

TACIR

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[TACIR](#)  
226 Capitol Boulevard Bldg.  
Suite 508  
Nashville, Tennessee 37243-0760

Contact: Catherine Corley  
Senior Research Associate  
Email: [Catherine.Corley@tn.gov](mailto:Catherine.Corley@tn.gov)

Phone: 615/253-4240  
Fax: 615/532-2443

## TENNESSEE'S PUBLIC INFRASTRUCTURE NEEDS CONTINUE TO GROW NOW STAND AT \$37.6 BILLION

NASHVILLE—According to a new report released by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), at least **\$37.6 billion** worth of public infrastructure improvements need to be in some stage of development during the five-year period of 2009 to 2014. The information presented in this report provides two types of information: (1) needed infrastructure improvements and (2) the condition of existing elementary and secondary (K-12) public schools. To be included in the inventory, infrastructure projects must not be considered normal maintenance and must involve a capital cost of at least \$50,000.

The current report, which is based on information provided by state and local officials, shows an increase in needs of **\$23.9 billion** since the first report on public infrastructure needs was published in 1999 and an increase of about **\$269 million** (0.7%) from the September 2010 report. These needs fall into six general categories:

- ◆ Transportation and Utilities: \$19.5 billion
- ◆ Education: \$7.7 billion
- ◆ Health, Safety, and Welfare: \$6.9 billion
- ◆ Recreation and Culture: \$1.8 billion
- ◆ Economic Development: \$1.1 billion
- ◆ General Government: \$473 million

The increase since last year's report is the smallest since the infrastructure inventory began in 1997. The largest increase since last year is in the Transportation and Utilities category, which remains the single largest category overall. Transportation and Utilities needs increased **\$612 million**, from **\$18.9 billion** to **\$19.5 billion**. Transportation needs alone make up **\$18.9 billion** (50%) of the total reported for all types of infrastructure.

Even with this significant increase in transportation needs, total needs increased only slightly because four types of infrastructure needs—water and wastewater, new schools, law enforcement facilities, and public buildings—decreased by more than **\$100 million** each. The report also includes information about the availability of funding to meet these needs. Of the **\$29.3 billion** reported for local infrastructure improvements, only **\$10.9 billion** has been identified. Officials are asked to report only those funding dollars that are available and not to speculate about how a project could be funded.

This inventory of Tennessee's public infrastructure needs 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

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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 **\$38 million** decrease from the cost reported in the previous report.

Dr. Harry Green, TACIR's executive director, has noted "This inventory and report is unique to Tennessee. No other state that, we are aware of, has a comprehensive inventory of needs."

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

- Total **Education** infrastructure needs decreased from **\$6.8 billion to \$7.7 billion** (-0.7%) since the last report. This was the smallest decrease among the six categories.
- Needs for school infrastructure improvements—including new schools and improvements or additions to existing schools—decreased by more and **\$100 million** for the third consecutive year.
- The largest decrease in the **Education** category, **\$127 million**, is in new school construction needs. The decline in needs for new schools has followed a decline in enrollment.
- **Health, Safety, and Welfare** at **\$6.9 billion** is the **third largest cost category** and accounts for 18.4% of the state's public infrastructure needs. Water and wastewater needs alone total **\$4 billion** or over **10%** of the grand total and **58%** of this one category.
- Water and wastewater, transportation, non k-12 education and local public education combined represent **81%** of total reported needs.
- Law enforcement needs have steadily increased over the years but decreased for the first time in this inventory. Although more than **\$200 million** in law enforcement needs were added, that was not enough to offset the 53 completed or canceled projects, which totaled **\$389 million**.
- General **Government** needs fell by **\$177 million (27.3%)**, mainly because of a **\$164 million** decrease in public buildings. Fourteen public building projects reported in the last inventory were canceled, and 44 were completed.
- **Economic Development** needs increased **\$109 million** from the previous inventory. This increase is attributable to an increase in the estimated cost of the convention center project in Nashville.

The full report is available on TACIR's web site at <http://www.tn.gov/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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