The Tennessee Advisory Commission on Intergovernmental Relations

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MINUTES OF THE TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

June 18, 2026

Meeting Called to Order

The Tennessee Advisory Commission on Intergovernmental Relations met in House Hearing Room I of the Cordell Hull Building at 8:30 a.m., Chairman Ken YAGER, presiding.

Present 17

Senator Richard Briggs
Mayor Paige Brown
Commissioner Jim Bryson
Senator Heidi Campbell
Representative John Crawford
Mayor Terry Frank
City Manager Valerie Hale
County Executive Jeff Huffman
Representative Harold Love, Jr.
Comptroller Jason Mumpower[1]
Representative Antonio Parkinson
Mr. Jeff Peach
Mayor Bob Rial
Commissioner Deniece Thomas[2]
Mayor Larry Waters
Representative Ryan Williams
Senator Ken Yager

Absent 7

Mayor Rogers Anderson
Mayor Kevin Brooks
Councilman Chase Carlisle
Mr. Calvin Clifton
Representative Gary Hicks
Senator Bo Watson
Senator Jeff Yarbro

[1] Rebecca Mink represented Comptroller Jason Mumpower.

[2] Stamatia Xixis represented Commissioner Deniece Thomas.

1. Call to Order and Approval of the Minutes

Chairman Ken YAGER called the meeting to order at 8:30 a.m. Chairman YAGER then requested and received approval without objection of the February 2026 meeting minutes.

2. Commission and Staff Update

Executive Director Cliff LIPPARD said that all four of the commission members representing county government—Mayor Rogers Anderson, County Executive Jeff Huffman, Mayor Bob Rial, and Mayor Larry Waters—have chosen not to seek reelection and will be leaving the commission later this year. Dr. LIPPARD said that each of the members, as well as County Clerk Mary Gaither, whose retirement was recognized at the previous meeting, had been presented with Senate Resolutions honoring their service. Chairman Ken YAGER thanked each of the departing members, commenting on how long he has known them and how much he appreciates their service.

Next, in the staff update, Dr. LIPPARD said that the staff would be joined in its work by two interns this summer, Hayden Phillips, a Master of Public Policy student at Vanderbilt University, and Omar Watkins, an incoming Master of Public Policy student at the University of Tennessee-Knoxville.

3. Fiscal Year 2025-2026 Work Program Accomplishments, Amendments and New Research Plans

Deputy Executive Director Melissa BROWN summarized the commission’s major accomplishments for the past fiscal year, which will be incorporated into the commission’s biennial report for fiscal years 2024-25 and 2025-26.

Ms. BROWN presented one amendment to the fiscal year work program for the commission’s consideration, which contained seven study requests--each study request passed both chambers of the General Assembly—and all were unanimously adopted to the work program by the commission.

The first study is requested by Public Chapter 1103, Acts of 2026, to study Tennessee’s emergency communications system and the Act contains a specific list of questions for the commission to address. The second study is requested by Public Chapter 1121, Acts of 2026, to study state and local law enforcement compensation with this Act also having a specific list of questions to address. Public Chapter 1066, Acts of 2026, requests a study of artificial intelligence with a focus on child safety. The fourth study is requested by Public Chapter 976, Acts of 2026, to conduct a comprehensive study on public school administered early childhood education programs in Tennessee. Public Chapter 1137, Acts of 2026, the fifth study requested, asks the commission to determine whether newspapers or general circulation remain the most efficient and effective manner for governments to provide the public with transparent and accessible information. A study of the status of crime stoppers programs across the state is requested by Public Chapter 967, Acts of 2026. And finally, Public Chapter 1082, Acts of 2026, directs the commission to study potential regulation of artificial intelligence systems and generative artificial intelligence chatbots in Tennessee. Ms. BROWN said that draft research plans were included in Tab 3 for all projects.

