TENNESSEE Town & City

6,250 subscribers | www.TML1.org | Volume 76, Number 12 | December 2025

Looking Back and Moving Forward

Five years ago, I became the executive director of TML. As I reflect over that time, I am reminded of the hundreds, if not thousands, of municipal officials I have met across this state. All give their very best for their communities and the citizens they serve. It's no wonder that our state officials can market Tennessee as a success, given that kind of local leadership.

I'm also inspired by the hard-working boards of TML. During the past five years, board members have provided the leadership to raise the profile of our organization, increase efficiency, grow engagement, and welcome those who wish to participate. The board recently adopted the recommendations of its Visioning Committee, setting TML's course through 2045.

And just as TML did in the spirit of 1949, 1979, and 1985, with the creation of UT's MTAS, the TML Risk Pool (now Public Entity Partners), and the Tennessee Municipal Bond Fund, respectively, this year we established the TML Employee Benefits Offering to help ensure municipalities have an affordable health insurance option for their employees.

As we close out our 85th year, I am honored and humbled to be a small part of the history of this great organization. In the months and years ahead, we commit to continuing the advancement of our towns and cities, strengthening TML's reputation, and giving our state even more to brag about.

Merry Christmas and Happy Holidays from all of us at TML.

Anthony Haynes
TML Executive Director

Van Epps wins U.S. District 7 race

In a race that was watched nationwide, former Department of General Services Commissioner Matt Van Epps defeated State Rep. Aftyn Behn in the 7th District U.S. Congressional special election on Dec. 2, 2025.

Van Epps, the Republican candidate, earned 96,988 votes to Democrat Behn's 81,044 votes to take the seat previously held by Republican U.S. Rep. Mark Green, who resigned from the role in June. Four independent candidates also ran, with Jon Thorp earning 932 votes, Teresa "Terri" Christie garnering 610 votes, Bobby Doge 196, and Robert James Sutherby 129.

Tennessee's special election drew national attention after strong Democratic wins in New Jersey, Virginia, New York, and Georgia in November.

Cheatham, Decatur, Hickman, Houston, Humphreys, Montgomery, Perry, Robertson, Wayne as well as portions of Benton, Davidson, and Williamson counties make up the 7th Congressional District in Tennessee.

Newly elected U.S. Rep. Matt Van Epps addresses supporters.

State funding board approves lower-than-average growth rate

From left to right, Finance and Administration Commissioner Jim Bryson, Comptroller of the Treasury Jason Mumpower, and Secretary of State Tre Hargett listen to staff budget recommendations during the State Funding Board Meeting.

BY KATE COIL

The State Funding Board voted to set a growth rate for the state lower than average but higher than last year's projected numbers as economic experts cited a "volatile" and "uncertain" economic future for the state and nation.

Finance and Administrator Director of Budget David Thurman said staff recommended the approval of:

- A range of 1.59% and 2.04% for total taxes in FY25-26
- A range of 0.72% to 1.32% for general fund taxes in FY25-26
- A range of 2.03% to 2.23% for total taxes in FY26-27
- A range of 2.25% to 2.35% for general fund taxes in FY26-27

The attending members of the board – Comptroller of the Treasury Jason Mumpower, Finance and Administration Commissioner Jim Bryson, and Secretary of State Tre Hargett -unanimously approved these numbers at their Nov. 24, 2025, meeting. State Treasurer David Lillard was absent from the meeting.

The projected FY25-26 budget will range from $22.28 billion on the low end to $22.38 on the high end with a general fund of between $19.04 billion on the low end to $19.15 on the high end.

Depending on the outcomes of the FY25-26 budget, projections for the FY26-27 budget could range as low as $22.73 billion to $22.87 billion on the high end, with a general fund of $19.46 billion on the low end and $19.60 billion on the high end.

Projections by four experts ranged from 1.3% to 2.97% growth in general fund revenues in 2026, while estimates for 2027 revenue growth ranged from 2.27% to 2.5%. Many experts cautioned that inflation could wipe out this growth, even leading to a reduction in spending power.

The state's "typical" growth range is between 3-5%, though last year's approved recommendations for both total taxes and general fund taxes were in the negatives due to the elimination of certain franchise and excise taxes.

REVENUE PROJECTIONS

Dr. Don Bruce, professor of economics and director of the UT Boyd Center for Business and Economic Research, presented the results of the center's Economic Report to the Governor. Based on this, Bruce said the center projects a conservative 1.3% general fund growth in 2026 and 2.4% in 2027.

Bruce said volatility is the watchword when it comes to projecting next year's tax revenues.

"The troubling aspect of this volatility is that it is multifaceted; it's not just one thing we are paying attention to," Bruce said. "Forecasting revenues based on historic collections is very difficult. With volatility being the key word, we are projecting positive nominal growth for total collections in FY26-27."

The Boyd Center is also projecting 2.8% growth for sales and use taxes in 2026 and 2.4% growth in 2027 while franchise and excise taxes are projected to grow by 0.3% in 2026 and 1.2% in 2027. Bruce anticipates sales and use tax increases will be enough to offset flagging franchise and excise tax growth.

Dr. Joseph Newhard, assistant professor of economics at ETSU, predicted a stronger 2.28% growth rate in 2026 and but 2.27% in 2027.

"Tennessee is growing in terms of labor force, real output, and collections," he said. "We are building more housing and although the trade war is harming certain sectors, the economy continues to grow. A few issues are worth keeping an eye on. Manufacturing jobs and the retail sector are down slightly, and the rising cost of living is imposing a burden on consumers."

Newhard anticipates sales and use taxes to increase by 4.48% in 2026 and 2.96% in 2027, while franchise and excise taxes decrease by 4.73% in 2026 but grow by 0.11% in 2027. Accounting for both inflation and population growth, Newhard said nominal and real tax collections for the state have actually remained flat since the 1980s.

Tennessee Department of Revenue Director of Research Jeff Bjarke said the department expects positive overall revenue growth but slightly lower than the rate of inflation. This may mean a decrease in real terms as

See **FUNDING** *on Page 3*

AI capabilities, infrastructure among request during state budget hearings

From left to right, Tennessee Chief Operating Officer Brandon Gibson, Gov. Bill Lee, Finance and Administration Commissioner Jim Bryson, and State Budget Director David Thurman participate in budget hearings with various state departments.

By KATE COIL
TT&C Assistant Editor

Investments in AI technology, maintaining state roadways and bridges amid declining revenues, and growing economic development and tourism initiatives were among funding requests presented by state officials at Gov. Bill Lee's annual budget hearings.

Chief Information Officer Kristin Darby requested $50 million to invest in TN.AI, a secure state-administered platform aimed at delivering state services, reducing needs for vendors, and protecting data for Tennesseans through artificial intelligence (AI).

"Artificial intelligence is rapidly reshaping how organizations operate, and Tennessee has a unique opportunity to lead with purpose and responsibility," Darby said. "AI will help state agencies work smarter, automating manual processes, improving decision making and delivering faster, more personalized services to Tennesseans. The program funds a statewide AI pilot and innovation fund, giving agencies the ability to test, measure, and scale AI tools with transparency and accountability."

The new logo for the TN.AI initiative

The state has already established an AI Council and AI enterprise guidance policy to oversee implementation of AI strategy with a focus on innovation, ethics, fairness, and cybersecurity. Some projects are focused on health data portals, unemployment systems, child welfare modernization, and state licensing systems.

Other parts of the investment include training staff to utilize AI both efficiently and securely, and to develop tools and share data across state agencies.

Gov. Bill Lee noted that the previous years' budget request for this line item had been $10 million and was then reduced to $5 million, but the current request was $50 million. As the AI industry changes rapidly, he asked how the department intended to measure success and manage the emerging field.

See **BUDGET** *on Page 6*

Springfield, APSU partnership maps future

By KATE COIL

The city of Springfield is partnering with Austin Peay State University's Geographic Information System (GIS) Center on a project that is helping the city make data-driven decisions and training the GIS workforce of the future.

Established in the 1998-1999 school year as a partnership between the university, city of Clarksville, and Montgomery County, the university has since taken over the center, which still provides GIS services to both Clarksville and the county.

GIS is a computer system that takes digital geographic data points and stores, manages, analyzes, edits, and visualizes that data. APSU's GIS Center allows students to get hands-on experience in the field, often partnering with local governments and organizations to complete projects often too big to do in-house but too expensive to contract out.

Doug Catellier, project manager with the APSU GIS Center, said students from APSU have worked through the center to gain experience, while providing cost-effective services to area municipalities.

See **GIS** *on Page 6*

A student worker with APSU's GIS Center takes measurements in downtown Clarksville. Working with municipalities gives students hands-on experience and problem-solving skills.

NEWS ACROSS TENNESSEE

CENTERVILLE
Centerville officials have cut the ribbon on new pickleball courts at the city's River Park. The town worked with Bylers Quality Construction on the new courts, which were opened with the first pickleball tournament in Hickman County. The event was attended by area pickleball enthusiasts, business leaders, members of the chamber of commerce, and town officials. Organizers are hoping to begin an annual pickleball tournament as interest in the sport grows nationwide.

