving substantial functional, locational and capacity changes).

6. 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. Note that DVRPC staff will directly contact the PA TIP Subcommittee bringing attention to these actions.

7. When the **line items** for Betterments are to be tapped for individual projects of **less than $7.5 million**. In these cases, PennDOT will notify DVRPC of the project(s) and the amounts to be drawn from the line item. DVRPC will note the amount of funds remaining as of a given date in the project description section. If the individual project **is more than $7,500,000**, it will be treated as a minor amendment under the procedure in section "**II. TIP AMENDMENTS.**" 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, drainage improvements or guide rail updates.

8. When a project listed in an approved TIP is removed because funds for all phases totaling $7,500,000 or less have already been obligated or encumbered on the previous TIP and those programmed funds can be used as a resource for another project. Note: If the amount of funds that are deleted from the project is more than $7,500,000, it will then be considered a minor amendment requiring DVRPC Board Action.

9. When a project draws down or returns funding from an existing TIP reserve line item. A traditional 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.

10. When a project draws down funding from a competitive program's Line Item (e.g. TASA or Competitive CMAQ) where the projects have already been approved by the DVRPC Board. If the draw down is more than $7,500,000 or more, it will then be considered a minor amendment requiring DVRPC Board Action.

11. When an action occurs to breakout projects into two or more separate projects from a parent project in order to facilitate project delivery and there are no Air Quality Conformity issues or change of scope.

Under any of these circumstances, DVRPC Partners will inform DVRPC of the action taken.

B. Modifications and Administrative Amendments Allowed Under Administrative Action by DVRPC

The Executive Director, upon consultation with the affected county or counties, may process a proposed modification or administrative amendment to the TIP by administrative action:

(Administrative Modifications)

1. When a project sponsor wants to **move a project phase to the current fiscal year** that is listed under the second, third, or fourth year of the TIP (i.e., for the FY2027 TIP: the years FY28, FY29, or FY30), unless there is a formal record of opposition to the project by a public interest group.

2. Involves a cashflow action that does not change the project's overall total cost in excess of the thresholds described above. This includes movement of funding between the TIP and TYP years if a project is already partially funded on the TIP. Projects moving into/out of the TIP from/to the TYP in their entirety will be considered an Amendment

3. When a cost increase to a project is greater than **$1 million and less than or equal to $7.5 million**, and the modification proposes to use funds only from other projects on the TIP that

cannot be authorized that fiscal year due to scheduling or other delays, or if there is concurrence from the affected county(ies), or if there are additional funds being made available to the region.

4. Project action which decreases the overall cost of a project within the four years of the TIP by less than or equal to $7,500,000.

5. Adds, advances, or adjusts federal funding for a project based on FHWA August Redistribution based on PennDOT's documented August Redistribution Strategic Approach

(Administrative Amendments)

6. When a cost increase of $7,500,000 or less occurs to the construction phase of a project that was **already obligated or encumbered** but is no longer shown in the TIP; or when a cost increase of $7,500,000 or less occurs to a pre-construction phase of a project that has **already been obligated or encumbered** but is no longer shown in the TIP and that increase is not due to a significant change in the project scope. Note: If the increase is more than $7,500,000, this action would then be considered a minor amendment requiring DVRPC Board Action.

7. When adding a phase to a project when another phase was already obligated or encumbered. If the addition of the phase is greater than $7,500,000, this action would then be considered a minor amendment requiring DVRPC Board Action.

8. Adds a project back on to the TIP only for the following purposes:
    a. Advance Construct conversion.
    b. To Process a Right of Way or damage claim.
    c. To capture project close-out costs.

9. When an action adds a new phase(s) or removes a phase(s), or increase/decrease a phases(s) to a project that is already programmed on the TIP and the proposed fiscal change to the project is less than or equal to the $7,500,000 threshold.

10. Adds a project to the program that was added to the previous TIP via TIP amendment process within the current calendar year

11. When PennDOT seeks federal authorization to cover $7,500,000 or less in **accrued unbilled costs or close outs** on projects and/or phases previously shown on the TIP and already authorized. Note: If the increase is more than $7,500,000, this action would then be considered a minor amendment requiring DVRPC Board Action.

