



# Carolina Cup Policy Presentation - Infrastructure

March 28, 2025



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## Biden Administration

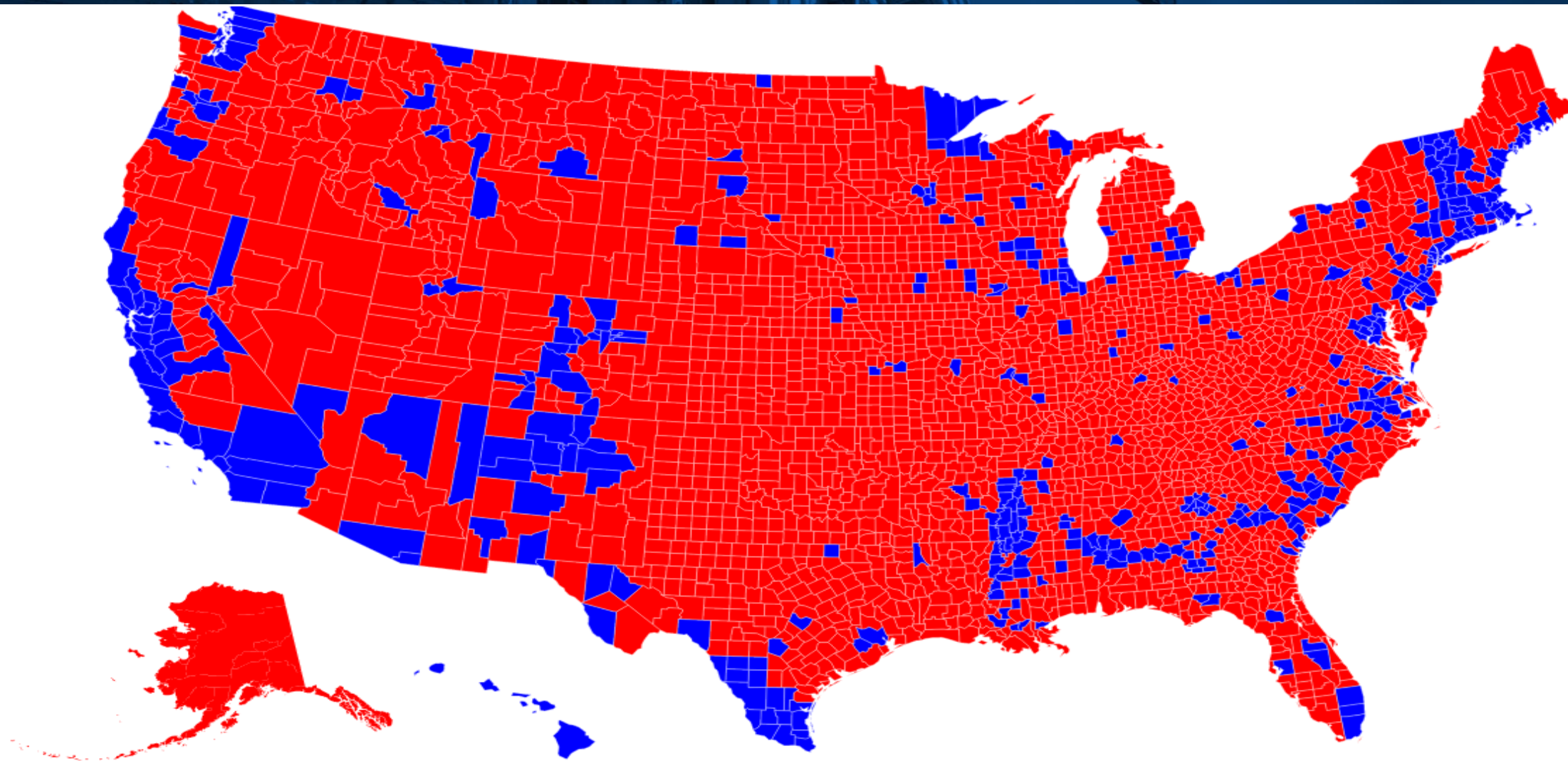
- Had a majority in Congress for first two years
- IIJA and IRA
  - Traditional and 'nontraditional' infrastructure
  - Both had green infrastructure
  - IRA – 100% green
- Justice 40 – targeted to blue urban areas
  - Community based infrastructure
  - Reconnecting Communities (IIJA)
  - Neighborhood Equity Access (IRA) – no capacity