CLEVELAND
Officials with the city of Cleveland have announced the successful completion of the Main Street Downtown Improvement Grant project. The $2.5 million project was financed through public and private partnerships and a $300,000 grant from the Tennessee Department of Economic and Community Development. Substantial streetscape improvements have made downtown Cleveland more pedestrian-friendly and visually attractive, and the facades of 14 downtown structures were renovated, exceeding an initial goal of 10 facades. The project has resulted in increased visitation to downtown, as well as new business investment. The project received a TML Achievement Award for Excellence in Economic and Community Development in 2025.

FRANKLIN
A 1.4-acre triangular piece of Franklin's Jim Warren Park is being dedicated as Franklin Rodeo Plaza. The area will include a bronze statue of a cowboy riding a bucking horse, benches, lighting, landscaping, historical markers, and a walking trail with signage that tells the 75-year history of the rodeo. The Franklin Noon Rotary Club and Franklin Parks and Recreation Department have partnered on the project to honor the location where the rodeo was held for 51 years. The rodeo will celebrate 75 years in 2026 and has raised millions of dollars for local charities.

GALLATIN
Commercial Door and Frame (CDF) Distributors officials announced the company is expanding by relocating its headquarters and all manufacturing operations to Gallatin. CDF is locating in the former Simpson Strong-Tie building, where the company plans to create 85 new jobs and invest $26.1 million. Upon completion, CDF will employ 195 Tennesseans. Founded in 2011 in Gallatin, CDF, owned by Foreword Companies, is a commercial door, frame and hardware manufacturer and supplier, with customers across North America.

JACKSON
Toyota will add 33 jobs and invest $497 million at its casting plant in Jackson to increase production of hybrid transaxle cases and housings and engine blocks for hybrid vehicles. The investment includes 3 all-new production lines to increase production capacity by nearly 500,000 units annually. Production on the new lines will start in 2027 and 2028. The investment is part of $912 million in investments and the creation of 252 new jobs by Toyota in plants across West Virginia, Kentucky, Mississippi, Tennessee, and Missouri.

MEMPHIS
Hyosung HICO, Ltd. officials will expand operations at its U.S. manufacturing headquarters in Memphis, the company's second expansion in six months. The South Korean company will invest an additional $157 million and create 240 new jobs as the company constructs a new facility at its U.S. headquarters. Upon completion, the new plant will expand Hyosung HICO's manufacturing capacity by an additional 50%, making the facility one of the largest domestic power transformer manufacturing operations in the U.S. and the only facility currently dedicated to manufacturing 765kV transformers domestically. The company had announced a $51 million expansion in May, bringing its total investment in Memphis to more than $300 million since 2019. Subsidiary to South Korean Hyosung Heavy Industries, Hyosung HICO is a leading U.S. producer of large power transformers, critical components that ensure a secure and reliable electric grid. Since selecting Memphis for its U.S. production facility in 2019, the company has become a cornerstone of Hyosung's North American presence and a key driver in domestic grid modernization.

NASHVILLE
Carlex Glass America executives announced the company will expand its advanced manufacturing operations in Nashville, investing $55 million and creating 143 high-skill jobs. Scheduled for completion in mid-2026, the expansion of next generation production lines will enable Carlex to fabricate larger precision-formed automotive glass using the most technologically advanced equipment available – the only end-to-end process of its kind in North America. A cornerstone of Tennessee manufacturing since 1958, Carlex's investment in new technology and equipment signifies its commitment to the community, its customers and U.S. manufacturing. The business serves original equipment manufacturer customers across the automotive sector, providing products ranging from windshields, panoramic roofs, sidelights and backlights.

OAK RIDGE
The Tennessee Valley Authority's (TVA) was selected for a $400 million grant from the U.S. Department of Energy (DOE) to advance the development of a small modular reactor at the Clinch River Site in Oak Ridge. Tennessee's Clinch River Site is one of the only federally approved, undeveloped nuclear sites in the country. In 2025, Governor Lee and the Tennessee General Assembly included up to $50 million in the state budget to assist in accelerating construction of small modular reactors and support TVA's application for the DOE grant at the Clinch River Site. In 2023, Governor Lee created the Nuclear Energy Fund and invested a total of $70 million to attract advanced nuclear technology companies and create a leading nuclear ecosystem in East Tennessee.

OAK RIDGE
The Oak Ridge Housing Authority (ORHA) has broken ground on a new project bringing more than 100 affordable housing units to the city's Scarboro community, as well as renovating 128 existing public housing units across the city. The $64 million development is a partnership between the city and Collaborative Housing Solutions. ORHA presently has more than 1,000 households on its waiting list. Investment in affordable housing in Oak Ridge has been historically low, but increased interest from industry requires new housing for economic development.

RIPLEY
The city of Ripley has been awarded $850,000 from the Delta Regional Authority (DRA) through the DRA's Supplemental Disaster Recovery Funding (SDRF) program. The funds will be used to replace two lift stations damaged by the flooding of Beaty Creek in March 2023. The project will also make provisions for modern equipment that will enhance system reliability, reduce maintenance costs, and improve resiliency. Ripley was one of five communities in Alabama, Mississippi, Missouri and Tennessee that received a share in $10 million awarded through the program.

Clarksville officials rededicate grave of Revolutionary War veteran, early pioneer

Officials with the city of Clarksville, historical preservationists, and descendants of a Revolutionary War veteran and pioneering Clarksville settler held a grave rededication ceremony at the city's historic Riverview Cemetery near downtown. Valentine Sevier lived from 1747 to 1800 and was often overshadowed in life by his older brother, Tennessee's first Gov. John Sevier. Valentine Sevier purchased 640 acres near the Cumberland River to settle with his family, and built Sevier Station, Clarksville's oldest-standing structure, in 1792. He was buried on a plot of his property in 1800 in what became the city's Riverview Cemetery. Clarksville's local chapter of the Sons of the American Revolution is known as the Valentine Sevier Chapter in his honor.

Springfield officials cut ribbon on new playground

Officials with the city of Springfield cut the ribbon on the brand-new playground at Garner Street Park, offering a fun and inclusive place to enjoy the outdoors. The new playground features a range of innovative accessibility features including wheelchair accessible artificial turf, swing, and glider; sensory boards, and interactive musical play panels. Other exciting features include multiple slides, a variety of swings, a climbing structure, shade sails, and more. The playground also includes a replica of the city's historic clock tower. A new bathroom facility has also been opened adjacent to the playground. Garner Street Park playground is the second accessible playground in the city, following the opening of the playground at Martin Luther King Jr. Park in 2019. New pickleball courts and resurfaced tennis courts also recently opened at Garner Street Park.

One Table Milan brings community together

Community members gathered in downtown Milan for One Table Milan, an annual event the Saturday before Thanksgiving that brings members of the community together for a free meal. Local volunteers as well as sponsors from the business community make the event possible.

Kingsport cuts ribbon on Fox Den Playground

Kingsport officials cut the ribbon on the Fox Den Playground, a new playground for children with all abilities at Bays Mountain Park. More than 100 city officials, park supporters, children, and family members attended the event. Located next to the Herpetarium, the Fox Den Playground is approximately one quarter-acre in size. Features include multiple climbing structures and slides, including the Timber Tower, Log Jam, Songbird, Log Pile, and Log Steppers. Development on the playground began more than five years ago with the idea coming from David and Brenda Fox – two long-time supporters of Bays Mountain Park. The Kingsport couple championed this project in memory of their son Parker, who passed away in 2020 at the age of 25. The majority of the $940,000 cost for the playspace was raised through private donations.

Springfield, APSU partnership maps future through GIS

GIS, *from Page 1*

"In today's world, one of the biggest benefits to a local government or municipality in working with us is the cost," he said. "Everybody is outsourcing everything because it's relatively less expensive. When you have a center like ours that has the experience and the workforce we have, we don't have to charge as much. We've done work for smaller towns like Kingston Springs and Pegram where it is more cost effective to reach out to us. We get the project done, we set them up with what they need to set up with, and then at the end of the project, they can maintain that work easier."

Past projects by the center have included floodplain mapping the area in and around Waverly during and following the devastating 2022 floods and setting up GIS services for the city of Clarksville. Recently, APSU students and the GIS Center have been working in Springfield to map the city's extensive water and wastewater infrastructure.

"We went out and tagged all the hydrants and manhole covers last year," Catellier said. "They were happy with that, and this year, they asked for all their service meters collected. We are in the process now of doing that, and getting it all mapped out for them. We will then turn the data over to the city for them to manage."

Springfield's municipal water assets not only serve nearly 20,000 residents within the city limits, but also as far south as the Robertson-Davidson county line and as far north as the Tennessee border with Kentucky.

Caleb Groom, GIS coordinator for the city of Springfield, and Todd Evilcizer, the senior engineering technician for Springfield's Water and Wastewater Department, have been working alongside the students on the project.

