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Former GSA Head Reiterates Urgency for Scoring Reform.

Restrictive budgetary rules that make it difficult for the federal government to negotiate real estate leases need to be changed to allow more of these types of leases to be negotiated through P3s, argued Daniel Tangherlini, a former head of the U.S. General Services Administration in a June 8 op-ed for GovExec.com.

Federal scoring makes such projects very expensive for agencies to pursue because the Office of Management and Budget (OMB), treats as a capital lease any lease that ends in government ownership of the developed asset. An agency must record, or "score," in its budget the entire cost of a capital lease the year the agency enters into it. Operating leases, on the other hand, can be scored year by year.

"This has the effect of favoring operating costs, entitlements or tax expenditures over capital or other asset-based funding priorities. These rules tilt spending toward transfers over investments, bypassing a first principle of infrastructure financing — user pays," wrote Tangherlini, who chaired an NCPPP-Urban Land Institute advisory group that last year published a report on federal scoring, *Enabling Infrastructure Investment: Leveling the Playing Field for Federal Real Property.*

NCPPP