

## Appendix N – WATS TIP Modification Procedures

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### MEMORANDUM OF UNDERSTANDING

#### WILLIAMSPORT AREA TRANSPORTATION STUDY, (WATS) METROPOLITAN PLANNING ORGANIZATION (MPO) PROCEDURES FOR 2021-2024 Transportation Improvement Program Revisions

##### Purpose

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This Memorandum of Understanding (MOU) establishes a set of procedures to be used by the Williamsport Area Transportation Study, (WATS) Metropolitan Planning Organization, (MPO) for the processing of revisions to the 2021-2024 WATS Transportation Improvement Program (TIP).

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

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The STIP is the official transportation improvement program document mandated by federal statute (23 CFR § 450.218) and recognized by the FHWA and FTA. The STIP includes a list of projects to be implemented over a four-year period as well as all supporting documentation by federal statute. The STIP includes regional TIPs developed by the Planning Partners (MPOs and RPOs) and Statewide Programs developed by PennDOT. Statewide Programs are coordinated initiatives, projects or funds that include but are not limited to the Secretary of Transportation's Discretionary (Spike), the Rapid Bridge Replacement (RBR) Project developed via a Public Private Partnership (P3), Highway Safety Improvement Program (HSIP) set-a-side, Highway-Rail Grade Crossing Safety (RRX), Surface Transportation Block Grant Program set-a-side (TAP) funds, Green-Light-Go (GLG), Automated Red Light Enforcement (ARLE), Multi-Modal (MTF), Recreational (Rec) Trails, Transportation Infrastructure Investment Fund (TIIF), Statewide Transit and Keystone Corridor projects. The Interstate Management Program will remain its own individual program and includes prioritized statewide Interstate projects. The Commonwealth's Twelve Year Program (TYP), required by state law, includes the STIP/TIPs in the first four-year period

##### How and When is a STIP/TIP Developed?

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For more information on the development of the STIP/TIP, see *Pennsylvania's 2019 Transportation Program General and Procedural Guidance* dated July 31, 2019 (See [Appendix P](#)).

## WATS TIP Administration

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FHWA and FTA will only authorize projects and approve grants for projects that are programmed in the current approved STIP. If WATS, RVT, or PennDOT wishes to proceed with a federally funded project not programmed on the WATS 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 WATS TIP. The intent of this federal regulation is to acknowledge the relative significance, importance, and/or complexity of individual programming actions. If necessary, 23 CFR § 450.328 permits the use of alternative procedures by the cooperating parties to effectively manage actions encountered during a give TIP cycle. Cooperating parties include PennDOT, WATS, FHWA, FTA, and RVT. Any alternative procedures must be agreed upon, and documented in the TIP.

WATS TIP revisions must be consistent with PennDOT's Transportation Investment Plan priorities, Pennsylvania's Long Range Transportation Plan (LRTP), and the WATS LRTP. In addition, WATS TIP revisions must support Pennsylvania's Transportation Performance Measures and Targets as well as the PennDOT's Connects policy. Pennsylvania's Transportation Investment Plan is PennDOT's ongoing assessments, target settings, and re-evaluations of data associated with the WATS TIP investment decisions, ensuring that each dollar invested is being directed to meet strategic decisions, and that enhances to overall performance of the Commonwealth's transportation system. The Investment Plan establishes regional targets which were set with a continued focus on maintaining assets with the following priorities: Bridges on the National Highway System (NHS), Roadway conditions on the NHS, Bridges on the balance of the system, and Roadway conditions on the balance of the system.

WATS TIP revisions must correspond to the adopted provisions of the WATS Public Participation Plan (PPP). The WATS PPP is a documented broad-based public involvement process that describes how WATS 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 STIP/WATS TIP.

A LRTP expiration occurs when WATS has not updated the WATS LRTP in accordance with the cycles defined in the federal planning regulations [23 CFR § 450.324(c)]. If a WATS LRTP expires because the LRTP has not been updated in accordance with the planning lifecycle defined in the federal planning regulations, then the provisions of this MOU will not be utilized for WATS. During a WATS LRTP expiration, all STIP/WATS TIP revisions will be treated as an amendment and require federal approval. There will be no administrative modifications for the WATS TIP until WATS LRTP is in compliance with federal planning regulation.

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

## WATS TIP Revisions

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

An **Amendment** is a revision that adds a new project, deletes an existing project, or involves a major change to an existing project included in a WATS TIP that:

- Affects air quality conformity regardless of the cost of the project or the funding source;
- Adds a new project, deletes a project that utilizes federal funds, or federalizes a project that previously was 100% state and/or locally funded. A new project is a project that is not programmed in the current STIP/WATS TIP, and does not have previous obligations from a prior STIP/WATS TIP. Federally funded Statewide Program projects are excluded from this provision;
- Adds a new phase(s) to an existing project, deletes a project phase(s), increases or decreases a project phase(s) that utilizes federal funds where the revision exceeds the following thresholds:
  - \$2 million for WATS
- 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 WATS (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 WATS LRTP expiration, all STIP/WATS TIP revisions will be treated as amendments and the below administrative modifications will not be utilized (or be in effect).

