

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

26E

**ECONOMIC DEVELOPMENT AGREEMENT BETWEEN FORT BEND COUNTY AND
THE TSTC FOUNDATION**

THIS AGREEMENT is made and entered into by and between Fort Bend County, hereinafter referred to as the "County," a body corporate and politic under the laws of the State of Texas, acting herein by and through its Commissioners' Court, and The TSTC Foundation, hereinafter referred to as the "The TSTC Foundation."

RECITALS

WHEREAS, pursuant to TEXAS LOCAL GOVERNMENT CODE § 381.004, as amended, the Commissioners Court of the County desires to stimulate business and commercial activity in the County by contracting with The TSTC Foundation to provide or cause to be provided, certain economic development services in furtherance of the County's statutory goals pursuant to LOCAL GOVERNMENT CODE § 381.004, as amended, and to develop and administer a program for the County's local economic development.

WHEREAS, the County's economic development goals include the following:

- Increase and broaden the County's tax base;
- Create economic diversification through an educated and trained workforce to provide for stable and consistent growth;
- Create new and better employment opportunities for its citizens through an educated and trained workforce;
- Retain existing jobs;
- Create an economic climate conducive to the development and growth of business investment and commerce;
- Enhance the quality of life for all citizens residing or working within the County,
- Promote the County as the location of choice for new, expanding and relocating businesses,
- Attract new businesses and developments to the County,
- Encourage expansion of existing businesses in the County, and
- Retain businesses currently located in the County through and educated and trained workforce.

WHEREAS, the County desires to contract with The TSTC Foundation to develop and administer, or cause to be developed and administered by the Texas State Technical College System, a program for local economic development through offering courses of study in technical and vocational education. The program will support and contribute to the economic development of the County and accomplish the foregoing goals through, but not limited to, some or all of the following activities:

- Implement technical programs leading to associate degrees or certificates;
- Offer developmental education programs designed to prepare students for college level programs;
- Provide a continuing program of counseling and guidance designed to assist students in achieving their individual educational goals;

- Offer workforce development programs designed to meet local and statewide needs;
- Serve other purposes as may be prescribed by the Texas Higher Education Coordinating Board or local governing boards in the best interest of post-secondary education in Texas,
- Conduct seminars, lectures, meetings and public hearings;
- Conduct educational seminars for local economic and community development professionals;
- Perform and provide workforce analysis;
- Compile economic and business related data;
- Stimulate, encourage, market, and develop business location and commercial activity in the County;
- Interact and support local and state officials, local economic development organizations, and chambers of commerce through education and/or training;
- Promote or advertise the County and its vicinity or conduct a solicitation program to attract conventions, visitors, and business; and
- Disseminate economic and business-related data.

WHEREAS, The TSTC Foundation is a non-profit corporation whose purpose is to support the Texas State Technical College System;

WHEREAS, the TEXAS EDUCATION CODE § 135.01 provides that Texas State Technical College System is a coeducational two-year institution of higher education, whose role and mission is to “contribute to the educational and economic development of the State of Texas by offering occupationally oriented programs with supporting academic course work, emphasizing highly specialized advanced and emerging technical and vocational areas for certificates or associate degrees. The Texas State Technical College System is authorized to serve the State of Texas through excellence in instruction, public service, faculty and manpower research, and economic development. The system's economic development efforts to improve the competitiveness of Texas business and industry include exemplary centers of excellence in technical program clusters on the system's campuses and support of educational research commercialization initiatives. Through close collaboration with business, industry, governmental agencies, and communities, including public and private secondary and postsecondary educational institutions, the system shall facilitate and deliver an articulated and responsive technical education system...”;

WHEREAS, The TSTC Foundation in conjunction with the Texas State Technical College System will be fulfilling an economic need of the County as detailed in an independent analysis performed by The Perryman Group attached hereto as Exhibit A;

WHEREAS, the County finds this agreement serves a public purpose; and

WHEREAS, the County has determined that this Agreement is for personal or professional services and therefore exempt from competitive bidding under Chapter 262, LOCAL GOVERNMENT CODE.

NOW, THEREFORE, in consideration of the mutual understandings and agreements set forth, the County and The TSTC Foundation agree as follows:

AGREEMENT

ARTICLE I - Qualifications of The TSTC Foundation

- 1.1 Representations and Warranties of TSTC Foundation. The TSTC Foundation represents that it:
- (a) is a non-profit entity that is created to support the Texas State Technical College System which in turn will carry out those activities set forth in the recitals of this Agreement, to promote economic development in all of the County by supporting the training and education of a technically skilled workforce.; and
 - (b) is or will be engaged in an on-going effort to attract new businesses to the County, to encourage the expansion of existing businesses in the County, and to retain existing businesses in the County by fulfilling Texas State Technical College System's role and mission as provided by Chapter 135 of the Texas Education Code at a campus located in Fort Bend County.

ARTICLE II - Scope of Services

- 2.1 Program. The TSTC Foundation shall develop or cause to be developed and administered by the Texas State Technical College System, a comprehensive program that includes, but is not limited to solicitation of industrial, business, and commercial prospects for location in Fort Bend County by offering courses of study in technical and vocational education. The scope of the program includes technical programs leading to associate degrees or certificates; developmental education programs designed to prepare students for college level programs; a continuing program of counseling and guidance designed to assist students in achieving their individual educational goals; and workforce development programs designed to meet local and statewide needs. The program will include but not be limited to efforts to stimulate, encourage, and develop business location and commercial activity in the County by interacting with local and state officials, local economic development organizations and chambers of commerce to offer appropriate and beneficial programs and services. These include business retention and business development programs, workforce analysis, education, training, and development programs, compilation and dissemination of economic and business related data, and to support and improve the economic development capabilities of local and state allies. The TSTC Foundation will also promote or advertise the County and its vicinity or conduct a solicitation program to attract conventions, visitors and businesses by developing materials and presentations to provide information to promote the benefits of the local area and the assistance available to businesses.
- 2.2 Information Upon Request. Upon request by the County or an office of a member of Commissioners Court, TSTC Foundation will make available at no cost the following:
- (a) Copies of all studies, reports and evaluations relating to economic development issues with the exception of works related to confidential prospects;
 - (b) Copies of all TSTC Foundation publications; and
 - (c) Enrollment statistics and a list of courses offered at the Fort Bend campus of the Texas State Technical College System.
- 2.3 Reports. Within sixty (60) days after the end of each contractual year, The TSTC Foundation will submit a written report describing the specific services performed under Section 2.1 of this Agreement during the preceding contractual year to the County Judge.

ARTICLE III – Term and Termination

- 3.1 Term. This Agreement shall be effective as of the date of execution by the County (“Effective Date”) and terminate on September 30, 2016 (“Termination Date”). This Agreement shall automatically renew annually for nine (9) years thereafter, unless terminated by either party as described in section 3.2.
- 3.2 Termination. Either party may terminate this Agreement at any time by providing thirty (30) days written notice, or by providing thirty (30) days written notice prior to the Termination Date. Upon termination of this Agreement, The TSTC Foundation must furnish the County, within sixty (60) days from the date of the termination, with a final report for the period beginning with the day following the last day of the period covered by the last report, and ending with the day of termination. The report will contain the information required in the reports submitted under Articles II and IV and is subject to audit by the Fort Bend County Auditor’s Office. In the event of termination mid-term, the County shall compensate The TSTC Foundation for all services actually provided hereunder on a pro rata basis according to the ratio of the amount of time elapsed during the contract term bears to the total amount of money agreed upon herein as compensation for such term. Upon termination for cause, The TSTC Foundation shall promptly reimburse the County on a pro rata basis according to the ratio of the amount of time elapsed during the contract term bears to the total amount of money agreed upon herein as compensation for such term. In no event is the County obligated to pay for any services performed after the date of termination but rather is obligated to pay only for those services actually rendered prior to the date of termination.

