

TACIR

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[TACIR](#)

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TENNESSEE'S PUBLIC INFRASTRUCTURE NEEDS CONTINUE TO GROW NOW APPROACH \$22 BILLION

March 29 – According to a new report released by the Tennessee Advisory Commission on Intergovernmental Relations, Tennessee needs at least **\$21.6 billion** of public infrastructure improvements to be in some (TACIR) stage of development during the five-year period of 2002-2007. This report, which is based on information provided by state and local officials, shows an increase in needs of **\$7.8 billion** (up nearly 57%) since the first inventory was published four years ago and an increase of about **one billion dollars** (five percent) from the March 2002 report. These needs fall into six general categories:

◆ Transportation & Utilities:	\$9.1 billion
◆ Education:	\$5.2 billion
◆ Health, Safety & Welfare:	\$4.7 billion
◆ Recreation & Culture:	\$1.7 billion
◆ Economic Development:	\$564 million
◆ General Government:	<u>\$374 million</u>
Total	<u>\$21.6 billion</u>

Most Comprehensive Tally of Needs Ever: All Highway Projects Now Included

The largest increase was in the transportation and utilities category, which remains the single largest overall. The increase from **\$8.3 billion to \$9.1 billion** was mostly attributable to increased needs reported by local government officials, but about a third of it was the result of TACIR's new reliance on the Department of Transportation to supplement the inventory. Transportation needs alone represent **\$8.1 billion** (around thirty-eight percent) of the total infrastructure needs. Dr. Harry Green, TACIR's executive director noted that

“with the inclusion of projects from the state highway department, we now have the most complete inventory in the project's six-year history. Staff analysis indicates that the total need could be as much as \$24.6 billion, but the gap between our estimates and the needs actually reported continues to shrink as the inventory improves.”

Major Factors Driving School Building Needs: Enrollment Growth & Renovations

This project is the only source of statewide information on the condition of public school buildings and what it would take to get them all in good or better condition, and the news here is good: According to local school officials, **eighty-five percent** of local public schools are now in good or excellent condition. They estimate the cost to put the remaining fifteen percent in good or better condition at **one billion dollars**, which is a **\$428 million** drop from the cost reported in the previous inventory. They also report that more than half of all school systems have sufficient space to house the teachers and classrooms required by the smaller class-size standards imposed by the Education Improvement Act (EIA) in the fall of 2001. TACIR estimates the cost of the remaining classrooms

needed to house these teachers at just over **\$800 million** statewide, which is also a huge drop (about forty percent or **\$530 million**) from the cost estimate in TACIR's last report. Representative Randy Rinks, TACIR's chairman, had this to say about the declining costs:

"It is clear from the staff's analysis that school officials have used the funding increases provided by the General Assembly wisely. Overall, school conditions are continuing to improve, and local governments have made substantial progress toward providing the classroom space they need because of the EIA. However, high growth systems are still facing challenges. Staff analysis indicates that more than **\$960 billion** is needed for enrollment growth and replacement schools."

Despite these declines, the education category had the second largest increase overall, primarily because of increased needs at the state's public colleges and universities. Total education infrastructure needs increased from **\$4.8 billion to \$5.2 billion** (about six percent) since the last report. Needs at the state's public post-secondary schools grew **\$289 million** (about twenty-four percent) since the last report. Enrollment growth from the lottery scholarships should be expected to cause those needs to continue to grow.

Other Highlights from the Report

- **Health, Safety, and welfare at \$4.7 billion** is the third largest cost category and accounts for nearly twenty-two percent of the state's public infrastructure needs. Water and Wastewater needs alone total nearly **\$3.0 billion** or nearly fourteen percent of the grand total and nearly sixty-four percent of this one category. Water and Wastewater, Transportation, and Local Public Education combined represent more than two thirds of total reported needs.
- The **economic development category**, which includes business district and industrial site and park development, experienced the largest percentage change as costs declined by **\$314 million** or thirty-six percent from the 2001 report. Most of this decline resulted from the restructuring of a single project in one county.
- The largest infrastructure needs are in counties with the largest populations and the largest population gains. Eight of the ten counties reporting the greatest need for infrastructure improvements were among the top ten for population. In dollar terms, the greatest concentrations of need are in four major metropolitan counties and the rapidly growing counties surrounding Davidson.

The full report can be found on TACIR's web site at <http://www.state.tn.us/tacir/infrastructure.htm>.

TACIR Mission

TACIR's mission is to serve as a forum for the discussion and resolution of intergovernmental problems; provide high quality *research* support to state and local government officials in order to improve the overall quality of government in Tennessee; and to improve the effectiveness of the intergovernmental system to better serve the citizens of Tennessee.

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