

Northeast State Community College

2024 Governor's Investment in Vocational Education (GIVE 3.0)

Building Economies through Skilled Trades (BEST)

Lead Entity: Northeast State Community College

Fiscal Agent: Northeast State Community College

IN PARTNERSHIP WITH:

1. Northeast Tennessee Local Workforce Development Board & First Tennessee Development District
2. Northeast State Community College
3. Kingsport City Schools/Dobyns-Bennett High School & DB Excel
4. Burleson Construction Co.; CAM Industrial Solutions; J.A. Street & Associates; Quesenberry's Construction

Project Director: Blake Montgomery

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**Funding Requested:
\$1,920,985**



**President of Higher Education Institution (Fiscal Agent)
Dr. Jeff McCord, NeSCC President**



**Project Director (Lead Entity)
Blake Montgomery**



THEC

Governor’s Investment in Vocational Education (GIVE) 3.0

Building Economies through Skilled Trades (BEST)

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Abstract

Project Title: Building Economies through Skilled Trades (BEST)

Lead Entity & Fiscal Agent: Northeast State Community College

Partners: Northeast TN Local Workforce Development Board/First TN Development District
Kingsport City Schools/Dobyns-Bennett High School & DB Excel
Burlison Construction Co.
CAM Industrial Solutions
J.A. Street & Associates
Quesenberry's Construction

Funding Requested: \$1,920,985

Project Summary:

Northeast State Community College (NeSCC) and its partners will implement the **Building Economies through Skilled Trades (BEST)** project to relocate and enhance its Carpentry and Machine Tool programs, leveraging newly available instructional space on the Kingsport campus to better utilize instructional resources, expand enrollment capacity, and strengthen the regional workforce pipeline in these high-demand fields. The result will be an increased pipeline of individuals entering and obtaining industry-recognized credentials in Carpentry and Machine Tool. The project is expected to serve at least **88 students** over the four-year performance period. Participants may be traditional or adult students, including unemployed and under-employed individuals and incumbent workers, or high school students participating in dual enrollment programs. Participants will have the opportunity to participate in work-based learning (WBL) opportunities up to and including apprenticeships.

Northeast State Community College (NeSCC) and its partners will implement the **Building Economies through Skilled Trades (BEST)** project to relocate and enhance its Carpentry and Machine Tool programs, leveraging newly available instructional space on the Kingsport campus to better utilize instructional resources, expand enrollment capacity, and strengthen the regional workforce pipeline in these high-demand fields. The result will be an increased pipeline of individuals entering and obtaining industry-recognized credentials in Carpentry and Machine Tool. The project is expected to serve at least **88 students** over the four-year performance period. Participants may be traditional or adult students, including unemployed and under-employed individuals and incumbent workers, or high school students participating in dual enrollment programs. Participants will have the opportunity to participate in work-based learning (WBL) opportunities up to and including apprenticeships.

Demonstration of Need – Northeast State serves a region (Attachment A) in which three out of five counties are designated as economically “At-Risk” by the Appalachian Regional Commission (Table 1). Median household income in Northeast Tennessee is significantly lower than state and national averages and the rate of poverty is notably higher. While unemployment rates are very low, this usually positive indicator masks a larger problem with declining labor force participation, which lags the national average by ten percentage points. Low labor force participation rates, combined with the fact that almost half of all adults in the region have no postsecondary education, magnify the local reality of a nationwide skilled labor shortage.

At the same time, the NeSCC service area faces a higher-than-average retirement risk, with almost 20% more residents approaching retirement age than the national average for regions of similar size. Together, these factors create significant challenges for employers seeking to fill vacant positions, particularly in skilled trades like carpentry and machining.

County	ARC Status (FY24)	Adults w/ a HS Diploma or less	Median Household Income	Unemployment (Jan 2024)	Poverty Rate	Labor Force Participation (Jan 2024)
Carter	At-Risk	42%	\$44,280	3.8%	19%	51.1%
Johnson	At-Risk	57%	\$42,552	3.6%	22.0%	54.3%
Sullivan	Transitional	44%	\$49,661	3.7%	15.6%	51.5%
Unicoi	At-Risk	49%	\$47,610	4.9%	15.4%	49.1%
Washington	Transitional	38%	\$52,503	3.4%	15.3%	52.8%
Service Area	-	46%	\$47,321	3.0%	17.5%	51.8%
U.S.	-	37%	\$69,021	4.1%	12.6%	61.9%
Tennessee	-	42%	\$58,516	3.5%	14.3%	59.1%

Sources: *Appalachian Regional Commission (arc.gov)* and *Lightcast Analyst*

The disconnect between available skills in the local workforce and the demands of the region’s growing construction and manufacturing sectors underscores the urgency to address these skill gaps. Manufacturing is among the largest and fastest growing industries in the NeSCC region, employing more than 21,000 people and representing 23.9% of the gross regional product (GRP). The industry ranks first among all industries in the region for employment concentration (1.58). The Construction industry is also a significant contributor to the Northeast Tennessee economy, employing more than 10,000 people and representing 5.0% of the GRP.¹

According to the *THEC Academic Supply for Occupational Demand Report*, the Carpentry and Machining occupations listed in Table 2 are experiencing high employer demand in Northeast Tennessee. Continued growth projected through at least 2028 is expected to compound the already critical workforce demand.

Each of these occupations offers a median hourly wage above the regional living wage for a household with two working adults and one child (\$17.39), according to the Massachusetts Institute of Technology (MIT) Living Wage Calculator,² a geographically specific cost-of-living measure based on food, childcare, health insurance, housing, transportation, and other basic needs.

¹ *Lightcast Analyst (www.lightcast.io)*

² <https://livingwage.mit.edu/>

Occupation	Description	OES 2019 SOC Code	Median Hourly Earnings	Projected Job Growth 2020-2028
Construction Managers	Plan, direct, or coordinate activities concerned with the construction and maintenance of structures, facilities, and systems. Participate in the conceptual development of a construction project and oversee its organization, scheduling, budgeting, and implementation.	11-9021	\$32.51	86.7%
Carpenters	Construct, erect, install, or repair structures and fixtures made of wood and comparable materials.	47-2031	\$18.16	16.9%
Machinists	Set up and operate a variety of machine tools to produce precision parts and instruments out of metal.	51-4041	\$20.86	75.1%
Tool and Die Makers	Analyze specifications, lay out metal stock, set up and operate machine tools, and fit and assemble parts to make and repair dies, cutting tools, jigs, fixtures, gauges, and machinists' hand tools.	51-4111	\$21.03	27.9%

Source: THEC Academic Supply for Occupational Demand Report

NeSCC, through its Regional Center for Advanced Manufacturing (RCAM), delivers Department of Labor Registered Apprenticeship programs, both as an apprenticeship sponsor and as a related technical instruction (RTI) provider for company-sponsored programs. Carpentry and Machining, both four-year apprenticeship programs, are among the available apprenticeship pathways.

The Carpentry Apprenticeship has been in operation for approximately three years, serving more than 40 students over that period. Twenty-one students are currently enrolled. Instruction for the Carpentry apprenticeship is delivered off-site using partner facilities because RCAM does not have a Carpentry lab. Lab activities are conducted in partner high schools and employer facilities after regular school and business hours, so classes can only be offered in the evening.

