NASHVILLE—Tennessee needs at least $37.1 billion of public infrastructure improvements to be in some stage of development during the five-year period of 2011-2016 according to new report by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). Even so, public infrastructure needs, as reported by state and local officials, are flat (down only 0.2%) compared with the year before.

Costs for current infrastructure needs fall into six general categories:

- Transportation and Utilities: $20.2 billion
- Education: $7.2 billion
- Health, Safety, and Welfare: $6.2 billion
- Recreation and Culture: $1.7 billion
- Economic Development: $1.2 billion
- General Government: $488 million

Senator Mark Norris, TACIR’s chairman, notes that public infrastructure is one of the most important things government can provide to encourage economic development, saying, “This inventory is not just a catalog of infrastructure needs; it’s a guide for improving quality of life in Tennessee.”

While the overall need for public infrastructure was flat, the need for transportation infrastructure increased by $1.3 billion (6.8%). At 54.1% of the estimated costs for all infrastructure improvements, transportation dwarfs other types of infrastructure needs. Transportation is part of the Transportation and Utilities category, which has always been and remains the single largest category in the inventory. The estimated costs for Health, Safety, and Welfare infrastructure improvements decreased the most ($893.6 million) from $7.1 billion to $6.2 billion. All seven types of infrastructure in this category decreased: water and wastewater, law enforcement, public health facilities, storm water, fire protection, solid waste, and housing. That does not necessarily mean that needs reported in past inventories have been met. Much of this year’s decrease can be attributed to cancelation or postponement rather than completion of projects.

This inventory is also 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, 93% of local public schools are now in good or excellent condition. However, they estimate the cost to put the remaining 7% in good or better condition at $574 million.

Local officials are confident in obtaining funding for only $11.2 billion of the $30.1 billion identified as local needs. These figures do not include needs at existing schools or those in
state agencies’ capital budget requests. Most of this funding, $10.8 billion, is for improvements that are fully funded; another $415 million is for improvements that are partially funded. That leaves another $18.8 billion of improvements for which funding is not yet available.

Infrastructure is built for many reasons, including community enhancement, population growth, public health and safety, economic development, and government mandates. Around two-thirds (67%) of improvements in this inventory are needed for public health and safety, 29% is needed for population growth, and 22% is needed for community enhancement. Infrastructure needs and the ability to meet them vary across the state.

It is no surprise that counties with the largest populations, growth rates, and tax bases need the most infrastructure and are able to build the most. Davidson County, with the greatest density and second largest population, gets the most done, while Shelby, with the largest population, needs the most. However, even though the most populous counties need and complete more infrastructure, an examination of infrastructure improvements per capita indicates that population alone does not explain the differences. Available financial resources, including sales and property tax bases and residents’ income, are strong predictors of how much infrastructure is needed and how much gets completed. Population gain is also strongly related to how much infrastructure is needed. The full report is available on TACIR’s web site at http://www.tn.gov/tacir/infrastructure.html. 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.