ARTICLE IV - Payment, Financial Statements, and Limitation of Appropriation

- 4.1 Payment. As compensation for all services provided hereunder, the County shall pay The TSTC Foundation the sum of **\$250,000.00**, annually for each year of the term. It is specifically understood and agreed that in the event no funds or insufficient funds are appropriated by Fort Bend County under this Agreement, Fort Bend County shall notify all necessary parties that this Agreement shall thereafter terminate and be null and void on the last day of the fiscal period for which appropriations were made without penalty, liability or expense to Fort Bend County.
- 4.2 Time of Payment. Payment shall be made in one lump sum during the first quarter of county’s fiscal year.
- 4.3 Financial Statements. The TSTC Foundation must provide, within 90 days after the close of The TSTC Foundation’s fiscal year, its compiled annual unaudited financial statements to the County Judge at 401 Jackson St., Richmond, Texas 77469. The County has the right to separately audit all books, records, and accounts of The TSTC Foundation, provided that such audit is conducted at the expense of the County.
- 4.4 Allocated Funds: Limitation of County’s Duties. Prior to the execution of this Agreement, The TSTC Foundation has been advised by the County and The TSTC Foundation clearly understands and agrees, such understanding and agreement being of the absolute essence to this contract, that there is available the total maximum sum of Two Hundred Fifty Thousand Dollars and No/Cents (**\$250,000.00**) for each year of the term which is specifically allocated to fully discharge all liabilities which may be incurred by the County under the provisions of this Agreement, including the costs, things, or purposes contained in or inferred from the provisions of this Agreement which might in any light by any person be interpreted to the contrary. Once this sum is expended, the County has no further obligation hereunder.

ARTICLE V - Indemnification

It is understood and agreed between the parties that The TSTC Foundation, in performing its obligations hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. **THE TSTC FOUNDATION AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE COUNTY FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER BROUGHT BY ANY THIRD PARTY ARISING OUT OF THE TSTC FOUNDATION'S BREACH OF THIS AGREEMENT. THE TSTC FOUNDATION'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY'S FEES AND EXPENSES INCURRED BY THE COUNTY IN CONNECTION WITH THESE CLAIMS, SUITS, AND CAUSES OF ACTION.**

ARTICLE VI - Miscellaneous Provisions

- 6.1 Independent Contractor. The relationship of The TSTC Foundation to the County is that of an independent contractor. The County has no authority to direct the day-to-day activities of any of The TSTC Foundation's employees, nor does the County have any authority over The TSTC Foundation's personnel decisions.
- 6.2 Parties in Interest. This Agreement shall bind and benefit the County and The TSTC Foundation and shall not bestow any rights upon any third parties.
- 6.3 Non-waiver. Failure of either party to insist on the strict performance of any of the terms herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance is not a waiver of the right to insist on and to enforce by an appropriate remedy strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.
- 6.4 Applicable Laws: This Agreement is subject to and is to be construed in accordance with the laws of the State of Texas. This Agreement is performable in Fort Bend County, Texas. The TSTC Foundation agrees to perform the services hereunder in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations.
- 6.5 Notices. All notices required or permitted hereunder must be in writing and are deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address provided below or at such other address as the receiving party may have thereafter provided by notice to the sending party:

THE COUNTY: Fort Bend County Judge
401 Jackson St.
Richmond, Texas 77469

THE TSTC FOUNDATION: Jeff Kilgore
CEO, The TSTC Foundation
3801 Campus Drive
Waco, Texas 76705

- 6.6 Ambiguities. In the event of any ambiguity in any of the terms of this Agreement, it is not to be construed for or against any party hereto on the basis that such party did or did not author the same.
- 6.7 Captions. The captions at the beginning of the Articles of this Agreement are guides and labels to assist in locating and reading such Articles, and therefore, will be given no effect in construing this Agreement and will not be restrictive of the subject matter of any Article, Section, or part of this Agreement.
- 6.8 Merger: This Agreement contains all of the terms and conditions of the understanding of the parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence and preliminary understandings between the parties and others relating hereto are superseded by this Agreement.
- 6.9 Execution: The County executes this Agreement by and through the County Judge acting pursuant to Order of the Commissioners Court of Fort Bend County, Texas, so authorizing. This Agreement shall not become effective until executed by all parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the dates written below:

FORT BEND COUNTY

THE TSTC FOUNDATION

Robert E. Hebert

 Robert E. Hebert,
 County Judge

Jeff Kilgore

 Jeff Kilgore
 CEO, The TSTC Foundation

August 25, 2015

 Date

08/20/15

 Date

ATTEST:

Laura Richard

 Laura Richard,
 County Clerk



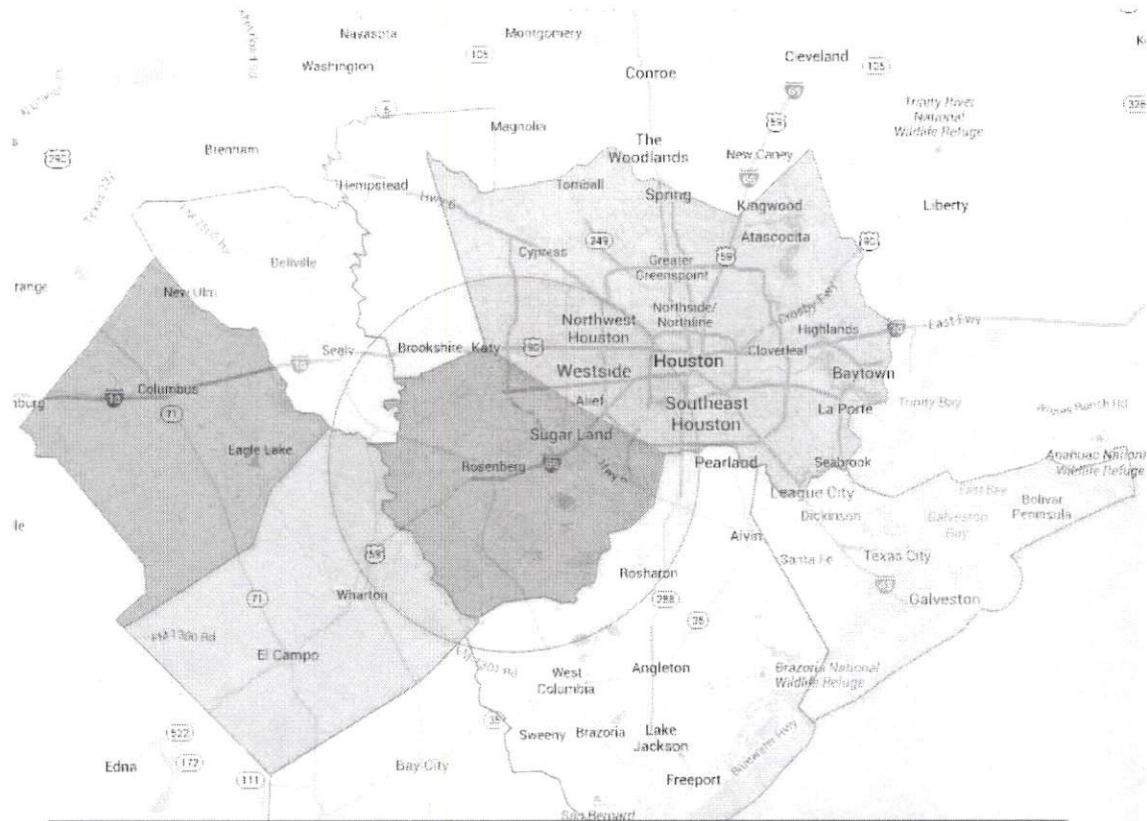
AUDITOR'S CERTIFICATE

I hereby certify that funds are available to pay the obligation of Fort Bend County under and within the foregoing Agreement.