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# 2024 Election Outcome



- House of Representatives
  - Weak Speaker
  - Narrow GOP majority
  - Divide between fiscal hawks (debt/debt ceiling), swing district moderates
- Senate
  - No Mitch McConnell
  - Narrow GOP majority (Collins, Murkowski, McConnell)

- President Trump
  - Shrinking federal government
  - Slashing regulations
  - Trump Tax Cuts
  - ‘America First’ – ‘Make America Great Again’
    - Creating American jobs
    - More private sector investment in America





# US Debt Clock.org

State Debt Clocks

World Debt Clocks



Time Machine



## US NATIONAL DEBT

**\$36,575,277,195,975**

DEBT PER CITIZEN

**\$107,009**

DEBT PER TAXPAYER

**\$323,047**

US FEDERAL SPENDING (OFFICIAL)

**\$7,056,505,621,842**

US FEDERAL BUDGET DEFICIT (OFFICIAL)

**\$2,005,543,809,004**



D.O.G.E. CLOCK

**\$181,676,334,669**

SAVINGS PER TAXPAYER

**\$1,617**

US FEDERAL DEBT TO GDP RATIO

1960 • **53.15%** 1980 • **34.53%** 2000 • **58.83%** NOW • **122.46%**

US FEDERAL TAX REVENUE

**\$5,050,961,873,047**

REVENUE PER CITIZEN

**\$14,804**

INCOME TAX REVENUE

**\$2,610,751,938,711**

PAYROLL TAX REVENUE

**\$1,694,411,111,111**

TOTAL STATE REVENUE

**\$2,659,299,730,977**

TOTAL LOCAL REVENUE

**\$2,030,349,392,463**

CORPORATE TAX REVENUE

**\$535,776,911,002**

FUTURE TAX REVENUE

**\$1,000,000,000,000**



STATE DEBT

**\$1,055,374,597,908**

DEBT PER CITIZEN

**\$3,093**

LOCAL DEBT

**\$2,075,129,030,444**

US GROSS DOMESTIC PRODUCT

**\$29,866,522,823,237**

TOTAL WORKER COMPENSATION

**\$15,401,882,795,274**

TOTAL FEDERAL/STATE/LOCAL DEBT

**\$12,136,835,062,355**

## Largest Budget Items

MEDICARE/MEDICAID

**\$1,669,021,483,449**

SOCIAL SECURITY

**\$1,493,753,683,132**

DEFENSE/WAR

**\$885,437,987,688**

INTEREST ON DEBT (NET)

**\$1,011,008,241,123**

## Unfunded Debt/Interest

US TOTAL INTEREST PAID



INTEREST PER ADULT

US TOTAL DEBT



SAVINGS PER FAMILY

US POPULATION

**341,471,902**

US INCOME TAXPAYERS

**112,572,118**

PRIVATE SECTOR JOBS

US WORKFORCE NOW

**163,361,576**

US WORKFORCE 2000 \*

**163,556,418**

NOT IN LABOR FORCE NOW

OFFICIAL UNEMPLOYED

**7,263,247**

ACTUAL UNEMPLOYED

**15,056,488**

FULL-TIME WORKERS



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# Timeline of Federal Activities

- Confirmations
- **State of the Union – March 4**
- Debt limit increase
- FY25 Appropriations bills – March 14
- Heavy focus on foreign policy and trade

- End of federal fiscal year – September 30, 2025
- Surface Transportation ‘Listening’ Sessions



2025 Q1	Q2	Q3	Q4	2026
	<ul style="list-style-type: none"><li>○ <b>FY25 Budget Reconciliation</b> – Tax, border security, energy, defense</li><li>○ Trump FY26 budget submitted to Congress</li><li>○ Start FY26 Appropriations</li><li>○ Confirmations (cont.)</li><li>○ Surface Transportation ‘Listening’ Sessions</li></ul>		<ul style="list-style-type: none"><li>○ <b>FY26 Budget Reconciliation</b> – traditional infrastructure, energy, border, American manufacturing</li><li>○ Heavy focus on Surface Transportation Reauthorization</li></ul>	