12. When a project "breakout" is developed from a "parent" project which creates a new MPMS number, but for which there is not a major scope increase to the work to be accomplished that would otherwise be considered a new project.

13. When a previously DVRPC Board accepted project derived from a Statewide Managed Program (e.g. sHSIP, TASA, SRTS, RRX, ARLE, MTF, GLG) is being returned to the program. See Section III.D.2.

C. Transit – Funds Related to Prior-Year Unobligated Funds

This section relates to Federal Transit funds which have been programmed for obligation in a Federal Fiscal Year (FFY), but which have not been obligated in an FTA grant in the current FFY. FTA requires all funds to be shown in the year of obligation in compliance with 23 CFR 450.326(g). Federal Transit funding – including Section 5307 and Section 5337 funds – which are apportioned and programmed but not obligated in the year of programming may be shifted to the next FFY and considered eligible as an Administrative Modification unless the project is undergoing significant changes as well.

DVRPC will notify its member agencies and the public of all such administrative actions. For Administrative Amendments.

While administrative actions do not require federal approval, PennDOT and DVRPC 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.

D. Amendments Requiring Formal Action by DVRPC

All other changes to existing projects in the TIP not covered above in section III will be submitted to the RTC for their review and resolution. The RTC may, at its discretion, recommend full DVRPC Board formal action. Any changes under this section should go to the RTC for recommendation before proceeding to the Board, except in the case when the delay would cause the actual loss of federal funding or obligation authority. Financial constraint will be maintained.

Examples of typical Amendments that get submitted for formal DVRPC Board action include but are not limited to:

1. Addition of a new project to the first four years of the TIP or the Twelve Year Program.

2. Cost increase to a construction phase when additional work orders need to be approved, and the cost estimate has increased by more than $7,500,000.

E. Statewide Programs

New project additions to the DVRPC TIP that are derived from statewide managed programs and selected by PennDOT Central Office staff or PennDOT's Secretary of Transportation, such as Highway Safety Improvement Program Set-aside (sHSIP), Railroad Grade Crossing Program (RRX), the Statewide Transportation Alternatives Set-aside Program (TASA), Automated Red Light Enforcement (ARLE), PennDOT's Multimodal Transportation Fund (MTF), and Green Light-Go (GLG), and Transportation Infrastructure Investment Fund (TIIF), or any new statewide managed funding category created by any new federal or state laws, will go through formal review and action by the DVRPC Board. The DVRPC Board will be requested to "Accept" these projects and their additional funds to the TIP. These funds are additional to the region and are outside the Core Funding distributions (see PennDOT Financial Guidance for further details). Further guidance for modifications and amendments to statewide programs is detailed in the Statewide Memorandum of Understanding, Procedures for TIP and STIP Modifications agreed to by PennDOT, the Federal Highway Administration, and the Federal Transit Administration.

1. PennDOT has established a statewide Interstate Management Program with designated funding through the Financial Guidance formula allocation process. This programming concept is also consistent with the Department's philosophy of managing the Interstate System within Pennsylvania as a single, statewide asset. The funds are distributed dependent upon statewide need as determined by a technical review of candidate projects. PennDOT Districts will still retain project management responsibility for the interstate projects within their geographical areas. Continued coordination between PennDOT and the MPO/RPOs will be an integral part of the IM Program's success, and all revisions to the DVRPC region IM Program will be provided to DVRPC by Central Office in a timely manner.

2. Projects derived from Statewide Managed Programs that are state funded, e.g., Automated Red Light Enforcement (ARLE), PennDOT's Multimodal Transportation Fund (MTF), and Green Light-Go (GLG), which were programmed on a previous TIP and funds have not been encumbered and need to be shown on the current TIP may be added back into the TIP as an Administrative Action.

3. Keystone Corridor project funds will be noted in the DVRPC TIP as appropriate. See the Statewide MOU for guidance.

IV. ADMINISTRATION

A. Compliance with Planning Process

TIP revisions must be consistent with Pennsylvania's Transportation Performance Management (TPM) requirements, Pennsylvania's Long-Range Transportation Plan (LRTP), and the DVRPC's LRTP. In addition, STIP/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 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 DVRPC's Public Participation Plan (PPP). A PPP is a documented broad-based public involvement process that describes how DVRPC 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.

