



BIPARTISAN POLICY CENTER

Executive Council *on* Infrastructure

BUILDING STATE AND LOCAL CAPACITY TO MODERNIZE INFRASTRUCTURE

America's infrastructure—roads, water systems, ports, airports, broadband, and energy grids—is falling behind. We need a new approach, one that will deliver high-quality, resilient infrastructure that will last long into the future.

Achieving this goal is not out of reach. Better asset management, smarter design, and innovative project delivery methods are already in use in a handful of projects around the country, but must be widely adopted for their full benefits to be realized. Yet, lack of capacity at the state and local levels often presents a barrier to advancing new methods of developing and delivering infrastructure projects.

Improved Decision-Making is Needed to Improve Infrastructure

The Bipartisan Policy Center's Executive Council on Infrastructure has recommended a number of actions state and local governments should take to improve infrastructure delivery and performance.

Primarily, state and local governments should:

1. Prepare inventories of the assets they own, including their condition and the long-term costs of maintaining them.
2. Revamp accounting methods to incorporate life-cycle costing and long-term risk and liability assessments.
3. Conduct value-for-money analysis of larger projects to determine when a public-private partnership would provide more value for taxpayers than conventional delivery.
4. Utilize innovative financing mechanisms to attract additional private capital.

Taking these steps will allow public agencies to better prioritize projects according to condition and need, plan for long-term operations and maintenance, and bring new sources of capital to bear.

However, these actions require technical expertise, complex methodologies, and financial knowledge that are not often readily available in infrastructure agencies. It can be difficult—particularly in smaller communities and rural areas—to recruit and retain staff with the necessary expertise for delivering high-performing infrastructure.



What Can the Federal Government Do?

The federal government has a successful history of supporting state and local agencies with technical assistance regarding individual projects or applications. Many federal agencies have expert staff who can assist project sponsors with specific tasks or questions. Few programs, however, focus on building long-term capacity at the state and local level to improve decision-making and infrastructure performance across the board. Programs like U.S. DOT's Build America Bureau, which provides tools and information regarding innovative delivery of surface transportation projects, and USDA's Circuit Rider Program, which sends experts to assist rural water systems, are among the few that are attempting to create lasting change in financial and operating practices. These programs are a good start, but they are limited in the types of infrastructure they support and the types of issues they can take on.

The federal government should build on these programs to provide greater assistance to state and local agencies in developing the institutional capacity they need to efficiently design and manage their infrastructure.

Specifically, Congress should:

- Create a unified capacity building program covering all types of infrastructure.
 - The program could be co-managed by federal infrastructure agencies or established as a standalone office.
 - The program should coordinate with existing technical assistance programs to leverage their expertise and ensure a streamlined, consistent approach to innovative infrastructure development across all departments and programs.
 - The program should provide technical assistance, predevelopment funding, and a clearinghouse of best practices, all designed to help state and local governments build in-house, institutional capacity to effect long-lasting change.
- Designate a specific percentage of program staffing and funding to assist rural communities with their unique infrastructure challenges, as proposed in H.R. 4947, introduced by Reps. Elizabeth Esty (D-CT) and John Katko (R-NY).
 - The program should coordinate “on-the-ground” technical assistance teams who can work directly with communities to help them prepare project financing packages, improve accounting practices, and conduct the economic analyses necessary for federal grant and loan applications.

