MEMORANDUM OF UNDERSTANDING

Alabama Department of Transportation

Statewide Procedures for FY 2024 - 2027 STIP/TIP

I. PURPOSE

This Memorandum of Understanding establishes a set of procedures for processing revisions to the Metropolitan Planning Organizations' Transportation Improvement Programs (TIPs) within the State of Alabama and the Alabama Department of Transportation's Statewide Transportation Improvement Program (STIP) for the Fiscal Year 2024 to 2027. This document has been developed in cooperation with the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), and other planning partners.

The STIP is the aggregation of the MPO TIPs and ALDOT's statewide managed programs, including federal-aid transportation programs.

II. DEFINITIONS[1]

A. **Administrative Modification**[1] means a minor revision to a long-range statewide or metropolitan transportation plan, Transportation Improvement Program (TIP), or Statewide Transportation Improvement Program (STIP) that includes minor changes to project/project phase costs, minor changes to funding sources of previously included projects, and minor changes to project/project phase initiation dates. An administrative modification is a revision that does not require public review and comment, redemonstration of fiscal constraint, or a conformity determination (in nonattainment and maintenance areas).

B. **Amendment**[1] means a revision to a long-range statewide or metropolitan transportation plan, TIP, or STIP that involves a major change to a project included in a metropolitan transportation plan, TIP, or STIP, including the addition or deletion of a project or a major change in project cost, project/project phase initiation dates, or a major change in design concept or design scope (e.g., changing project termini or the number of through traffic lanes). Changes to projects that are included only for illustrative purposes do not require an amendment. An amendment is a revision that requires public review and comment, redemonstration of fiscal constraint, or a conformity determination (for metropolitan transportation plans and TIPs involving "non-exempt" projects in nonattainment and maintenance areas). In the context of a long-range statewide transportation plan, an amendment is a revision approved by the State in accordance with its public involvement process.

C. **Betterment** consists of surface treatments/corrections to existing roadway [preferably within Alabama Department of Transportation (ALDOT) right-of-way], to maintain and bring the infrastructure to current design standards for that classification of highway. This may involve providing full depth base repair, widening shoulders, increasing lane-widths, correcting super-elevation, as well as providing drainage improvements and guide rail upgrades.

[1]Terms in this document also incorporate any definitions provided in 23 CFR 450.104 .

D. **Change in Scope** is a substantial alteration to the original intent or function of a programmed project (e.g., change project termini or the number of through-traffic lanes).

E. **Cooperation**[1] means that the parties involved in carrying out the transportation planning and programing processes work together to achieve a common goal or objective. **Cooperating Agencies** include ALDOT, Metropolitan Planning Organizations (MPOs), Rural Planning Organizations (RPOs), Federal Highway Administration (FHWA), Federal Transit Administration (FTA), Transit agencies, and any agencies and/or jurisdictions involved in carrying out the transportation planning and programing processes.

F. **Financially Constrained (Fiscal Constraint)**[1] means that the metropolitan transportation plan, TIP, and STIP include sufficient financial information for demonstrating that projects in the metropolitan transportation plan, TIP, and STIP can be implemented using committed, available, or reasonably available revenue sources, with reasonable assurance that the federally supported transportation system is being adequately operated and maintained. For the TIP and the STIP, financial constraint/fiscal constraint applies to each program year. Additionally, projects in air quality nonattainment and maintenance areas can be included in the first two years of the TIP and STIP only if funds are "available" or "committed."

G. **Long-Range Transportation Plan**[1] means the official, multimodal, transportation plan covering a period of no less than 20 years developed through the statewide transportation planning process.

H. **Level of Effort (LVOE)** is the term used to describe certain grouped projects in the TIPs and STIP that are not considered of appropriate scale to be identified individually. Projects may be grouped by function, work type, or geographical area, using the applicable descriptions provided in under 23 CFR 771.117(c) and (d), and/or 40 CFR part 93. In air quality nonattainment and maintenance areas, project descriptions must be consistent with the descriptions of exempt projects, contained in the transportation conformity regulations (40 CFR part 93). These projects are placed in the TIPs and STIP according to selected funding programs, with their anticipated fiscal year apportionments within the plan.

I. **New Project** is a project that is not programmed in the current TIP/STIP, and does not have previous obligations from a prior TIP/STIP.