All projects within a non-attainment or maintenance area will be screened for Air Quality significance. PennDOT will coordinate with regional MPO/RPOs to screen Statewide Program projects for Air Quality significance. 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 STIP and region's TIP shall also be developed and approved by DVRPC. The modified conformity determination would then be based on the amended TIP conformity analysis and public involvement procedures consistent with DVRPC'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 in compliance with the federal planning regulation.

B. Fiscal Constraint Charts

Financial constraint refers to keeping the costs of the TIP within the amount of funds that are reasonably available to the region. PennDOT and its Planning Partners statewide agree to a **Financial Guidance** package when developing the TIPs that sets the bounds of funding for each region. Each region is to maintain their TIP at that level during the life of the TIP and incorporate project Year of Expenditure costs, while the state is to maintain the overall financial constraint of the STIP. To assist in the maintenance of financial constraint of the TIP when making amendments and modifications under this MOU, DVRPC, SEPTA, and PennDOT have devised a **Fiscal Constraint Chart.** The parties agree to use this electronic spreadsheet to identify each month the requested changes to the TIP and the beginning and ending balances in the fiscal constraint "bank" for the Highway and Transit Programs. The parties accept their responsibility under the federal regulations to ensure that the TIP remains fiscally constrained. They also acknowledge that maintaining financial constraint on an action by action basis may not always result in zero balances, but that every effort will be made to rectify any non-zero balances in concert with the state as it reassesses its estimate of reasonably available funds. The Fiscal Constraint Chart is the tool used by the state to make that determination. The arbitrary reduction of the overall cost of a project, or project phases, shall not be utilized for the advancement of another project.

C. Processing TIP Actions for PennDOT Central Office and Federal Approval

Approval by the DVRPC Board is required for certain TIP Actions detailed in this MOU. Following approval by the DVRPC Board, DVRPC staff must then request PennDOT Central Office approval for all amendments. For projects that are identified in this MOU as being amendments using federal funds, DVRPC staff will use the e-STIP process by submitting to PennDOT Central Office a package of information, which is then submitted to FHWA or FTA for federal approval. 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 project programming before a TIP Action is processed, the requested adjustments, project programming after a TIP Action is processed, and comments explaining the reason for the adjustment(s). The package submitted via eSTIP also provides any PMC materials prepared by PennDOT, if available, along with an updated TIP project listing. 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. For amendments that are 100 percent state funded projects, DVRPC staff will notify PennDOT that the action was

approved by the DVRPC Board and that the action can be committed in the PennDOT Multimodal Project Management System (MPMS) system.

D. August Redistribution

If August redistribution of Federal Highway funds adds, advances, or adjusts federal funding for a project, DVRPC will be notified of the project changes by PennDOT. See Section III.B.5.

E. Performance Reports and Data Sharing

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

In order to better manage the TIP/STIP and provide decision makers with timely and accurate information about progress in implementing the TIP, PennDOT will provide DVRPC with financial and performance reports.

1. PennDOT will provide DVRPC with a financial report of federal obligations and state encumbrances which DVRPC will post on the DVRPC TIP website. PennDOT will identify the funding target for the current fiscal year as soon as possible after the federal government establishes the obligation limits for that year. This target amount will be based on the region's allocation of programmed Base Funds as agreed to in the Statewide Financial Guidance for the TIP, factored by the ratio of the state's total obligation limit to total authorized funds for all base funding categories.

    a. PennDOT will provide DVRPC with a quarterly and annual report comparing the programed target amount with the actual amount of funds obligated (federal) or encumbered (state) through the end of that quarter, by TIP funding category. SEPTA will provide DVRPC with a similar annual report comparing the programmed amount with the actual amount of funds secured under grants.

    b. PennDOT will provide DVRPC with a report (and data file) showing the project/phase level detail of funds obligated or encumbered through the end of the quarter.

    c. DVRPC will post the Obligation/Encumbrance information on its website under the title of List of Federally Obligated Projects.

2. PennDOT and SEPTA will provide DVRPC with annual Performance Measure reports.

3. The STIP/TIP Financial Report provided by PennDOT to FHWA/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 to DVRPC 30 days after the end of the federal fiscal year.