Chairman Ken YAGER asked whether the two studies on AI complement one another or whether they are redundant. Ms. BROWN said the two studies build on one another and there is no redundancy there. She also said that there would be a stakeholder's panel that would cover topics from each of the studies at the next commission meeting. Commissioner Jim BRYSON said the AI Council was created a couple of years ago, which does a lot of research and work on policy that would be helpful in the State. He encouraged the AI research team to coordinate with the council on work that they have already done so that both the council and TACIR are pulling in the same direction. Ms. BROWN said that the research team has been reviewing materials from the work of the council, interviewing members of the council, and would continue to do so.

Mayor Terry FRANK asked about the research plan for the E911 study and said that, while the research plan discusses how fees are distributed, could the research team look at the number of agencies they must answer for. For example, you may have a county with three separate centers operating, but one city may only have a couple of agencies that they dispatch calls to. She gave the example of Anderson County where the county dispatch deals with 13 to 15 agencies, and she's not certain that the fee distribution takes this type of structure into account. Ms. BROWN said that the research could include this issue as part of the structure of ECDs and their service responsibilities.

Mayor FRANK asked about the written public comments document that was submitted for consideration related to the study of public notice and whether the issues raised are something the study would look at. Ms. BROWN said the team would be considering the issues raised as part of the study.

Mayor FRANK asked about the crime stoppers study and said that, if we are going to support these programs from the government, how are issues like due process handled—if something is reported but never acted upon, and would like to learn about how the process works. Ms. BROWN said these issues will be addressed as part of the study. Because the programs are not currently supported by government funds and are set up as nonprofits, the team is working to locate the active programs and conduct more interviews to address these questions.

4. Legislative Update

Research Manager Michael STRICKLAND presented the legislative update for 2026, outlining recent legislation that had been considered in the second session of the 114th General Assembly and that related in some way to work of the commission, including bills on child care services, land use, and real estate fraud.

5. Public Chapter 102, Acts of 2025 (Cosmetology and Barbering Professions)—Final Report for Approval

Research Associate Cameron FOX presented the final report on cosmetology and barbering professions for the commission's approval. The report was prepared in response to Public Chapter 102, Acts of 2025, which directed the commission to study the economic effect of the cosmetology and barbering professions in Tennessee, including the revenue generated through the services provided and the number of jobs generated by the professions, as well as retail sales, training and education opportunities, and potential barriers to entry into the industry. Ms. FOX said that staff added information to the report about training and registration requirements for the hair braiding certificate, waitlists for Tennessee Colleges of Applied Technology (TCAT) programs, and apprenticeships. The report's original recommendation remains unchanged: that the state establish a hair styling license focused only on hair-related services that requires fewer hours of education than the existing cosmetology and master barber licenses.

Representative Antonio PARKINSON asked whether it is possible to determine the percentage of licensed self-employed individuals versus non-self-employed individuals in the industry. He estimates that about 90% of the individuals that are licensed in Tennessee are self-employed, and as a result, their revenue is not counted. Ms. FOX said that employment data provided by both the US Bureau of Labor Statistics and the Board of Cosmetology and Barber Examiners does not include self-employed individuals in their data. Representative PARKINSON asked how the economic impact of hair braiders could be captured because the rules and regulations surrounding the service do not require them to operate in a business establishment. Ms. FOX said given the requirements, that information is likely not available, and Representative PARKINSON agreed the data is not available, and there is no way to capture it with the current regulations for hair braiders.

Representative PARKINSON asked whether the staff had spoken with TCAT staff regarding waitlists given the enrollment increase in both barbering and cosmetology programs and how long the average wait is. Ms. FOX said that the term "waitlists" is a misnomer because waitlists are fluid. She gave the example of a high school senior who is enrolling in a TCAT in the fall and would be considered to be on a "waitlist." Average waitlist times are about six months, and TCAT staff monitor where more programs are needed using a needs assessment. For example, two new barbering and cosmetology programs were established this year.

In response to Chairman Ken YAGER's question about whether the report's recommendation to establish a hair styling license is a solution looking for a problem that does not exist, Ms. FOX said a hair styling license would allow an individual only interested in practicing hair styling to pursue a license focusing on that discipline rather than having to complete the full 1,500-hour cosmetology license. Representative PARKINSON said that the addition of a hair styling license would save individuals money and time and help them get into the workforce quicker. Representative CRAWFORD asked whether individuals obtaining the hair styling license would be able to use chemicals on hair and whether they would be adequately trained to do so under the license. Ms. FOX said they would be able to use chemicals, and they would be trained to do so.

