



► ISSUE: PROJECT FUNDING

National issues in public infrastructure funding include a massive \$3.7 trillion investment gap, reliance on volatile federal grants, and aging systems exacerbated by extreme weather. Key challenges include funding pauses due to political uncertainty, rising material costs, inflationary pressures, and the “big shift” pushing financial burdens to state/local levels.

KEY NATIONAL INFRASTRUCTURE FUNDING ISSUES:

- **Funding Uncertainty & Political Risk:** Political shifts, such as potential pauses in IIJA (Infrastructure Investment and Jobs Act) and IRA funding, create risks of project delays, cancellations, and higher costs.
- **Massive Investment Gap:** The nation faces a \$3.7 trillion investment gap due to aging infrastructure, extreme weather, and rising demand for reliable, resilient systems.
- **Sustainability of Funding Mechanisms:** Traditional funding sources, such as the federal Highway Trust Fund, are facing deficits, creating questions about long-term sustainability.
- **Shift to Local Responsibility:** A “big shift” is occurring, with increased compliance and financial burdens being pushed from the federal level onto state and local governments.
- **Rising Costs and Inflation:** High construction costs and material delivery delays threaten to exceed planned budgets, leading to project delays and funding gaps.

USAGE EXAMPLES & CONTEXTS:

- **Federal Funding Pause (2025-2026):** Executive orders pausing, reviewing, or rescinding previously allocated funds (e.g., IIJA) create bottlenecks for state governments.
- **Highway Trust Fund Insolvency:** The reliance on federal gas taxes, which are not keeping pace with electric vehicle adoption, results in calls for new revenue streams.
- **Emergency Infrastructure Repairs:** Extreme weather events necessitate quick, massive funding injections, stretching local budgets.

SYNONYMS & RELATED TERMS:

- **Infrastructure Financing:** Mechanisms like municipal bonds, P3s (Public-Private Partnerships), and user fees (e.g., tolls).
- **Capital Budgeting:** The planning process for long-term investments in physical assets.
- **Deferred Maintenance:** The backlog of repairs on existing infrastructure.
- **Capital Investment Deficit:** The gap between needed investment and actual expenditure.

KEY FUNDING SOURCES/MECHANISMS:

- **Federal Grants & Loans:** Crucial for large projects, often requiring state/local matching funds (typically 20%).
- **Municipal Bonds:** General obligation bonds (backed by taxes) and revenue bonds (backed by project income).
- **Public-Private Partnerships (P3s):** Leveraging private investment, but sometimes leading to excessive fiscal risk if projects underperform



THE EMPIRE STATE BUILDING
20 WEST 34TH STREET
NEW YORK, NY 10001

BUILDIT
THE GATHERING
NYC
09.15.26