While the College is in discussion with several potential new industry partners, enrollment capacity is limited by the availability of current laboratory facilities. In order to bring in new industry partners and expand enrollment, it will be necessary to establish a Carpentry lab on the Kingsport campus and begin offering classes during the day.

NeSCC offers a thriving Machining (or Machine Tool) registered apprenticeship (noncredit) at RCAM in Kingsport with nine students currently enrolled. While this enrollment number may seem low, intensive hands-on instruction and low faculty/student ratios are critical factors in the proven effectiveness of the apprenticeship model.

The College also offers a Machine Tool Associate Degree (credit) program on the Blountville campus, which has struggled to maintain minimum enrollment levels. The disparity in enrollment between the two programs can largely be attributed to proximity and target audiences for each program. The apprenticeship program primarily serves nearby advanced manufacturing employers and incumbent workers who understand the value of the skills included in the Machine Tool program. The Associate Degree program, in contrast, primarily serves recent high school graduates who often find manufacturing occupations to be unattractive due to outdated perceptions about the safety, cleanliness, and potential income associated with manufacturing careers.

NeSCC also previously offered a Machine Tool dual enrollment program, which enabled high school juniors and seniors to earn course credit toward the College's Machine Tool Operations Technical Certificate program. While it was not possible for dual enrollment students to complete the full 31-credit-hour Certificate while in high school, participants were able to gain a significant head start on the program and shorten the time required to complete the Certificate after high school. Unfortunately, the dual enrollment Machine Tool program became inactive during the COVID pandemic as K12 schools shifted to primarily remote instruction and transporting students to off-site instructional locations became impractical.

While the College has had interest from K12 partners in restarting the dual enrollment Machine Tool program, the existing laboratory facilities at RCAM are operating at maximum

capacity. Additional lab space is needed to support instruction for potential dual enrollment students.

Program Plan – Harvard Business School, in its report entitled *The Partnership Imperative*, argues that it is crucial for employers and community colleges to cultivate strong partnerships in order to address America's chronic skills gaps and maintain economic competitiveness. NeSCC, with its longstanding RCAM industry partnerships, is well-positioned to address this challenge in Northeast Tennessee.

Northeast State proposes to use GIVE 3.0 grant funds to support the relocation and expansion of two critical technical education programs, Carpentry and Machine Tool, to the Kingsport campus in order to increase the pipeline of individuals entering and obtaining industry-recognized credentials in these high-demand fields. The funding will enable the College to leverage a newly available building (marked with a red star in Figure 1) to expand industry training capacity. The building, now dubbed RCAM & Co., is located adjacent to the

Regional Center for Advanced Manufacturing (marked with a blue star in Figure 1) and became available to the College in the fall of 2023. It is essentially an empty warehouse, having previously served as a grocery store distribution center and a disaster relief storage facility.

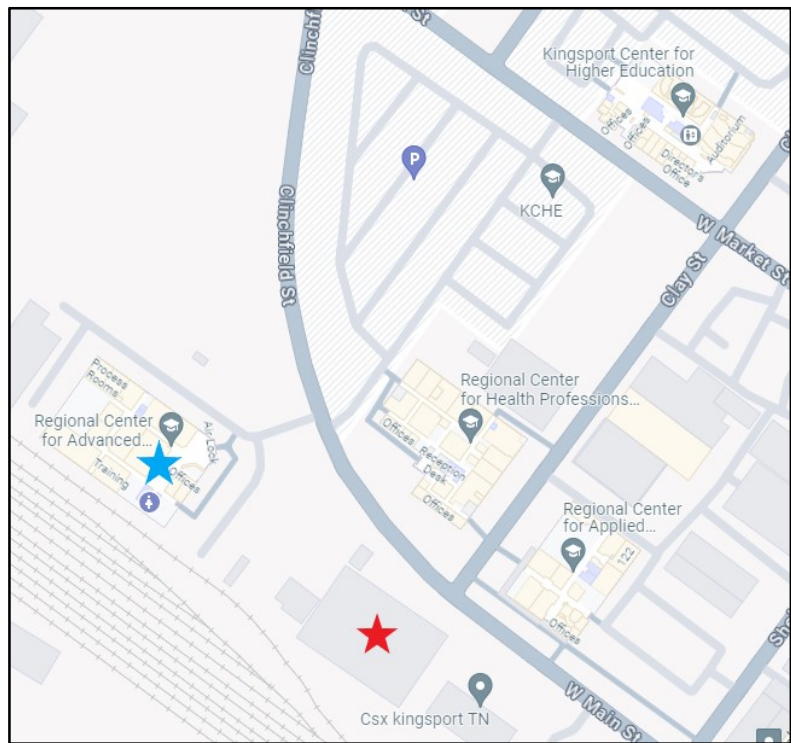


Figure 1: NeSCC Kingsport Campus Map

Regional Center for Advanced Manufacturing (marked with a blue star in Figure 1) and became available to the College in the fall of 2023. It is essentially an empty warehouse, having previously served as a grocery store distribution center and a disaster relief storage facility.

Carpentry – NeSCC proposes to leverage GIVE 3.0 grant funds to modify the RCAM & Co. facility to create a 1700-1800 square foot Carpentry lab. Modifications may include but not be limited to electrical, ventilation, and other utilities that must be enhanced to support the specialized instructional equipment that is required for the program. Grant funds will provide faculty to support expanded class offerings, as well as tools and supplies to outfit the lab and support hands-on instruction. If needed, grant funds will also support faculty training and curriculum modifications that may be necessary to adapt lab activities for the new lab capacity. The proposed scope of work will support students in the Carpentry apprenticeship program.

Machine Tool – To address the disparities in the credit and noncredit Machine Tool programs and reactivate the Machine Tool dual enrollment program, NeSCC proposes to relocate the Associate Degree program to RCAM & Co. on the Kingsport campus. This move will bring the credit and noncredit Machine Tool programs under the RCAM umbrella to make more effective use of instructional resources and better position the Associate Degree program for success. The Kingsport location is more conveniently located in proximity to critical industry partners and K12 partners with which the College has well-established CTE dual enrollment relationships.

Grant funds will support infrastructure modifications (ventilation, electricity, etc.) necessary to establish a 7,000-10,000 square foot Machining lab within RCAM & Co. The new lab would essentially replicate the capabilities of the existing Machining Lab in RCAM, which is operating a maximum capacity. The additional lab would accommodate Associate Degree students, dual enrollment students, and allow for growth in the apprenticeship program.

Grant funding would also support contractual costs associated with moving specialized manufacturing instructional equipment from the Blountville campus to RCAM & Co., as well as tools and supplies to outfit the lab and support hands-on instruction. If needed, grant funds will

also support faculty training and curriculum modifications that may be necessary to adapt lab activities for the new lab.

Project Timeline – A detailed quarterly project timeline is provided in Attachment B, including activities and responsible parties.

Measurable Objectives – A summary of measurable objectives for each component of the project is provided in Table 3.

