

Building Tennessee's Tomorrow:

Anticipating the State's Infrastructure Needs

July 2004 through June 2009

Introduction

Basics of the Public Infrastructure Needs Inventory

The public infrastructure needs inventory is developed using two separate but related inventory forms.⁸ Both forms are used to gather information from local officials about needed infrastructure improvements; the second form is also used to gather information about the condition of existing public school buildings, as well as the cost to meet all facilities mandates at the schools, put them in good condition, and provide adequate technology infrastructure. Information about the need for new public school buildings and for school-system-wide infrastructure improvements is gathered in the first form. TACIR staff provide local officials with supplemental information from the state highway department about transportation needs, many of which originate with local officials. This information helps ensure that all known needs are captured in the inventory.

In addition to gathering information from local officials, TACIR staff incorporate capital improvement requests submitted by state officials to the Governor's Office as part of the state's annual budget process. While TACIR staff spend considerable time reviewing all the information in the inventory to ensure accuracy and consistency, the information reported in the inventory is based on the judgment of state and local officials. In some cases, needs are limited to those included in the capital improvements programs (CIPs) of local governments. To the extent this happens, the inventory may not fully capture local needs.

Projects included in the inventory are those that need to be either started or completed at some time during the five-year period of July 2004 through June 2009 and that have an estimated cost of at least \$50,000. Estimated costs for the projects may include amounts spent before July 2004 to start a project that needs to be completed during the five-year period or amounts to be spent after June 2009 to complete a project that needs to be started during the five-year period. Because the source of information from state agencies is their capital budget requests, all of those projects are initially recorded as conceptual.

In the context of the public infrastructure needs inventory, the term "mandate" is defined as *any rule, regulation, or law originating from*

⁸ Both forms are included in Appendix C.

Projects in the inventory may be in any one of three stages of development at any time during the five-year period covered:

- conceptual—an infrastructure need with an estimated cost, but not yet in the process of being planned or designed,
- planning and design—development of a set of specific drawings or activities necessary to complete a project identified as an infrastructure need, or
- construction—actual execution of a plan or design developed to complete or acquire a project identified as an infrastructure need.

“Basic infrastructure is critical to the fabric of our society. That is, basic infrastructure contributes to more than just commercial goods which are often best provided by markets—basic infrastructure also contributes to social and public goods.”

Infrastructure Commons in Economic Perspective, Brett M. Frischmann

*the federal or state government that affects the cost of a project.*⁹ The mandates most commonly reported are the Americans with Disabilities Act (ADA), Asbestos Hazard Emergency Response Act of 1986, Lead-Based Paint Poisoning Prevention, Tennessee Petroleum Underground Storage Tank Act, and the Education Improvement Act (EIA). The EIA mandate reduced the number of students in each public school classroom by an overall average of about 4½ beginning fall 2001. Tennessee public schools began working toward that goal with passage of the EIA in 1992 and met it by hiring a sufficient number of teachers; however, some schools still do not have sufficient classroom space to accommodate the additional classes and teachers required.

Except in the case of existing public schools and classrooms needed because of the EIA, the inventory does not include estimates of the cost to comply with mandates, only whether the need was the result of a mandate; therefore, mandates themselves are not analyzed here other than to report the number of projects affected by mandates. Even in the case of public schools, aside from the EIA, the cost of mandate needs reported to TACIR as part of the public infrastructure needs inventory is relatively small—less than 2% of the total infrastructure need for public schools.

The Public Infrastructure Needs Inventory—It Matters

The Public Infrastructure Needs Inventory is both a product and a continuous process, one that has been useful in

- *short-term and long-range planning,*
- *providing a framework for funding decisions,*
- *increasing public awareness of infrastructure needs, and*
- *fostering better communication and collaboration among agencies and decision makers.*

Short-Term and Long-Range Planning: Often the One Opportunity for Proactive Thinking

The Public Infrastructure Needs Inventory has become a tool for setting priorities and making informed decisions by all stakeholders. Many decision makers have noted that in a time of tight budgets and crisis-based, reactive decisions, the annual inventory process is the one opportunity they have to set funding issues aside for a moment and think proactively and broadly about their very real infrastructure needs.

⁹ See the Glossary of Terms at the end of the Report.

For most officials in rural areas and in smaller cities, the inventory is the closest thing they have to a CIP (see page 7). Without the inventory, they would have little opportunity or incentive to consider their infrastructure needs. Because the inventory is not limited to needs that can be funded in the short term, it may be the only reason they have to consider the long-range benefits of infrastructure. Among other things, the inventory has documented the limited scope of capital improvements programming (see Figure 2) and is being used to encourage local officials who have not been using CIPs to adopt them.

Decision Making: Matching Critical Needs to Limited Funding Opportunities

The Public Infrastructure Needs Inventory provides the basic information that helps state and local officials match needs with funding, especially in the absence of a formal CIP. At the same time, the inventory provides the basic information needed by the development districts to update their respective *Comprehensive Economic Development Strategy Reports* required annually by the Federal Economic Development Administration. Unless a project is listed in that document, it will not be considered for funding by that agency. Information from the inventory has been used to develop lists of projects suitable for other types of state and federal grants as well. For example, many projects that have received Community Development Block Grants were originally discovered in discussions of infrastructure needs with local government officials. The inventory has helped state decision makers identify gaps between critical needs and available state, local, and federal funding, including an assessment of whether various communities can afford to meet their infrastructure needs or whether some additional planning needs to be done at the state level about how to help them. Most recently, the Joint Legislative Study Committee on Rural Water Needs used the information about water supply and wastewater projects from this inventory in its evaluation of unmet needs.

A Special Case: Annual Review of Conditions and Needs of Public School Facilities

The schools' portion of the inventory is structured so that the condition of all schools is known, not just the ones in need of repair or replacement. Data can be retrieved from the database and analyzed to identify particular needs, such as technology. This information is useful in pinpointing pressing needs for particular schools and districts, as well as providing an overview of statewide needs. This unique statewide database of information about Tennessee's public school facilities, conditions, and needs continues to be used by the Comptroller's Office

"Across the country, aging infrastructure and a growing population have led to a massive need for modernizing old schools and constructing new ones."

Safety, Growth, and Equity: School Facilities, Richard Raya and Victor Rubin

of Education Accountability in its review of schools placed on notice by the Department of Education.

Increased Public Awareness, Better Communication, and Collaboration

The state's infrastructure needs have been reported to a larger public audience, and the process has fostered better communication between the development districts, local and state officials, and decision makers. The resulting report has become a working document used at the local, regional, and state levels. It gives voice to the often underserved small towns and rural communities. Each update of the report provides an opportunity for re-evaluation and re-examination of projects and for improvements in the quality of the inventory and the report itself. This report is unique in terms of its broad scope and comprehensive nature. Through the inventory process, development districts have expanded their contact, communication, and collaboration with agencies not traditionally sought after (e.g., local boards of education, utility districts, the Tennessee Department of Transportation) and strengthened personal relationships and trust with their more traditional local and state contacts. Infrastructure needs are being identified, assessed, and addressed locally and documented for the Tennessee General Assembly, various state agencies, and decision makers for further assessment and consideration.