Approval by the WATS MPO is required for **Amendments**. The WATS MPO must then request PennDOT Central Office approval using the e-STIP process. 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 the before, requested adjustments, after changes, and detailed comments explaining the reasons for the adjustment(s), and provides any PMC materials that may have been prepared, along with an updated TIP. PennDOT's Central Office will review, approve, and forward to the appropriate federal agency for the review and approval, with a courtesy copy to the other federal agency. An e-STIP submission shall include:

- Fiscal Constraint Chart with remarks
- PDF copy of the TIP

- Supporting materials to explain the reasoning, cause, and/or justification for the amendment revision, as needed, such as PMC items.

The initial submission and approval process of the federally funded Statewide Program or increases/decreases exceeding the thresholds above will be considered an amendment (subsequent placement of these individual projects or line items on the WATS TIP will be considered an administrative modification). In the case of Statewide Programs, including the IM Program and other federally funded statewide programs, approval by PennDOT's Program Management Committee (PMC) and FHWA is required.

An **Administrative Modification** is a minor revision to a WATS TIP that:

- Shifts federally funded projects, a federally funded project phase(s), or federal funds to existing federally-funded projects or a federally funded project phase(s) in the approved WATS TIP and must maintain year-to-year STIP/TIP fiscal constraint requirements;
- Adds a project from a funding initiative or line item that utilizes 100% state or non-federal funding; or WATS TIP placement of the federally funded Statewide Program;
- Adds a project for emergency repairs to roadways or bridges, except those involving substantial, functional, location, or capacity changes;
- Draws down or returns funding from an existing WATS TIP reserve line item and does not exceed the threshold established in this MOU. A reserve line item holds funds that are not dedicated to a specific project(s) and may be used to cover cost increases or add an additional project phase(s) to an existing project;
- Adds federal or state capital funds from low-bid savings, de-obligations, release of encumbrances or savings on programmed phases to another programmed project phase or line item but does not exceed the above thresholds.

**Administrative Modifications** do not affect air quality conformity nor involve a significant change in the scope of work to a project(s) that would trigger an air quality conformity re-evaluation; does not add a new federally funded project or delete a federally funded project; does not exceed the threshold established in this MOU, or the threshold established by this MOU (as detailed in the Amendment Section); and does not result in a change in scope, on any federally funded project that is significant enough to essentially constitute a new project.. A change in scope is a substantial alteration to the original intent or function of a programmed project.

**Administrative Modifications do not require federal approval.** PennDOT and WATS 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, amendments, and administrative modifications shall be identified, numbered, and grouped as one action on a FCC demonstrating both project and program fiscal constraint. The identified grouping of projects (the entire revision 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, WATS will demonstrate, through an FCC, fiscal balance of the subject project phase on the second period of the WATS LRTP.

### Transit Statewide Managed Funds

Project 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 WATS TIP if the project is located within Lycoming County.

### Fiscal Constraint

Demonstration that WATS TIP fiscal constraint is maintained takes place through a FCC. Real time versions of the WATS TIP are available to FHWA and FTA through PennDOT's Multimodal Project Management System (MPMS).

All revisions must maintain a year-to-year fiscal constraint [23 CFR § 450.326(g), (j) & (k)] for each of the four years of the WATS 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 the completion of the project, which may extend beyond the four years of the WATS 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

At the end of each quarter, PennDOT will provide WATS with a WATS TIP Financial report of actual federal obligations and state encumbrances for highway/bridge and transit programs in the WATS region. At the end of the federal fiscal year (FFY), the PennDOT Progress Report can be used by WATS as the basis for compiling information to meet the federal annual listing of obligated project requirement [23 CFR § 450.334]. The WATS TIP Financial Report provided to FHWA and FTA will also include the FHWA Planning Performance Measure – "percent of WATS 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 FYY.

### WATS TIP Transportation Performance Management

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

### MPO/RPO TIP Revision Procedures

As the WATS TIP is adopted, this MOU between PennDOT and WATS will be included with the WATS TIP documentation. The MOU will clarify how WATS will address all WATS TIP revisions. **In all cases, WATS TIP revision procedures will be developed under the guidance umbrella of PA Statewide Procedures document.** If WATS elects to amend this MOU in the future to set more stringent procedures, then FHWA and FTA will adhere to those more restrictive procedures.

This document will serve as the basis for PennDOT when addressing federally-funded Statewide Program TIP revisions.

This Memorandum of Understanding will begin October 1, 2020, and remain in effect until September 30, 2022, 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 adopted by the WATS MPO at **their June 15, 2020 public meeting**

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**WATS MPO Chairperson**

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**General Manager, River Valley Transit**

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**Director, PennDOT Center for Program Development and Management**

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**WATS MPO Secretary**