Table 3: Building Economies through Skilled Trades (BEST) – Measurable Objectives		
Program	Output Projections	Outcome Projections
Machine Tool	32 dual enrollment students 20 credit and/or noncredit students	25 dual enrollment students successfully complete at least 24 credit hours in Machine Tool coursework 5 students complete 4-year apprenticeship program
Carpentry	36 Apprenticeship students	9 students complete 4-year apprenticeship program
Total Participants Served	88 students served/enrolled	39 students earn postsecondary skills and/or credentials

Output projections (students served/enrolled in targeted programs) and outcome projections (students earning postsecondary credentials) are based on enrollment capacity in the programs, assessed interest among partners, and the time constraints of the performance period. For apprenticeship programs, in particular, it is necessary to keep the instructor to student ratio low to ensure effective instruction and positive learning outcomes. NeSCC expects that the outcome projections will recur annually, compounding the impact of the BEST project over time.

Governance and Accountability Plan – The Project Director, Blake Montgomery, RCAM Executive Director, will administer the project in collaboration with the College’s new Director of Apprenticeships, instructors, and RCAM staff. Technical assistance will also be available from NeSCC’s Office of Sponsored Programs (formerly Grant Development) and the Office of Research, Analytics, and Planning for data collection and reporting.

Mr. Montgomery, who reports to the College's Vice President of Economic and Workforce Development, has more than thirty years of industrial experience prior to his tenure at Northeast State, most recently leading forty-one structured training and company-sponsored maintenance apprenticeship programs in the Training Services Department at Eastman Chemical Company. He is a graduate of two Department of Labor Registered Apprenticeship programs (Instrumentation and Electrical; Maintenance Mechanic), holds a Bachelor's Degree in Organizational Leadership and Management, and two Master's Degrees.

The full-time Carpentry Instructor and part-time Carpentry Lab Assistant funded through the grant will be responsible for developing and delivering standardized lab content to support industrial training programs in a hands-on lab environment. Required qualifications include journey-level qualification in the instructional material being delivered and industrial work experience. The selected candidates must also be able to complete the necessary training to qualify as a National Center for Construction Education and Research (NCCER) craft instructor.

The grant-funded part-time RCAM Support position will provide administrative support for grant implementation, including data entry, outcome tracking, and reporting, as well as support for the RCAM Study Center which facilitates preparation and testing for various industry-recognized certifications. The relocation and expansion of RCAM programs is expected to result in a corresponding increase in demand for the services performed by the Study Center.

All partners are committed to serving on the Advanced Manufacturing Partnership (AMP), a network of stakeholders established at the inception of RCAM more than ten years ago, that continues to inform RCAM operations and ensure training remains consistent with industry needs. AMP consists of governmental entities, the regional workforce development system, K12 education, and industry partners. The group meets monthly, providing a stable and recurring

vehicle for assessment of progress, identification of implementation challenges, and continuous improvement. The BEST project will be a standing agenda item at regular AMP meetings.

Structure of Work-Based Learning – While the BEST project might incorporate other forms of work-based learning (WBL), such as guest speakers and workplace tours, apprenticeships will be the primary vehicle for WBL delivery throughout the performance period. NeSCC’s existing Department of Labor Registered apprenticeships in Carpentry and Machining are directly targeted under the BEST project. Therefore, WBL is a core focus of the project.

The structure of a Registered Apprenticeship, in accordance with federal Department of Labor guidelines, requires participants to be an employee of the industry partner when they enter the apprenticeship program. Often, the hiring process happens in parallel with apprenticeship enrollment. The expectation is that apprentices will begin with a defined starting wage, achieve defined increases upon successful completion of a specified sequence of on-job-learning (OJL) and related technical instruction, and retain a permanent position with the company upon program completion. The median starting wages for the Carpentry and Machining apprenticeship programs are \$14 and \$17, respectively. At the Journeyman level, participants may achieve median wages of \$23 and \$26, respectively.

To establish a new apprenticeship relationship, NeSCC and industry partners sign an agreement outlining the responsibilities of each party relative to the delivery of training and instruction, both in the classroom and on-the-job, and the requirements for participants to successfully complete the program. New program participants must also sign an agreement indicating their understanding of program expectations.

The apprenticeship model is an attractive educational option for individuals from economically disadvantaged backgrounds, as it provides clearly defined advancement potential

and the ability to earn an income while pursuing an education. More importantly, the program is offered at no cost to the student.

The U.S. Department of Labor (DOL) acknowledges Registered Apprenticeship as the gold standard for technical training. Upon successful completion, an apprentice receives a journeyman's card, a nationally recognized certification of their skills and competencies in a particular trade. The apprenticeship model's unique combination of classroom and on-the-job training has proven to be one of the most effective approaches to developing a strong talent pipeline, particularly in technical fields.

A study conducted by researchers at the Upjohn Institute³ found positive returns on investment in postsecondary career and technical education in general, but noted particularly strong return on investment for apprenticeships, which were shown to return over 18 times cost in working lifetime earnings, more than triple the return among the ten different workforce development models considered in the study.

Strength of Partnership – The Memorandum of Understanding (MOU) in Attachment C documents the commitment of all project partners to the **Building Economies through Skilled Trades (BEST)** project. All partners provided input on project development and confirmed the regional labor market need for workers with carpentry and machine tool skills.

Workforce/Economic Development Partners – The **Northeast Tennessee Local Workforce Development Board (NETLWDB)** oversees public workforce services within the eight counties of Workforce Development Area 1, promoting the economic vitality of the region by providing a collaborative system that meets the talent needs of business, industry and the workforce. Lisa

³ Hollenbeck, Kevin M. and Wei-Jang Huang. 2014. "Net Impact and Benefit-Cost Estimates of the Workforce Development System in Washington State." Upjohn Institute Technical Report No. 13-029. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. <https://doi.org/10.17848/tr13-029> (The Upjohn Institute is a private, not-for-profit, nonpartisan, independent employment research organization)

Evans, the WIOA Program Director at the **First Tennessee Development District** (which serves as the administrative entity for the NETLWDB), is an active partner with NeSCC's Division of Economic and Workforce Development and will continue in that role, advising on regional labor market conditions, facilitating employer partnerships, supporting recruitment of unemployed/under-employed individuals for participation in BEST activities, and identifying opportunities to co-enroll participants and leverage public workforce development system resources for training and support services, as appropriate. Further, as the regional WIOA Youth, Adult and Dislocated Worker Career Services provider, Northeast State is uniquely positioned to facilitate integration of BEST project activities and public workforce resources.

Higher Education Partners – **Northeast State Community College (NeSCC)** will serve as the lead entity and fiscal agent for the BEST project, and will be responsible for overall project implementation, performance monitoring, budget management, grant reporting, and coordination of partnerships. Blake Montgomery, RCAM Executive Director, will serve as Project Director, with assistance from RCAM staff and support from the NeSCC Office of Sponsored Programs.

Mr. Montgomery will oversee curriculum adaptation, faculty training, hiring of grant-funded staff, preparation and completion of laboratory spaces, coordination with partners, outreach, and enrollment. The BEST project team will leverage existing resources within NeSCC's Division of Institutional Excellence & Student Success and WIOA programs to provide wraparound support services, such as transportation and childcare assistance, for participating students as needed.

Employers – **Quesenberry's Construction** is a comprehensive general contractor in operation for almost 80 years. The company provides general contracting, construction management, and design build services to clients in Virginia, Tennessee, and Kentucky. The company, as represented by Aaron Smith, Development Manager, is a current partner in

NeSCC's Carpentry Apprenticeship program and Advanced Manufacturing Partnership (AMP). Mr. Smith, or another company designee, will continue in that role throughout the GIVE 3.0 performance period. The company will continue to hire and refer participants for the targeted program(s), refine and validate curriculum, and administer structured wage increases at specified milestones as defined in the apprenticeship agreement.