If only the two of them had been working on this project, Evilcizer said collecting all the data on mains, service, meters, valves, lines, and other information could have taken as long as five years. With help from APSU students, the project is now expected to take less than two years to complete.

"It was such a large area of data that needed to be collected, and this speeds things up," Evilcizer said. "There was a lot of area to cover, and we wanted to do it as quickly as possible. As many customers as we serve, one person in the field trying to gather all that data would invest so much time. It helps to have two other people working with you in the field and back in the office."

Students with the APSU GIS Center work to collect data in and around Springfield. Data from this project involves the water and waste water system operated by the city of Springfield, which extends as far south as the Davidson County line and as far north as the Kentucky border. Identifying important information like hydrants, water main locations, and pipe thickness can benefit multiple city departments.

Catellier said students are hired and trained by the center on various equipment and how to collect data. They also have the responsibility to interact with the client and make sure the needs of the project are met.

"We get resumes when we are hiring these students and full-time personnel when that need arises," Catellier said. "In most cases, the classroom projects they are working on use canned data. There are no mistakes in it; everything works fine. Through this, they are handling raw data. They may have to do some troubleshooting to figure out what things are versus what they need to be. There are things they can't be taught in a classroom."

Students also learn how municipalities use GIS.

"We work hand-in-hand with a lot of municipalities, so these students get a front row seat to see how these municipalities are using data to make decisions and keep track of infrastructure," Catellier said. "Now these students can fill in that role because they are already familiar with how different municipalities work."

Catellier said GIS allows data to be explored in new ways.

"The important thing is not the data but how you view the data," he said. "If we give you a spreadsheet of data, you might have no idea what you are looking at. When we take that spreadsheet and place it in the proper geographic location so you can visualize, it brings in more perspective. They can see that data in relation to other geospatial data."

Evilcizer said the GIS data is providing the city with more in-depth information than they previously had available.

"Our previous data on the water and sewer system was all done on AutoCAD," he said. "We had mapping in place showing lines, hydrants, sizes, and all of that. But with GIS, we can attach attributes to valves like what kind it is, what size it is, and how many turns it takes to close. There is just a lot more detail you can get in one click as opposed to viewing it on a map."

Groom said the project is allowing Springfield to view its water infrastructure in new ways.

"The fire department has to know where all the hydrants are so they can easily and quickly access that information," he said. "If a water main breaks, we know exactly where to dig to find a problem area. It's also preventative. You get a lot more nuance with your data in GIS."

One way Springfield has used GIS is to make a development tracker, allowing residents to see where new commercial, residential, and industrial facilities are being built in the rapidly expanding city. Groom said the data is also helping make plans for the future.

"When making a map, you can see where is the best place to put a park, what area has the most foot traffic, and where is the best place to put a traffic light," Groom said. "There are just so many pieces of data – whether its electric, water, gas, or demographic data – that we can use."

The GIS Center is also a resource for municipalities to explore what they can do with GIS.

"We started off working with the city of Shelbyville to get their data mapped out to make some decisions," Catellier said. "After about two years, they realized they had a lot they wanted to do with that data. They then moved forward with creating a GIS technician position, and we helped them hire for that position. That person still works directly with us to help them build out their data."

More information about APSU'S GIS Center and how to collaborate with them is available on the center's website.

State funding board approves lower-than-average growth rate

BUDGET, *from Page 1*

things the state needs to purchase become more expensive.

The department predicts a 2.8% total revenue growth in 2026 and 2.5% in 2027, with sales and use taxes projected to grow 3% in 2026 and 2.6% in 2026, while franchise and excise taxes may grow by 0.8% in 2026 and 1.2% in 2027.

Bjarke also highlighted policy-driven negative revenue growth of –0.6% in 2025. Sales and use tax typically count for about 60% of collections, but it has moved up to 67% because of changes to franchise and excise taxes. While he does expect a rebound in franchise and excise tax, it will be minimal.

State Fiscal Review Committee Executive Director Bojan Savic projected the most robust growth with 2.97% revenue growth in 2026 and 2.32% in 2027.

Savic also predicted sales and use taxes to grow by 3.37% in 2026 and 3% in 2027, while he anticipated franchise and excise taxes to grow by 0.61% in 2026 but decrease by 1.33% in 2027.

	Recurring Actual FY 2024-2025	FY 2025-2026	Growth Rate	FY 2026-2027	Growth Rate
				$ 22,734,800,000	2.03%
		$ 22,282,500,000	1.59%		
				$ 22,779,400,000	2.23%
Total Taxes	$ 21,933,743,000				
				$ 22,834,800,000	2.03%
		$ 22,380,500,000	2.04%		
				$ 22,879,600,000	2.23%
		Spread	*0.45%*		*0.20%*
				$ 19,468,900,000	2.25%
		$ 19,040,500,000	0.72%		
				$ 19,488,000,000	2.35%
General Fund	$ 18,904,412,500				
				$ 19,584,100,000	2.25%
		$ 19,153,200,000	1.32%		
				$ 19,603,300,000	2.35%
		Spread	*0.60%*		*0.10%*

Projected revenues from the Department of Finance and Administration's Budget Division

ECONOMIC OUTLOOK

Bruce said the center is expecting slower national gross domestic product (GDP) growth, but for Tennessee's GDP to continue to outpace the national rate. Additionally, Bruce said inflation remains stubbornly high and that it is an important message that inflation can no longer be relied upon to prop up revenue collections.

"Our two major revenue streams are highly dependent on price," Bruce said. "As inflation goes, so goes collections on sales taxes and franchise and excise taxes."

A recent survey of business leaders by the Boyd Center found that more than three quarters say their business has been impacted by tariffs, with a quarter of respondents saying their business has been majorly impacted by tariffs.

However, the majority (55.8%) said they are not passing tariff costs on to their customers.

Newhard said Tennessee has the third highest amount of imports of any state in the nation and is 14 in terms of exports to other countries, making tariffs of concern to the state's economy. Imports make up 21.9% of the state's GDP versus 11.2% for the national GDP, while exports make up 7.1% of both the state and the national GDP.

While 2% has traditionally been the goal for the Fed when it comes to cutting interest rates, Newhard said he expects 3% to become the new benchmark.

Newhard highlighted uncertainties and challenges such as tariff policy, the growing national debt, immigration policy, inflation and wages, interest rates, housing costs, GDP growth, AI spending, and job growth.

Bjarke said Tennessee is one of the most manufacturing-dependent states in the South, which makes it more susceptible to uncertainty from trade policies. Savic said political and policy uncertainty regarding trade, tariffs, and other federal actions, including reductions in federal funds, should be anticipated.

Additionally, Savic said that while consumer spending has grown, consumer sentiment and expectations have plummeted over the course of the year.

HOUSING

Bruce said housing price appreciation is more under control, though housing prices remain high. One positive is that more listings are on the market and are remaining on the market for longer periods of time.

"We are still recovering from that severe shortage in the post-Covid economy," he said. "To get housing markets under control requires a supply side response. Still there are pockets of pressure in parts of the state, particularly in Middle Tennessee and the Knoxville area."

Newhard said Tennessee has the second-highest median listing price in the southeast, following only Virginia. Tennessee ranks second highest in the ratio of median income to median housing prices in the southeast.

While two-thirds of Tennessee homes are owner-occupied, housing prices and affordability continue to be major contributors to declining birth rates. Tennessee is one of 15 states that has returned or surpassed its pre-pandemic housing supply, but there are also regions of the state recovering their stock more quickly than others. Newhard said continuing to build housing supply is key to recovery of the housing market.

Bjarke said the increase Newhard is projecting in housing permits and building is being born out in revenue projects. Bjarke noted expectations that mortgage originations both in refinancing and purchasing will increase to relatively high levels, driving privilege taxes.

LABOR MARKET

Bruce said the state has seen an uptick in labor force participation since the post-pandemic decline. While Tennessee has had lower unemployment rates than the national level, the state's labor force participation rate has remained stubbornly below the national rebound.

Newhard said that while the state has seen job growth, manufacturing has lost 8,500 jobs or 3% of the workforce since 2022. Savic said that many companies seem to be in a "wait and see" mode, not making many new hires but also not firing employees.

Workers also seem to be hanging onto their jobs for longer rather than seeking positions elsewhere. Savic said he anticipates the job growth stagnation to continue.

Incomes in the state have also been growing with Tennessee's average income reaching $64,908. This remains slightly lower than the Southeastern average of $65,084 and the U.S. average of $72,425. However, Tennessee's cost of living remains about 10% lower than the national average.

While median household income has grown since the 1980s, Newhard said living standards have improved more modestly and rising standards of living are held back by rising costs.

Additionally, Savic said the amount of personal savings Tennesseans are putting aside is declining. Bruce noted that for every $100 someone's income increases, their spending goes up $3-5.

With deaths continuing to exceed births in the state, Bruce said labor demand is only being met through in-migration to the state.

