South Central Regional Transit District

Recommendation to Adopt an Independent Transit Asset Management Plan

Prepared for Staff and Board Review | July 22,, 2026

To	SCRTD Board of Directors and Senior Staff
From	David J. Armijo, Executive Director
Subject	Transition from NMDOT Group TAM Plan to an SCRTD-Specific TAM Plan
Recommendation	Adopt an independent SCRTD Transit Asset Management Plan and provide written notice to NMDOT after the plan is approved.

Executive Summary

Recommendation: SCRTD should develop, approve, and maintain its own Transit Asset Management (TAM) Plan for the next four-year horizon period, rather than continuing indefinitely as a participant in the NMDOT Group Tier II TAM Plan. The recommendation should be implemented as a transition, not as an immediate gap in coverage. SCRTD should remain coordinated with NMDOT while the updated plan is finalized, then provide written notice to NMDOT that SCRTD is opting out of the group plan effective upon adoption of the SCRTD-specific plan.

Important clarification: SCRTD does not need to “file” the completed TAM Plan with FTA as a standalone submission. FTA guidance states that completed or updated TAM Plans must be maintained, made available for oversight, shared with planning partners, and supported by annual National Transit Database (NTD) TAM reporting. [4] The practical action is therefore to adopt, maintain, share, and report from the SCRTD plan, not to submit the plan to FTA for pre-approval.

Bottom line: Because SCRTD is moving toward direct-recipient responsibilities, managing a larger and more complex capital program, operating zero-emission vehicles and charging assets, and planning new facilities, an independent TAM Plan is more prudent and better aligned with FTA oversight, grant management, financial planning, and local decision-making.

Basis for Recommendation

1. Federal rules allow a Tier II provider to develop its own plan. Under 49 CFR Part 625, each Tier II provider must either develop its own TAM Plan or participate in a group TAM Plan. The regulation also assigns ultimate responsibility for developing and carrying out the plan to the provider’s Accountable Executive. [1]

2. Group plan participation is optional and can be exited by written notice. The regulation allows a Tier II provider to opt out of a group TAM Plan by providing written notification to the sponsor. Once a provider opts out, it must either develop its own TAM Plan or participate in another group TAM Plan. [2]

3. Direct-recipient status changes the practical governance relationship. The group plan sponsor requirement applies to Tier II subrecipients, except those subrecipients that are also direct recipients under the 49 U.S.C. 5307 Urbanized Area Formula Program. [2] SCRTD’s movement toward direct-recipient status therefore supports a more independent compliance posture, even if coordination with NMDOT remains important for rural, state, and pass-through funding.

4. TAM Plans must be updated at least every four years and should reflect current asset decisions. FTA regulations require a TAM Plan to cover a horizon period of at least four years and require the plan to be updated in its entirety at least once every four years. The plan should be amended when there are significant changes to the asset inventory, condition assessments, or investment priorities. [3]

5. The NMDOT plan is a statewide rural group plan, not an SCRTD capital strategy. The NMDOT Group Tier II TAM Plan for 2023-2026 covers Section 5311 rural public transportation subrecipients and lists South Central Regional Transit District among the participating agencies. [6] That group approach is useful for statewide administration, but it does not fully substitute for an agency-level capital strategy tied to SCRTD's direct-recipient transition, urbanized area funds, electric bus program, charging infrastructure, facilities, and ten-year service and financial plan.

Review of the Attached FY2022-2026 TAM Plan

The attached FY2022-2026 TAM Plan is useful as a structural reference because it includes the core TAM sections expected in a plan: agency overview, roles and responsibilities, purpose and goals, performance targets and measures, asset portfolio, asset condition, decision-support tools, risk management, and investment priorities. [7]

However, the attached document should not be relied on as the final SCRTD TAM Plan without full revision. The document text reviewed identifies Midland-Odessa Urban Transit District/EZ-Rider as the agency, references EZ-Rider roles and assets, and includes EZ-Rider asset inventory and condition data. The SCRTD update should therefore replace all template or borrowed content with SCRTD-specific information, including SCRTD's accountable executive, staff responsibilities, facilities, fleet, equipment, charging systems, planned capital projects, useful life assumptions, and annual performance targets.