J. **Obligated projects**[1] mean strategies and projects funded under Title 23 U.S.C. and Title 49 U.S.C. Chapter 53 for which the supporting federal funds were authorized and committed by the State or designated recipient in the preceding program year and authorized by the FHWA or awarded as a grant by the FTA.

K. **Planning Partner** may refer to one of the following: ALDOT, FHWA, MPOs, RPOs, or other federal or state agencies.

L. **Project Selection** means the procedures followed by MPOs, States, and public transportation operators to advance projects from the first four years of an approved TIP and/or STIP to implementation, in accordance with agreed upon procedures.

M. **Public Participation Plan (PPP)** is a documented, broad-based public involvement process that describes how the Planning Partner will involve and engage the public, under-served communities, and interested parties in the

transportation planning process, and ensure that the concerns of stakeholders are identified and addressed in the development of transportation plans and programs.

- Note: The Alabama MPO Public Participation Plans may be found on the individual MPO websites.

N. **Revision**[1] means a change to a long-range statewide or metropolitan transportation plan, TIP, or STIP that occurs between scheduled periodic updates. A major revision is an "amendment" while a minor revision is an "administrative modification.

O. **Statewide-managed Program (Statewide Program)** includes those transportation improvements or projects that are managed in the STIP, including project selection, at the ALDOT Central Office level, with possible regional Planning Partner solicitation and input. Examples include, but are not limited to, Highway Safety Improvement Program (HSIP) and Transportation Alternative Program (TAP) projects.

P. **Statewide Transportation Improvement Program (STIP)**[1] means a statewide prioritized listing/program of transportation projects covering a period of four years that is consistent with the long-range statewide transportation plan, metropolitan transportation plans, and TIPs, and required for projects to be eligible for funding under Title 23 U.S.C. and Title 49 U.S.C. Chapter 53.

Q. **Transportation Improvement Program (TIP)**[1] means a prioritized listing/program of transportation projects covering a period of four years that is developed and formally adopted by an MPO as part of the metropolitan transportation planning process, consistent with the metropolitan transportation plan, and required for projects to be eligible for funding under Title 23 U.S.C. and Title 49 U.S.C.

III. THE TRANSPORTATION IMPROVEMENT PROGRAM (TIP), THE STATEWIDE TRANSPORATION IMPROVEMENT PROGRAM (STIP), AND THE STATE'S FIVE-YEAR PROGRAM

The TIP consists of projects approved by the MPO, local programs and projects developed by the MPO, and statewide programs and projects developed by ALDOT within the urban areas of the MPO.

The STIP is the official transportation improvement program document, mandated by federal statute and recognized by FHWA and FTA. The STIP is a statewide program, or prioritized listing, of transportation projects to be implemented over a four-year period, consistent with MPO Long Range, Regional, or Metropolitan Plans, Statewide Transportation Plans, and MPO Transportation Improvement Programs (TIPs).

The State's Five-Year Program, which incorporates the TIPs and STIP, is required by Alabama state law.

IV. TIP/STIP ADMINSTRATION

The Federal Planning Regulations, contained in 23 CFR 450 et al, govern the provisions of the Statewide and Nonmetropolitan Transportation Planning and Programming (subpart B) and Metropolitan Transportation Planning and Programming (subpart C). These CFR sections are the regulations for governing the TIPs and STIP, including revisions and other actions related to the TIPs and STIP. The intent of this federal regulation is to acknowledge the relative significance, importance, and/or complexity, of individual programming actions.

FHWA and FTA will only authorize projects, and approve grants for projects, that are programmed in the currently approved STIP. Highway and road projects will be approved by FHWA, and Transit projects will be approved by FTA.

If a Planning Partner, Transit Agency, or ALDOT, wishes to proceed with a project not programmed in the STIP, a revision must be made to the STIP.

All revisions must maintain year-to-year fiscal constraint [23 CFR 450.328] for each of the four years of the TIPs and STIP. All revisions shall account for year of expenditure (YOE), and maintain the estimated total cost of the project, which may extend beyond the four years of the TIP/STIP. The arbitrary reduction of the overall cost of a project, or project phase(s), shall not be utilized for the advancement of another project.

A. TIP support documentation

In addition, TIP revisions must be consistent with the Long-Range Transportation Plan of the individual MPO and must correspond to the adopted provisions of the MPO Public Participation Plans. A reasonable opportunity for public review and comment shall be provided for significant revisions to the TIPs and STIP.