The state had a tremendous shortage of workers to meet labor demand since the pandemic, but the gap is beginning to narrow considerably. If every unemployed person in the state was put to work, Bruce said there would still be 21,000 unfilled jobs.

Newhard said population growth tends to increase where cost of living is more affordable. He expects the state's population growth rate to stay positive but down from some of its recent highs.

Comptroller announces changes in State Government Finance Office leadership

Tennessee Comptroller of the Treasury Jason E. Mumpower has announced an upcoming leadership transition within the Office's division of State Government Finance.

Sandi Thompson, Director of State Government Finance, retired Nov. 30. For the past 17 years, Thompson has played a pivotal role in strengthening Tennessee's financial foundation.

Under her direction, Tennessee achieved and sustained a rare triple triple-A bond rating, and innovative bond sales delivered billions in savings for taxpayers. Her dedication, vision, and integrity have set a high standard that will benefit Tennessee for years to come.

"I am deeply grateful to Sandi for her extraordinary service to Tennessee and to our Office," said Comptroller Mumpower. "Her expertise and steady leadership have advanced our state's financial position in meaningful ways."

Following Thompson's retirement, Kayla Carr is the new Director of State Government Finance. Carr most recently served as the division's Assistant Director and has nearly two decades of service in state government.

Her broad experience and deep commitment to financial stewardship make her exceptionally well-prepared to assume this leadership role.

Sandi Thompson

Kayla Carr

"Kayla is highly respected, well-qualified, and committed to ensuring that our Office continues to serve Tennessee with excellence," said Mumpower. "The dedication of both Sandi Thompson and Kayla Carr ensures that Tennessee's financial management remains in capable hands."

Alamo names municipal building after former Mayor Tommy Green

The new name of the Tommy Green Municipal Building in Alamo is revealed as Green and current Alamo Mayor Kenneth Bodkins watch in the foreground.

The municipal building for the town of Alamo has been renamed to honor former Mayor Tommy Green, who served in the role for 30 years.

The Alamo Board of Mayor and Aldermen unanimously voted to rename the municipal building to honor Green for his decades of service to the community.

Before serving as mayor, Green served with the Alamo Volunteer Fire Department and as the city's first building inspector, as well as an alderman for 11 years.

Green served on the TML Board of Directors for numerous years, including serving as president from 2007 to 2008. He was also selected as TML's Mayor of the Year in 2003.

Green also served as a marketing representative with the Tennessee Municipal Bond Fund from 2010 until his retirement in 2022.

The Tommy Green Municipal Building houses the town's administration offices, city court, water department, and utility department.

Haywood selected to succeed retiring Columbia Chief Alsup

After 29 years of service, Columbia Police Chief Jeremy Alsup announced his intention to retire.

Alsup began his public service career in 1997 and has spent the last six years as the chief of police.

Assistant Chief Jeremy Haywood was named the new chief of police for Columbia. With a 27-year career in law enforcement, Haywood is a second-generation law enforcement officer.

Alsup offered praise for his successor.

"Chief Haywood is an exceptional leader whose dedication to this community is unwavering," Alsup said. "His experience, steady leadership style, and genuine concern for the well-being of our officers and residents make him the right person to guide the department into its next chapter."

Haywood's father, Bobby Joe Haywood, served with the Columbia Police Department (CPD) from 1983 until his retirement in 2009. Haywood was frequent visitor to the department alongside his father, becoming an explorer at the age of 15. Haywood began his career with CPD in 1998 and has since served as sergeant, criminal investigations lieutenant, and captain of patrol, in addition to assistant chief.

He holds a bachelor's degree in criminal justice from Southwestern University and a master's in criminal justice from Bethel University.

Chief Jeremy Alsup

Chief Jeremy Haywood

Collierville supports Great American Cleanup as part of America 250, Tennessee 250 celebrations

In preparation for America's 250th birthday, Collierville Mayor Maureen Fraser has signed an official pledge to participate in Keep America Beautiful's (KAB) Greatest American Cleanup. Mayor Fraser was joined by the Board of Mayor and Aldermen and the Town Beautiful Board to celebrate the signing. Keep Tennessee Beautiful Executive Director Missy Marshall, also an alderman for the town, was on hand to mark the occasion. KAB's goal is to remove 25 billion pieces of litter from parks, waterways, and public spaces by July 4, 2026. The organization is seeking groups of all kinds – big, small, young, old, non-profits, government, schools, book clubs and more – across the U.S. to pledge their support.

Goodlettsville announces staff transitions

After serving 13 years as the head of the Goodlettsville Police Department, Chief Gary Goodwin announced that he will retire effective Jan. 1, 2026.

Goodwin has 50 years of law enforcement experience and has served in various leadership positions throughout his distinguished career.

"Serving as the chief of police for the city of Goodlettsville has been an honor of a lifetime," said Goodwin. "I feel we have achieved a lot during my time as chief, but it is time now to spend more time with my family."

City Manager Tim Ellis praised Chief Goodwin's service.

"It has been a great honor working with Chief Goodwin over these past 13 years," Ellis said. "His commitment to professionalism and community is unparalleled and much appreciated, and he has made Goodlettsville safer and a better place to call home."

Commander Audra Cherry-Crawford will be promoted to the chief of police position.

"The next Chief of Police needed to bring proven experience from within the department, a strong leadership skill set, and a solid criminal justice background—and with Commander Crawford, we have that person," Ellis said.

Chief Gary Goodwin

Chief Audra Cherry-Crawford

Deputy Chief Jason DeLoach

Crawford has been with the department for the past 26 years and holds a bachelor's degree in criminal justice from Bethel University. She is also a graduate of the Northwestern University School of Police Staff and Command. Throughout Commander Crawford's career, she has filled many roles within the department.

"It is an extreme and humbling honor to be appointed to the position of chief of police," Crawford said. "My commitment to making the city of Goodlettsville as safe as possible will be unwavering as we work together to make our community great."

Ellis also announced the appointment of Commander Jason DeLoach as deputy chief of police.

"With Commander DeLoach, we have the perfect fit of a leader in his temperament, knowledge, and experience," Ellis said.

Commander DeLoach has served with the Goodlettsville Police Department for the past 31 years in multiple leadership roles and is a graduate of the Northwestern University School of Police Staff and Command.

"I am grateful for this opportunity as we all work together in making Goodlettsville a safe and well-rounded community," DeLoach said.

PEOPLE

Judy Accardi, alderwoman for Somerville, died Oct. 16, 2025 at the age of 74. Accardi was first elected to the Somerville Board of Mayor and Aldermen in 2010 and also served as the alderman representative on the Somerville Planning Board. Additionally, she owned and ran Carlton's On The Square in downtown Somerville and was a founding member of the Somerville Art Gallery.

Judy Accardi

Kirk Bednar has been selected as the new executive director of the Tennessee City Management Association (TCMA) following the retirement of Pat Hardy. Bednar begins his new role on Jan. 1. He spent 12 years as city manager and 13 years as assistant city manager of Brentwood, and worked as a municipal management consultant for UT-MTAS for 5 years. Bednar also served as president of TCMA from 2015-16, a position that placed him on the TML Board, and was the TCMA City Manager of the Year in 2022.

Kirk Bednar

Sydney Boggs has been selected as the new communications and marketing manager for the city of Cookeville. A native of South Pittsburg, she graduated from Tennessee Technological University in December with a bachelor's degree in business administration, concentrating in marketing. Boggs brings valuable marketing experience to the position, having completed several internships that strengthened her skills in communication and public engagement.

Sydney Boggs

State Rep. Jeff Burkhart, R-Clarksville, died Nov. 14, 2025, at the age of 63 at his home in Clarksville. Prior to serving in the General Assembly, Burkhart served Clarksville City Council's Ward 12 from 2008 to 2020. He was elected to the Tennessee House for the first time in 2022, representing District 75. Prior to his work in politics, Burkhart started working for Clarksville's Gas and Water Department after graduating from high school. He then transferred to the Clarksville Fire Department in 1982, eventually becoming assistant fire chief. He also began a career in the construction industry in 1985, growing his business to develop commercial and residential developments. A lifelong Clarksville resident, he graduated from Northwest High School and earned an associate's degree in fire science from Volunteer State Community College.

State Rep. Jeff Burkhart

Scotty Bush, chief of the Hendersonville Fire Department (HFD), announced his intention to retire on Dec. 31, 2025, following 39 years in the fire service. Bush was selected as chief of HFD in 2015. He previously served as an

Scotty Bush

See **PEOPLE** *on Page 5*

PEOPLE

PEOPLE, *from Page 4*
International Association of Arson Investigators fire investigator, firefighter, senior firefighter, captain, and division chief.

Kristie Diamond, town clerk for Collierville, has earned the designation of Certified Municipal Clerk (CMC), which is awarded by the International Institute of Municipal Clerks. The CMC designation is only given to municipal clerks who complete demanding education requirements and have a record of significant contributions to their local government, community, and state. Diamond joined Collierville's Finance Department as an accounting technician in 2019 and was appointed town clerk in November 2023.