Representative PARKINSON motioned for approval of the report, and Commissioner BRYSON seconded. The commission approved the report unanimously.

6. Public Chapter 416, Acts of 2025 (Speech Therapy Services)—Final Report for Approval

Senior Research Associate Jennifer ARZATE presented the final report on speech therapy services for approval. The report was prepared in response to Public Chapter 416, Acts of 2025, which directed the commission to study the feasibility and effects of requiring some insurance plans, including the State Group Insurance Program, Affordable Care Act (ACA) plans, TennCare, and CoverKids, to cover speech therapy services for stuttering—both habilitative and rehabilitative—without age or visit caps, or utilization review requirements. Because visit limits are one of the primary reasons speech therapy claims are denied and because public programs in Tennessee—the State Group Insurance Program, TennCare, and CoverKids—already provide coverage for medically necessary therapies with either no visit limits or higher visit limits, increasing the minimum number of therapy visits required under ACA plans would help ensure greater access to care. Ms. ARZATE said the report's recommendation is unchanged. The recommendation is that the Tennessee Department of Commerce and Insurance update Tennessee's Essential Health Benefits (EHB) benchmark plan for ACA plans to increase the minimum annual number of speech therapy visits each plan is required to cover.

In response to Senator Heidi CAMPBELL's question seeking clarification regarding the state's minimum visit limits under the Essential Health Benefits (EHB) benchmark plan, Ms. ARZATE said that the EHB benchmark plan establishes the minimum coverage requirements for ACA-compliant insurance plans in Tennessee. The current benchmark requires coverage for at least 20 speech therapy visits per year, though insurers may choose to offer more coverage. In practice, many insurers use the minimum requirement as their maximum limit, with only one identified insurer offering unlimited visits. Senator CAMPBELL asked whether research is used to determine the speech therapy visit limits. Ms. ARZATE said that speech therapy is highly individualized, with some patients needing only a few visits annually while others may require ongoing treatment throughout the year. Because therapy needs vary significantly from person to person, it is difficult to establish a single evidence-based visit limit, which is why the study did not recommend a specific number of visits.

7. Public Chapter 438, Acts of 2025 (Transportation Infrastructure Funding)—Draft Report for Review and Comment

Senior Research Manager Bob MOREO presented the draft report on alternatives for funding Tennessee's long-term transportation infrastructure needs, as directed by Public Chapter 438, Acts of 2025. He said the state's transportation network performs well in many areas compared to other states, and Tennessee has managed it cost-effectively, but pressure from population growth, tourism, and economic development raises concerns about increasing congestion and traffic safety. To identify the state's critical, long-term highway and bridge infrastructure needs, Mr. MOREO said staff relied on input from several sources.

Mr. MOREO said the report describes how the General Assembly and TDOT are working to address the backlog of projects listed in the 2017 IMPROVE Act; while costs are increasing and the state continues to grow, additional projects are needed to address trucking bottlenecks and urban congestion—issues for which Tennessee is rated poorly—and expand rural interstates throughout the state. He said local governments, who are responsible for 85% of all public road mileage and 58% of bridges in the state, report additional infrastructure needs of more than $11 billion.

Mr. MOREO said there is a growing gap between existing revenue and the amount needed to fund the maintenance and modernization of highways and bridges across the state—it will cost approximately $1.6 billion in fiscal year 2028 to meet the state's maintenance goals and department operations, expenses that could grow to $3.5 billion in fiscal year 2055. He said federal funding provides 40% of TDOT's revenue and mostly comes from fuel taxes that haven't been raised since 1993, and the state's own primary revenue sources are also fuel taxes, last increased in 2020, and vehicle registration fees, last increased in 2017. Existing sources of recurring revenue are expected to bring in $2.6 billion in fiscal year 2028, compared to $3.6 billion needed for maintenance and capacity improvements, and while revenue is projected to grow less than 1% each year, projected expenses could increase annually by close to 3% as the cost for both maintenance and capacity improvements to support the state's growth will likely reach $7.8 billion in fiscal year 2055.

