

Infrastructure Plan in Flux: 3 Ways State and Local Government Can Influence Congressional Legislation

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The moment President Donald Trump's administration released its long-awaited infrastructure plan, many people in state capitals and local government across the country called it "dead on arrival." Or, at least they hope it is.

The plan was touted as one that would "spur" \$1.5 trillion in investment in the country's infrastructure, but a closer inspection reveals that the federal government would only supply \$200 billion. The plan assumes the majority of the remaining \$1.3 trillion will come from state and local governments and private business. This is a dramatic shift in how infrastructure projects have traditionally been funded. For states and municipalities that are already dealing with budget shortfalls, it's also a daunting one. Additionally, the plan eliminates the traditional mandate that infrastructure funds should be awarded based on "public good" and instead prioritizes projects that generate revenue, especially those that use public-private partnerships (P3s). While the plan may be "dead on arrival" as some have said, passing some form of an infrastructure bill will remain a priority for the administration no matter how the final piece of legislation ends up looking. So, as this first go-round is being reviewed by lawmakers in Washington, what should state and local government officials say to their representatives about why this plan, as is, is unlikely to work? And how can they help to ensure that subsequent drafts will be more palatable?

Here are three key actions to take when having conversations with representatives.

Be Specific About Project Priorities

Before beginning any conversations with representatives at the federal level, local officials should assemble a wish list of their top infrastructure needs with specifics about their estimated costs. Which infrastructure investments do your constituents call for the most? Why are these improvements necessary over others? By identifying the projects that are most important to your state/municipality, lawmakers can make a better case for an infrastructure plan that prioritizes critical infrastructure needs ahead of less vital but more revenue-generating proposals.

But even so, it's very possible that emphasis on economic impact will remain at least a part of any future infrastructure bill.

Pick Projects with an Economic Impact

As it stands now, this plan is giving greater priority to infrastructure projects that can show they generate revenue, rather than those that may ultimately be better for the public good but don't create dollars for the government or for private investors. While legislators look to place greater importance on social returns in their final bill, a focus on revenue-generation is likely going to remain a part of the bill either way.

With that in mind, conversations with representatives should include details about how any critical infrastructure projects will not only benefit the public but deliver monetary returns. Is there a way to make these projects attractive to private investors? Can P3s be fostered to develop projects that generate revenue in non-traditional ways?

Revenue generation won't be possible for all (or even most) critical infrastructure needs, but positive economic implications should be discussed with representatives as part of any proposed project.

Begin Gathering Funds

The idea behind putting the decision-making power in the hands of local governments is that states and local governments know their areas best and thus, they deserve to have the flexibility to prioritize their specific needs. However, the already strained budgets of local governments make the burden of paying for their much-needed infrastructure improvements, without federal support, a very difficult task.

So, what would be required to make the completion of those key infrastructure projects possible? Would it require raising local taxes significantly to pay for the improvements? Would it require that a state or municipality go deeper into debt in order to cover the costs of road or wastewater facility improvements?

Explaining to representatives what it would actually take for states and local governments to make these projects happen without additional support can go a long way toward showing how this plan, in its current iteration, simply won't work.

In the coming months, Congressional committees will evaluate the President's plan. As changes are made, it's crucial that state and local government officials are in the ear of their representatives, discussing what needs to be done to deliver a bill that makes improving our infrastructure possible.

**Learn more about our insights on Trump's Infrastructure Plan
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