Kristie Diamond

Danielle Dixon has been selected as the new city recorder for the city of Trenton following the retirement of Recorder Leigh Ann Reynolds. Dixon comes to Trenton from Dyersburg Electric where she has served as a general accountant for the past eight years. Dixon holds a degree in accounting and finance from the University of Tennessee at Martin. She is also a certified municipal finance officer.


Danielle Dixon

James Gafford, former chief of the La Vergne Rescue Department, died Nov. 23, 2025 at the age of 86. A native of Ashland City, Gafford had a 63-year career in the fire service in both south Nashville and La Vergne. He served as La Vergne's fire chief for more than 40 years and worked with the department from 1951 until his retirement in 2014. During his tenure, La Vergne incorporated as a city, and he helped shape fire protection in the city's early days. He is remembered as a mentor to many and for his work helping establish volunteer departments throughout Rutherford County.


James Gafford

Nick Geis has been named the newest assistant manager for Johnson City. Geis comes to Johnson City from Lexington, N.C., where he served as assistant manager overseeing daily operations for water and wastewater, electric utilities, customer service, recycling and waste, stormwater, fleet services, and other city departments. Prior to that, he spent nearly a decade with the city of Winston-Salem, N.C., including serving as director of fleet services, director of property and facilities management, and as assistant director and financal analyst for the sanitation department. Geis earned a master's degree in public administration from the University of North Carolina at Chapel Hill and a bachelor's degree from Appalachian State University.


Nick Geis

David M. Gray has been selected as the new fire chief for the Gatlinburg Fire Department, taking over at the retirement of Chief Charlie Cole after 38 years of service. Gray most recently served as assistant chief and as a paramedic for the Knoxville Fire Department. During his work in Knoxville, Gray's service included management of emergency medical services, training programs, logistics, and public safety initiatives. Gray holds the Executive Fire Officer (EFO) designation from the National Fire Academy and is Tennessee Fire Officer IV. An instructor for numerous state and national emergency medical and fire training programs, Gray earned an associate's degree in general technology from Roane State Community College, a bachelor's in applied organizational management from Tusculum University, and a master's in fire executive leadership and public administration from Columbia Southern University.


David Gray

Sam Gray has been sworn in as the new mayor of Carthage after previous Mayor Anthony Hackett resigned for personal reasons. Gray has been serving as the vice mayor of Carthage since Hackett was selected as mayor earlier this year, following the resignation of former Mayor Steve Babcock for health reasons. Gray will hold the mayoral seat until it is up for election in November 2026.


Sam Gray

Mike Gwinn, senior sales manager for the Pigeon Forge Department of Tourism, received the prestigious 2025 Volunteer of the Year Award from the National Tour Association (NTA) at its annual conference in Ottawa, Canada. The Volunteer of the Year Award is significant because it is the only award for which the recipient is nominated by NTA staff and approved by the NTA Board. Gwinn joined the Pigeon Forge Department of Tourism in 2021 and brings 25 years of travel and tourism experience to his role.


Mike Gwinn

Shantell Hoefling has been selected as the new neighborhood specialist for Jackson Mayor Scott Conger's Office of Innovation. Hoefling will work with residents and community partners to strengthen engagement, support neighborhood initiatives, and help foster a strong sense of connection across the city. Originally from California, Hoefling came to Tennessee at 19, working with children and youth ministries through faith-based outreach. She has held positions including customer service representative, trainer, and supervisor.


Shantell Hoefling

Jon Holmes has been selected as the new city manager for Collegedale. Holmes has more than 17 years of high-level municipal leadership experience, most recently serving for seven years as city manager of Aurora, Mo. He also served as county administrator for Franklin County, Kan.; city administrator for Odessa, Mo. and David City, Neb.; and as a budget and management analyst for Laramie, Wyo. Originally from Laramie, he holds a bachelor's degree from Harding University and a master's in public administration from the University of Nebraska.


Jon Holmes

Leigh Ann Reynolds will be retiring as the city recorder of Trenton after 17 years with the city. Reynolds has been Trenton city's recorder since October 2011 and served as the city's certified municipal finance officer. Before coming to Trenton, she worked as the city recorder for Bradford for nine years. Trenton Mayor Tony Burriss said Reynolds will be missed by everyone at the city. She plans to spend more time with her family in retirement.


Leigh Ann Reynolds

Joseph Strong has been appointed the new chief building official for Johnson City. In this role, he will oversee the city's Building Services Department's permitting and inspection services, supervise all city trades inspectors, and lead the plans review process. A deputy state fire marshal for the past 20 years, he has a deep understanding of the National Fire Protection Association, International Building Code, and International Code Council standards. He holds a bachelor's degree in fire safety engineering from Eastern Kentucky State University.


Joseph Strong

Lance Sutton has been named the new fire marshal for the town of Nolensville. Sutton has more than 24 years of service in emergency operations and fire investigation across municipal, commercial, and industrial environments. Sutton served as a fire captain, fire inspector, engineer, and firefighter with the Murfreesboro Fire and Rescue Department. He also recently served as a fire and life safety specialist with Bureau Veritas Group and as a contract fire investigator with Keystone Experts and Engineers. Sutton holds a bachelor's degree in fire administration from Columbia Southern University and an associate's in fire science from Volunteer State Community College.


Lance Sutton

Randy Tyree, the former Knoxville mayor who oversaw the 1982 World's Fair, died Nov. 24, 2025, at the age of 85. Born in Carthage, Tyree earned a bachelor's degree in political science from Middle Tennessee State University and then a law degree from the University of Tennessee. He spent 10 years in law enforcement, including serving as a police officer and police commissioner in Knoxville, and four years with the FBI. In 1976, he became the youngest mayor in Knoxville history at the age of 34 and served two terms. During his tenure, he eliminated the city's debt and helped create the Knoxville Convention Center. In 1982, he won the Democratic nomination for governor but was defeated by incumbent Gov. Lamar Alexander. City leaders named part of the World's Fair Park in his honor in 2019.


Randy Tyree

Jennifer Williams has been selected as director of planning and development for the city of Oak Ridge. Certified by the American Institute of Certified Planners, Williams has been with the city since 2018 and most recently served as senior planner before being selected as interim director of planning and development following the retirement of Wayne Blasius in June. Before joining Oak Ridge, Williams worked with the Southwest Tennessee Development District.


Jennifer Williams

AI capabilities, infrastructure among request during state budget hearings

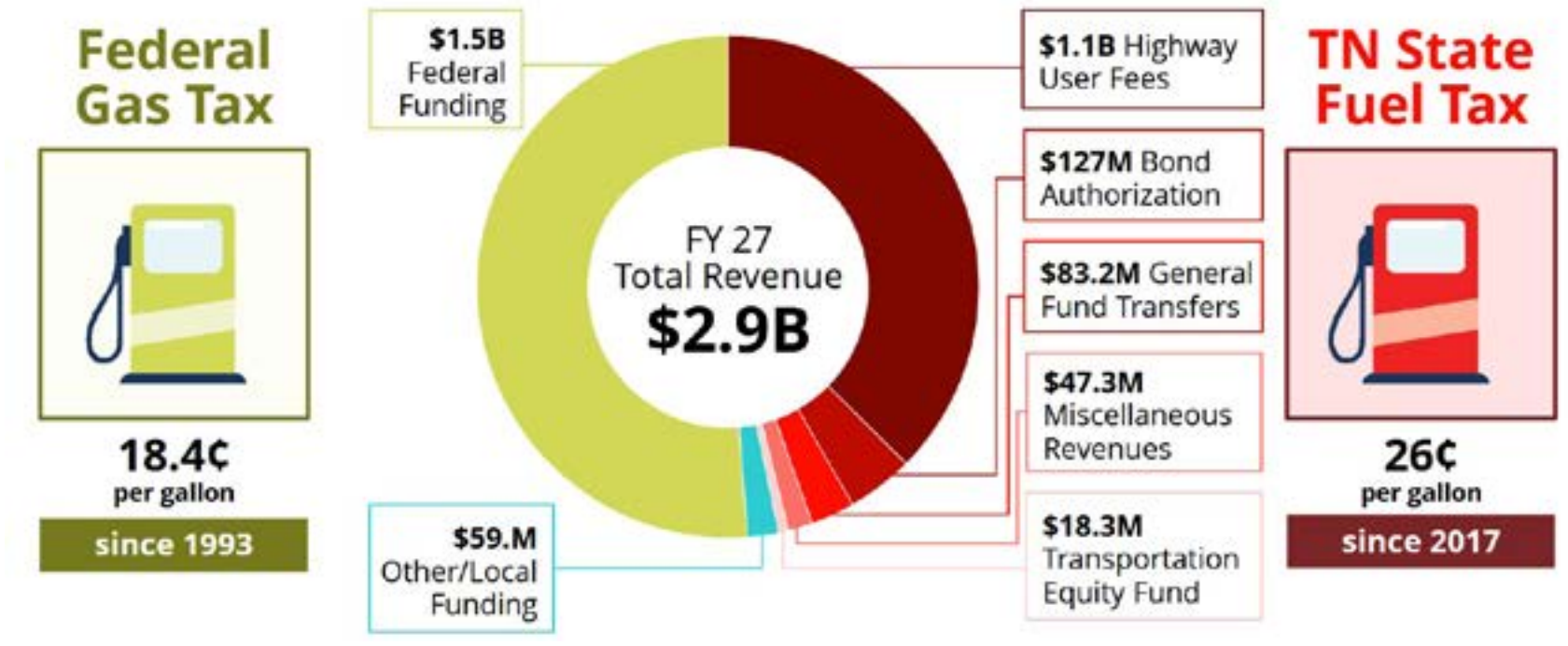
BUDGET, *from Page 1*

Finance and Administration Commissioner Jim Bryson said many vendors are now offering AI add-ons that the state will need to build capacity, as well as the need for the state to build its own infrastructure to move forward. Bryson said this could provide faster, more transparent service to citizens.