Mr. MOREO said that increased federal support, along with non-recurring transfers from the state's general fund of more than $6.6 billion, have been used to close the gap and invest more in recent years, and although these transfers have helped TDOT and local governments, relying on general funds to help meet long-term transportation needs pulls resources from other state priorities and makes long-term planning more difficult than with recurring revenue. He said that the current authorization for federal transportation funding is expiring, making future federal funding levels uncertain, and said staff will continue to monitor the reauthorization process as the report is finalized.

Mr. MOREO said the commission finds that the state will need to address diminishing revenue generated by existing highway funding streams by either continuing to make one-time transfers from the general fund or through a combination of new revenue sources and higher rates on existing revenue sources to ensure that any tax increases are not borne solely by one group of taxpayers. Additionally, to ensure continued state support for local transportation projects, the commission recommends that any increases in existing shared revenue sources continue to be shared in the same manner, and that the state designate a portion of revenue from new transportation sources to be shared with local governments for local transportation projects.

Mr. MOREO said there are several potential revenue sources included in the draft report that could be considered as parts of the state's preferred solution and explained the criteria staff used to assess them. He said public-private partnerships (P3), authorized by the 2023 Transportation Modernization Act, and the use of strategic debt financing could help expedite needed transportation projects. He said TDOT formed a P3 to finance the development of price-managed "choice lanes" to reduce congestion on busy interstates, but Tennessee is one of the few states that doesn't use debt to help fund major projects, relying instead on a pay-as-you-go model. He said this approach has allowed the state to avoid long-term debt obligations, but it can also delay much-needed projects, which over time can significantly increase costs, and gave examples of other states with AAA credit ratings that use debt financing while maintaining their top ratings. Mr. MOREO said that dedicated revenue earmarked for debt payments helps avoid diverting funds from future needs and said timing is important to determine when debt financing is an appropriate strategy. He stressed that the draft report only suggests that strategic borrowing could allow Tennessee to more proactively fund projects that might not make financial sense for private-sector investment while maintaining its top credit rating, not that it should issue debt for any project, and presented three example scenarios to show how different combinations of these revenue and funding alternatives can meet the state's long-term needs.

Chairman Ken YAGER said the time it takes to complete projects needs to be addressed, which contributes to inflating costs, and that recent appropriations from the general fund haven't resulted in much construction yet. Mr. MOREO said staff will add more information to the final report. Executive Director Cliff LIPPARD said additional analysis is being carried out through a contract with the University of Tennessee, but that work will not be completed in time to be part of the commission's final report. He said that report may have additional recommendations to supplement those in the commission's report.

Senator Heidi CAMPBELL agreed that efficiency is a crucial component. She also said it's important to consider how reducing traffic can help address rising costs and needs and that other states have seen benefits. She asked for clarification about existing mileage-apportioned fees. Mr. MOREO said that the International Registration Plan allows states to collect fees for commercial vehicles registered in other states based upon those vehicles' reported mileage in each state. Senator CAMPBELL asked whether staff's revenue projections are based on inflation or growth. Mr. MOREO said the projections are a combination of both inflation and growth and other factors. Senator CAMPBELL mentioned outside-of-the-box options like "pot for potholes" and toll roads that were not included in the draft report.

Mayor Paige BROWN said she believes TDOT has worked to improve project delivery times and recalled being shown how the cost of specific construction components like steel guardrail has gone up substantially. She said an illustration of those cost increases would be valuable in this report to show how much the estimated costs for remaining IMPROVE Act projects have gone up. She also asked whether staff could consider a tax on parking fees, and whether it would be possible to use technology to exclude local residents from paying that.

Representative Ryan WILLIAMS spoke about costs increasing throughout the whole construction industry, but for transportation projects it's been even worse. He wondered why and which aspects of road building are driving those increases. Representative WILLIAMS said the General Assembly considered directing certain non-recurring sources of funding towards transportation, which could be a short-term solution. He said that issuing bonds could help with right-of-way acquisition, which is often an impediment that extends projects' duration.