4. PennDOT and SEPTA will provide DVRPC with their annual list of obligated projects in order for DVRPC to post the reports online as required by federal law within 90 day of the end of the federal fiscal year.

We, the undersigned, agree to use the above procedures to amend and modify the Delaware Valley Regional Planning Commission (DVRPC) Pennsylvania Transportation Improvement Program (TIP) and the Pennsylvania Statewide Transportation Improvement Program (STIP).

Date 7/23/2026

Executive Director,
for DVRPC

Date 7/23/2026

Deputy Secretary,
for PennDOT

Date _____

General Manager,
for SEPTA

MEMORANDUM OF UNDERSTANDING
Pennsylvania's Statewide Procedures for 2027-2030 Statewide Transportation Improvement Program and Transportation Improvement Program Revisions

Background

This Memorandum of Understanding (MOU) between the Pennsylvania Department of Transportation (PennDOT), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) establishes procedures to be used in the Commonwealth of Pennsylvania for processing revisions to the 2027-2030 Statewide Transportation Improvement Program (STIP). The STIP is the aggregation of the Metropolitan Planning Organization (MPO) and Rural Planning Organization (RPO) Transportation Improvement Programs (TIPs), including the Interstate Management (IM) Program and other statewide managed programs (Statewide Programs).

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 required by federal statute. The STIP includes regional TIPs developed by the MPOs and RPOs, the PennDOT developed Interstate Management (IM) Program, the Eastern Federal Lands Highway Division Annual and Mid-Year TIPs, and other Statewide Programs (PennDOT works with Wayne County to develop the Wayne County Independent TIP). 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-aside, Highway-Rail Grade Crossing Safety (RRX), Surface Transportation Block Grant Program set-aside (TAP) funds, Green-Light-Go (GLG), Automated Red Light Enforcement (ARLE), Multi-Modal (MTF), Recreational (Rec) Trails, Transportation Infrastructure Investment Fund (TIIF), and 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 12-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.

For more information on the development of the STIP/TIP, see *Pennsylvania's 2027 Transportation Program General and Procedural Guidance* and *Pennsylvania's 2027 Transportation Program Financial Guidance*. These documents were both released on May 29, 2025 and can be found on the https://www.talkpatransportation.com/how-it-works/stip on the STC Website under 2027 Guidance Documents.

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 MPO/RPO, transit agency, or PennDOT wishes to proceed with a federally funded project not programmed on the STIP/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 amendments and administrative modifications. If necessary, 23 CFR 450.328 permits the use of alternative procedures by the cooperating parties to effectively manage amendments and/or administrative modifications 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.

STIP/TIP revisions must be consistent with Pennsylvania's Transportation Performance Management (TPM) requirements, Pennsylvania's Long-Range Transportation Plan (LRTP), and the associated MPO's/RPO's LRTP. In addition, STIP/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, MPOs/RPOs, and transit agencies at the county and regional levels. This approach will be applied to continue the 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 objectives and enhances the overall performance of the Commonwealth's transportation system.

STIP/TIP revisions must correspond to the adopted provisions of the MPO's/RPO's Public Participation Plans (PPPs). A PPP is a documented broad-based public involvement process that describes how the MPO/RPO will involve and engage the public and interested parties in the transportation planning process to ensure that their comments, concerns, or issues 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 STIP/TIP.

All projects within a nonattainment or maintenance area will be screened for Air Quality significance. PennDOT will coordinate with regional MPO/RPOs to screen Statewide Program projects for Air Quality significance. 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 STIP and region's TIP shall also be developed and approved by the MPO/RPO. The modified conformity determination should be based on the amended TIP conformity analysis and follow public involvement procedures consistent with the MPO/RPO region's Public Participation Plan (PPP). Upon adoption of the revised conformity determination, air quality resolution and amended TIP, the MPO/RPO will then provide a formal request to PennDOT to submit the determination to FHWA/FTA for their review and approval. FHWA and FTA will coordinate with EPA to achieve concurrence and then subsequently issue a joint approval on the air quality conformity determination.