Darby said AI is also emphasizing adaptability.

"Often times, we have had very historic and rigid definitions as to what we are going to get," she said. "There is evolution here, so it is creating a culture of understanding what desired outcomes are. As there is learning, we can build in adaptability to the process. There may be unintended benefits and consequences. Allowing for evolution and adjustment will continue to maximize outcomes that are delivered."

Darby also noted a $20 million request for transitioning state data and infrastructure to cloud services, excluding certain systems that, for security or other reasons, are best left on premises. If this second phase of moving state data to cloud systems is not completed, it could cost the state $150 million in operations and maintenance.



A breakdown of how the state's fuel and gas tax is funded. Flat revenues mean the state may have to seek other options to continue to maintain existing roads and finance new road projects.

TRANSPORTATION

Construction costs remain inflated and with more people moving to Tennessee and using the state's roads, Tennessee Department of Transportation (TDOT) Commissioner Will Reid said the state may need to explore alternative revenue sources to fund necessary transit projects.

Gas tax revenues are flat on state and federal levels. With vehicles becoming more efficient, they are creating the same wear and tear on roadways but generating less gas tax income to cover the costs of repairs. Despite the increase in vehicle registration and a new tire tax, funding is not sustainable to meet roadway needs.

Additionally, federal gas tax revenues the state receives have not increased since 1993, while the state rates were increased in 2017. Half of the TDOT budget is financed through the federal gas tax, but Reid said it may be important to rely less on federal dollars. To make up the difference, Reid said other states rely on toll roads, borrowing money, oil and gas industry revenues, and raising gas taxes to keep up with growth.

Reid reported that several competitive bids are expected for the new Choice Lanes planned for Interstate 24, with that decision expected to be made in the fall of 2026. He said the state is also exploring additional Choice Lane projects in other high-congestion areas across the state. TDOT funding requests included:

- $75 million recurring for maintenance
- $75 million recurring for bridge investment
- $100 million recurring for highway program investment
- $250 million non-recurring for renovating rest areas and visitor centers

ECONOMIC & COMMUNITY DEVELOPMENT

Tennessee Department of Economic and Community Development (TNECD) Commissioner Stuart McWherter said of the 698 projects Tennessee landed in the past fiscal year, 46.6% of those were located in rural counties. The state has also invested $100 million in site development over the course of the Lee administration, ranging from $100,000 for due diligence studies to $4.5 million for spec building development. TNECD has also invested $809 million into broadband expansion across the state. Requests included:

$35 million non-recurring funds for innovation, $25 million of which goes to the Nuclear Supply Chain Investment fund and $10 million for the Federal Match Fund program

- $12.5 million recurring and $12.6 million non-recurring funds for Entertainment Commission grants
- $10.22 million recurring and $25 million non-recurring for Rural Development Fund grants
- $2 million non-recurring to expand the AgLaunch Farmer Network
- $1 million non-recurring for marketing
- $10 million non-recurring for historic development projects
- $1.5 million non-recurring for direct international flights
- $538,900 recurring for development districts

TBI is requesting more investments in forensics labs to meet growing needs.

Agriculture officials said there has been an increase in wildland fires, leading to greater demand for funding.

ENVIRONMENT

Tennessee Department of Environment and Conservation (TDEC) Deputy Commissioner Dr. Ronné Adkins noted the Brownfield Redevelopment Area Grant (BRAG) program has invested $13 million in 138 projects in the past year and has become a model for other states. The demand for participation in the BRAG program currently exceeds what the state is funding. Additionally, the state's $34 million investment in Strong Infrastructure Funds (SRF) has yielded $170 million in federal funding from the EPA to help with environmental remediation.

Deputy Commissioner Greer Tidwell said the number of fully-funded state parks has gone from 56 to 68 since 2020. Projects expected to open in the coming year include Clinch River Blueway State Park in Hancock County, Cherokee Memorial State Park in Meigs County, and Dry Branch State Park in Lewis, Hickman, and Perry counties. Requests included:

- $34.22 million non-recurring for the State Revolving Fund Program Stabilization
- $1.09 million to match $7.3 million in federal funds for electric grid enhancement
- $700,000 recurring funds as a 50% match to federal funds for the State Energy Program Stabilization fund
- $500,000 recurring funds for the Oil and Gas Program Stabilization and Sustainability funding
- $383,800 recurring and $12,000 non-recurring for staffing at new visitor centers
- More than $1.58 million to fund 14 new positions in the Water Resources Division to meet the growing demand the Subsurface Sewage Disposal System (SSDS) Permits staff are facing, driven by the state's economic growth and residential development

TOURISM

Tennessee Department of Tourist Development Commissioner Mark Ezell said Tennessee's tourism infrastructure is boosting visitation to the state at a time when many are seeing travel decline. Tennessee was the second-fastest growing state for direct visitor spending and had the sixth highest savings in the U.S. from visitor-paid sales tax. The state's direct-spending tourism growth increased by 36.6%, while the national average only grew by 17.4%. The state saw $31.66 billion in direct visitor spending in 2024-2025.

Tennessee is also the sixth-highest state for under-construction hotel rooms and is one of 17 states with international visitation topping 500,000. There was an 11.5% year-over-year increase in international arrivals to the state.

The two main asks from the department were $10 million recurring for direct marketing organizations and regional grant funding, along with $5 million recurring and $13 million non-recurring for marketing and destination development.

AGRICULTURE

Tennessee Department of Agriculture Commissioner Andy Holt noted $25 million was invested last year in the Farmland Preservation program with development of the program's rules and a launch expected by late summer 2026.

Partnerships with the UT Institute of Agriculture have yielded two completed projects – one in Tullahoma and a second in Jackson – along with six ongoing and nine projects in construction.

There was an increase in wildland fires the Division of Forestry dealt with over the past year, with approximately 7,000 fires for every 100,000 acres of land and 320 structure losses in 46 counties. Tennessee is one of the top five states for expansion into the forest environment with 86.9% of departments handling fires in these areas consisting of volunteers. Requests from the department included:

- $2 million recurring funds for the Farm to Food Bank program
- $47.25 million non-recurring for the Tennessee Center for Agriculture and Forestry Facility grants
- More than $1.59 million recurring and $892,500 non-recurring for the Wildfire Resiliency Team
- $1 million for State Forest Recreation Management

CRIME & JUSTICE

Tennessee Bureau of Investigation (TBI) Director David Rausch said TBI is continuing to invest in expanding its forensic services and technology and innovation, such as rapid DNA technology and real-time crime centers. Priorities for the coming year include expanding staff and investment in the cold case unit, missing persons unit, and aviation services.

Rausch noted that online crimes against children have increased more than 400% since 2018, with the comptroller agreeing that more staff is needed to better tackle this issue. Additionally, financial abuse of the elderly – particularly through new bitcoin and romance scams – is also on the increase. Budgetary requests from the department included:

- $2.22 million recurring and $3.55 million non-recurring for technology and equipment
- $724,00 recurring and $491,600 non-recurring for the Internet Crimes Against Children division
- $1.31 million recurring and $2.29 million non-recurring for the Rapid DNA Unit
- $3.39 million recurring and $1.88 million non-recurring for the Crime Scenes Response unit
- $497,000 recurring and $33,200 non-recurring for Real Time Crime Center Analysts

EMERGENCY MANAGEMENT

Tennessee Department of Emergency Management and Homeland Security (TEMA) officials noted the Governor's Response and Recovery Fund has paid out more than $40 million to local governments and businesses for Hurricane Helene relief, accounting for 90% of the allocated funds being awarded. Budget requests from the department included:

- $315,000 non-recurring and $75,000 recurring to expand radio systems used by TEMA and multiple other law enforcement agencies for emergency communications
- $3 million recurring and $315,000 non-recurring funds for a statewide mass notification system that will standardize messaging across local areas as well as allow county EMAs to use the system without paying for individual licensing fees or products
- $227,500 recurring funds for software to help better manage and guide oversight of the National Flood Insurance Program in communities across the state

HEALTH

Officials with the Tennessee Department of Health mentioned that many health departments across the state are seeing costs rise as the number of uninsured Tennesseans seeking their services continues to increase. Budget requests included:

- $27.6 million to expand current training partnerships and programs to improve the Health Smiles Dental Pilot Program in rural and underserved areas
- $11.7 million for health lab testing and services including preparing and responding to disaster events ranging from natural disasters to testing of contaminated waters and forensic testing following the recent explosion in Humphreys County

Full recordings of the budget hearings are available online.

