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Still No Free Lunch: Infrastructure Investment Must be Carefully Evaluated.

The President's 2019 Budget gives a prominent place to infrastructure policy, proposing \$100 billion of matching funds to state and local governments, as well as \$50 billion in funding for rural infrastructure and \$50 billion in other spending. The matching funds are intended to spur state and local investment, and would be provided to state and local governments that commit to allocating new revenues to infrastructure projects several times larger than the federal grant. The administration argues that this would leverage the federal investment, generating new state and local spending far in excess of the federal commitment.

Policymaker attention to infrastructure policy is certainly merited. A Hamilton Project blog post, [“No Free Lunch: The Pros and Cons of Public-Private Partnerships for Infrastructure Financing.”](#) explored this very issue. Falling public investment at all levels of government—shown in the figure below—presents a challenge for building and maintaining American infrastructure at levels that can support robust economic growth.

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by Ryan Nunn

Wednesday, February 14, 2018

The Brookings Institute

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