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A Slide in Capital Spending by States and Local Governments.

Moody's cautions that putting off infrastructure investments could lead to a "form of 'soft' debt that will compete with pension liabilities and other governmental mandates for funding."

Capital spending by state and local governments around the U.S. has been on the decline, with jurisdictions pushing off infrastructure costs into future years.

That's according to a report the credit ratings agency Moody's Investors Service issued this week. The ratings agency looks at U.S. Bureau of Economic Analysis figures and says the information suggests an "ongoing buildup of deferred infrastructure maintenance."

This comes as costs tied to areas like public employee pensions and education continue to put pressure on many state and local budgets.

Moody's notes that state and local capital investment, unadjusted for inflation, hit a peak in 2009 as a percentage of gross domestic product at about 2.6 percent. Since then, it has steadily declined, hitting a low in the first quarter of this year of about 1.7 percent.

If states and localities had maintained 2009 capital investment levels, they would have invested an additional amount of roughly $685 billion in the past seven years, or about 27 percent more than the $2.5 trillion spent during that time, according to Moody's

"Over time," the report says, "we expect that the deferral of such fixed investment will lead to poor asset quality…and require even greater investment in the future—a form of 'soft' debt that will compete with pension liabilities and other governmental mandates for funding."

As Route Fifty reported earlier this year there are unanswered questions about how to best measure the financial costs of deferred infrastructure maintenance among state and local governments and what it means in terms of risk for investors and taxpayers.

The Trump administration has promised an ambitious infrastructure spending package.

But details are still forthcoming. And some state and local officials are skeptical about how far it will go toward addressing what many see as a sweeping need for greater infrastructure investment.

Route Fifty

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