B. Air Quality Conformity

If a revision adds a project, deletes a project, or impacts the schedule or scope of work of an air quality significant project in a nonattainment or maintenance area, a new air quality conformity determination will be required, if deemed appropriate by the Interagency Air Quality Consultation Group (IAC). If a new conformity determination is necessary, an amendment to the Long Range or Regional Transportation Plan (project listings only), shall be developed and approved by the MPO. The modified conformity determination would then be based on the amended LRTP conformity analysis, and public involvement procedures, consistent with the existing PPP, would be required.

C. Revisions: Amendments and Administrative Modification[2]

An **Amendment** is a major STIP/TIP planned project revision that:

- Affects air quality conformity, regardless of the cost of the project or the funding source.

[2] Note: This MOU does NOT change the Codes of Federal Regulations. This MOU clarifies the understanding of the language within those regulations between the agreeing parties. For full application of the CFRs, visit definitions for Amendment, Administrative Modification, and Revision on p. 1. Revisions are not applicable to authorized project scopes.

- Adds a new project, or deletes a project, that utilizes federal funds from a statewide line item, exceeds the thresholds listed below, and excludes those federally-funded statewide program projects.
- Adds a new project phase(s), or increases a current project phase, or deletes a project phase(s), or decreases a current project phase that utilizes federal funds, where the revision exceeds the following thresholds:
  - $ 5.0 million for ALDOT federally-funded projects and Transportation Management Area (TMA) attributable projects.
  - $1.0 million for ALDOT federally-funded projects and for non-TMA MPOs attributable Projects.
  - $ 750,000 for the county highway and bridge program.
- 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 ALDOT 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.
  - Level of Effort (LVOE) planned budget changes, exceeding 20% of the original budgeted amount.

MPOs use the MPO Portal to initiate projects, make project edits, and other project information. The MPO Portal is managed by Local Transportation Bureau. The system generates email notification to the MPOs, and specific ALDOT Personnel of projects that may need to be added by amendment or administrative modifications. Approval by the MPO (or cooperative effort with an RPO) is required for Amendments.

All items requiring amendments to the STIP should be submitted to the ALDOT's Office Engineer Bureau. ALDOT's Central Office will review, approve, and forward to the appropriate federal agency for review and approval, with copies to other partner federal agencies.

Amendments to the STIP will be conducted on a Bimonthly cycle. Non-routine amendments requested by the State Transportation Director, or the Joint Highway committee can be performed at any time.

An **Administrative Modification** is a minor STIP/TIP revision that:

- Adds or deletes a project from a LVOE category or line item
- Adds or deletes a project utilizing 100 percent State or Non-Federal Funding that has not been designated as a regionally significant project by Local Planning partners or an MPO 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
- Draw downs or return funding from an existing STIP/TIP Reserve Line Item and does not exceed the amendment cost thresholds established between ALDOT and the Planning Partners.
- Adds federal or state capital funds from low-bid savings, de-obligations, release of encumbrances, from savings on programmed phases, and any other project-cost

modification sent to and approved by FHWA or FTA, to another programmed project phase or line item.

The initial submission and approval process of the STIP will establish federal funding for LVOE project groups. Subsequent placement of individual projects in the STIP that are referred to as LVOE projects will be considered Administrative Modifications.

Administrative Modifications (1) do not affect air quality conformity or involve a significant change in a project scope of work that would trigger an air quality conformity reevaluation; (2) do not exceed the threshold (a) established in the MOU between ALDOT and the Planning Partners or (b) established by this MOU (as detailed in the Revisions: Amendments and Administrative Modifications section); and (3) do 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. ALDOT and the Planning Partner will work cooperatively to address and respond to any FHWA or FTA comments. 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.

V. LEVEL OF EFFORT FUNDING CATEGORIES

Projects in the STIP/TIP, referred to as Level of Effort (LVOE) projects, represent grouped projects not considered of appropriate scale to be identified individually. Projects may be grouped by function, work type, and/or geographical area, using the applicable descriptions under 23 CFR 771.117 (c) and (d), and/or 40 CFR part 93 (Environmental Categorical Exclusions). In nonattainment and maintenance areas, project descriptions must be consistent with the exempt project descriptions contained in the EPA transportation conformity regulations (40 CFR part 93).

