

## MAP-21 and Requiring Strategic Asset Management Plans to Receive Public Funds

The Moving Ahead for Progress in the 21<sup>st</sup> Century Act ([MAP-21](#)) funded transit authorities, but only if they established Asset Management Plans that indicated how they were going to use the funds.

MAP-21 provided education and training funds to assist transit authorities in understanding asset management principles and practices needed to establish Asset Management Plans.

This good governance not only assisted with the use of funds, but helped the transit authorities understand how to apply best practices across their entire asset portfolio.

The Asset Leadership Network suggests that legislators include language to require organizations to submit Strategic Asset Management Plans to receive public funds.

MAP-21 also provided funds to educate transit authorities about the creation and use of asset management plans. The Asset Leadership Network recommends that legislators similarly provide funding for education on how to develop asset management plans with legislation.

Requiring an asset management plan for an organization to receive funds will ensure legislators that the greatest value from assets will be generated in support of mission success for the organization and will result in measurable results that allow legislators to know the funds were used as intended to achieve the desired outcomes.

The following Section 5326 of the MAP 21 legislation provides valuable insights for current legislators.

“§ 5326. Transit asset management “(a) DEFINITIONS.—In this section the following definitions shall apply:

“(1) CAPITAL ASSET.—The term ‘capital asset’ includes equipment, rolling stock, infrastructure, and facilities for use in public transportation and owned or leased by a recipient or subrecipient of Federal financial assistance under this chapter.

“(2) TRANSIT ASSET MANAGEMENT PLAN.—The term ‘transit asset management plan’ means a plan developed by a recipient of funding under this chapter that—

“(A) includes, at a minimum, capital asset inventories and condition assessments, decision support tools, and investment prioritization; and

“(B) the recipient certifies compliance with the rule issued under this section.

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“(3) TRANSIT ASSET MANAGEMENT SYSTEM.—The term ‘transit asset management system’ means a strategic and systematic process of operating, maintaining, and improving public transportation capital assets effectively throughout the life cycle of such assets. “(b) TRANSIT ASSET MANAGEMENT SYSTEM.—The Secretary shall establish and implement a national transit asset management system, which shall include—

“(1) a definition of the term ‘state of good repair’ that includes objective standards for measuring the condition of capital assets of recipients, including equipment, rolling stock, infrastructure, and facilities;

“(2) a requirement that recipients and subrecipients of Federal financial assistance under this chapter develop a transit asset management plan;

“(3) a requirement that each designated recipient of Federal financial assistance under this chapter report on the condition of the system of the recipient and provide a description of any change in condition since the last report;

“(4) an analytical process or decision support tool for use by public transportation systems that— “(A) allows for the estimation of capital investment needs of such systems over time; and “(B) assists with asset investment prioritization by such systems; and

“(5) technical assistance to recipients of Federal financial assistance under this chapter.

“(c) PERFORMANCE MEASURES AND TARGETS.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue a final rule to establish performance measures based on the state of good repair standards established under subsection (b)(1).

“(2) TARGETS.—Not later than 3 months after the date on which the Secretary issues a final rule under paragraph (1), and each fiscal year thereafter, each recipient of Federal financial assistance under this chapter shall establish performance targets in relation to the performance measures established by the Secretary.

“(3) REPORTS.—Each designated recipient of Federal financial assistance under this chapter shall submit to the Secretary an annual report that describes— “(A) the progress of the recipient during the fiscal year to which the report relates toward meeting the performance targets established under paragraph (2) for that fiscal year; and “(B) the performance targets established by the recipient for the subsequent fiscal year. “(d) RULEMAKING.—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue a final rule to implement the transit asset management system described in subsection (b).”.