

NASHVILLE—Tennessee needs at least \$4.3 billion of public infrastructure improvements during the five-year period of 2013-2018 according to a new report by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). The need for public infrastructure improvements as reported by state and local officials is up \$4.1 billion (10.7%) compared with the year before, mainly because bridges with remedial needs exceeding \$50,000 are now treated as immediate needs, consistent with all other project types in the inventory regardless of when funds will be available to repair or upgrade them. Without those bridge projects, the total cost would have increased by only \$369 million (1.0%).

Costs for current infrastructure needs fall into six general categories:

- Transportation and Utilities: \$25.9 billion
- Education: \$8.5 billion
- Health, Safety, and Welfare: \$5.0 billion
- Recreation and Culture: \$1.7 billion
- General Government: \$721 million
- Economic Development: \$508 million

Transportation and Utilities is the single largest category (\$25.9 billion) and increased the most in overall cost (\$4.2 billion), mainly because of the addition of \$3.7 billion for the bridges described above. Without these bridges, the infrastructure needed in this category would have increased only \$481 million. Transportation alone, at \$25.7 billion, accounts for nearly all of this category and all but \$5.7 million of the increase. At 61% of the estimated costs for all infrastructure improvements, transportation by itself dwarfs all other types of infrastructure needs.

Aside from these bridges, new transportation projects in the inventory totaled \$2.4 billion, and hundreds of projects remaining in the inventory increased in cost by a total of \$1.1 billion. These increases were slightly offset by \$1.2 billion for projects completed since the last inventory, and \$942 million in cost reductions, of which \$171 million was caused by the Tennessee Department of Transportation's new Expedited Project Delivery program (EPD). Under the EPD program, TDOT evaluates projects and, where appropriate, recommends cost-effective modifications, such as intersection and lane modifications as well as safety improvements instead of building new roads or widening existing roads.

Education is the second largest (\$8.5 billion) and increased \$969 million (12.9%) mainly because the cost of improvements needed at the state's public college and university campuses increased \$654 million (16.7%) to \$4.6 billion. This inventory is the only source of statewide information on the condition of public school buildings and the cost to put them all in good or better condition. The

estimated cost for improving the state's public school buildings has remained relatively flat since 2007 but increased \$290 million (8.1%) this year to \$3.8 billion, mainly because new schools and new renovation needs added to a growing backlog of unfinished school renovations. Asked about the overall condition of their school buildings, public school officials reported that 95% are in good or better condition.

Health, Safety, and Welfare, the third largest category, decreased \$556 million (10%) to \$5.0 billion. This decline resulted primarily from decreases in the need for improved law enforcement and water and wastewater infrastructure. Water and wastewater accounts for the largest portion of the Health, Safety, and Welfare category at \$3.4 billion; it decreased by \$217 million (6%) from last year. The Recreation and Culture category increased overall by \$35 million (2.1%) to \$1.7 billion because an increase in recreation infrastructure needs offset decreases in library, museum, and historic site improvements and community development needs. General Government infrastructure improvements increased \$169 million (30.6%) to \$721 million. The combined estimated cost of both types of infrastructure types in the Economic Development category decreased \$727 million (58.8%) since the last inventory and now totals \$508 million.

In general, the more people a county has and the more its population grows, the more infrastructure it will need and, fortunately, the more wealth it will likely have to pay for those needs. The relationships among these factors are strong and well demonstrated by the variation reported for each Tennessee county although they are not perfectly aligned in any county. Some counties are able to meet their infrastructure needs more easily than others, some continue to report the same needs year after year, and even fast growing counties can find it difficult to meet their needs. And, relative to county population, counties with small populations need and complete just as much or more infrastructure than counties with large populations. Four counties—Davidson, Shelby, Williamson, and Rutherford—account for 39% (\$5.5 billion) of the needed \$14.1 billion in infrastructure improvements reported by local officials.

Local officials are confident in obtaining funding for only \$11.8 billion of the \$33.9 billion needed to meet local infrastructure improvement needs. These figures do not include needs at existing schools or those in state agencies' capital budget requests. Most of this funding, \$11.0 billion, is for improvements that are fully funded; another \$852 million is for improvements that are partially funded. That leaves another \$22.1 billion of improvements for which funding is not yet available.

The full report is available on TACIR's web site at <http://www.tn.gov/tacir/article/tacir-infra-2013-2018>. For more information, contact Dave Keiser, Project Manager, at david.keiser@tn.gov or 615.253.4237.

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.