



APPENDIX C

MEMORANDUM OF UNDERSTANDING ON
PROCEDURES TO AMEND AND MODIFY
THE TIP

Delaware Valley Regional Planning Commission

Memorandum of Understanding Concerning Special Procedures for Expediting TIP Amendments and Modifications for the Pennsylvania Portion of the DVRPC Region

Adopted By the DVRPC Board on July 28, 2016

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)**, and the **Fixing America's Surface Transportation Act (P.L. 114-94) (FAST Act)** 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. 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 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.

Based on these regulations, DVRPC and its member agencies agree to recognize two categories of MPO actions concerning changes to the TIP: **Amendments** and **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 or deletion** of any project to 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 new 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 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.

The Clean Air Act Amendments (CAAA) require a new conformity determination if the TIP is amended by adding or deleting a regionally significant project, except for traffic signal projects which can be included in subsequent analysis as permitted 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 from the second and/or third four years of the 12 year program that has no phases authorized, encumbered, or programmed in the first 4 years
2. Project actions which cause there to be **no phases within the four-year TIP period**.
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 \$5,000,000**, of state and/or federal funds and local funds (if local funds represents the required match).
5. Project action which decreases the overall cost of a project within the four years of the TIP by \$5,000,000 or more, if it represents a reduction in scope.

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 a phase of a project listed in the approved TIP that is **less than or equal to \$1 million**.

2. When there is a project action which decrease the overall cost of a project within the four years of the TIP by less than \$5,000,000 if it represents 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 certain funding categories** in accordance with available resources and eligible facilities/projects. For highway and bridge projects the federal funding categories are limited to: National Highway Performance Program (NHPP) and Surface Transportation Block Grant Programs (STP/STU) funds, and Bridge Off System (BOF) funds. For transit projects the federal funding categories are limited to: Section 5307, 5337, and 5339. PennDOT or SEPTA may also shift project funding between any of the state funding categories.
5. When either PennDOT or SEPTA 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. When the **line items** for Betterments are to be tapped for individual projects of **less than \$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 **\$5,000,000 or more**, it will be treated as a minor amendment under the procedure in section "II. TIP AMENDMENTS."
7. When a project listed in an approved TIP is removed because funds for all phases have already been obligated or encumbered and those programmed funds can be used as a resource for another project. If the amount of funds that are deleted from the project is \$5 million or more, it will then be considered a minor amendment.

Under any of these circumstances, PennDOT or SEPTA 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 FY2017 TIP: the

years FY18, FY19, or FY20), unless there is a formal record of opposition to the project by a public interest group.

2. When a cost increase to a project is greater than **\$1 million and less than \$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.
3. Project action which decreases the overall cost of a project within the four years of the TIP by less than \$5,000,000 if it represents a reduction in scope.
4. When a project that utilizes 100 percent state funds and needs federal funds to establish FHWA as the lead reviewing agency the project will be 'federalized' (placing federal funds on a project).
5. When a project phase is listed in the first year of the TIP, but the **second year of the TIP is the current fiscal year.**

(Administrative Amendments)

6. When a cost increase 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 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. (Administrative Amendment)
7. When PennDOT identifies a project phase that was authorized under the **advance construct** provisions and it now wishes to convert that authority to federal funds. (Administrative Amendment)
8. When PennDOT seeks federal authorization to cover **accrued unbilled costs or close outs** on projects and/or phases previously shown on the TIP and already authorized. (Administrative Amendment). If the increase is \$5,000,000 or more, this would action would then be considered a formal action.
9. 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. (Administrative Amendment)

DVRPC will notify its member agencies and the public of all such administrative actions. For Administrative Amendments, DVRPC will request that PennDOT seek FHWA/FTA approval.

C. Modifications Requiring Formal Action by DVRPC

All other changes to the TIP not covered above 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 modifications that get submitted for formal DVRPC Board action include but are not limited to:

1. Addition of a preliminary engineering (PE) or final design (FD) phase to the first four years of an existing project when there have been no previous obligations or encumbrances against the phase, and the cost of the PE or FD phase exceeds \$1,000,000.

D. Statewide Programs

New project additions to the DVRPC TIP, that are part of statewide managed programs, such as Highway Safety Improvement Program (HSIP), Railroad Grade Crossing Program (RRX), and the Statewide Transportation Alternatives Program (TAP), will be treated as amendments requiring formal action by the DVRPC Board. 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. Interstate maintenance projects will be the only projects under this program; it will not address interstate completion projects or any capacity adding 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 DVRPC region IM Program will be provided to DVRPC by Central Office in a timely manner.
2. Other Statewide Managed Programs include improvements or projects that are managed at the PennDOT Central Office level with possible DVRPC input and solicitation. Examples include but are not limited to Highway Safety Improvement Program (HSIP), Railroad Grade Crossing Program (RRX), and the Transportation Alternatives Program(TAP).
3. Keystone Corridor project funds will be noted in the DVRPC TIP as appropriate.

