

STATE AND LOCAL PUBLIC FACILITY NEEDS AND FINANCING

Volume 1. PUBLIC FACILITY NEEDS

Introduction and Summary*

INTRODUCTION

In our highly developed economy, we in the United States tend to take for granted that the public services ordinarily provided by State and local agencies will in some way continue to be furnished in increasing amounts that keep pace with population growth. By and large, these public services are furnished by State and local public agencies, but significant portions are supplied by (a) private, nonprofit organizations, (b) proprietary or profitmaking companies, and (c) sometimes the Federal Government.

A large part of these public services involve utilization of buildings, structures, and other public facilities, which may be characterized as the Nation's public facilities capital plant. Financing of this capital plant, or what may be termed "capital outlays," will depend upon the type of institution involved, e.g., the financial resources available to public bodies and to private organizations.

As part of its inquiry into the basic economic aspects of human resource investment, the Subcommittee on Economic Progress of the Joint Economic Committee has undertaken an examination of the provision of State and local public facilities by public and private agencies and the availability of credit and other resources to help finance them. The study comprises 2 volumes: The first volume, which is presented herein, is concerned with the existing public facilities capital plant and the growth in requirements that can be expected over the next decade. The second part, presented in a volume to be issued shortly, is concerned with the credit financing of State and local public facilities, with particular reference to the municipal bond market. It will undertake to show prospective increases in such borrowing requirements and probable sources of credit to finance them.

STATE AND LOCAL PUBLIC FACILITY NEEDS

A. NEED FOR AND USES OF STUDY

1. *Need for the Study*

During the past two decades there has been increasing concern regarding the adequacy of the Nation's public facility capital plant. The Congress has authorized a number of Federal assistance programs to help finance the development of basic community facilities (water supply, sewage disposal, power supply), transportation facilities, educational facilities, health facilities, recreational facilities, and other public facilities. In each instance the legislative committees having

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