Mayor Terry FRANK asked whether the strategic borrowing described in the report would only be recommended for the construction phase of projects because it could be expensive to carry debt for construction while earlier phases take years to complete. Mr. MOREO said the examples in the draft report are simplified, and the timing and specifics of financing any project would vary. He said the examples assume borrowing would be spread over multiple years as needed, not in one lump sum. Mayor FRANK asked whether staff would be comfortable recommending a "judicious" debt ratio, as the report mentions that term. Mr. MOREO said staff drew from a University of Tennessee report that has more details about debt safeguards and affordability in peer states, and staff can add more information to the commission's final report.

Senator Richard BRIGGS said that a AAA+ bond rating doesn't help much unless you're using it to borrow money and said there should be a way, with developments in AI, to put all the information into a formula and determine how much debt can be taken on without adversely affecting the state's bond rating. He said the Senate Transportation Committee has heard many times how much construction costs are rising, so revenue that only keeps up with broader measures of inflation will still fall behind. Senator BRIGGS said the state may pay a slight premium to borrow money, but getting needed projects done sooner could be beneficial by improving quality of life for Tennesseans. Mr. MOREO said that construction costs have been wildly volatile, which could potentially be mitigated through borrowing to get projects built when conditions are favorable.

Commissioner Jim BRYSON would like to look deeper into the reasons construction costs have increased. He also said that TDOT has significantly changed the way it manages projects, but he wondered how that has affected the backlog of projects, how those costs are growing, and whether the projections in the draft report account for any change. He asked whether staff considered how shifting costs through the use of P3s could free up funds for other needed projects and said he didn't know how much of the state's backlog includes projects of that magnitude. Mr. MOREO said the report describes how P3s are a new option for TDOT and the need to find attractive opportunities for investors to make them feasible. He said the draft report does not feature a model scenario with use of P3s, but staff could look into it. Executive Director LIPPARD added that the report puts P3s alongside strategic borrowing, suggesting that large projects that aren't good candidates for P3 investment could be ones where the state uses debt financing. He also said staff would reach out to the University of Tennessee researchers to see what information they have about the factors affecting cost increases.

County Executive Jeff HUFFMAN stressed the importance of tax exemptions for buyers of municipal bonds and asked whether losing that exemption would increase interest rates enough to make debt financing less viable. Mr. MOREO said he did not recall reading any research on that topic and that the report assumes current conditions remain in place.

Representative Harold LOVE asked whether autonomous vehicles could contribute to worsening congestion and road wear by increasing rideshare service usage and whether a shift by rideshare companies towards fewer drivers could make those companies more willing to accept higher taxes on their services. He said the state should plan now for future changes. Mr. MOREO said he would take another look at states with rideshare taxes to see how they address autonomous vehicles. He said the future of rideshare usage is hard to predict, but there is research that shows rideshare services increase congestion.

Mayor Larry WATERS asked what portion of fuel taxes is paid by Tennessee residents versus non-residents. Mr. MOREO said the report does not have data for that, but staff will continue to look into it. Mayor WATERS said Sevier County has benefited from TDOT's Statewide Partnership Program to deliver projects with more local funding.

Representative John CRAWFORD asked whether the report considered TDOT's responses to recent natural disasters and how replacing that infrastructure likely delayed other projects. Mr. MOREO said that it was discussed in meetings with TDOT and was certainly a burden to manage. Representative CRAWFORD wanted to make sure staff heard from rural and small communities when it comes to how much revenue they contribute and get back in return.

Representative WILLIAMS recalled some discussion about the way federal formulas distribute funding to states and said TDOT Commissioner Reid was meeting with federal officials about possible changes. Representative WILLIAMS believes, because of the many interstates crossing Tennessee, the state may deserve more federal funding, and he asked what considerations went into staff's projections for federal funding. Mr. MOREO said the report assumes existing federal formulas remain as they are, increased revenue from the Infrastructure Investment and Jobs Act (IIJA) will continue to be spent over the next few years, and funding will return to pre-IIJA levels that grow according to historic trends.

