



Fort Hood Region Veterans Inventory Initiative

Quarterly Report, October - December 2010

An assessment of the intentions, educational level, skills, employment desires, and suggestions to improve the Fort Hood region's "Quality of Place" for Soldiers leaving military service at Fort Hood, Texas.





Quarterly Report: 1st Quarter, FY 2011
(October - December 2010)

A. BACKGROUND: Operation Economic Transformation is the Greater Killeen Chamber of Commerce plan to identify, measure, and capitalize on new and emerging economic development opportunities present in the Fort Hood region. One key recommendation was to regularly administer a survey designed to capture insightful information regarding the skills and desired career fields of veterans separating from military service at Fort Hood. In July 2006, the following parties entered into a Memorandum of Understanding (MOU) to routinely inventory the intentions, educational level, skills, employment desires, and suggestions of separating Soldiers in order to improve the Fort Hood regional “Quality of Place”:

- Fort Hood Adjutant General/Army Career and Alumni Program (ACAP)
- Workforce Solutions of Central Texas - Board
- Workforce Solutions of Central Texas - Service Centers
- Greater Killeen Chamber of Commerce
- Heart Of Texas Defense Alliance
- Texas Veterans Commission

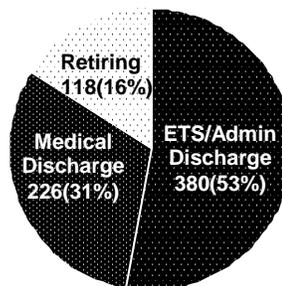
Data is collected via a voluntary twelve-question survey administered during either the Transition Assistance Program (TAP) workshop or installation final clearance¹. The purpose for the collection and analysis of this data is threefold:

1. Develop and retain the region’s skilled and motivated military Veteran workforce;
2. Foster innovation and entrepreneurship; retain existing businesses, and attract new business to the region; and
3. Align the efforts of the participating agencies to enhance options for current and future/potential residents.

B. DEMOGRAPHICS

1. For the 1st Quarter (October-December 2010), 724 Soldiers completing their military service responded to the survey with the demographics graphed below.

DEMOGRAPHIC DISTRIBUTION



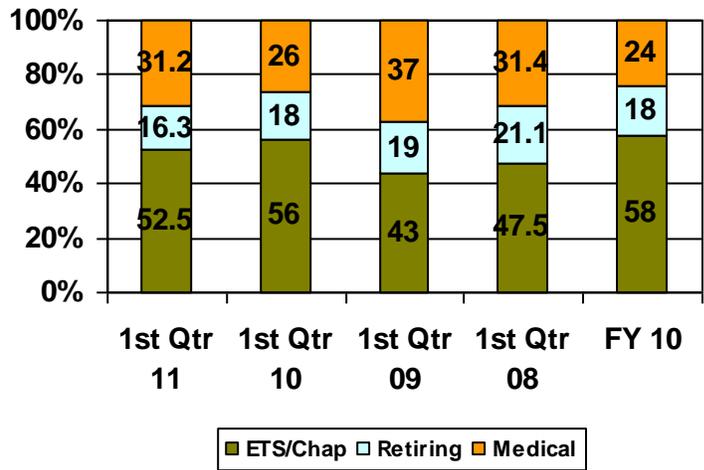
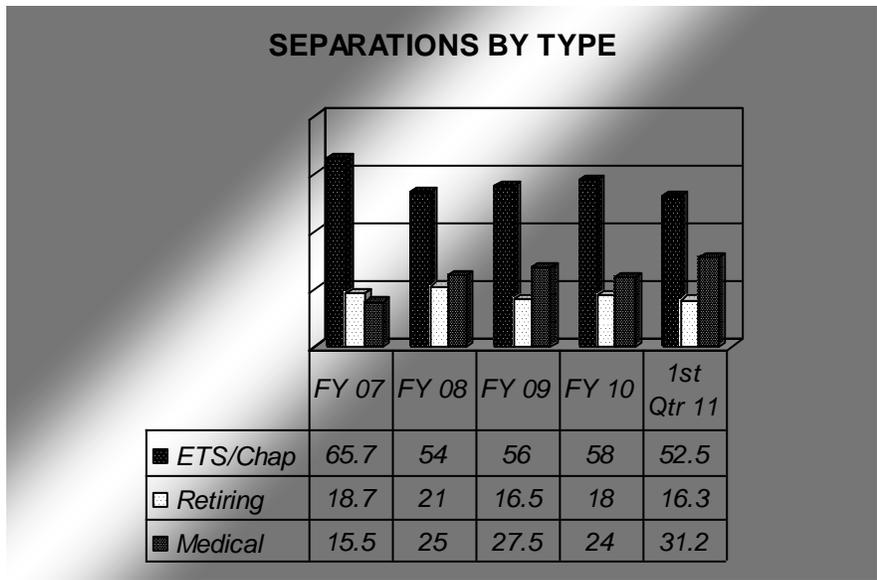
1st QTR 2011