Robert Ed Sturdivant

 Robert Ed Sturdivant, Auditor

Exhibit A



**Workforce Needs in Fort Bend County and the
Surrounding Service Area:
An Assessment to Inform Program Choices by the
Texas State Technical College System**

MARCH 2014

THE PERRYMAN GROUP

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Exhibit A



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Introduction

The Texas State Technical College (TSTC) System is currently planning an expansion of its programs at the Fort Bend Technical Center in Richmond (Fort Bend County). TSTC is authorized to offer a spectrum of instructional programs aimed at preparing graduates for work in diverse occupations. As TSTC moves forward with the decision process regarding which of these instructional programs should be offered, projections of the types of jobs which will be opening to new workers in the area can be utilized to ensure that selected courses of study both (1) best meet the needs of prospective students and employers in the area and (2) properly allocate System resources.

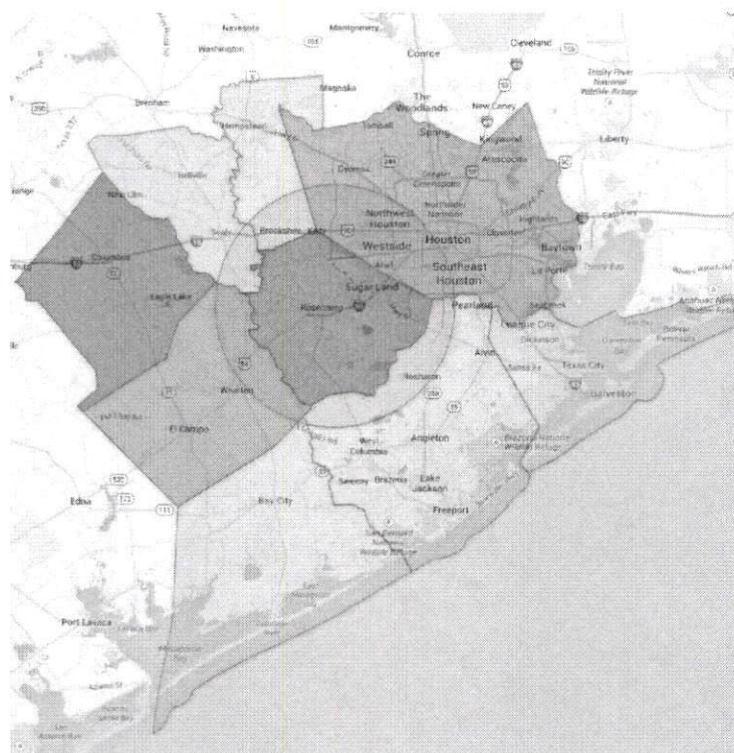
To help inform this process, The Perryman Group (TPG) was asked to analyze economic growth and the resulting need for workers with specific skills in the area served by TSTC in and around Fort Bend County. This report presents findings from TPG's analysis.

The TSTC-Fort Bend Service Area

As an initial phase of this analysis, The Perryman Group examined economic and demographic patterns in Fort Bend County and the surrounding area. The goals of this analysis were twofold. First, drive mileage and times were used to identify schools which could reasonably be considered competitors offering similar programs; these potential competitors are discussed in a subsequent section. Second, the assessment was used to determine the market or service area for TSTC's Fort Bend programs which was then utilized to quantify net new jobs in relevant Classification of Instructional Programs (CIP) codes.

Fort Bend, Harris, Galveston, Brazoria, Matagorda, Wharton, Colorado, Waller, and Austin counties were considered for inclusion in the market area. Based on typical commute times in these counties, it was determined that a radius of approximately 25 miles would be in line with resident tolerances. For the relatively less populous counties (Austin, Waller, Colorado, Wharton, Matagorda, and Brazoria) with limited alternative facilities, it was determined that the entire county could reasonably be considered part of the TSTC service area.

Workforce Needs in Fort Bend County and the Surrounding Service Area:
An Assessment to Inform Program Choices by the Texas State Technical College System



Galveston County was given special consideration and eliminated from the service area due to the longer drive times and presence of competing providers in closer proximity. While a portion of Harris County clearly falls within the TSTC service area, including the entire county could distort the results due to the county's very large economy and population base. In addition, drive times from some parts of the county (particularly given traffic) make it unlikely that employers or students would turn to TSTC's Fort Bend programs for their training needs. The county also has numerous other training providers to serve potential students and employers. The Perryman Group examined population and economic patterns in the southwestern segment of Harris County in order to allocate a portion of economic activity and potential jobs that could appropriately be included in the service area. TPG developed a gravity model based on facilities within an approximately 25-mile radius of Richmond to determine the likely

capture area from Harris County. Initial results were adjusted upward slightly to reflect TSTC's reputation for quality, which increases the attractiveness of the school to students and prospective employers. This analysis indicates a capture rate of slightly less than 5%.

Clearly, the surrounding Gulf Coast Region represents a source of both prospective students and net new jobs requiring skills which could be acquired through TSTC's potential Fort Bend programs. Individual tolerances for commuting and mobility vary and could lead to a greater capture rate from Harris County or other areas for highly successful programs. Alternatively, competitors could respond to growth by stepping up their program offerings. After weighing these and other factors, The Perryman Group determined that the relevant market/service area for TSTC's Fort Bend programs is Fort Bend, Austin, Waller, Colorado, Wharton, Matagorda, Brazoria counties, as well as a segment of Harris County as noted above.

