

TACIR

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NASHVILLE—Tennessee needs at least \$43.4 billion of public infrastructure improvements during the five-year period of July 2015 to June 2020 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 \$3 billion (7.4%) compared with the year before. Improvements needed for Transportation and Utilities, Education, and Health, Safety, and Welfare types of infrastructure continue to account for most of the inventory, with Education and Health, Safety, and Welfare infrastructure needs responsible for most of the reported increase this year. As in last year's inventory, nearly two-thirds of the estimated cost of needed infrastructure improvements reported in this year's inventory is not funded.

Costs for current infrastructure needs fall into six general categories:

- Transportation and Utilities: \$24.8 billion
- Education: \$9.6 billion
- Health, Safety, and Welfare: \$6.2 billion
- Recreation and Culture: \$1.8 billion
- General Government: \$722 million
- Economic Development: \$417 million

Transportation and Utilities has always been the single largest category and remains so despite a small increase of \$130 million (0.5%) from last year to a current total of \$24.8 billion. The net increase in the total estimated cost of transportation infrastructure needs is only \$27 million (0.1%) in this year's inventory. The estimated cost for needed infrastructure improvements for other utilities increased by \$103 million (48.0%) and now totals \$316 million. Most of this increase is attributable to the addition of a \$69 million electrical grid modernization project by the Knoxville Utilities Board.

Many Tennesseans are aware that the Tennessee Department of Transportation (TDOT) reports an approximately \$10.5 billion backlog of projects, but this includes only the total estimated cost of remaining phases of work for projects already approved by the Tennessee General Assembly and currently under development. The inventory's much larger estimate of \$24.4 billion for transportation (not including the category's other \$316 million for other utilities) includes all transportation improvements identified by state and local officials as needed, whether or not any funding has been approved or is even likely to be forthcoming. Comprising 56.3% of estimated costs for all infrastructure improvements, transportation alone dwarfs all other types of infrastructure needs.

Education is the second largest category and increased \$1.2 billion (13.9%) to \$9.6 billion because of increases to the total estimated cost of all five types of infrastructure in this category. The \$488 million

(34.5%) increase in the need for new schools was the main reason the total estimated cost for education infrastructure increased. This year, local officials reported they need \$1.9 billion to build new schools, of which \$639 million is for school projects reported for the first time by 14 school systems. The total estimated cost for school additions increased \$148 million (38.8%) and now totals \$529 million, while the cost for improvements to existing space increased \$256 million (13.0%) and totals \$2.2 billion. Some of the additions and improvements to existing space were caused by the condition of the school. Although their local school officials rated just over 8.1% of public schools (142) in Tennessee in fair or poor condition, 135 of those schools need improvements to existing space and account for just under a third of total estimated cost for improving existing space.

Officials are confident in obtaining funding for only \$12.5 billion of the \$33.9 billion needed to meet infrastructure improvement needs. These figures do not include improvements for which funding information is not collected, such as improvements at existing schools or those in state agencies' capital budget requests. Most of this funding, \$12.0 billion is for improvements that are fully funded; another \$492 million is for improvements that are partially funded. That leaves another \$21.4 billion of improvements for which funding is not yet available.

This year's report is organized differently than in previous years. A single statewide overview chapter provides information by type of infrastructure, the condition and needs of our public school facilities, the availability of funding to meet reported needs, and a comparison of county-area needs. Following that section, one-page summaries for each county-area lists the estimated cost for all types of infrastructure by stage of development. The summaries also highlight the top three types of infrastructure improvements needed in each county based on total estimated cost and provide comparisons of the infrastructure needed at public school systems to student enrollment. Further detailed county-area information about each type of infrastructure in the inventory, along with relevant legislation, inventory forms, and a glossary of terms, can be found in the appendixes to the report.

The full report is available on TACIR's web site at <http://www.tn.gov/tacir/article/tacir-infra-2015-2020>. 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.