Burleson Construction Company Inc. is a general construction firm engaged in Construction and Construction Management of commercial and industrial buildings. It is located in Johnson City, TN, and has been in operation for more than seventy years. Burleson, as represented by James Hanson, Project Manager, is a current partner in NeSCC's Carpentry Apprenticeship program and serves on the Advanced Manufacturing Partnership (AMP). Mr. Hanson, or another company designee, will continue in that role throughout the GIVE 3.0 performance period. The company will continue to hire and refer participants for the targeted program(s), refine and validate curriculum, and administer structured wage increases at specified milestones as defined in the apprenticeship agreement.

J.A. Street & Associates is an industry leader in the design and construction of commercial, industrial, and institutional buildings. The company is headquartered in Blountville, TN, and has been in operation for almost forty years. J.A. Street, as represented by Shari Brown, Business Development Director, is a current partner in NeSCC's Carpentry Apprenticeship program and serves on the Advanced Manufacturing Partnership (AMP). Ms. Brown, or another company designee, will continue in that role throughout the GIVE 3.0 performance period. The company will continue to hire and refer participants for the targeted program(s), refine and validate curriculum, and administer structured wage increases at specified milestones as defined in the apprenticeship agreement.

CAM Industrial Solutions is an industry leader in industrial repair and maintenance, operating in more than forty locations throughout the United States and Canada, including Kingsport, TN. CAM, as represented by Sally Payne, Workforce Development Advisor, is a current partner in NeSCC's Machine Tool Apprenticeship program and serves on the Advanced Manufacturing Partnership (AMP). Ms. Brown, or another company designee, will continue in that role throughout the GIVE 3.0 performance period. The company will continue to hire and refer participants for the targeted program(s), refine and validate curriculum, and administer structured wage increases at specified milestones as defined in the apprenticeship agreement.

K-12 Partners – Kingsport City Schools, including both Dobyns-Bennett High School and DB Excel, are frequent collaborators with NeSCC on initiatives from career exploration to dual enrollment programs that enable students to earn a college credential prior to high school graduation. Dr. Bo Shadden, Kingsport City Schools Director of Career & Technical Education and Postsecondary Opportunities will serve on the Advanced Manufacturing Partnership (AMP), advise on the alignment of high school CTE programs with the targeted programs of study, support the development of seamless pathways from high school to community college to the workforce, and collaborate on dual enrollment opportunities in targeted programs.

Budget Plan – A complete budget table and line item detail is provided in Attachment D.

Sustainability – Northeast State Community College and its BEST partners are committed to sustaining the Machine Tool and Carpentry programs beyond the grant period, as demonstrated in the attached Memorandum of Understanding. On page three of the MOU, "all partners agree to...actively engage in the Building Economies through Skilled Trades (BEST) partnership, meeting regularly during and after the grant performance period..." These regular meetings will occur in the context of the College's existing Advanced Manufacturing Partnership (AMP).

As described previously, AMP is a network of stakeholders, which includes representatives from government entities, the regional workforce development system, K12 education, and industry. It has functioned continuously for more than a decade to inform RCAM operations. As new employers partner with RCAM to provide structured training or apprenticeships, they are added to the AMP partnership. Monthly AMP meetings provide a venue to highlight successes, identify challenges, develop strategies for corrective action, and promote the expansion of training opportunities throughout the region.

NeSCC expects that ongoing enrollment in the targeted programs will provide sufficient revenue to support the costs of continued operation, including institutionalization of grant-funded positions, equipment maintenance costs, periodic replacement of tools and supplies, professional development, and recurring costs of consumable supplies. In the months approaching the end of the performance period, the College will analyze program results and allocate institutional funds to support program sustainability if it is determined to be in the best interests of the institution.

High Demand Programs – As noted previously in Table 2, the BEST project will target occupations that are in-demand in Northeast Tennessee according to the *THEC Academic Supply for Occupational Demand Report*. These occupations, listed below in Table 4 are directly aligned to the programs of study targeted under the BEST project.

In-Demand Occupation	OES 2019 SOC Code	Targeted Program(s) of Study
Construction Managers	11-9021	Carpentry Apprenticeship
Carpenters	47-2031	
Machinists	51-4041	Machining Apprenticeship Machine Tool Associate Degree Machine Tool Dual Enrollment/Certificate
Tool and Die Makers	51-4111	

Source: THEC Academic Supply for Occupational Demand Report

Economic Status Acknowledgement - NeSCC serves a five-county area in the Appalachian Regional Commission footprint (Attachment A). Three counties (Carter, Johnson, and Unicoi)

are **At-Risk** for FY2024. The other two counties (Sullivan and Washington) hold a Transitional designation. The College has campuses in Carter, Sullivan, and Washington Counties.

The primary activities of the BEST project will occur at RCAM, which is located in Kingsport (Sullivan County). However, the targeted programs (Carpentry and Machine Tool), as with all NeSCC programs, draws students from counties throughout the service area and beyond. Approximately 25% of Northeast State's Fall 2023 and Spring 2024 enrollment came from Carter, Johnson, Unicoi, and nearby Hawkins County, which is also designated At-Risk. Carter County's representation in the current Carpentry and Machining Apprenticeships is even higher, at 31%. Based on this historical data, NeSCC expects that at least 25% of BEST project participants, or fourteen individuals, will come from At-Risk counties.

Persistent Poverty Census Tracts – NeSCC's Regional Center for Advanced Manufacturing (RCAM) and its new expansion building (RCAM & Co.) are located on West Main Street in downtown Kingsport, within Census Tract #47163040200 (Attachment E), which appears on the Census Bureau's list of tracts in persistent poverty. RCAM & Co. will house the two new laboratory facilities included in the proposed scope of work and will serve as the primary site for implementation of project activities.