8. Public Chapter 413, Acts of 2025 (Ambulance Services)—Draft for Review and Comment

Research Associate Nathaniel PETTIT presented the draft report on ambulance services for review and comment. The report was prepared in response to Public Chapter 413, Acts of 2025, which directed the commission to study how ambulance services are provided, how they are funded, and how they might be improved.

Mr. PETTIT said the draft report makes three recommendations: that Senate Bill 160 and House Bill 83 not be enacted as originally filed, that the General Assembly make funding for the ambulance equipment grant recurring, and that ambulance services explore opportunities for increasing revenue and reducing costs of their operations. Mr. PETTIT said ambulance service stakeholders say more ambulance-service-based training centers would help address staffing issues. Dr. Cliff LIPPARD said recently acquired data from TennCare will be included in detail in the final report.

Mr. Jeff PEACH said he was interested in this project because he felt the original version of Senate Bill 160 and House Bill 83 would have created double taxation for county residents who reside within cities without providing a new or improved service for those additional dollars. He said he does not like seeing counties and cities pitted against each other, so he appreciated the report's recommendations.

Mayor Terry FRANK said ambulance reimbursement rates are too low because ambulance services have evolved from basic transport into mobile emergency rooms, and both citizens and the state expect high-quality emergency response when 911 is called. She asked why the report did not include a recommendation that the state look more closely at the issue of reimbursement rates. Mr. PETTIT said commission staff explored recommendations for increasing TennCare reimbursement rates, but a new proposed rule from the Centers for Medicare and Medicaid Services (CMS) that limits state directed payments to 110% of the Medicare rate could force TennCare to lower emergency transport reimbursement rates. He said commission staff is working with TennCare to understand the effect of the new rule, explore alternatives, and continue monitoring how the rule affects ambulance services.

Mayor FRANK said the current model is a reimbursement for transportation model and said adding something to the report about the new Rural Health Transformation Program's (RHTP) focus on community paramedicine and mobile delivery of health services and potential revenues from that method of delivery could be useful. She said the report's recommendation that ambulance services explore opportunities for increasing revenue and reducing costs of their operations would also need some state or federal changes to help. Mr. PETTIT said the RHTP will help ambulance services, and that there is an upcoming grant program to help rural agencies buy new vehicles, addressing ongoing procurement issues highlighted in TACIR's 2025 report *Overcoming Vehicle Supply Chain Disruptions and Large Cost Increases Involves Various Strategies Implemented by Governments*. Mr. PETTIT said the RHTP supports providing alternative methods of health service delivery, and said the Triage, Navigate, Treat and Transport program (TN-T2) already reimburses services for that kind of treatment. He said TennCare is working with the Tennessee Ambulance Services Association to improve the TN-T2 program and increase participation, and commission staff plan to consult both groups to see whether a related recommendation should be included in the final report.

9. Public Chapter 341, Acts of 2023 (Collections and Administration of Business Personal Property Tax)—Periodic Update

Research Director Michael MOUNT presented TACIR's first periodic update on Tennessee's personal property tax. Public Chapter 341, Acts of 2023, authorizes taxpayers to certify personal property of less than $2,000 or $10,000 in lieu of detailing acquisition costs on the reporting schedule—previously, there was one threshold at $1,000. The Act also requires TACIR to monitor its implementation and periodically report its findings on the effect of the Act on collections and administration of the business personal property tax to the General Assembly. Mr. MOUNT said no additional legislative changes are recommended in this update, but staff will continue to monitor the Act's effects.

10. Fiscal Capacity for Fiscal Year 2026-27

Research Associate Ismael TONUI presented the annual update on TACIR's fiscal capacity index including a description of the model and its variables and its use in the Tennessee Investment in Student Achievement (TISA) funding formula. He said the base and weighted funding components of TISA are equalized using fiscal capacity calculated by averaging TACIR and the University of Tennessee Center for Business and Economic Research (CBER) models. He provided an update of Tennessee's 95 counties' 15-year fiscal capacity trends.

Other Business

Chairman YAGER adjourned the meeting at 11:07 a.m.