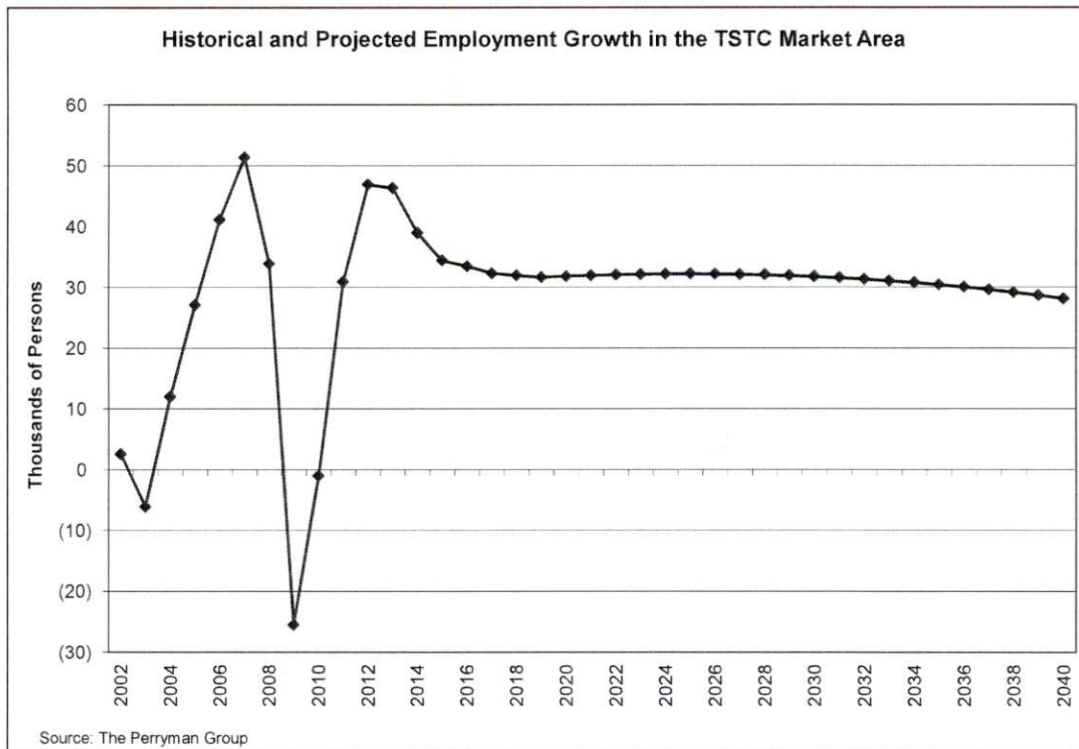


The Economic Outlook for the TSTC Service Area and Surrounding Region

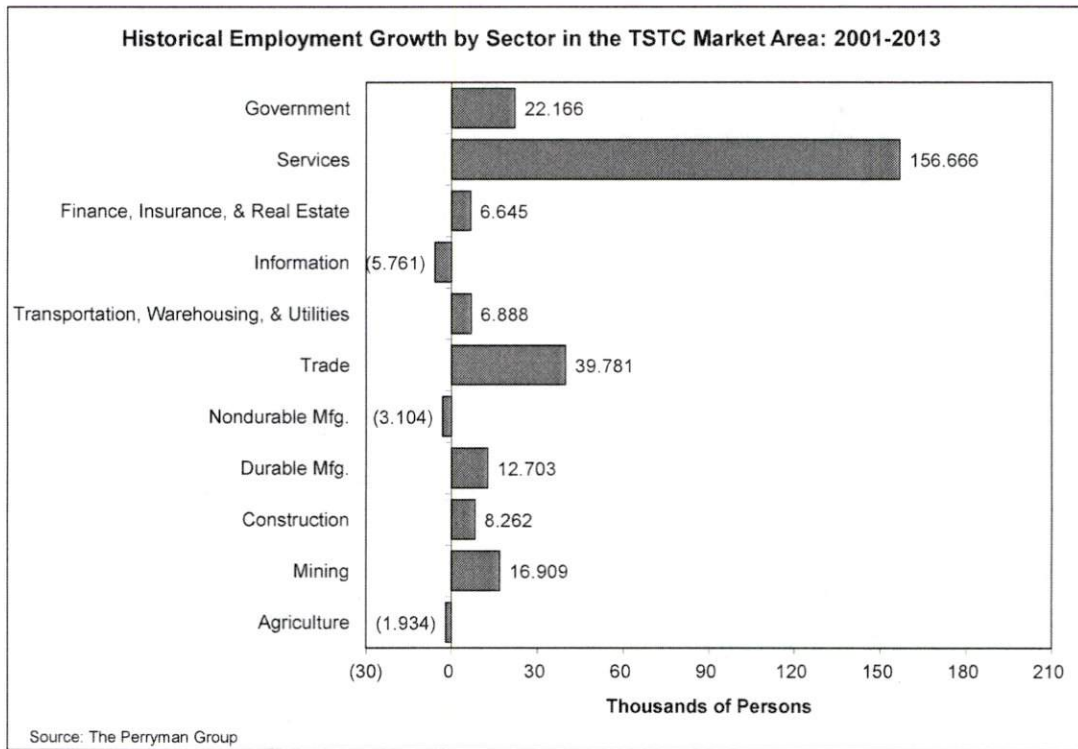
The economy of the market area and surrounding region has been performing relatively well, generating a need for skilled workers. The first step in The Perryman Group’s analysis of the future demand for workers with particular skills was creating a detailed forecast of job growth by industry within the relevant geographic areas.

Job Growth Forecast for Fort Bend County, the TSTC Market Area, and the Surrounding Gulf Coast Region*				
(Jobs in Millions)				
	Total Employment: 2013	Total Employment: 2040	Job Gains: 2013 to 2040	Growth Rate: 2013 to 2040
Fort Bend County	158.649	261.604	102.955	1.80%
TSTC Market Area	1,253.243	2,108.159	854.916	1.87%
Gulf Coast Region	2,983.345	4,803.560	1,820.215	1.72%
<p>* Jobs are wage and salary employment. Growth rates are compound annual growth rates, meaning they reflect changes in the base from which growth is calculated. The Gulf Coast Region is defined as the Gulf Coast Council of Governments Region, which is Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton counties. Source: The Perryman Group</p>				

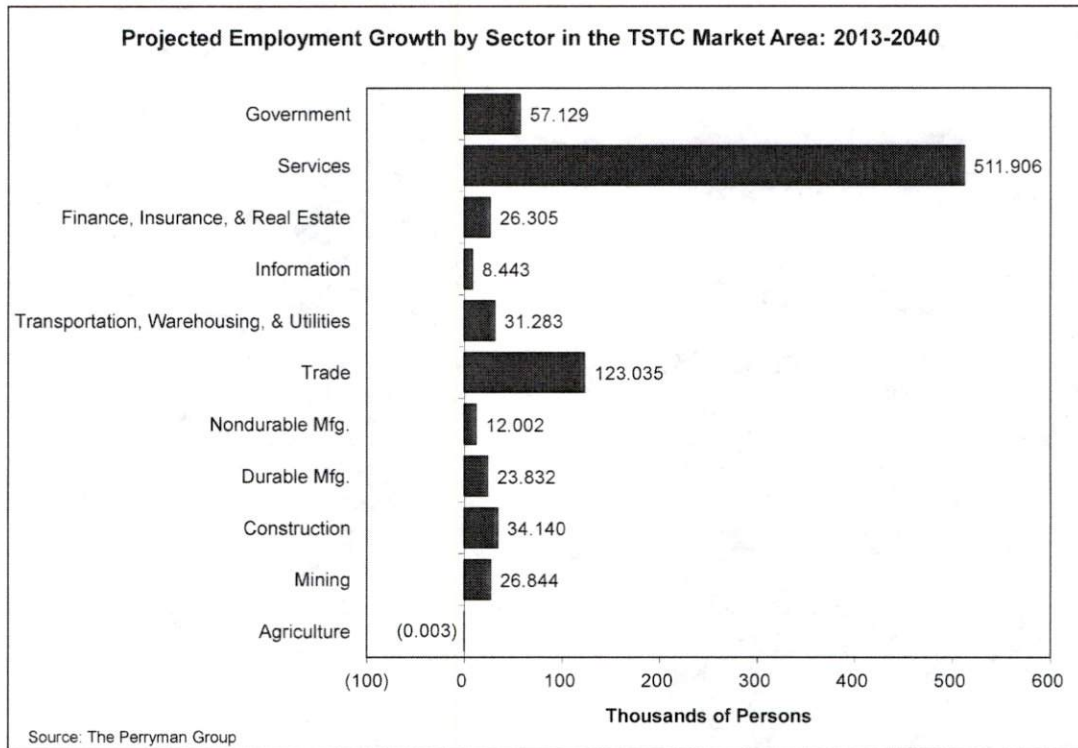
Focusing on the TSTC market area, the effects of the recent national recession are clear from the pattern in employment growth as seen in the following chart. The Perryman Group’s forecast for the area indicates that job gains will likely level off in the 30,000 per year range for most of the period through 2040.