Why an Independent SCRTD TAM Plan Is More Prudent

Reason	Why It Supports Independence
Direct-recipient readiness	An independent plan demonstrates that SCRTD has the internal governance, data, and decision-making systems needed to manage FTA-funded capital assets directly.
Asset complexity	SCRTD's current capital program includes a mixed fleet, zero-emission buses, EV vans, charging infrastructure, the Sunland Park Mobility & Energy Hub, planned Venus facility assets, security systems, maintenance equipment, and bus stop/passenger assets. These assets require an agency-specific prioritization and replacement strategy.
Local capital prioritization	A group plan can identify statewide needs, but SCRTD needs a prioritized investment list tied to its own operations, ridership, ADA/paratransit obligations, preventive maintenance, grant awards, local match, and capital cash flow.
FTA oversight and documentation	A standalone plan provides stronger documentation during FTA reviews, grant application development, reimbursement

	discussions, annual NTD reporting, and any future direct-recipient oversight review.
Board and staff accountability	An SCRTD plan can assign roles to the Executive Director, Finance, Procurement, Maintenance, Operations, Safety, Planning, and Facilities staff so that the asset inventory, condition assessments, and capital replacement schedules remain current.
Consistency with the ten-year plan	The SBLBF ten-year service and financial plan update can be used to build a TAM capital horizon that aligns replacement timing, facility investments, ADA/paratransit service needs, and funding assumptions.
Risk management	Agency-specific risk identification can address loss of federal funds, grant cash-flow delays, vehicle downtime, charging availability, parts availability, facility security, remote monitoring, maintenance capacity, and ADA asset compliance.

Minimum Compliance Framework for the SCRTD Plan

For a Tier II provider or group TAM Plan, the required elements are the first four elements in 49 CFR 625.25(b): inventory, condition assessment, decision-support tools, and investment prioritization. SCRTD may prudently go beyond the minimum by also adding policy, implementation, staffing, annual update, and monitoring procedures, which are normally Tier I elements but are useful for direct-recipient readiness. [1]

Plan Component	SCRTD-Specific Action
Asset inventory	Revenue vehicles, non-revenue vehicles, service vehicles, facilities, maintenance equipment, passenger facilities, charging systems, IT/communications systems, and eligible third-party or jointly used assets.
Condition assessment	Age, mileage, useful life benchmark, TERM condition where applicable, inspection results, maintenance status, ADA accessibility condition, state of good repair status, and replacement risk.
Decision-support tools	Fleet replacement plan, equipment replacement plan, facility condition assessment, preventive maintenance records, grant tracking, procurement schedule, cash-flow projections, and SBLBF ten-year plan assumptions.
Prioritized investment list	A ranked project list by fiscal year, asset class, estimated cost, funding source, local match, risk

	level, safety/ADA impact, and operational consequence if deferred.
Annual target process	Annual performance targets approved by the Accountable Executive and reported through NTD as required.
Monitoring and amendment process	Quarterly staff review of asset changes, annual update of mileage/condition, and formal amendment if significant new assets, facilities, or capital priorities are added.

Recommended Transition Steps

1. Maintain participation in the NMDOT Group Tier II TAM Plan until SCRTD's independent plan is complete and adopted, so there is no compliance gap.
2. Use the SBLBF ten-year service and financial plan update as the capital planning foundation for the SCRTD TAM Plan.
3. Update the asset inventory to include all current revenue vehicles, non-revenue/service vehicles, facilities, charging infrastructure, maintenance equipment, passenger facilities, IT/communications equipment, and capital assets under SCRTD's direct capital responsibility.
4. Develop current condition assessments and useful life benchmarks by asset class, using mileage, age, maintenance history, inspection results, facility condition, and operational risk.
5. Prepare a four-year prioritized investment list and a longer-range internal capital schedule tied to expected grants, local match, reimbursements, and procurement lead times.
6. Present the plan to the Board for acceptance or adoption and record the Executive Director as the Accountable Executive responsible for carrying out the plan.
7. Provide a written opt-out notice to NMDOT after adoption, with a copy of the adopted SCRTD TAM Plan or a link to it.
8. Share the plan with NMDOT, Mesilla Valley MPO, El Paso MPO, South Central RTPO, and other planning/funding partners for coordination.
9. Use the plan to support annual NTD TAM reporting, annual performance targets, grant applications, capital reimbursement packages, and board budget decisions.

Recordkeeping and Annual Reporting

Once SCRTD has its own TAM Plan, the agency should maintain the plan and all supporting records, make those documents available to the State and MPOs that provide funding, and complete annual TAM reporting through NTD. [5] Annual reporting should include SGR performance targets for the next year, condition information, and a narrative describing changes in asset condition and progress toward the prior year's targets.