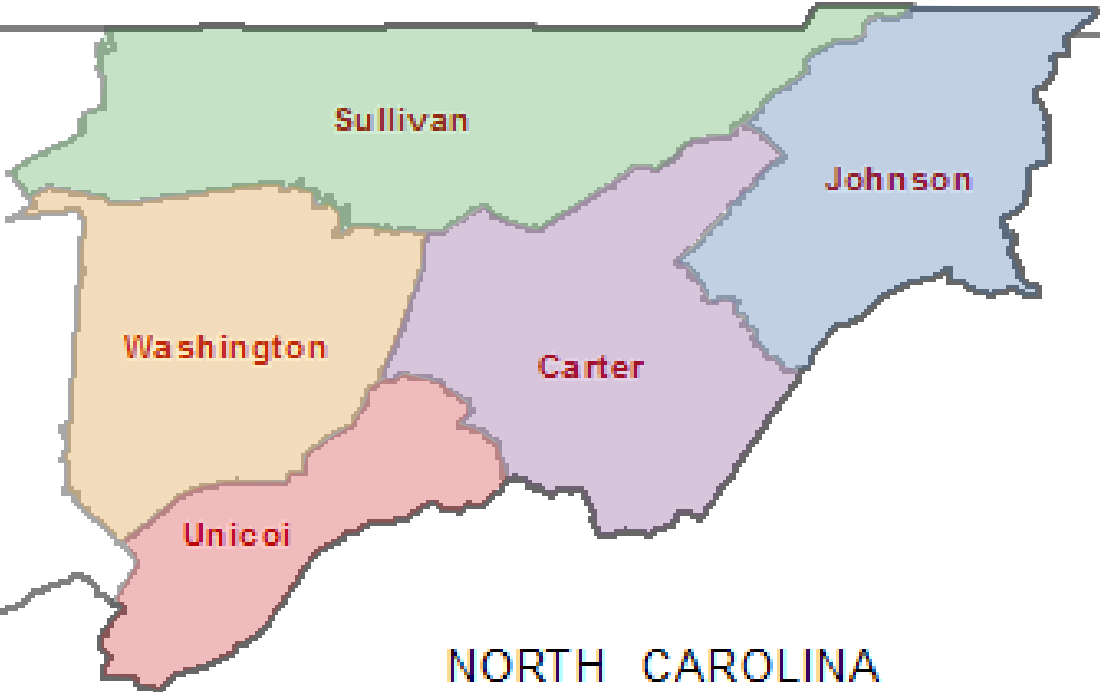
DB Excel, Kingsport's STEM-focused high school, is also located in downtown Kingsport within Census Tract #47163040200 on Clinchfield Street. NeSCC expects students from both DB Excel and Kingsport's traditional high school, Dobyns-Bennett, to participate in the reactivated Machine Tool dual enrollment program at RCAM/RCAM & Co.

KENTUCKY

Attachment A - NeSCC Service Area Map

VIRGINIA

TENNESSEE



NORTH CAROLINA



**NORTHEAST
STATE**

We're here to get you there

Attachment C - Partner MOU

Memorandum of Understanding

between

NORTHEAST STATE COMMUNITY COLLEGE

And

Building Economies through Skilled Trades (BEST) Partners

WHEREAS, Northeast State Community College (NeSCC) and the undersigned partners have developed a shared vision to address a shortage of workers with skills in carpentry and machining through the **Building Economies through Skilled Trades (BEST)** project; and

WHEREAS, the undersigned organizations have agreed to partner in a collaborative application to the **Governor's Investment in Vocational Education (GIVE)** grant to support the development of the **Building Economies through Skilled Trades (BEST) project**, in alignment with regional workforce needs and economic development priorities; and

WHEREAS, Northeast State Community College will serve as the lead entity and fiscal agent for the grant application; and

WHEREAS, the collaborative GIVE grant application is to be submitted to the Tennessee Higher Education Commission (THEC) on or before **April 30, 2024**; and

WHEREAS, the scope of this Memorandum of Understanding includes the GIVE grant proposal narrative and supporting documents provided to the funding agency in response to the grant solicitation; and

WHEREAS, the partners herein desire to enter into a Memorandum of Understanding setting forth roles and responsibilities, as described below:

(I) Partners Roles & Responsibilities

Northeast State Community College

Northeast State Community College will serve as the lead applicant and fiscal agent for the GIVE grant application, and will designate a lead faculty or staff member to oversee and implement the project, with ongoing input from project partners. NeSCC will be responsible for administering the project in accordance with the approved scope of work and budget, and for monitoring performance for continuous improvement and reporting purposes. NeSCC's responsibilities will include, but not be limited to:

- Review and update of curriculum as needed for the Carpentry apprenticeship program, in coordination with industry partners;
- Hiring grant-funded personnel in accordance with the human resource policies of the Tennessee Board of Regents (TBR) and Northeast State Community College;

- Purchasing grant-funded equipment and supplies in accordance with institutional purchasing policies and procedures;
- Facilitating necessary infrastructure modifications (i.e. electrical, ventilation, and concrete reinforcement) to designated laboratory spaces to support installation and operation of specialized instructional equipment;
- Coordinating with employers to facilitate apprenticeships and other work-based learning opportunities, as appropriate; and
- Production and dissemination of promotional materials for grant-funded programs.

Workforce System and Economic Development Partners

In acknowledgement that the **Building Economies through Skilled Trades (BEST) project** will address a demonstrated shortage of workers with skills in carpentry and machining, workforce system and economic development partners agree to:

- Promote Northeast State’s Carpentry and Machine Tool apprenticeships and dual enrollment opportunities to clients, employers, and the community at large;
- Refer clients to Northeast State Community College for training and certification, as appropriate; and
- Co-enroll qualifying students and leverage available workforce investment system resources for training and support services, as appropriate.

K-12 Partners

In acknowledgement of the need to establish career pathways that link K-12 education with high-demand employment opportunities in the region, public school partners commit to partnership in the **Building Economies through Skilled Trades (BEST) project**. Partnership commitments may include, but not be limited to:

- Coordination with Northeast State Community College to conduct outreach and recruit students to participate in CTE dual enrollment opportunities, including the Machine Tool program; and
- Active engagement with industry partners, facilitated by NeSCC, to develop seamless pathways from high school to community college to the workforce;

Industry Partners

Persistent labor force shortages in Northeast Tennessee have made it increasingly difficult for regional employers to attract and retain talent. This challenge is especially pronounced in the skilled trades, as there are not enough younger workers entering the trades to replace the large number of skilled workers approaching retirement. The undersigned industry partners certify that the current supply of workers in Northeast Tennessee with machine tool and/or carpentry skills is not sufficient to meet industry needs and, therefore, agree to:

- Actively engage with Northeast State Community College to identify in-demand skills in the targeted fields and validate curriculum;
- Refer employees to Northeast State Community College for training and certifications, up to and/or including apprenticeships, as appropriate;
- Collaborate with NeSCC to develop and support additional work-based learning opportunities for students in grant-funded programs, which may include providing guest speakers in targeted courses, workplace tours, mock interviews, career fairs, and /or capstone projects; and
- Promote Northeast State’s Carpentry and Machine Tool apprenticeships and dual enrollment opportunities to clients, professional contacts, and the community at large.

All Partners

All partners agree to provide a representative to actively engage in the **Building Economies through Skilled Trades (BEST)** partnership, meeting regularly during and after the grant performance period for the following purposes:

1. Guiding and informing carpentry and/or machine tool workforce development strategies;
2. Sharing data and analysis on carpentry and machine tool workforce skill needs and certification requirements;
3. Supporting the timely implementation and completion of grant-funded activities and deliverables, in accordance with the approved work plan;
4. Contributing professional expertise to carpentry and/or machine tool curriculum development;
5. Promoting the **Building Economies through Skilled Trades (BEST) project** to professional networks and the community at large;
6. Contributing to the development of work-based learning opportunities;
7. Sharing data as needed to document performance outcomes for grant reporting purposes;
8. Developing and supporting retention, completion, and job placement strategies for the benefit of students in targeted programs; and
9. Strengthening regional workforce and economic development partnerships.

(II) Timeline

The performance of the roles and responsibilities delineated above are contingent upon the award of grant funds to Northeast State Community College for the scope of work described in the collaborative application to the Governor’s Investment in Vocational Education (GIVE) grant competition. The performance period of this MOU will coincide with the four-year grant performance period, projected to begin in Fall 2024.

(III) Governing Law

This Memorandum of Understanding shall be governed in all respect by, and be construed in accordance with, the laws of the State of Tennessee.