The federal planning regulations, 23 CFR 450.324(a) & (c) and 23 CFR 450.330(c), define update cycles for MPO/RPO LRTPs. Per 23 CFR 450.330(c), "Until the MPO approves (in attainment areas) or the FHWA and the FTA issue a conformity determination on (in nonattainment and maintenance areas) the updated metropolitan transportation plan, the MPO may not amend the TIP." MPOs/RPOs in air quality nonattainment and maintenance areas are required to update their LRTP every 4 years, and their LRTP clock is reset with the joint FHWA/FTA air quality conformity action on their adopted plan. If the LRTP in a nonattainment or maintenance area has expired due to lack of a conformity approval, the MPO/RPO cannot amend the LRTP or TIP and the State cannot amend the affected portion of the STIP. This includes any projects on the IM TIP or Statewide TIP occurring within the MPO/RPO area. Accordingly, MPOs/RPOs in nonattainment or maintenance areas should allow at least 60-90 days between Board adoption and their LRTP conformity expiration date to allow for the necessary federal coordination and joint approval processes to be completed.

MPOs/RPOs in orphan maintenance or attainment areas are required to update their LRTP every 5 years, and their LRTP clock is reset with Board adoption of their plan. If an orphan maintenance or attainment area MPO/RPO does not adopt their LRTP by the expiration deadline, their LRTP will expire.

During an LRTP expiration, the MPO/RPO cannot amend the LRTP or TIP and the State cannot amend the affected portion of the STIP.

Pennsylvania STIP/TIP Revisions

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

An ***Amendment*** is a revision to the STIP/TIP that:

- **Affects air quality conformity regardless of the cost of the project or the funding source**.
- 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 STIP/TIP and does not have previous Federal obligations.
- Deletes a project that utilizes federal funds, except for projects that were fully obligated in the previous STIP/TIP and no longer require funding. In this case, removal of the project will be considered an administrative modification**.**
- Adds a new phase(s), deletes a phase(s) or increases/decreases a phase(s) of an existing project that utilizes federal funds where the total revision of federal funds exceeds the following thresholds within the four years of the TIP:
    - $10 million for the Interstate Management (IM) Program;
    - $7.5 million for the DVRPC and SPC MPOs;
    - $3.0 million for the other TMA MPOs;
    - $2.0 million for the remaining areas;
    - $1 million for other federally funded Statewide Programs.
- 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 programmed amount that exceeds the thresholds established between PennDOT and the MPO/RPO;
    - Result in a change in the scope of work on any federally funded project that is significant enough to essentially constitute a new project.
    - *For additional transit modification information as it relates to executed grants and FFY obligations see the transit section on Page 5.*

Approval by the MPO/RPO is required for ***Amendments***. The MPO/RPO must then initiate PennDOT Central Office approval using the eSTIP process. An eSTIP submission must include a Fiscal Constraint Chart (FCC) that clearly summarizes the before amounts, requested adjustments, after change amounts, 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 modifications that occurred along with or were presented with this amendment at the MPO/RPO meeting. The supporting documentation should include PennDOT Program Management Committee (PMC) and Center for Program Development and Management (CPDM) items/materials, if available. Before beginning the eSTIP process, the Planning Partner/District/CPDM staff should ensure that projects involved in the eSTIP are meeting funding eligibility requirements and have the proper air quality conformity status and region exempt codes (as appropriate) in PennDOT's Multimodal Project Management System (MPMS).

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, the MPO/RPO and PennDOT will demonstrate, through a 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 of the urbanized area where the project is located. These projects and the initial drawdown will be considered an amendment to the Statewide Program.

An ***Administrative Modification*** is a minor revision to a STIP/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.
- Involves a cashflow action that does not change the project's overall total cost in excess of the thresholds described above. This includes movement of funding between the TIP and TYP years if a project is already partially funded on the TIP. Projects moving into/out of the TIP from/to the TYP in their entirety will be considered an Amendment.
- Adds a project back on to the TIP only for the following purposes:
    - Advance Construct conversion.
    - To process a right-of-way or damage claim.
    - To capture project close-out costs.
- 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;
- Adds a project to the program that was added to the previous TIP via TIP amendment process within the current calendar year;
- 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 utilizing August Redistribution obligation authority based upon the documented August Redistribution Strategic Approach.
- *For additional transit modification information as it relates to executed grants and FFY obligations see the transit section on Page 5.*

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; do not add a new federally-funded project or delete a federally-funded project; do 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 do 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 MPO/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.

