

TACIR

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## TENNESSEE'S PUBLIC INFRASTRUCTURE NEEDS CONTINUE TO GROW NOW STAND AT \$34.2 BILLION

October 1– According to a new report released by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), Tennessee needs at least **\$34.2 billion** of public infrastructure improvements to be in some stage of development during the five-year period of 2007-2012.

While this report was being produced, the American Recovery and Reinvestment Act of 2009 created a number of stimulus funding programs for public infrastructure. Estimates from the Office of the Tennessee Recovery Act Management put Tennessee's share of funds for infrastructure at around \$686 million. These programs were a response to continued concerns about funding infrastructure needs and are intended to help preserve and create jobs and promote economic recovery. Infrastructure investment offers big returns. Mark Zandi, chief economist for Moody's Economy.com, estimated in a January 2009 report that a dollar spent on public infrastructure boosts gross domestic product (GDP) \$1.59.

Tennessee was uniquely poised to identify 'shovel ready' projects. TACIR's public infrastructure needs inventory was used by local officials to help identify projects that might qualify for stimulus funds and to show lawmakers what the need is in Tennessee. Senator Mark Norris, TACIR's chairman, had this to say about stimulus funding: "As great as the influx of stimulus dollars is, when you look at the total need, it is still only a fraction of what the state needs."

The current report, which is based on information provided by state and local officials, shows an increase in needs of **\$20.5 billion** since the 1999 report was published and an increase of about **\$5.9 billion** (20.7%) from the September 2007 report. These needs fall into six general categories:

- ◆ Transportation and Utilities: \$17.7 billion
- ◆ Education: \$6.8 billion
- ◆ Health, Safety, and Welfare: \$6.8 billion
- ◆ Recreation and Culture: \$1.8 billion
- ◆ Economic Development: \$617 million
- ◆ General Government: \$563 million

Dr. Harry Green, TACIR's executive director, noted that "TACIR now has the most comprehensive inventory of infrastructure needs in the project's eleven-year history."

The largest increase is in the Transportation and Utilities category, which remains the single largest overall. This category increased from **\$14.6 billion** to **\$17.7 billion**. Transportation needs alone represent **\$17.1 billion** (50.0%) of the total infrastructure needs. Part of this increase results from including nearly \$660 million in bridge improvements that were not captured in previous inventories. Most of the rest of the increase from the previous inventory was in non K-12 education, needs at the state's colleges and universities, with an increase of \$963 million; law enforcement, an increase of \$786 million; and water and wastewater, an increase of \$656 million.

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, **91%** of local public schools are now in good or excellent condition. However, they estimate the cost to put the remaining 9% in good or better condition at **\$1.5 billion**, which is a **\$312 million** increase from the cost reported in the previous report. They also report that 96% of all schools 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. The rest use portable classrooms, non-classroom spaces such as libraries and cafeterias for teaching classes, and classrooms that are empty when other teachers have planning periods. TACIR estimates the cost of the remaining classrooms needed to house these teachers at almost **\$74 million** statewide, which is a **\$27 million** increase from the cost estimate in TACIR's last report.

### **Other Highlights from the Report**

- Water and wastewater, transportation, and local public education combined represent more than 70% of total reported needs.
- Total **Education** infrastructure needs increased from **\$5.6 billion to \$6.8 billion** (about 20%) since the last report. This was the second largest increase among the six categories. Most of this increase (about 47%) can be attributed to **\$963 million** in new needs at the state's public post-secondary schools.
- **Health, Safety, and Welfare** at **\$6.8 billion** is the **third largest cost category** and accounts for 19.7% of the state's public infrastructure needs. Water and wastewater needs alone total almost **\$3.9 billion** or over 11% of the grand total and 57% of this one category.  
The **General Government** category, which includes public buildings, other facilities and property acquisition, had the largest percentage change as needs **increased by \$137 million** (32%) from the previous report. Needs for new and improved public buildings increased by \$117 million in 2007.

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

### ***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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