(IV) Termination

This Memorandum of Understanding may be terminated by mutual written consent of all partners. Each partner reserves the right to cancel its participation in this MOU without cause by giving thirty (30) days written notice. Upon termination of this agreement, the partners shall have no further related obligations hereunder.

(V) Commitment to Partnership

The undersigned organizations commit to partnership in the **Building Economies through Skilled Trades (BEST) project**, in accordance with the roles and responsibilities delineated above.



04 / 22 / 2024

Jeff McCord, Ed.D.
President
Northeast State Community College

Date



04 / 18 / 2024

Lisa Evans
WIOA Program
Director
FTDD

Date



04 / 15 / 2024

Chris Hampton
Superintenden
Kingsport City
Schools

Date



04 / 18 / 2024

James Hanson
Project Manager
Burleson
Construction Co.

Date

Sally J Payne

04 / 17 / 2024

Sally Payne

Date

WFD Advisor

CAM Industrial
Solutions

Shari Brown

04 / 15 / 2024

S Brown

Date

Business
Development Dir.

J. A. Street &
Associates

Aaron P. Smith

04 / 16 / 2024

Aaron Smith

Date

Development
Manager
Quesenberry's
Construction

Attachment D - Budget Table & Line Item Detail

GRANT BUDGET				
GIVE Program Competitive Grant				
The grant budget line-item amounts below shall be applicable only to expenses incurred during the following				
Applicable Period: BEGIN: 09/01/24 END: 08/31/28				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	\$609,090.00	0.00	\$609,090.00
4, 15	Professional Fee, Grant & Award ²	\$415,000.00	0.00	\$415,000.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	\$517,100.00	0.00	\$517,100.00
11, 12	Travel, Conferences & Meetings	\$22,500.00	0.00	\$22,500.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	\$140,000.00	0.00	\$140,000.00
20	Capital Purchase ²	\$75,000.00	0.00	\$75,000.00
22	Indirect Cost	\$142,295.00	0.00	\$142,295.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	\$1,920,985.00	0.00	\$1,920,985.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Sub recipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: www.state.tn.us/finance/act/documents/policy3.pdf).

² Applicable detail follows this page if line-item is funded.

**Building Economies through Skilled Trades (BEST)
GIVE 3.0 Grant Budget – Line Item Detail**

Line 1 – Salaries and Wages

Salaries & Wages Budget Detail					
Position	Year 1	Year 2	Year 3	Year 4	Total
Carpentry Faculty (FT; \$67,829/year; prorated 75% in year 1 for start-up; 3% annual increase)	\$50,872	\$69,864	\$71,960	\$74,119	\$266,815
Carpentry Lab Assistant (PT; \$28.50/hour x 25 hours/week = \$712.50/week x 50 weeks = \$35,625; prorated 75% in year 1 for start-up; 3% annual increase)	\$26,719	\$36,694	\$37,795	\$38,928	\$140,136
RCAM Support (PT; 20 hours/week x \$20/hour x 50 weeks = \$20,000/year; prorated 75% in year 1 for start-up; 3% annual increase)	\$15,000	\$20,600	\$21,218	\$21,855	\$78,673
Subtotal	\$92,591	\$127,158	\$130,973	\$134,902	\$485,624

To support the expansion of the Carpentry Apprenticeship program to include daytime class sessions, NeSCC will use grant funds to hire a full-time Carpentry Faculty position and a part-time Carpentry Lab Assistant. These positions will ensure that the quality of instruction and optimal student/instructor ratios are maintained. Funds are also requested to support an additional part-time support position to assist with the increased workload associated with establishing two new labs and bringing additional programs to the Kingsport campus. This position will provide administrative support for grant implementation, including data entry, outcome tracking, and reporting, as well as support for the RCAM Study Center which facilitates preparation and testing for various industry-recognized certifications.

All positions will be advertised as soon as reasonably possible upon notice of award to ensure sufficient time for onboarding and training in Fall 2024, while laboratory modifications are completed, in preparation to begin delivery instruction in the new RCAM & Co. lab starting in the Spring semester of 2025.

NeSCC’s Office of Human Resources reviewed the job duties and qualifications for the proposed positions and scored them in accordance with State of Tennessee personnel guidelines to determine the appropriate job classification and corresponding salary rate. The budgeted salaries are consistent with existing NeSCC positions with similar responsibilities and qualifications, and are appropriate for the region. Cost estimates include an allowance for 3% annual salary increases, in the event the state legislature mandates such increases.

Line 2 – Benefits and Taxes

Benefits and Taxes Budget Detail					
<u>Position</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Carpentry Faculty (40% Fringe Rate)	\$20,349	\$27,946	\$28,784	\$29,648	\$106,727
Carpentry Lab Assistant (7.65% FICA)	\$2,044	\$2,807	\$2,891	\$2,978	\$10,720
RCAM Study Center Support (7.65% FICA)	\$1,148	\$1,576	\$1,623	\$1,672	\$6,019
Subtotal	\$23,541	\$32,329	\$33,298	\$34,298	\$123,466

Fringe benefit costs are calculated using a standard institutional rate of 40% for all full-time employees, which includes medical insurance, retirement, and FICA. Fringe benefits for part-time employees are limited to FICA (7.65%).

Line 4 – Professional Fees

Professional Fees Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Professional Moving Services for Machine Tool Lab Equipment	\$105,000	\$0	\$0	\$0	\$105,000
Set-Up, Air & Power Costs Associated with Carpentry Lab (RCAM & Co.)	\$115,000	\$0	\$0	\$0	\$115,000
Set-Up, Air & Power Costs Associated with the Machine Tool Lab (RCAM & Co.)	\$195,000	\$0	\$0	\$0	\$195,000
Subtotal	\$415,000	\$0	\$0	\$0	\$415,000

Grant funds are requested to fund professional moving services to relocate specialized instructional equipment from NeSCC’s Blountville campus to RCAM & Co. in Kingsport. GIVE funds are also requested to fund required modifications to the laboratory spaces in RCAM & Co.

The current building is essentially a bare warehouse and does not have the necessary access to power and ventilation to safely conduct Carpentry and Machine Tool lab activities. Modifications will include air, power, and other infrastructure required to support the safe operation of specialized instructional equipment. All cost estimates in this category are based on preliminary costs discussed with potential vendors.

NeSCC has allocated institutional funds to reinforce the concrete slab in the designated laboratory spaces. The concrete work will begin prior to the GIVE performance period.

Line 5 – Supplies

Supplies Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Tools and Supplies for Carpentry Lab (saws, hammers, lumber, nails, etc.)	\$222,000	\$30,000	\$30,000	\$30,000	\$312,000
Supplies for Machine Tool Lab (metal, filters, drill bits, etc.)	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Desktop computer & peripherals for grant-funded staff	\$2,100	\$0	\$0	\$0	\$2,100
Subtotal	\$274,100	\$80,000	\$80,000	\$80,000	\$514,100

GIVE funds are requested to provide initial investments in tools and supplies to outfit the new Carpentry and Machine Tool laboratory spaces in RCAM & Co. Necessary items for both programs will include both durable and consumable supplies such as hand tools, saws, lumber, metal, nails, drill bits, and other similar items. Supply cost estimates for carpentry are based on an approved list of instructional tools and supplies provided by NCCER (National Center for Construction Education and Research), whose curriculum forms the basis of the Carpentry Apprenticeship program, and current prices advertised by typical vendors. Supply cost estimates for Machine Tool are based on a replication of RCAM’s existing Machine Tool lab and current prices advertised by typical vendors.

