

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **State and Local Governments Face Persistent Infrastructure Investment Challenges.**

### **Costs grow to address critical repair backlogs and limit impact on public safety after decades of underinvestment**

State and local governments across the United States spend roughly half a trillion dollars annually on transportation and water infrastructure, with about one-quarter paid for through grants from the federal government. This spending includes investments in new projects as well as general upkeep and operating costs for roads, bridges, and public transit systems, as well as the development and maintenance of state and locally managed water resources.

Still, experts warn that these commitments will not be enough to keep pace with the growing backlog of needed repairs, or the significant upfront investments required to modernize core public infrastructure systems. In a 2019 report, researchers from the Volcker Alliance, a nonprofit organization focused on public finance issues, estimated that the costs for delayed repairs and maintenance that has accumulated nationally over the past 50 years could reach nearly \$1 trillion. That represents about 5% of the nation's gross domestic product (GDP), but the estimate is likely low. Last year, The American Society of Civil Engineers projected these costs could be double that amount.

Making matters worse are the imminent effects—climbing temperatures, rising sea levels, and increasing precipitation, for example—that a changing climate will have on already vulnerable infrastructure systems. Estimates of the additional investments needed to make core public services, such as access to clean water, more resilient to these changes range in the hundreds of billions of dollars.

[Continue reading.](#)

### **The Pew Charitable Trusts**

By: Fatima Yousofi & Susan Banta

February 3, 2023