IV. ADMINISTRATION

A. 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 insure 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.

B. 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.

C. Performance Reports

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 programmed 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.

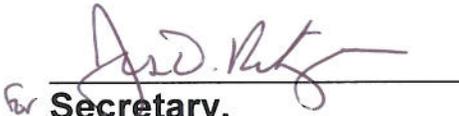
- b. PennDOT will provide DVRPC with a report (and data file) showing the project/phase level detail of funds obligated or encumbered through the end of the quarter.
 - c. DVRPC will post the Obligation/Encumbrance information on its website.
- 2. PennDOT will provide DVRPC with annual Performance Measure 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.

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



**Executive Director,
for DVRPC**

Date 8/1/16



**Secretary,
for PennDOT**

Date 8/8/16



**General Manager,
for SEPTA**

Date 8/3/16

MEMORANDUM OF UNDERSTANDING

Pennsylvania Department of Transportation's Statewide Procedures for 2017-2020 STIP and TIP Revisions

Purpose

This Memorandum of Understanding (MOU) establishes a set of procedures to be used in the Commonwealth of Pennsylvania for processing revisions to the 2017-2020 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 other statewide managed programs (Statewide Programs).

Definitions

- **Administrative Modification** 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 that depicts the transfer of funds from one source of funding to a donee project or projects and that nets to zero.
- **Interstate Management (IM) Program** is PennDOT's four year listing of statewide interstate maintenance projects.
- **Invest 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.
- **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, PA and Harrisburg, PA.
- **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: MPOs, or RPOs, 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 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 January 5, 2016 (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 revision must be made.

The Federal Statewide and Metropolitan Planning regulations contained in 23 CFR § 450 govern the provisions of the STIP and of individual MPO TIPs, related to STIP and TIP revisions, and other actions taken to revise the TIP. The intent of this Federal regulation is to acknowledge the relative significance, importance, and/or complexity of individual programming actions. Federal Transportation Planning Regulations 23 CFR § 450.324 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, STIP/TIP revisions must be consistent with PennDOT's Investment Plan priorities, 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 PennDOT Air Quality Interagency 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 a Planning Partner's LRTP lapses due to the fact that 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 Planning Partner. During a LRTP lapse, all STIP/TIP revisions within that planning region, where the LRTP lapse occurred, will be treated as amendments and require Federal approval. There will be no administrative modifications for that Planning Partner until the LRTP is in compliance with the federal planning cycle.

If August Redistribution of Federal Highway Funds adds, advances, or adjusts Federal funding for a project, Planning Partners 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 exclude 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),
 - Results in a Change in the Scope of Work on any Federally-funded project that is significant enough to essentially constitute a New Project.
- During a Planning Partner LRTP lapse, all STIP/TIP revisions within that planning region will be treated as amendments and the below administrative modifications will not be utilized (or in effect).

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 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, after changes, and comments explaining the reason for the adjustment(s) 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 the Federally-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 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.

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 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, the Planning Partner will demonstrate, through a Fiscal Constraint Chart, fiscal balance of the subject project phase on the second period of the respective Planning Partners' Long Range Transportation Plan.

Programming of Keystone Corridor Funding

The Keystone Corridor (Pennsylvania portion) rail line extends from Philadelphia, PA to Harrisburg, PA. Keystone Corridor projects are funded within the three contiguous large UZAs – 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 in 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 particular 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 in order 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.

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 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 this document.** 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, 2016, and remain in effect until September 30, 2018, unless revised or terminated. Furthermore, it is agreed that this MOU will be reaffirmed every two years.

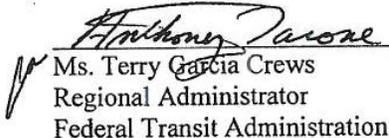
We, the undersigned hereby agree to the above procedures and principles.



Ms. Renee Sigel
Division Administrator
Federal Highway Administrator

3/17/16

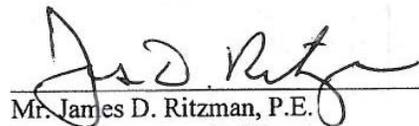
Date



Ms. Terry Garcia Crews
Regional Administrator
Federal Transit Administration

3-16-16

Date



Mr. James D. Ritzman, P.E.
Deputy Secretary for Planning
Pennsylvania Department of Transportation

3/29/16

Date