Grant funds are also requested to support printing and publication costs associated with program outreach both for recruitment of program participants and cultivation of new industry partners. Cost estimates were based on similar expenditures for other NeSCC programs of similar scope.

Grant funds are requested to purchase a computer (desktop or laptop with docking station) and peripherals for the full-time faculty position to ensure their offices are adequately equipped to support effective and efficient implementation. Costs were estimated based on similar recent purchases for other College programs.

Line 10 – Printing and Publications

Printing and Publications Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Outreach Publications	\$1,000	\$1,000	\$500	\$500	\$3,000
Subtotal	\$1,000	\$1,000	\$500	\$500	\$3,000

NeSCC requests GIVE funds to develop outreach materials to support efforts to spread awareness of the targeted programs to various audiences, including potential students and employer partners. Cost estimates are based on similar expenditures for other College programs of a similar scope.

Line 12 – Conferences & Meetings

Conferences & Meetings Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Faculty Professional Development, Training, Certification	\$15,000	\$2,500	\$2,500	\$2,500	\$22,500
Subtotal	\$15,000	\$2,500	\$2,500	\$2,500	\$22,500

NeSCC requests grant funds to cover any faculty professional development, training, or certification that may be needed to support effective delivery of instruction in the targeted programs. These funds may be used to support training for existing faculty that may require specialized training related to new equipment and supplies, or for the new grant-funded faculty

to fully prepare them for teaching. Specific training needs and associated costs will be determined during the performance period once the grant-funded faculty is hired and the RCAM & Co. labs are fully equipped.

Line 18 – Other Non-Personnel

Other Non-Personnel Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Training Costs (14 apprentices/year @ \$2500 each = \$35,000/year)	\$35,000	\$35,000	\$35,000	\$35,000	\$140,000
Subtotal	\$35,000	\$35,000	\$35,000	\$35,000	\$140,000

GIVE funds will be allocated to offset training costs for students in the Carpentry and Machine Tool Apprenticeship programs in order to reduce barriers to entry for employer partners. This request is based on typical training costs for participants in NeSCC apprenticeship programs, which may vary by program, and the number of apprentices included in the output projections for this project.

Line 20 – Capital Purchases

Capital Purchase Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Dust Collection System	\$75,000	\$0	\$0	\$0	\$75,000
Subtotal	\$75,000	\$0	\$0	\$0	\$75,000

NeSCC requests GIVE funds to support the purchase and installation of a dust collection system that is necessary, along with the infrastructure modifications listed in Line 4, to ensure College’s ability to conduct Carpentry lab activities in a safe environment for instructors and students. Cost estimates are based on preliminary costs discussed with potential vendors.

Line 22 – Indirect Costs

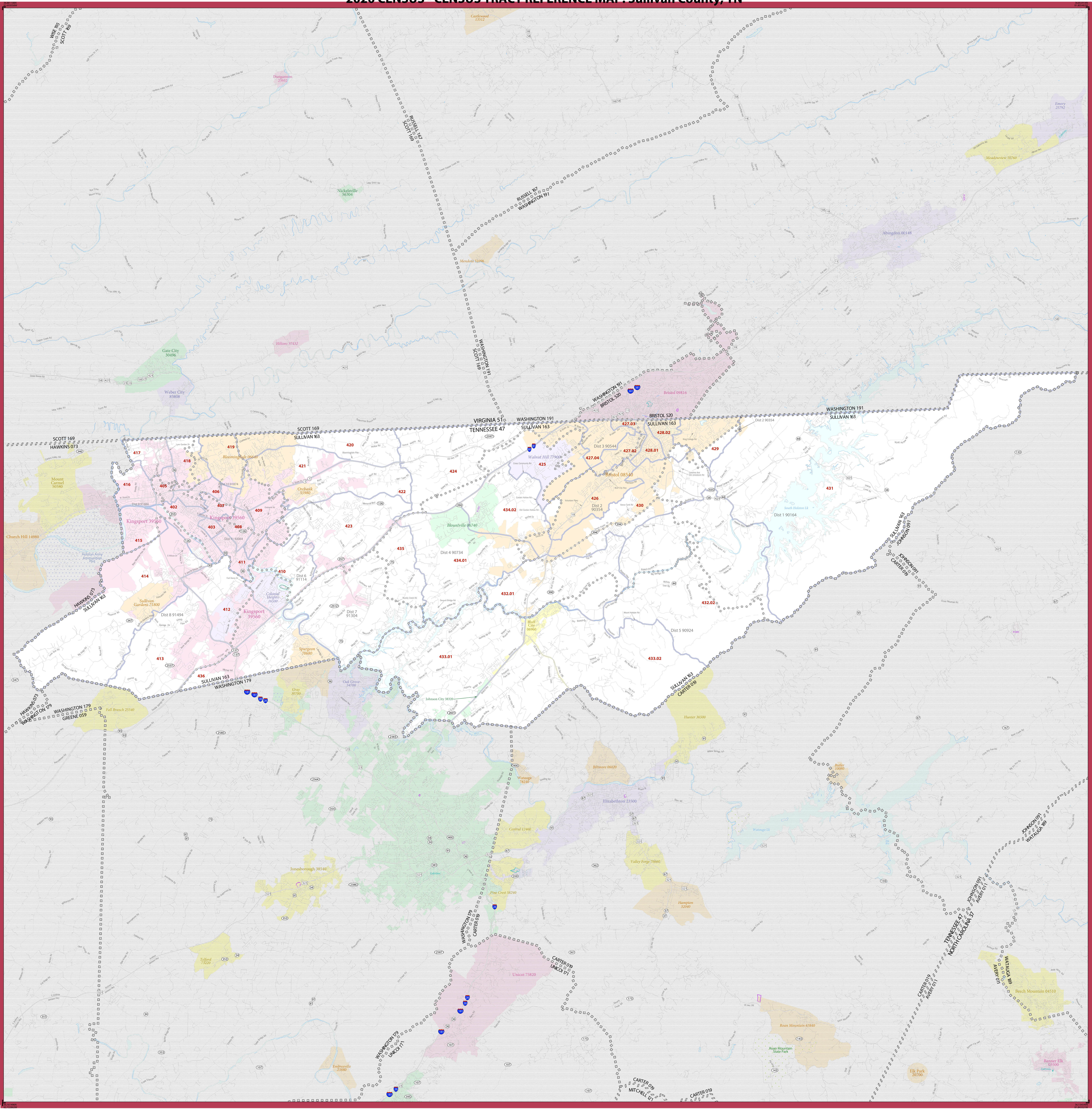
Indirect Cost Budget Detail					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
NICRA (GIVE limits to 8% of total budget)	\$74,498	\$22,239	\$22,582	\$22,976	\$142,295
Subtotal	\$74,498	\$22,239	\$22,582	\$22,976	\$142,295

Northeast State Community College has a federally negotiated indirect cost rate of 27.36% of total direct costs (Attachment F), excluding capital expenditures, subawards, and flow-through funds. In accordance with GIVE application requirements, the proposed indirect cost rate is limited to 8% of total direct costs, excluding capital expenditures.