LVOE projects are placed in the STIP/TIP according to selected funding programs, along with the planned funding amounts for each year.

ALDOT, and the affected MPOs, will be required to make a formal amendment to the STIP/TIPs for any adjustment of funding to any **LVOE group** that exceeds 20% of its originally-planned funding. The selected statewide funding programs include:

- Interstate Resurfacing Program (IM) (includes lighting, sign and pavement rehabilitation)
- Non-Interstate Resurfacing Program (FM)
- Transportation Alternative Program (TAP)
- Safety Projects (Highway Safety Improvement Program (HSIP), roadway, signal and rail-crossing, etc.)
- Recreational Trails (Funds are transferred to Alabama Department of Economic and Community Affairs (ADECA))
- Electric Vehicles (Funds are transferred to ADECA)
- County Allocation Funds (Off-system bridges and STP non-urban) (Only until prior year carryover is fully obligated)
- Federal Transit Programs: 5311 (Non-Urban), 5310 (Elderly and Disabilities), and 5339 (Buses and Bus Facilities)

Addition or deletion of individual LVOE projects are considered an administrative modification, and do not require any further MPO action prior to authorization, subject to the dollar thresholds established in the sections above. ALDOT will include all individual LVOE projects on the STIP project detail listing and will also maintain a matrix listing, on the STIP website, of LVOE projects. The MPOs will be notified as soon as any specific projects within their urban areas, are identified and selected, and will have ten (10) days to decline the project. Additionally, the MPOs will be notified as soon as any specific projects are modified or deleted within their urban areas and will have ten (10) days to decline the project deletion or change.

LVOE group may hold funds that are not dedicated to specific projects, and the funds may be used to cover cost increases or add new projects or project phases. LVOE shall not exceed the thresholds or the requirements of any other items that require an amendment.

LVOE resurfacing group shall be programmed annually. Projects or project lists will be added as soon as available, and MPOs will be notified of all changes that occur in the list.

VI. FINANICAL CONSTRAINTS[3]

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 ALDOT's Comprehensive Project Management System (CPMS/MPO Portal).[4]

VII. FINANICAL REPORTING

A. STIP Reporting

STIP is available online and electronic submittals to FHWA for amendments and administrative modifications. End of the Fiscal Year financial summaries are sent with the first amendment for the new fiscal year.

B. MPO TIP REPORTING

As each MPO TIP is adopted, this MOU will be included with the TIP documentation. The MPO or Planning Partner may choose to adopt an MOU that will clarify how the MPO or Planning Partner will address TIP revisions. In all cases, individual MPO revision procedures will be developed under the guidance umbrella of this document. If an MPO elects to set more stringent procedures, then ALDOT, FHWA, and/or FTA, as applicable, will adhere to the more restrictive procedures.

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[3] Note: While there is no stipulated timeframe established in this MOU for securing federal approval for formal Amendments or Administrative Modification, the agencies are expected to act responsibly and with all due diligence in order to complete these processes in a timely manner.

[4] Refer to ALDOT's Local Transportation Bureau's Memo #2022-15 (November 22, 2022) for details of the MPOs' Transportation Improvement Programs (TIPs).

VIII. PERFORMANCE MEASURES SECTION

To comply with performance-based planning requirements, a description of how the selected projects will help to accomplish its performance targets/goals will be included. This SITP Performance Measure section will be included at the time of adoption of the new STIP/TIPs but it may be updated at any time.

In general, STIP Performance Measure Section should include (1) the applicable transportation measure, (2) a brief discussion of anticipated effect of how projects selected will help ALDOT accomplish the goals, and (3) a summary of the amount of federal funding programmed to support the applicable target will be included in the STIP.

The procedures set forth in this document will serve as the basis for which ALDOT addresses federally funded Statewide Transportation Improvement Program (STIP) revisions. This Memorandum of Understanding (MOU) will begin October 1, 2023, and remain in effect until September 30, 2027, unless revised or terminated.

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

Mark D. Bartlett — 02-13-2023

Division Administrator
Federal Highway Administration — Date

Yvette G. Taylor — 03-15-2023

Regional Administrator
Federal Transit Administration — Date

John R. Cooper — 02-02-2023

Transportation Director
Alabama Department of Transportation — Date