Transit – Funds Related to Prior–Year Unobligated Funds

This section relates to Federal Transit funds which have been programmed for obligation in a Federal Fiscal Year (FFY), but which have not been obligated in an FTA grant in the current FFY. FTA requires all funds to be shown in the year of obligation in compliance with 23 CFR 450.326(g). Federal Transit funding – including Section 5307 and Section 5337 funds – which are apportioned and programmed but not obligated in the year of programming may be shifted to the next FFY and considered eligible as an Administrative Modification unless the project is undergoing significant changes as well.

Fiscal Constraint

Demonstration that STIP/TIP fiscal constraint is maintained takes place through an FCC. Real time versions of the STIP/TIP are available to FHWA and FTA through MPMS. All revisions must maintain year-to-year fiscal constraint, per 23 CFR 450.218(l)&(m) 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.

STIP/TIP Financial Reporting

PennDOT will provide reports to each MPO/RPO and FHWA no later than 30 days after the end of each quarter and each 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 of the parties listed above and FTA. These reports can be used by the MPOs/RPOs as the basis for compiling information to meet the federal annual listing of obligated projects requirement in 23 CFR 450.334. Additional content and any proposed changes to the report will be agreed upon by PennDOT, FHWA and FTA.

STIP/TIP Transportation Performance Management

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

Statewide or Multi-UZA 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 of the urbanized area where the project is located.

The Keystone Corridor (Pennsylvania portion) is the in-State and commuter rail service funded by PennDOT and FTA on the Amtrak rail line that runs between Philadelphia and Harrisburg. Keystone Corridor projects are funded within the three-contiguous large urbanized areas (UZA) – Harrisburg, Lancaster, and Philadelphia. The entire amount of federal funds applied to Keystone Corridor Projects shall be programmed on the TIP of the UZA from which the funds originate. If the Project is located within a UZA that is not the UZA from which the funds originate, then the Project shall be listed in the TIP (of the UZA where the Project is located) as a "Keystone Corridor Project", the use of the funding

and amount shall be noted in the project description, and the funding amount shall be entered as $0. The funds should only be noted for information and air quality conformity determination purposes, but not programmed in the TIP where the Project is located to avoid the double counting of programmed funds within the two TIPs. For instance, if federal funding from the Lancaster UZA is applied to the restoration of a Keystone Corridor station located in the Philadelphia UZA, then the full amount of the federal funding for the Project shall be programmed on the Lancaster TIP, and for information and air quality conformity purposes, the Project shall also be listed on the Delaware Valley Regional Planning Commission (DVRPC) TIP as "Keystone Corridor Station Restoration" along with notations per-above and the federal funding amount will be listed as $0.

MPO/RPO TIP Revision Procedures

As each MPO's/RPO's TIP is adopted, their respective MOU with PennDOT will be included with the TIP documentation. The MOU will clarify how the MPO/RPO will address all TIP revisions. **In all cases, individual MPO/RPO revision procedures will be developed under the guidance umbrella of this document**. If a MPO/RPO elects to set more stringent procedures, then FHWA and FTA will adhere to those more restrictive procedures, but the MPO/RPO established provisions cannot be less stringent than the statewide MOU.

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, 2026, and remain in effect until September 30, 2028, 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:

DAVID L SNYDER Digitally signed by DAVID L SNYDER
Date: 2026.03.23 15:38:17 -04'00'

Mr. David Snyder
Acting Division Administrator
Pennsylvania Division
Federal Highway Administration

Date

Theresa "Terry" Garcia-Crews Digitally signed by THERESA GARCIA CREWS
Date: 2026.03.19 17:18:09 -04'00'

Ms. Terry Garcia-Crews
Regional Administrator
Region 3
Federal Transit Administration

Date

Kristin A. Mulkerin Digitally signed by Signed Signature
Date: 2026.03.24 12:22:07 -04'00'

Ms. Kristin Mulkerin
Deputy Secretary for Planning
Pennsylvania Department of Transportation

Date