Line 25 – Total Expenses

Building Economies through Skilled Trades (BEST) – Budget Summary					
Category	Year 1	Year 2	Year 3	Year 4	Total
Salaries & Wages	\$92,591	\$127,158	\$130,973	\$134,902	\$485,624
Employee Benefits & Payroll Taxes	\$23,541	\$32,329	\$33,298	\$34,298	\$123,466
Professional Fees	\$415,000	\$0	\$0	\$0	\$415,000
Supplies	\$274,100	\$80,000	\$80,000	\$80,000	\$514,100
Printing & Publications	\$1,000	\$1,000	\$500	\$500	\$3,000
Conferences & Meetings	\$15,000	\$2,500	\$2,500	\$2,500	\$22,500
Other Non-Personnel Expenses	\$35,000	\$35,000	\$35,000	\$35,000	\$140,000
Capital Purchases	\$75,000	\$0	\$0	\$0	\$75,000
Indirect Costs	\$74,498	\$22,239	\$22,582	\$22,976	\$142,295
Total Expenses	\$1,005,730	\$300,226	\$303,853	\$310,176	\$1,920,985

2020 CENSUS - CENSUS TRACT REFERENCE MAP: Sullivan County, TN



SYMBOL DESCRIPTION	SYMBOL	LABEL STYLE
International	☆☆☆☆	CANADA
Federal American Indian Reservation	■■■■■■■■■■	L'ANSE RESVN 1880
OIE Reservation Trust Land	■■■■■■■■■■	TI880
State American Indian Reservation	■■■■■■■■■■	Tama Resvn 9400
Alaska Native Regional Corporation	▼▼▼▼▼▼	NANA ANRC 52120
State (or statistically equivalent entity)		NEW YORK 36
County (or statistically equivalent entity)	□□□□□	ERIE 029
Minor Civil Division (MCD) ¹	○○○○○	Bristol town 07485
Census County Division (CCD), Census Subarea (CSA), or Unincorporated Territory (UT)	○○○○○	Hanna CCD 91650
Consolidated City	○○○○○	MILLFORD 47500

SYMBOL DESCRIPTION	SYMBOL
Incorporated Place 1,2	■■■■
Census Designated Place (CDP) ³	■■■■
Census Tract ³	■■■■

DESCRIPTION	SYMBOL
Water Body	Blue fill
College or University	Blue outline
Military	Blue outline
Prison or Juvenile Detention Center	Blue outline
Natural or State Park, Forest, or Recreation Area	Green fill
Outside Subject Area	Grey fill

DESCRIPTION	SYMBOL
International or U.S. Highway	Thick blue line
State Highway or State Road	Thin blue line
Other Road	Dashed line
4WD Trail, Stairway, Also, Walkway or Ferry	Thin blue line
Nonvisible Boundary or Feature Not Elsewhere Classified	Thin blue line
Inset Area	Blue box with 'A1'

Where international, state, county, and/or MCD/CCD boundaries coincide, the map shows the boundary symbol for only the highest-ranking of these boundaries.

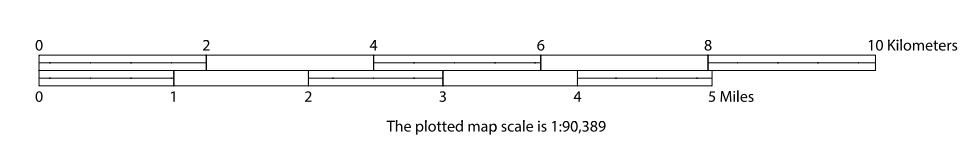
Geographic area names are followed by either their FIPS or census code.

1. A ** following an MCD name denotes a false MCD. A * following a place name indicates that a false MCD exists with the same name and FIPS code as the place; the false MCD label is not shown.

2. Place label color corresponds to the place fill color.

3. Census tracts are identified by an up to four-digit integer number and may have an optional two-digit suffix; for example 23 or 1457.02. The census tract codes consist of six digits with an implied decimal between the fourth and fifth digit corresponding to the basic census tract number, but with leading zeros, and trailing zeros for census tracts without a suffix. The tract number examples above would have codes of 002300 and 145702, respectively.

Due to space limitations, some road names, along with other feature and geography names on the map, may not be shown.



All legal boundaries and names are as of January 1, 2020. The boundaries shown on this map are for Census Bureau statistical data collection and tabulation purposes only; their depiction and designation for statistical purposes does not constitute a determination of jurisdictional authority or rights of ownership or entitlement.

Geographic Vintage: 2020 Census (reference date: January 1, 2020)
 Data Source: U.S. Census Bureau's MAJ/TIGER database (TAB20)
 Map Created by Geography Division, January 09, 2021

Projection: Albers Equal Area Conic
 Datum: NAD 83
 Spheroid: GRS 80
 1st Standard Parallel: 35 16 28
 2nd Standard Parallel: 36 23 50
 Central Meridian: -85 58 43
 Latitude of Projection Origin: 34 59 38
 False Easting: 0
 False Northing: 0

Sheet 1 of 1 PARENT sheets
 Total Sheets: 1 (Index 0; Parent 1; Inset 0)
 NAME: Sullivan County (163)
 ENTITY TYPE: County or statistically equivalent entity
 ST: Tennessee (47)

2020 CENSUS TRACT REF MAP (PARENT)
 Sheet ID: 249647163001



COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 62-1033870
 ORGANIZATION:
 Northeast State Community College
 2425 Highway 75 P.O. Box 246
 Blountville, TN 37617

Date: 02/13/2024
 FILING REF.: The preceding
 agreement was dated
 03/11/2020

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
	<u>EFFECTIVE PERIOD</u>				
<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2020	06/30/2024	27.36	On-Campus	All Programs
PRED.	07/01/2020	06/30/2024	12.00	Off-Campus	All Programs
PRED.	07/01/2024	06/30/2028	27.36	On-Campus	All Programs
PRED.	07/01/2024	06/30/2028	12.00	Off-Campus	All Programs
PROV.	07/01/2028	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2028.

***BASE**

Total direct costs excluding capital expenditures (buildings, individual items of equipment; alterations and renovations), subawards and flow-through funds.

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.

OFF-CAMPUS DEFINITION: The off-campus rate will apply for all activities: a) Performed in facilities not owned by the institution and where these facility costs are not included in the F&A pools; or b) Where rent is directly allocated/charged to the project(s). Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Fringe Benefits include: FICA, Retirement, Health and Life Insurance, Unemployment Insurance.

Per 2 CFR 200.414(g) – A rate extension has been granted.

Your next proposal based on actual cost for fiscal year ending 06/30/2027 is due in our office by 12/31/2027.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Northeast State Community College

(INSTITUTION)


(SIGNATURE)

Chad Bailey
(NAME)

Vice President for Finance & Administration
(TITLE)

04-17-2024
(DATE)

ON BEHALF OF THE GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY) Darryl W. Mayes -S Digitally signed by Darryl W. Mayes -S
Date: 2024.02.23 09:12:19 -05'00'

(SIGNATURE)

Darryl W. Mayes
(NAME)

Deputy Director, Cost Allocation Services
(TITLE)

02/13/2024
(DATE)

HHS REPRESENTATIVE: Ernest Kinneer

TELEPHONE: (301) 492-4855