Over the past 12 years, the largest numbers of new jobs have been created within the services, trade, government, and mining sectors. It should be noted that the included segment of Harris County is expected to grow moderately faster than the county as a whole. This phenomenon is fully incorporated into the analysis.



These industries are projected to continue to drive job growth, though the construction sector is forecast to outpace gains in mining through 2040, reversing the pattern of the recent past.



The following table lists industry groups ranked by the number of net new jobs forecast to be added by 2040.



Industries with the Largest Projected Job Gains: 2013-2040
Professional & Technical Services
Administrative & Support Services
Food Services & Drinking Places
Ambulatory Health Care Services
Wholesale Trade
Hospitals
Local Government
Oil & Gas Extraction
Educational Services
Membership Associations & Organizations
Construction of Buildings
Food & Beverage Stores
General Merchandise Stores
Social Assistance
Nursing & Residential Care Facilities
Private Households
Specialty Trade Contractors
State Government
Repair & Maintenance
Amusement, Gambling & Recreation
Source: The Perryman Group

Projected New Positions by CIP Code

Once the detailed economic forecasts were completed, The Perryman Group translated job gains by industry into job gains by occupation. The firm utilized its proprietary Industry-Occupation System for this phase of the analysis. The result is a highly detailed dataset providing estimates of the need for additional workers with various types of training.

The first step in this process was to quantify occupational employment projections (by CIP Code for programs TSTC is authorized to offer at the Fort Bend Technical Center) for 2020, 2030, and 2040. Growth in the number of positions in each occupation was calculated for the 2013-2020, 2020-2030, and 2030-2040 time periods. In addition to growth in the total number of positions, there will also be a need for additional workers to replace persons leaving jobs for various reasons (such as retirement, relocation, and so on). The Perryman Group quantified these replacement needs for each of the same timeframes based on available information from the US Department of Labor and other sources regarding demographic patterns in various occupational categories.

Next, the net new positions and replacement needs were summed to obtain the total positions needed. Finally, TPG divided these totals into the expected total gains on an average annual basis. In this way, the yearly need for new graduates by instructional code was obtained.

TSTC has authorization to offer nine CIP Code categories at the Fort Bend Technical Center. (There are also some codes which TSTC has been prohibited from offering; these were excluded from this analysis.) The following table summarizes The Perryman Group’s estimate of the number of additional positions in the TSTC-Fort Bend market area through 2040.

Average Annual Net New Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement for TSTC Authorized CIP Codes				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
11.1003	Computer and Information Systems Security/Information Assurance	957	932	863
12.05	Culinary Arts and Related Services	5,944	5,771	5,040
15	Engineering Technologies and Engineering-Related Fields	1,349	1,224	1,123
41	Science Technologies/Technicians	651	654	622
46	Construction Trades	4,923	4,357	4,066
47	Mechanic and Repair Technologies/Technicians	5,920	5,241	4,705
48	Precision Production	2,307	2,142	2,007
49	Transportation and Materials Moving	2,725	2,308	2,271
50.04	Design and Applied Arts	358	342	319
Source: The Perryman Group				

Several of these categories are quite broad, with a range of different skillsets and more detailed CIP codes. In the following sections, the average annual need for new graduates for various subcategories of the authorized codes are summarized for the TSTC market area. Detailed results (including the results for each intermediate phase of this effort as



well as findings for Fort Bend County alone and the entire Gulf Coast Council of Governments (COG) Region) are included in the Appendices to this report.



Computer and Information Systems Security/Information Assurance

The Perryman Group estimates that an average of 957 computer and information systems security graduates (CIP 11.1003) will be needed in the TSTC-Fort Bend service area each year through 2020.

Computer and Information Systems Security/Information Assurance Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
11.1003	Computer and Information Systems Security/Information Assurance	957	932	863
TOTAL for 11.000		957	932	863
Source: The Perryman Group				



Culinary Arts and Related Services

For Culinary Arts and Related Services (CIP Code 12.05), The Perryman Group estimates that an average of 5,944 new positions will become available each year through 2020, with some slowing of demand after that time.

Culinary Arts and Related Services Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
12.0500	Cooking and Related Culinary Arts, General	855	826	708
12.0501	Baking and Pastry Arts/Baker/Pastry Chef	128	108	99
12.0502	Bartending/Bartender.	338	330	287
12.0504	Restaurant, Culinary, and Catering Management/Manager	380	365	308
12.0505	Food Preparation/Professional Cooking/Kitchen Assistant*	2,278	2,231	1,949
12.0506	Meat Cutting/Meat Cutter	122	104	98
12.0507	Food Service, Waiter/Waitress, and Dining Room Management/Manager	1,274	1,234	1,064
12.0508	Institutional Food Workers	442	443	403
12.0509	Culinary Science/Culinology*	109	113	108
12.0510	Wine Steward/Sommelier	18	17	15
TOTAL for 12.05		5,944	5,771	5,040
<p>* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes 12.0503 and 12.0599 are captured in other instructional categories and, thus, are omitted to avoid double counting. CIP Code 12.0505 excludes certain SOC categories that were captured in other instructional categories to avoid double counting. CIP Code 12.0509 includes only private household cooks, as all other relevant SOC categories have been captured in other programs. Source: The Perryman Group</p>				



Engineering Technologies and Engineering-Related Fields

For engineering technologies and related fields (CIP 15), TPG estimates that about 1,349 persons with related skills will be needed each year through 2020 to fill positions in the market area.

Engineering Technologies and Engineering-Related Fields Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
15.0399	Electrical and Electronic Engineering Technologies/Technicians, Other	225	205	190
15.0614	Welding Engineering Technology/Technician	149	125	112
15.0803	Automotive Engineering Technology/Technician	225	195	179
15.0901	Mining Technology/Technician	147	125	111
15.1204	Computer Software Technology/Technician	293	287	266
15.1302	CAD/CADD Drafting and/or Design Technology/Technician	199	187	172
15.1501	Engineering/Industrial Management	111	100	93
TOTAL for 15.000		1,349	1,224	1,123
* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes. Due to the large number of categories, only those CIP codes projected to add more than 100 positions per year are included in this summary table; a complete list may be found in the Appendices to this report. Source: The Perryman Group				



Science Technologies/Technicians

The Perryman Group estimates that economic growth and replacement needs will lead to open positions for about 651 persons each year through 2020 with skills in science technologies.

Science Technologies/Technicians				
Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
41.0000	Science Technologies/Technicians, General	132	123	113
41.0101	Biology Technician/Biotechnology Laboratory Technician	56	56	53
41.0204	Industrial Radiologic Technology/Technician	348	367	358
41.0205	Nuclear/Nuclear Power Technology/Technician	4	4	3
41.0301	Chemical Technology/Technician	95	88	80
41.0399	Physical Science Technologies/Technicians, Other	16	16	15
TOTAL for 41.000		651	654	622
* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes. CIP Code 41.0000 includes only scientific personnel in SOC categories that have not been captured in other programs. All SOC codes for CIP Code 41.0303 are captured in CIP Code 41.0301; it is, thus, omitted to avoid double-counting. All SOC codes for CIP Code 41.9999 are captured in other sectors; it is, thus, omitted to avoid double-counting. Source: The Perryman Group				



Construction Trades

In the broad Construction Trades category (CIP 46), The Perryman Group estimates that there will be 4,923 available positions in the Fort Bend area each year through 2020.