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## Federal Activities

- Budget Reconciliation – Trump Tax Cuts
  - Senate as early as week of March 31
- Framework for FY25 budget
  - Reduce spending by approx. \$1.5-2T over 10 years, tax cuts \$4.5T
  - Could be 15-20% reduction in non-defense spending
  - Impact to reauthorization bills (transportation, WRDA, etc.)
- Transportation Reauthorization – BACK TO BASICS!



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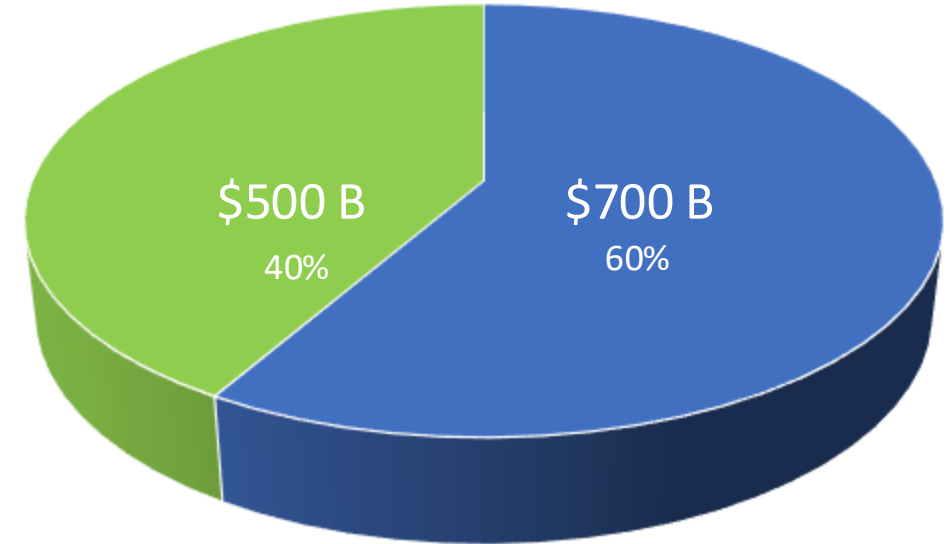
# FY25 Continuing Resolution

- Congress passed full year FY25 Continuing Resolution (CR)
  - No Earmarks
  - Future recissions likely based off FY25 budget (cut \$1.5T over 10 years)
- FY25 CR Highlights
  - Increased total discretionary spending by ~\$10B
  - T-HUD took a \$3B cut
    - Transportation basically held harmless
    - Majority of cuts in HUD accounts (e.g. CDBG)

# What was IIJA?

- **Started as traditional transportation reauthorization...**
- **\$1.2T Infrastructure Investment**
  - \$700B (60%) formula
  - \$500B (40%) discretionary
- Pairs traditional and nontraditional infrastructure investments
- ‘Unique’, once in a generation investment opportunity

BIL 5 Year Funding Totals: Formula vs  
‘Discretionary Grants’ (in Billions)



■ 'Formula' Funding    ■ Discretionary Grant Funding





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# Surface Transportation Reauthorization

