

## Session 9: Infrastructure Funding

### -Discussion Questions-

#### Key Questions

- What are the major differences between funding from taxes and funding from user charges? Given the heterogeneity of infrastructure services, what kind of projects is more suitable for taxation funding and what kind more suitable for funding from user charges?
- Recall the range of financing mechanisms we reviewed last time. Does a certain financing mechanism correspond with a particular kind of funding tool?
- The Canada West Foundation sourcebook examined a comprehensive list of funding tools, while Hanak and Rueben provided a detailed case study. Please comment on the advantages and disadvantages of the financing innovations for California infrastructure, with reference to the framework put forward by the Canada West Foundation sourcebook.
- (Open Question) When choosing and/or designing a funding tool, how could the local government take into account both equity and efficiency? Comment on the following pairs of competing considerations:
  - Costs and benefits
  - Authority and accountability
  - Current capacity and future responsibility

#### Specific questions on each article

##### Canada West Foundation: New Tools for New Times

- The sourcebook discussed Tax Incremental Financing (TIF) at length. What are the features of TIF? How does it overcome some traditional problems with taxation funding? Do you know of its application in other contexts?

##### Hanak and Rueben: Funding Innovation for California's

- In the authors' view, how does the improvement in technology promote user charge funding?

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