Particularly needed skillsets include those related to building and property maintenance (CIP 46.0401) and drywall installation (CIP 46.0404).

Construction Trades				
Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
46.0000	Construction Trades, General	414	379	355
46.0201	Carpentry/Carpenter	443	302	283
46.0302	Electrician	243	177	163
46.0401	Building/Property Maintenance	1,231	1,249	1,184
46.0404	Drywall Installation/Drywaller	1,223	1,143	1,071
46.0408	Painting/Painter and Wall Coverer	126	94	87
46.0410	Roofer	129	85	79
46.0411	Metal Building Assembly/Assembler	242	212	198
46.0502	Pipefitting/Pipefitter and Sprinkler Fitter	166	142	132
46.0503	Plumbing Technology/Plumber	203	149	139
46.0504	Well Drilling/Driller	503	425	375
TOTAL for 46.0000		4,923	4,357	4,066
<p>* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes. CIP Code 46.0000 includes only construction personnel in SOC categories that have not been captured in other programs. Due to the large number of categories, only those CIP codes projected to add more than 100 positions per year are included in this summary table; a complete list may be found in the Appendices to this report. Source: The Perryman Group</p>				

Mechanic and Repair Technologies/Technicians

Every year through 2020, an estimated 5,920 new positions for mechanics and persons trained in repair technologies are expected to be added in the TSTC-Fort Bend market area. Business machine repair technicians will be particularly needed.

Mechanics and Repair Technologies/Technicians Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
47.0000	Mechanics and Repairers, General	1,049	942	865
47.0101	Electrical/Electronics Equipment Installation and Repair, General	120	121	115
47.0102	Business Machine Repair	2,158	1,916	1,652
47.0104	Computer Installation and Repair Technology/Technician	164	144	132
47.0303	Industrial Mechanics and Maintenance Technology	287	264	244
47.0409	Parts and Warehousing Operations and Maintenance Technology/Technician	258	228	217
47.0603	Autobody/Collision and Repair Technology/Technician	143	131	120
47.0604	Automobile/Automotive Mechanics Technology/Technician	349	298	277
47.0613	Medium/Heavy Vehicle and Truck Technology/Technician	1,052	896	814
47.0615	Engine Machinist	159	139	130
47.0616	Marine Maintenance/Fitter and Ship Repair Technology/Technician	181	162	139
TOTAL for 47.0000		5,920	5,241	4,705
<p>* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes. CIP Code 46.0000 includes only mechanics and related personnel in SOC categories that have not been captured in other programs. CIP Code 47.0303 includes only industrial mechanics in SOC categories that have not been captured in other programs. Due to the large number of categories, only those CIP codes projected to add more than 100 positions per year are included in this summary table; a complete list may be found in the Appendices to this report. Source: The Perryman Group</p>				

Precision Production

For precision production trades, The Perryman Group estimates that 2,307 persons with related training will be needed each year through 2020 to fill positions stemming from economic growth and replacement.

Precision Production				
Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
48.0000	Precision Production Trades, General	1,208	1,152	1,082
48.0303	Upholstery/Upholsterer	60	58	55
48.0304	Shoe, Boot and Leather Repair	52	49	46
48.0501	Machine Tool Technology/Machinist	260	246	232
48.0503	Machine Shop Technology/Assistant	79	79	75
48.0506	Sheet Metal Technology/Sheetworking	394	335	308
48.0507	Tool and Die Technology/Technician	43	37	35
48.0509	Ironworking/Ironworker	6	6	6
48.0510	Computer Numerically Controlled (CNC) Machinist Technology/CNC Machinist	5	5	4
48.0511	Metal Fabricator	24	20	19
48.0701	Woodworking, General	48	42	39
48.0702	Furniture Design and Manufacturing	33	32	30
48.0703	Cabinetmaking and Millwork	58	49	45
48.0799	Woodworking, Other	5	5	5
48.0801	Boilermaking/Boilermaker	32	27	26
TOTAL for 48.0000		2,307	2,142	2,007
<p>* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes. CIP Code 48.0000 includes only precision production trade workers in SOC categories that have not been captured in other programs. All SOC codes for CIP Code 48.0399 are captured in CIP Codes 48.0303 and 48.0304; it is, thus, omitted to avoid double-counting. All SOC codes for CIP Code 48.0508 are captured in CIP Code 15.0614; it is, thus, omitted to avoid double-counting. All SOC codes for CIP Code 48.0599 are captured in other sectors; it is, thus, omitted to avoid double-counting. All SOC codes for CIP Code 48.9999 are captured in other sectors; it is, thus, omitted to avoid double-counting. Source: The Perryman Group</p>				

Transportation and Materials Moving

An estimated 2,726 persons with training related to transportation and materials moving are projected to be needed each year in the TSTC-Fort Bend market area, particularly, those with training to operate construction equipment, trucks, and buses.

Transportation and Materials Moving Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
49.0102	Airline/Commercial/ Professional Pilot and Flight Crew	24	22	201
49.0104	Aviation/Airway Management and Operations	9	9	9
49.0105	Air Traffic Controller	22	23	22
49.0106	Airline Flight Attendant	25	24	23
49.0108	Flight Instructor	6	6	6
49.0199	Air Transportation, Other	10	9	9
49.0202	Construction/Heavy Equipment/Earthmoving Equipment Operation	1,312	1,047	914
49.0205	Truck and Bus Driver/Commercial Vehicle Operator and Instructor	869	766	717
49.0206	Mobil Crane Operation/Operator	53	39	31
49.0207	Flagging and Traffic Control	7	6	6
49.0208	Railroad and Railway Transportation	242	230	218
49.0299	Ground Transportation, Other	27	25	24
49.0303	Commercial Fishing	1	0	0
49.0304	Diver, Professional and Instructor	1	1	1
49.0309	Marine Science/Merchant Marine Officer	61	57	53
49.9999	Transportation and Materials Moving, Other	56	44	37
TOTAL for 49.0000		2,725	2,308	2,271
Source: The Perryman Group				



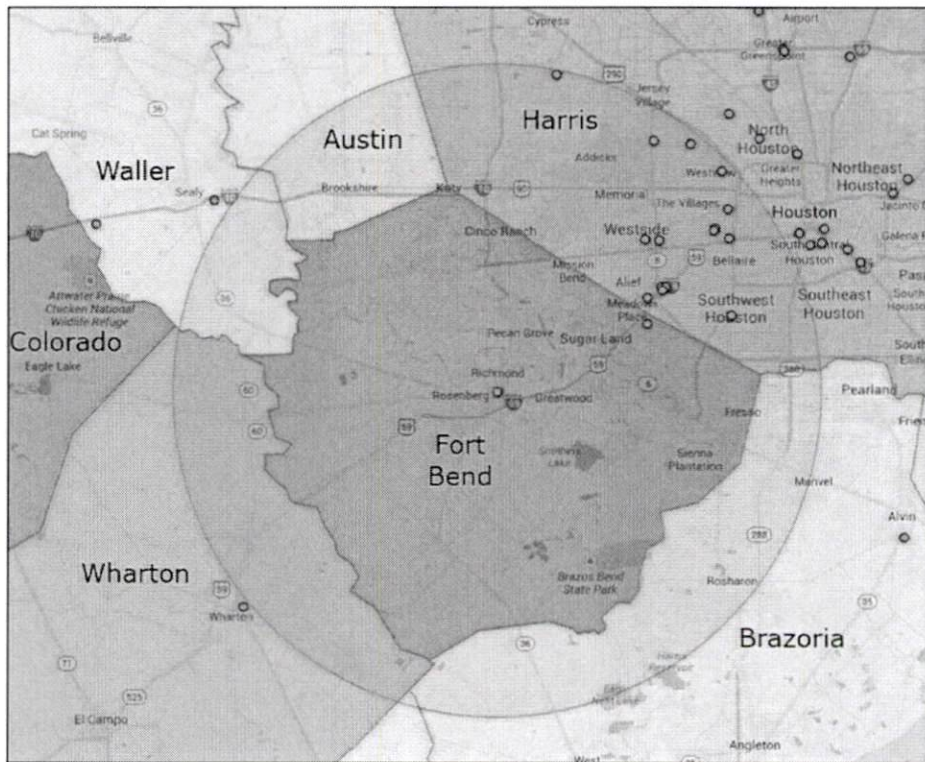
Design and Applied Arts

The Perryman Group estimates that 358 positions in design and applied arts fields will become available in the Fort Bend area every year through 2020.