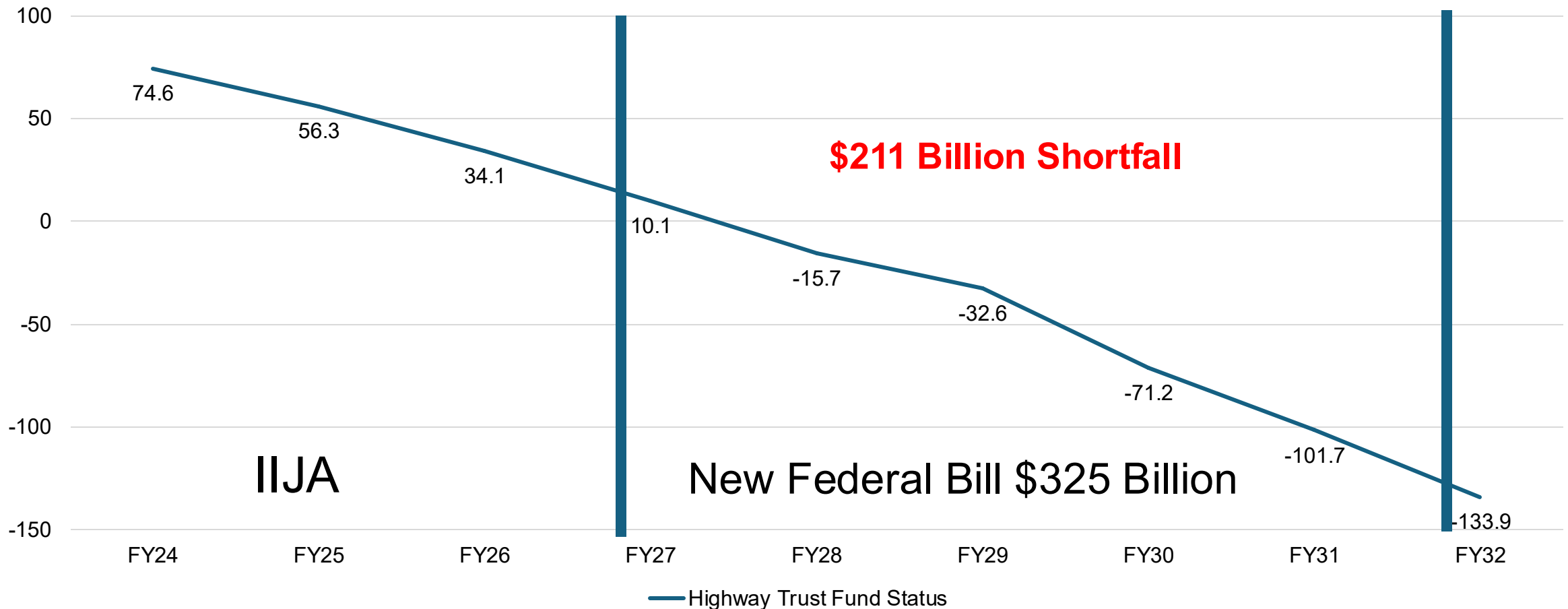
- Surface Transportation Reauthorization
  - Desire to have an accelerated timeline
    - House – end of Summer 2025
    - Senate – end of calendar year 2025/early 2026
  - Senate EPW
    - Invest with Impact, Variety of Transportation Needs, Scalability
    - Permitting reform – March 21 deadline for record
  - ‘Traditional’ Authorization Bill - ~\$660B target
    - Have a funding and revenue collection problem



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# Transportation Reauthorization FHWA Funding Status

## Highway Trust Fund Status





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## Path Forward – Infrastructure Specific

- Congress going in two different directions at once – ‘plus-ing up’ (FY25CR) and cutting \$1.5T over 10 years (\$150B annually)
- Transportation Reauthorization – Going back to basics
  - Reestablish baseline
  - Formula vs. discretionary
- **Is it more important to preserve year over year in formula accounts – or windfalls in spending?**





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What does this mean for cities for the next two years....



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## Impact on Cities

- Window for federal government investment in ‘local’ infrastructure is limited going forward
  - House – GOP fiscal hawks
  - Focus on traditional investments w/ economic ROI
- Investments in urban areas are going to be viewed skeptically, even in red states
- P3s are a way to leverage funding (federal, state, local)
  - Has to be the right tool in the toolbox

- Back to basics!
- For the next two years, must navigate within GOP context and speak Republican
- There are two major pieces of legislation, both will use budget reconciliation (tax policy, infrastructure)
- After 2026 midterm, we should be prepared for a political shift.
  - Trump will be a lame duck, likely without control of Congress
  - Congress likely purple or blue





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## What Can Cities Do?

- Advocate for a solid base of federal funding
- Pick strategic projects with a federal/national nexus
- Partnerships
- Tell your story to Congressional Members and Staff in DC and in the District!



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# Thank you!