STATE BRIEFS

Tennessee's September 2025 unemployment rate held steady at 3.6%, according to data from the Tennessee Department of Labor and Workforce Development (TDLWD). The release of September's data was delayed because of the impact to the U.S. Bureau of Labor Statistics during the federal government shutdown. The state's seasonally adjusted unemployment rate was unchanged from the previous month. The U.S. rate was 4.4%, eight-tenths of a percentage point higher than Tennessee's rate. TDLWD has compiled an economic analysis of the September 2025 unemployment data, which is available on the state's website.

New signage has been installed across the Tennessee State Parks system allowing visitors to access more information about trails, including the grade of a trail, the degree of the slope on the width of a trail, and the type of surface the trail provides. The signs are aimed at improving accessibility, particularly for visitors who use wheelchairs, as well as help visitors make decisions about which trails to use. The information on the trail information signs is also available on the Tennessee State Parks website.

A 7,457-acre tract of ecologically rich bottomland hardwood forest along the Hatchie River has been acquired by the Tennessee Wildlife Resources Agency, in partnership with The Nature Conservancy of Tennessee and The Conservation Fund. The Hatchie Bottom acquisition represents a major milestone in Tennessee's Conservation Legacy initiative and fulfills a longstanding priority in the Tennessee State Wildlife Action Plan to protect and preserve critical wildlife habitat. The property will be managed as a new Wildlife Management Area and will also provide new opportunities for hunting, fishing, wildlife watching, and outdoor recreation.

The second round of Tennessee American 250 grants has opened. Municipalities may apply for Project Support Grants of up to $20,000, and Community Support Grants of up to $25,000. Grants are facilitated by the Tennessee State Museum and will be reviewed until funding is exhausted. Successful grant applicants propose projects that support the mission of the Tennessee Semiquincentennial Commission. Deadline for grant applications is Jan. 20, 2026. Those wishing to apply for a grant or receive more information on how to submit a successful grant application may do so on the TN250 website.

CDBG grants announced for 30 municipalities

The state has awarded Community Development Block Grants (CDBG) to 30 municipalities across Tennessee.

Grants totaling $26.5 million will assist with infrastructure and beautification improvements.

Of the 30 municipalities who received awards, 14 grants are for water, wastewater, drainage or flooding improvements; 5 for emergency services; 5 are for street, sidewalks, or trails; 5 are for parks and recreation; and 1 is for a community health facility. Grant amounts ranged from $297,153 to $1 million.

Grants were also awarded to Benton, Chester, Claiborne, Cumberland, Fentress, Hardeman, Jefferson, Lawrence, Pickett, Putnam, Scott, Union, and Warren counties.

The allocation of CDBG funds is based on priorities set through the public meeting process at the local level.

The CDBG program is funded through the U.S. Department of Housing and Urban Development and administered by the Tennessee Department of Economic and Community Development (TNECD).

Funds are available for water and sewer improvements, health and safety projects and other improvements to enhance the quality of life in Tennessee's rural communities.

Each application was supported by the community's senator and representative(s) in the Tennessee General Assembly. A full list of awards is available on the state's website. is available on the state's website.

Entity	Award	Purpose
Adamsville	$1 million	Community Recreation Facility
Bean Station	$510,450	Street Improvements
Blaine	$262,400	Fire Protection Improvements
Byrdstown	$550,000	Sewer System Improvements
Carthage	$500,000	Water System Improvements
Celina	$559,500	Sewer System Improvements
Clifton	$813,540	Park Improvements
Columbia	$758,681	Drainage Improvements
Elkton	$300,000	Street Improvements
Erwin	$761,060	Sidewalk Improvements
Friendship	$450,855	Street Improvements
Gleason	$400,000	Sewer System Improvements
Gruetli-Laager	$951,087	Volunteer Park Revitalization
Halls	$901,155	Community Health Facility
Harrogate	$365,712	Fire Protection Improvements
LaFollette	$849,555	Drainage Improvements
McKenzie	$814,894	Water System Improvements
Milan	$445,670	McKellar Park Improvements
Milledgeville	$420,000	Fire Protection Improvements
Moscow	$393,020	Water System Improvements
New Tazewell	$451,001	Park Improvements
Newport	$944,210	Flood Control Improvements
Oakdale	$731,801	New Emergency Services Facility
Obion	$511,445	Sewer System Improvements
Red Boiling Springs	$550,000	Sewer System Improvements
Rives	$297,153	Drainage Improvements
Scotts Hill	$420,000	Fire Protection Improvements
Selmer	$628,339	Water System Improvements
Somerville	$690,900	Sewer System Improvements
Spring City	$1 million	Cumberland Trail Connector
Whiteville	$ 1 million	New Fire Station

State tourism grants awarded to 19 cities

Downtown Sweetwater

The Tennessee Department of Tourist Development has awarded Tourism Enhancement Grants to 19 municipalities across the state.

The municipalities are among 30 agencies that will share in the more than $2 million worth of grants aimed at strengthening local tourist assets and driving the state's continued tourism growth

Coalmont, Etowah, Kingsport, Louisville, South Pittsburg, and Tracy City each received grants worth $100,000. Byrdstown received $99,750, Charleston $52,500, Chattanooga $90,000, Collinwood $80,000, Crossville $60,000, Dandridge $82,971, Murfreesboro $10,000, Smithville $4,067, Smyrna $20,500, Spencer $26,433, Sweetwater $88,200, Tiptonville $48,735, and Vonore $14,211.

The grants help cities and counties enhance experiences, draw more visitors, and increase economic impact. Eligible projects include improvements to stages, signage, historic preservation, ADA accessibility, and other upgrades to local attractions and venues.

State October revenues $48.7M above estimates

Department of Finance and Administration Commissioner Jim Bryson reported total October tax revenues were $1.6 billion, $48.7 million more than budgeted estimates and $112.5 million more than October 2024.

The total tax growth rate for the month was 7.5%. General fund revenues were $43 million more than the October estimate, while the four other funds that share in state tax revenues were $5.7 million more than the estimates. On an accrual basis, October is the third month in the fiscal year.

"October sales tax revenues, which reflect September's taxable sales activity, demonstrate the continued strength of consumer spending across the state," Bryson said. "Although October is typically a slower month for corporate tax collections, Tennessee still exceeded expectations in that category as well. We are encouraged that revenues remain ahead of projections year-to-date. However, we will continue to monitor economic activity and revenue trends to ensure fiscal stability."

On a year-to-date basis, August through October, total tax revenues are 1.59% greater than the budget estimate, or $84.8 million above expectations. Total tax revenues have grown 3.27% or $171.5 million since the same time last year. General fund revenues are 1.5% greater than the year-to-date budgeted estimate, or $65.3 million higher. Likewise, general fund collections compared to this same period last year have increased 2.53% or $109.2 million.

Individual tax performance compared to October 2025 Budgeted Estimates:

- Sales Taxes: Above estimate by 2.44% or $29.7 million
- Corporate Taxes (Franchise & Excise): Above estimate by 11.58% or $7.7 million
- Fuel Taxes: Above estimate by 1.63% or $1.8 million
- All other taxes: Above estimate by 5.62% or $9.5 million

Year-to-date performance compared to Budgeted Estimates:

- Sales Taxes: Above estimate by 2.12% or $78.8 million
- Corporate Taxes (Franchise & Excise): Below estimate by 2.45% or $18.9 million
- Fuel Taxes: Above estimate by 1.96% or $6.5 million
- All other taxes: Above estimate by 3.60% or $18.4 million

Individual tax performance compared to October 2024:

- Sales Taxes: Up 6.77% or $79.1 million
- Corporate Taxes (Franchise & Excise): Up 26.58% or $15.6 million
- Fuel Taxes: Up 0.07% or $80 thousand
- All other taxes: Up 11.07% or $17.7 million

Individual tax performance compared to August through October 2024:

- Sales Taxes: Up 4.90% or $177.4 million
- Corporate Taxes (Franchise & Excise): Down 4.35% or $34.1 million
- Fuel Taxes: Up 1.18% or $4.0 million
- All other taxes: Up 4.79% or $24.2 million

Estimates are available on the state's website.

NLC Report: City financial officers approaching 2026 with caution

Reduced revenues and rising costs leave municipalities tightening their budgets

By JULIE PATTISON-GORDON
Governing Magazine

Municipalities are already spending more cautiously this year, and they expect that trend to hold in 2026 as cities grapple with rising costs, lower revenue, and the wind-down of federal aid, per a new report from the National League of Cities.