Design and Applied Arts Average Annual Positions in the TSTC-Fort Bend Market Area Stemming from Economic Growth and Replacement				
CIP Code	CIP Title	2013-2020	2020-2030	2030-2040
50.0401	Design and Visual Communications, General	89	83	78
50.0402	Commercial and Advertising Art	121	118	109
50.0404	Industrial and Product Design	49	45	42
50.0406	Commercial Photography	38	38	34
50.0407	Fashion/Apparel Design	19	19	18
50.0408	Interior Design	34	31	30
50.0411	Game and Interactive Media Design	8	8	8
TOTAL for 50.04		358	342	319
* Notes: The Standard Occupational Classification System (SOC) codes for CIP Codes. All SOC codes for CIP Code 50.0409 and 50.0410 are captured in CIP Code 50.0402; they are, thus, omitted to avoid double-counting. All SOC codes for CIP Code 50.0499 are captured in other sectors; it is, thus, omitted to avoid double-counting. Source: The Perryman Group				

TSTC-Fort Bend Approved Programs and Other Providers in the Service Area

One relevant consideration in deciding which of these potential courses of study to offer is whether other training providers in the area have already established successful programs. The Perryman Group compiled a list of colleges in the TSTC-Fort Bend service area with authorization to offer these CIPs. From this complete list, programs in colleges without significant enrollment or graduation rates and relatively high placement rates were eliminated to obtain a list of institutions which can be considered true competitors for TSTC. The map below indicates locations of colleges in the service area.



Source: Google Maps, Texas Workforce Commission, The Perryman Group

In addition, TPG also considered colleges in Brazoria, Matagorda, and Austin counties which fell outside of the 25-mile range, but would have the potential to serve residents and employers in those counties.

Providers Authorized to Offer Programs TSTC is Authorized to Offer

Among the potential competitors within the relevant geographic area around the Fort Bend Technical Center, a number have not had many, if any, students enrolled recently in the specific, potentially competing programs. While these training providers have approval to offer the courses, at this time they are not viewed as true competitors given small enrollment in the CIP codes for which TSTC has approval to offer training in its Fort Bend County facilities.

The following tables summarize data related to training providers with sufficient enrollment in relevant programs to be true potential competitors with TSTC. Some of these providers offer multiple programs, but only those with reasonable enrollment and completion rates are included.

Career colleges and schools are one source of training in the area. Data was obtained from the Texas Workforce Commission (TWC) Career Schools and Colleges database as well as individual schools' websites. For completeness, all programs falling within approved CIPs are listed.

There are also several community colleges in the area offering some programs in which TSTC has approval to offer according to data from the Texas Workforce Commission. The information from TWC on these providers is different than the information for the career schools and colleges with respect to enrollment, completion rates, and employment rates. While some of these providers have approval for other programs, information is included only for the programs with reported data. Data sources include the Texas Workforce Commission and the Texas Higher Education Coordinating Board. Statistics from the National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) were also reviewed.



Training Providers in the TSTC Service Area With Significant Enrollment in Programs TSTC is Approved to Offer				
CAREER SCHOOLS AND COLLEGES				
Training Provider	CIP Code: Program Name	Annual Enrollment*	Completion Rate	Placement Rate
Everest Institute	15.0501: Heating, Ventilation, and Air Conditioning	405	67.7%	58.1%
	46.0201: Carpentry	40	60.9%	78.6%
	46.0302: Electrical Technician	306	58.0%	63.3%
	46.0503: Plumbing Technology	80	60.0%	62.1%
MyComputerCareer.com	15.1202: IT ProCareer 08 Program	104	83.0%	75.0%
The Ocean Corporation	15.0799: Quality Control and Safety Technology	394	83.1%	71.8%
	49.0304: Ultimate Diver Training	301	77.1%	72.1%
School of Automotive Machinists	47.0615: Automotive Engine/Block and Cylinder Head Machining	135	97.6%	85.0%
	47.0604: Automotive Engine/Block Machining	96	81.8%	56.2%
	47.0604: Automotive Engine/Cylinder Head Machining	5	75.0%	50.0%
	48.0510: Automotive Engine/CNC Machining	21	92.3%	66.7%
Sparc Academy	48.0508: GMAW/FCAW Welding	94	100%	71.3%
Turner School, LLC	47.9999: Automotive Technology; Introduction to High Performance	7	85.7%	40.0%

* Enrollment for period ending August 31, 2012.
 Source: Texas Workforce Commission



Training Providers in the TSTC Service Area With Significant Enrollment in Programs TSTC is Approved to Offer				
COMMUNITY COLLEGES				
Training Provider	CIP Code: Program Name	Total Graduates*	Type of Award	Employment Rate
Alvin Community College	41.0301: Chemical Technology/Technician	49	Associate	92%
		54	Certificate	87%
Blinn College	48.0508: Welding Technology/Welder	7	Certificate	100%
Brazosport College	15.0404: Instrumentation Technology/Technician	17	Associate	94%
		4	Certificate	100%
	41.0301: Chemical Technology/Technician	41	Associate	98%
		2	Certificate	100%
		2	Enhanced Skills Certificate	100%
	46.0302: Electrician	10	Associate	100%
		18	Certificate	100%
	46.0502: Pipefitting/Pipefitter and Sprinkler Fitter	1	Associate	0%
		6	Certificate	100%
	47.0201: Heating, Air Conditioning, Ventilation and Refrigeration	1	Associate	100%
		21	Certificate	86%
	48.0501: Machine Tool Technology/Machinist	4	Associate	100%
		28	Certificate	93%
		1	Associate	100%
48.0508: Welding Technology/Welder	12	Certificate	83%	
	4	Associate	100%	
Cy-Fair College (Lone Star College System)	48.0508: Welding Technology/Welder	22	Certificate	77%
		4	Associate	100%
Houston Community College	47.0201: Heating, Air Conditioning, Ventilation, and Refrigeration	39	Certificate	67%
		118	Marketable Skills	77%
Wharton County Junior College	41.0301: Chemical Technology/Technician	20	Associate	85%
		4	Enhanced Skills	100%
	48.0508: Welding Technology/Welder	45	Certificate	82%

* As of 4th quarter 2012.
Source: Texas Higher Education Coordinating Board

Summary of Training Being Obtained in the Area by CIP Code

Combining the numbers of students or recent graduates in different program settings and award levels by CIP Code provides a snapshot of training currently being offered and received in the area.

