



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 15 September 2021

SUBJECT: The Effect of the Covid-19 Recession on Public Infrastructure Needs—Draft Staff Report For Review And Comment

The attached interim staff report is submitted for your review and comment. Beginning in early 2020, the world was faced with unanticipated challenges triggered by the spread of the Coronavirus Disease 2019 (COVID-19) and the resulting pandemic. Among many uncertainties stemming from the pandemic is whether or to what extent it has affected the public infrastructure needs of communities in Tennessee. To help address this question, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) staff is conducting a two-part analysis of data it collects on public infrastructure needs in Tennessee and that is reported in its public infrastructure needs inventory.

The first part of the analysis—presented in this interim staff report—examines public infrastructure data collected during the Great Recession and the decade following it to establish a baseline for analyzing data collected during the COVID-19 pandemic. Commission staff looked for trends in the average cost of needs reported and completed projects, the types of needs reported, and the progression of reported project needs. This analysis did not uncover any major shift in needs based on these trends stemming from the Great Recession. The interim staff report explains that the need for infrastructure is driven by population factors, rather than funding-related factors that could be affected by economic downturns, and it is therefore unsurprising that we did not find a connection between the Great Recession and the average cost of infrastructure needs reported in the inventory.

However, because disruptions to patterns of daily life stemming from the pandemic have shifted the way we use existing infrastructure, it is reasonable to suspect that our forthcoming analysis of inventory data that captures the COVID-19 recession might differ from our analysis of the inventory following the Great Recession. To determine whether local governments in Tennessee anticipated disruptions stemming from the pandemic affecting infrastructure needs in their communities, TACIR staff surveyed city and county mayors from November 2020 through January 2021. Many local officials noted that the scope and duration of the pandemic's effects are unprecedented when comparing the pandemic to past challenges. City and county officials overwhelmingly identified an increased need in technology for education—for both equipment and broadband—with the shift to virtual classes in many school systems and an increased need for broadband generally. A summary of survey responses are included in this interim staff report.

With the COVID-19 pandemic ongoing, it is uncertain whether or to what extent the pandemic will affect public infrastructure needs long-term. In the short term, the pandemic and resulting recession drastically changed the daily operations of many schools and businesses and shifted government revenue streams. A follow-up staff report will include an analysis of public infrastructure inventory needs data collected during the pandemic compared to the historical trends established by the analysis included in this interim staff report.