Cities' fiscal year 2025 spending grew by less than 1% over the prior year — a big difference from the nearly 8% spending growth seen in FY2024.

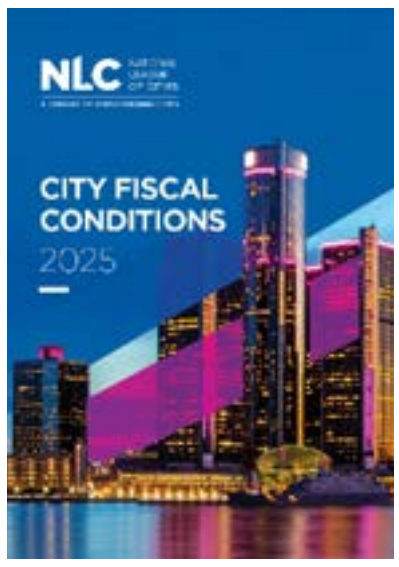
Finance officers have steadily become more nervous about the future, according to National League of Cities surveys.

The majority of finance officers were more confident they'd be able to meet financial needs in FY2024 than they were in FY2023. But such optimism is dwindling.

This year's survey found just over half of financial officers felt the same confidence about FY2025, and fewer than half think they'll better meet budget needs in FY2026.

And they have some reason to be wary. Cities saw general fund revenues grow almost 4% year-over-year in fiscal year 2024; in FY2025, city revenues are projected to decline nearly 2%.

They're also preparing for the end of American Rescue Plan Act (ARPA) money. Cities must spend any remaining obligated ARPA funds by the end of December 2026.



Surveys showed some cities are also worried about tariffs, with more than 40% saying tariffs affect their ability to procure some items. Among those impacted municipalities, more than a third expected they'd respond by simply spending more money, while others said they were canceling or delaying projects or seeking alternative domestic sources for the items.

Alongside higher procurement costs, finance officers expected to lose some spending power due to inflation, and to spend more on employee wages and salaries. At the same time, they're seeing some of their tax revenues grow more slowly or even decline.

Sales tax collections soared post-pandemic in a burst of consumer spending, but are now flattening out, returning to pre-pandemic norms, per the report. Sales tax revenue plummeted in 2020, then climbed, with 2022 seeing dramatic 11% growth over the prior year.

Collections held flat in 2024, however, and are expected to rise just 2% this year. And while a strong job market drove a nearly 9% year-over-year rise in income tax collections in 2024, this revenue stream is expected to drop nearly 2% in 2025.

Still, cities are seeing a reprieve in other ways. The National League of Cities surveyed municipal finance officers during summer 2025, when many feared the White House would end the federal income tax exemption for municipal bonds, an idea proposed by House Republicans.

Those fears, which did not come to pass, may have dampened their overall outlook. Many cities rely on borrowing to finance infrastructure maintenance.

More than 40% expected they'd need to delay or reduce infrastructure projects if the tax exemption were ended, while nearly 30% would seek other financing methods. Almost 20% would have raised local taxes.

Plus, cities still have some tax revenue growth. While commercial office values are declining, the housing market is driving an estimated 3.4% increase in property tax collections this year.

Changes in the broader economy have a delayed effect on property taxes, because value assessments happen only periodically and so taxes tend to reflect a property's value from several years ago.

As cities consider how to juggle these pressures, they've been maintaining certain priorities.

Like in the prior two fiscal years, FY2025 saw cities continue to designate roughly 10% of their general fund spending to recreation and culture and more than half to public safety.

TENNESSEE FESTIVALS

Dec. 16-26: Goodlettsville
Candy Cane Village
Stroll through a sparkling display of whimsically decorated houses—each one uniquely painted by sponsors – at Goodlettsville City Hall.

Dec. 20: Bell Buckle
Old Fashioned Christmas
Enjoy sleigh rides with Santa, carolers, a s'mores pit, and the look and feel of an old-fashioned Christmas.

Dec. 31: Gatlinburg
New Year's Eve Celebration
Known as the "Best New Year's Eve Show in the South," Gatlinburg will ring in the new year at this free, family-friendly celebration.

Jan. 2: Memphis
58th Annual Autozone Liberty Bowl
The SEC and Big 12 Conference battle in the AutoZone Liberty Bowl Football Classic, one of the most tradition-rich and patriotic bowl games in America.

Jan. 7-10: Memphis
International Blues Challenge
The world's largest gathering of blues musicians will take place on Beale Street, with over 20 clubs hosting the challengers and fans.

Jan. 16-18: Pigeon Forge
Smoky Mountain Elvis Festival
Enjoy a variety of events including Elvis tribute artist performances and Elvis-themed activities in Pigeon Forge.

Jan. 17-18: Dayton
35th Annual Tennessee Sandhill Crane Festival
Celebrate the return of the majestic sandhill crane at the Hiwassee Wildlife Refuge near Dayton.

NATIONAL BRIEFS

Fewer Americans moved in 2024 than at any point in time since the federal government began tracking such data in 1948. Only 1 in 9 people, or 11% of Americans, changed residences in 2024, according to data from the U.S. Census Bureau. An estimated average of 14% of Americans moved annually a decade ago with a 20% high for moving in the 1960s. Zoning laws, community gatekeeping, a lack of economic mobility, and limited growth of the labor market, wages, and economic resilience may be contributing factors. New Jersey and New York had the lowest share of movers in 2024 while Alaska, Oklahoma, and Colorado had the most at around 14%.

Hiring and unemployment both picked up in September after the month's job report was released seven weeks behind schedule due to the government shutdown. The Labor Department found U.S. employers added 119,000 jobs in September, but the national unemployment rate inched up to 4.4%. Hiring was strongest in the healthcare and hospitality sectors while jobs were shed in manufacturing and warehousing. State and local governments added jobs while the federal government shed them. Additionally, revised data showed that the July and August jobs reports were weaker than initially reported with 33,000 fewer jobs added during that period.

Violent crimes are down nationwide and in most major cities, according to a new report issued by the Major Cities Chiefs Association. The organization is made up of police chiefs from the largest cities in the U.S. and Canada. Their report found that overall violent crime as well as homicides, rapes, robberies, and aggravated assaults were down in 2025. Memphis and Nashville were among the major cities that saw a decrease in violent crime across the board between 2024 and 2025. Other major cities showing an overall decrease in violent crime included Chicago, Detroit, New Orleans, Oakland, Orlando, Portland, Sacramento, San Francisco, Seattle, St. Louis, and Washington, D.C. Those cities reporting the most increases in violent crime included Atlanta, Baltimore, Columbus, Omaha, Pittsburgh, and Wichita. The city of Los Angeles saw a decrease in violent crimes while Los Angeles County saw an increase.

Rural Americans are more optimistic about the country's future than those living in urban areas, according to a new survey from the American Communities Project. The survey judges community moods on various issues using data points like race, income, age, and religious affiliation. Inflation was the top issue for every community type with the second-biggest issue being homelessness and housing insecurity for urban areas and taxes being the biggest issues for suburbs and rural America. Violent crime was not a major issue for most areas of the country with opioid or drug addiction, healthcare, and housing being the issues of larger concern. Of all respondents, 66% believe that traditional parties and politicans do not care about them, 64% believe the economy is rigged to benefit the rich and powerful, and 69% believe Americans have a lot more in common with each other than generally shown.

Tennessee Municipal League holds district meetings

Municipal officials from across Tennessee have gathered for Tennessee Municipal League (TML) District meetings, discussing upcoming legislative issues as well as local and regional concerns.

TML officials discussed legislative priorities for the coming General Assembly session, including restoring the historic revenue-sharing relationship with the state.

Local issues of discussion also included opioid abatement, upcoming TDOT road projects, the new population estimates to be used for state-shared sales taxes, solid waste issues, and the future of the Tennessee Valley Authority.

The District 1 meeting was held in Kingsport, the Districts 2 and 3 meeting was held in Knoxville, the District 4 meeting was held in Crossville, the Districts 5 and 6 meeting was held in Brentwood, and the Districts 7 and 8 meeting was held in Jackson.

The Tennessee General Assembly reconvenes at noon on Jan. 13, 2026.

TML Deputy Director Chad Jenkins discusses upcoming legislative concerns during the Districts 2 and 3 meeting in Knoxville.

TML Executive Director Anthony Haynes, far left, chats with officials during the Districts 7 and 8 meeting in Jackson.

Officials talk during the District 1 meeting in Kingsport.

Above: Kingsport Alderman Darrell Duncan, center, and TML At-Large Director and Kingsport Mayor Paul Montgomery, right, welcome officials to the city for the District 1 meeting.

Left: Officials talk about issues facing the Middle Tennessee area during the Districts 5 and 6 meeting in Brentwood.

Above: Jenkins presents TML's legislative priorities to members of the Middle Tennessee Mayor's Association at their meeting in Crossville.

Right: Municipal officials listen to a presentation on and discuss issues surrounding solid waste as part of the Districts 5 and 6 meeting in Brentwood.

Photos compiled by TML Staff.