Recommended internal owner: The Executive Director should remain the Accountable Executive. Finance should maintain grant and capital funding records; Maintenance and Facilities should maintain vehicle, equipment, facility, and charger condition records; Procurement should track planned acquisitions and replacement procurements; Operations and Safety should document operational risk, road calls, ADA impacts, and service reliability consequences.

Recommended Board Action

Suggested motion: Move that the Board direct staff to finalize an SCRTD-specific Transit Asset Management Plan for the next four-year horizon period, using the SBLBF ten-year service and financial plan and current asset inventory as the foundation; authorize the Executive Director to submit written notice to NMDOT that SCRTD will transition from the NMDOT Group Tier II TAM Plan to the SCRTD independent TAM Plan after Board adoption; and direct staff to share the adopted plan with NMDOT, applicable MPOs/RTPOs, and other planning partners, and to use the plan for annual NTD TAM reporting and capital planning.

Optional Draft Notice to NMDOT After Board Adoption

The following draft notice may be used after the SCRTD plan is complete and approved. Counsel and grant staff should review before transmittal.

> **Draft language:** South Central Regional Transit District has adopted an SCRTD-specific Transit Asset Management Plan for the current four-year planning horizon. The District appreciates NMDOT's role as sponsor of the Group Tier II TAM Plan and will continue to coordinate with NMDOT on statewide planning, rural transit funding, and required grant documentation. Consistent with 49 CFR 625.27(b)(2), SCRTD hereby provides written notice that it will opt out of the NMDOT Group Tier II TAM Plan effective upon the adopted SCRTD TAM Plan implementation date. SCRTD will maintain the adopted plan, share it with applicable planning partners, and complete required annual TAM reporting through the National Transit Database as applicable to its reporting status.

Risks and Mitigation

Risk	Mitigation
Compliance gap during transition	Do not opt out until the SCRTD plan is complete, adopted, and ready for use.
Data quality issues	Assign staff owners for fleet, facilities, equipment, chargers, and funding data; require quarterly updates.
Confusion with NMDOT reporting	Coordinate the transition date with NMDOT and clarify whether NMDOT will continue to report any rural subrecipient assets during the transition.
Board or staff burden	Use the SBLBF plan and existing inventories to build the first version, then improve the plan annually.
Mismatch with TIP/STIP planning cycles	Coordinate the plan update with the MPO/RTPO and STIP/TIP processes as recommended by FTA guidance and federal regulation.

Conclusion

SCRTD should move to an independent TAM Plan because the District's capital program and federal role have outgrown passive participation in a statewide group plan. The transition should be deliberate: complete the SCRTD-specific plan, adopt it, notify NMDOT, share it with planning partners, and use it for NTD reporting and grant development. This approach supports direct-recipient readiness, stronger capital programming, better board oversight, and more defensible grant and reimbursement documentation.

References and Source Notes

[1] 49 CFR § 625.25, Transit Asset Management Plan requirements. Establishes that each Tier II provider must develop its own TAM Plan or participate in a group plan; identifies required elements; and states the Accountable Executive is ultimately responsible for the plan.

[2] 49 CFR § 625.27, Group plans for transit asset management. Addresses sponsor responsibilities, the direct-recipient exception for 5307 subrecipients, and the written-notice process for opting out of a group TAM Plan.

[3] 49 CFR § 625.29, TAM Plan horizon period, amendments, and updates. Requires a horizon period of at least four years and a full update at least once every four years.

[4] FTA, "TAM Plans," last updated May 18, 2026. States that completed or updated TAM Plans do not need to be submitted to FTA, but must be maintained, made available for oversight, shared with planning partners, and supported by annual NTD TAM reporting.

[5] 49 CFR §§ 625.53 and 625.55, Recordkeeping and annual reporting requirements for transit asset management. Requires records supporting the TAM Plan and annual data/narrative reporting to the NTD.

[6] NMDOT Transit and Rail Division, Group Tier II Transit Asset Management Plan 2023-2026, September 30, 2022. The plan identifies NMDOT as sponsor of a Group Tier II TAM Plan for most Section 5311 subrecipients and lists South Central Regional Transit District as a participating agency.

[7] Attached document reviewed: Transit Asset Management Plan, Fiscal Years 2022-2026. The document provides a useful TAM structure but includes Midland-Odessa Urban Transit District/EZ-Rider content and should be fully replaced with SCRTD-specific information before adoption.

Primary online sources:

https://www.ecfr.gov/current/title-49/subtitle-B/chapter-VI/part-625

https://www.transit.dot.gov/TAM/TAMPlans

https://www.dot.nm.gov/planning-research-multimodal-and-safety/modal/transit-rail/transit-bureau/