

FROM BOOKKEEPING TO RESULTS IMPROVING THE GOVERNMENT'S PERFORMANCE IN REAL PROPERTY

A reliable and timely set of financial records are a critical component of an effectively functioning Federal agency. Good bookkeeping demonstrates that the necessary disciplines are in place to track taxpayer dollars, mitigate waste and error, and provide meaningful public reports on the nation's finances, including what we own and what we owe. But good bookkeeping alone does not yield better performance. Federal agencies must use the information to make smarter decisions about how we manage the government's resources. The Federal Real Property Asset Management Initiative exemplifies this principle. When the President signed Executive Order 13327, *Federal Real Property Asset Management*, in 2004, the Federal government began an effort, not only to collect and maintain a comprehensive financial account of the vast inventory of Federal real property, but also to use the information to actively right-size and improve our inventory. Data analysis informs decisions to dispose of assets we no longer need and improve the condition and cost-effectiveness of the ones we do.

The recently released *FY 2007 Federal Real Property Report* marks the third annual overview of the Federal government's real property asset inventory.¹ This report summarizes the Federal government's vast and diverse portfolio and reflects the tremendous effort undertaken by more than 30 executive branch departments and agencies in capturing and reporting real property data. Just three years ago, the data contained in this report contains data was unavailable to the public and Federal managers.

Since 2004, Federal agencies have been doing more than just collecting and reporting data. Agencies have completed Asset Management Plans and are using performance measures to prioritize specific improvements. By establishing performance indicators, the Federal government can better evaluate asset cost and condition and assess the need for a property in achieving an agency's mission. The agency plans help ensure that mission critical assets are managed in the right condition and that those unneeded assets exit the Federal inventory.

As a result of coordinated efforts, the Federal government disposed of more than \$2.5 billion in excess real property in FY 2007 and has cumulatively disposed of more than \$7 billion in real property since the Executive Order was signed. With these results and a consistent percentage of increase in disposition dollars each year, the Federal government is well-positioned to achieve its goal of decreasing inventory by \$9 billion in unneeded assets by the close of fiscal year 2009 and a cumulative \$15 billion target by FY 2015 – a strategic goal for improving the Federal real property inventory.

The Real Property Asset Management Initiative has become an important part of the President's Management Agenda. Federal agencies across the government should be congratulated for their dedication and recent achievements in improving the efficient and economical use of America's property.

¹ The report can be downloaded at http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=23962&noc=T.