Numbers of Students Receiving Training With Providers in the Service Area in Programs TSTC is Approved to Offer	
CIP Code: Program Name	Annual Enrollment/Graduates*
15.0404: Instrumentation Technology/Technician	21
15.0501: Heating, Ventilation, and Air Conditioning	405
15.0799: Quality Control and Safety Technology	394
15.1202: IT ProCareer 08 Program	104
41.0301 Chemical Technology/ Technician	172
46.0201: Carpentry	40
46.0302: Electrical Technician	334
46.0502: Pipefitting/Pipefitter and Sprinkler Fitter	7
46.0503: Plumbing Technology	80
47.0201 Heating, Air Conditioning, Ventilation, and Refrigeration	179
47.0604: Automotive Engine Machining	101
47.0615: Automotive Engine/Block and Cylinder Head Machining	135
47.9999: Automotive Technology; Introduction to High Performance	7
48.0501 Machine Tool Technology/Machinist	32
48.0508: Welding Technology/Welder	185
48.0510: Automotive Engine/CNC Machining	21
49.0304: Ultimate Diver Training	301
* Enrollment for period ending August 31, 2012; Graduates 4 th quarter 2012. Sources: Texas Workforce Commission, Texas Higher Education Coordinating Board, The Perryman Group	



Summary of Enrollment/Graduates in Competitor Programs by TSTC Authorized CIP Code

The following table summarizes the above data to align with programs TSTC is authorized to offer.

Summary of Competitor Annual Enrollment/Graduates in TSTC Authorized CIP Codes*		
CIP Code	CIP Title	Annual Enrollment/Graduates
11.1003	Computer and Information Systems Security/Information Assurance	0
12.05	Culinary Arts and Related Services	0
15	Engineering Technologies and Engineering-Related Fields	924
41	Science Technologies/Technicians	172
46	Construction Trades	461
47	Mechanic and Repair Technologies/Technicians	422
48	Precision Production	238
49	Transportation and Materials Moving	301
50.04	Design and Applied Arts	0
* As of August 31, 2012 for career schools and colleges and the 4 th quarter of 2012 for community colleges. Sources: Texas Workforce Commission, Texas Higher Education Coordinating Board, The Perryman Group		

Perceived Workforce Needs and Issues in the Area

Another consideration in program choices is what local businesses are currently experiencing. The Perryman Group was asked to obtain input regarding issues finding workers with the right skills and the need for training programs in the Fort Bend County area. The Perryman Group engaged in a multi-faceted outreach effort including email surveys, surveys sent by regular mail, and phone calls to local businesses in the area. Multiple attempts were made to acquire information from approximately 165 local employers. Input was solicited specifically in regards to any problems the businesses have in finding workers with the skills they need and anything that the businesses would like to see incorporated into training programs in the area. Overall, response to mailed surveys and phone calls was low, suggesting that there are not many overarching concerns affecting all businesses in the area. However, several businesses did provide input that is useful; this input supports the findings of this report.

Most respondents reported having problems, in the recent past or currently, finding suitable workers for their business. Some of the problems cited likely stem from inadequate preparation at the K-12 level. For example, one company cited a general need for better math skills (specifically analytical and descriptive geometry) as most work is becoming more math-intensive. To the extent that such remedial topics could reasonably be incorporated into TSTC programs, the result might be to improve job performance.

Another business reported difficulties finding technically competent workers and wanted to see more mechanical and electrical skills incorporated into training programs in the area. Similarly, another respondent noted difficulties in finding machinists with the necessary skills, stating that if they find someone with the needed skills they usually hire them immediately.

A frequent comment for many businesses was the importance of experience, both in technical areas as well as interacting with customers. One business who experienced difficulty in the past year of finding a mechanic with sufficient experience added that training programs in the area should seek to give students as much experience in the field as possible. A different business viewed on-the-job training as generally the most important factor for an employee, but has noticed that many applicants who say that they have experience end up showing incompetency in even basic skills. Therefore, there is a large need for training programs that not only teach basic concepts but also give students hands-on experience that they can take with them to their new career.

In survey responses, there was also a major emphasis on the necessity of work ethic and soft skills in addition to technical skills. One business reported that they did not have difficulty finding workers initially, but rather have problems with workers being dependable, specifically showing up to work on time and working a full amount of hours each week. Another business similarly noted problems with work ethic and workers showing up to work on time. While such issues may be beyond the scope of TSTC programs, there could be some merit to offering very basic information regarding typical employer expectations.

Responses to TSTC specifically were positive. Jeff Hazard, Manager of Plant Services at TIW Corporation in Houston, cited problems he has had with the quality of work and the character of students who have gone through other schools, but had a very positive impression of the training programs at TSTC. He states that TSTC is “one of the very best programs” he has seen that not only produces students with a high technical knowledge but also with a great work ethic as well. Another business owner states that he has hired an exceptional student from TSTC and knows that TSTC is doing a good job.

In addition to this direct contact with local businesspeople, The Perryman Group reviewed news articles and other public sources. There have been many recent articles in the Houston Chronicle describing the rapid economic growth occurring in Fort Bend County, which is only expected to continue. There have also been reports of continuing demand for skilled workers in the area, particularly in the fields of health care, manufacturing, and oil and gas.

As more businesses are looking to expand or move into the Fort Bend area, there will be an increased need for workers that have received holistic training in technical skills as well as practical skills.



Implications for TSTC Program Offerings

TSTC’s decision process for offering new programs at the Fort Bend Technical Center depends in part on (1) the need for workers with various skills, (2) the presence of other colleges successfully offering various types of training, and (3) any substantial needs identified by local businesspeople.

The Perryman Group’s analysis has identified the numbers of jobs requiring particular skills which will be generated through economic growth and replacement needs. While there are other colleges addressing some of these requirements, there are clearly areas where gaps are likely to exist or emerge.

Number of New Positions and Competitor Enrollment/Graduates in Potential TSTC-Fort Bend Program Areas*			
CIP Code	CIP Title	Average Annual New Positions*	Competitor Enrollment/Graduates*
11.1003	Computer and Information Systems Security/Information Assurance	957	0
12.05	Culinary Arts and Related Services	5,944	0
15	Engineering Technologies and Engineering-Related Fields	1,349	924
41	Science Technologies/Technicians	651	172
46	Construction Trades	4,923	461
47	Mechanic and Repair Technologies/Technicians	5,920	422
48	Precision Production	2,307	238
49	Transportation and Materials Moving	2,725	301
50.04	Design and Applied Arts	358	0

* Average annual new positions between 2013 and 2020 stemming from economic growth and replacement needs. Competitor enrollment/graduates as of August 31, 2012 for career schools and colleges and the 4th quarter of 2012 for community colleges.
 Sources: Texas Workforce Commission, Texas Higher Education Coordinating Board, The Perryman Group

Clearly, the numbers of new positions that will be opening in the TSTC-Fort Bend market area each year far outstrip current enrollment in training programs. Given the rapid economic growth in the region (as well as replacement needs), demand for skilled workers will increase. While there are quality colleges offering some competition, there are significant gaps which TSTC is well positioned to fill.

Conclusion

The economy and population in Fort Bend County and the surrounding area have been growing at a rapid pace. The Perryman Group's forecasts indicate that this relatively strong expansion is likely to continue in the decades to come.

This expansion will result in a growing need for skilled workers and job opportunities for persons with appropriate training. While there are providers of coursework in the area, there is a significant gap between likely future needs and the current levels of enrollment and graduation.

TSTC can play an important role in preparing area residents for the jobs which will be opening up in the future. This analysis by The Perryman Group sheds light on the largest gaps and the specific skillsets within larger categories which are likely to be in high demand in the years to come.