

**Demonstration Site Summary**  
**Alliance for Business and Training**  
*Northeast Tennessee Demonstration Project*

<b>I. BACKGROUND</b>	
<p>The five-county Northeast Tennessee Workforce Investment Board reorganized to become a policy-setting WIB in 2000, eager to be a catalyst on major regional employer workforce needs. Existing data from regional employers indicated a strong need and interest in incumbent worker training, both to bring an aging manufacturing and related workforce into a new technological era and to support the introduction and upgrading of existing workers in the employment pipeline. The grant had five primary purposes: to raise skill and education levels of workers in the region, to improve worker productivity and private-employer competitiveness, to improve job retention and raise wage levels for incumbent workers, to enhance and leverage the workforce and economic development systems in the region, and to develop a sustainable industry-led consortium that would support the long range objectives of the WIB and its partners.</p>	
<b>II. SITE ATTRIBUTES</b>	
<i>Targeted Industries and Occupations</i>	<p>The industries targeted through the grant were selected through discussions with regional employers. Interested employers were organized into an industry consortium. Thus, the consortium was framed not by a particular industry sector but by interested parties. Ultimately, 22 firms, including information technology, manufacturing, and health care employers, joined the consortium. Each company identified training needs and recruited incumbent workers. The positions varied from company to company, including maintenance and machine operators, technicians, facility managers, and others.</p>
<i>Project Strategy</i>	<p>The grantee focused on creating an industry-led consortium for the purpose of upgrading current workers' skills, and designing or adapting training curricula in skills and industries in which there are shortages in the target region. Training content and strategy differed by industry and specific company. Some individuals received scholarships to attend the local community college to complete programs leading to licensure or technical certificate. Other companies emphasized on-site, hands-on training required to learn specialized methods and techniques. Some training was conducted using out-of-area vendors with the ability to provide training on cutting-edge technology and equipment. Traditional classroom training to upgrade academic skills and develop basic computer skills was also offered.</p>
<i>Project Partners</i>	<p>The WIB's project partners included the 22 firms in the industry consortium, 2 Tennessee Board of Regents Higher Education institutions, the Tennessee Department of Labor, and local labor unions. The consortium serves as an ad hoc committee to the WIB.</p>
<b>III. HIGHLIGHTS</b>	
<ul style="list-style-type: none"> <li>• In the initial project proposal, the 22 employers in the industry consortium had requested training for substantially more incumbent worker training than was ultimately funded through the demonstration grant.</li> <li>• At the beginning of the grant, regional economic growth exceeded the national average and local employer data indicted an expansion/hiring mode. As the grant progressed, the area experienced rising unemployment, including plant closings. In addition, the State of Tennessee mandated that state-supported training institutions reduce frequency and availability of skill training resources.</li> <li>• Several employers in the consortium engaged in direct or indirect defense-related work. As a result of national and international events, these employers engaged in intense production schedules, delaying employee availability and company focus on training.</li> <li>• Through the grant, a number of participants were trained as instructors (train the trainer) so that they could return to their respective companies and offer training to coworkers.</li> </ul>	

<b>IV. TRAINING PARTICIPANT OUTCOMES</b>		
	<b>Proposed</b>	<b>Actual</b>
<b>Incumbent Workers</b>		
Number of trainees <sup>1</sup>	1,622 (3,234)	1,344
Average % wage gain (min., max.)	15%-18%	5.7% (-12, 143)
<b>Dislocated Workers</b>		
Number of trainees	NA	0
Placement rate	NA	NA
Average wage replacement rate (min., max.)	NA	NA
<b>LLSIL4 Wage Standard</b>		
Proportion of 1,274 nonunion workers with posttraining wage data at or above LLSIL4 <sup>2</sup>	100%	77%
• Incumbent workers $\geq$ LLSIL4	-	77%
• Dislocated workers $\geq$ LLSIL4	NA	NA
<b>Total missing (union and nonunion)</b>		<b>74 (5%)</b>

<sup>1</sup> Service goals were changed through grant modification. The original service goal is shown in parenthesis. The original grant proposed to train 3,234 incumbent workers. However, the grant was funded at 60% of the requested amount, hence the grantee's claim that the service goal be reduced by 40%. Ultimately, the grant modification was approved for 1,622 incumbent workers.

<sup>2</sup> The data did not specify union or nonunion workers; therefore, all participants are treated as nonunion workers.