¹ Retiring Soldiers may participate in TAP up to two years prior to their retirement date, while non-retiring Soldiers may participate up to one year in advance. For FY 2010, 28% of TAP participants are within 90 days of separation; an additional 50% are within 180 days of separation. Current legislation has been introduced to Congress known as the Hiring Heroes Act of 2011 that will require all Soldiers separating from the military to attend the TAP seminar and will provide the opportunity for more Soldiers to participate in the optional Veterans Inventory Initiative survey.

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2. The Veteran's Inventory Initiative has collected data on why Soldiers are separating from the service since FY 2007 and, over that period, there have been seventeen recurring quarterly reports with a total of 15,518 separating Soldiers. The following graph compares FY 2007 through 1st Quarter 2011 on the reasons Soldiers are separating. When comparing 1st Qtr 2011 with the averages for the previous four years, the data shows that percentage wise, the number of Soldiers separating due to ETS and retirement is slightly lower than previously seen, whereas those separating due to a medical retirement is slightly higher. The decrease in those leaving the service due to ETS or retirement may be a function of the fluctuating economy and job market and we will continue to monitor this in the future to see if there is any trend possibly related to these two factors.



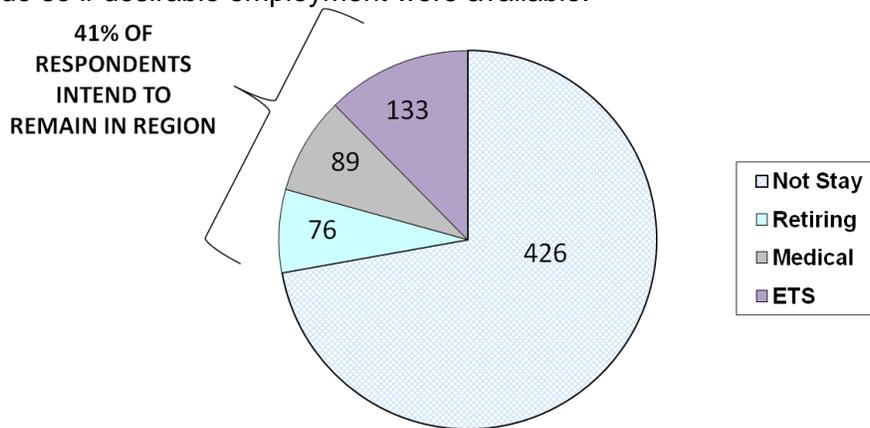


C. INTENTIONS ON STAYING IN THE REGION: The respondents were surveyed regarding their intentions on remaining in the region (within 30 miles of Fort Hood – generally equating to the Killeen-Temple-Fort Hood Metropolitan Statistical Area) when their service ended.

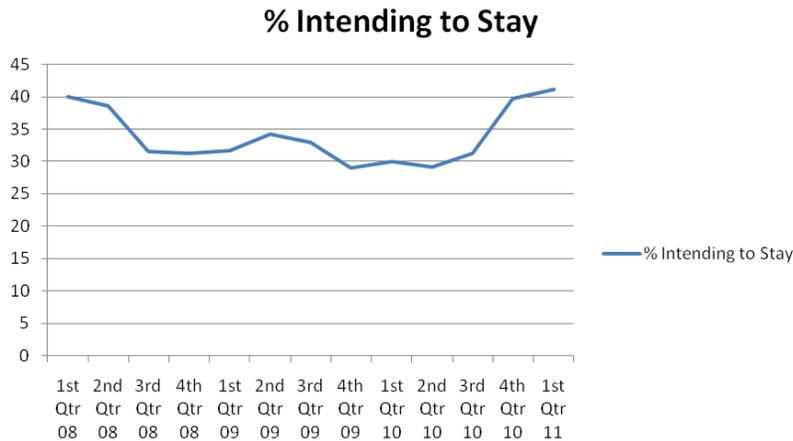
1. 298 respondents (representing 41% of all respondents) indicated they intended to stay in the region. This data represents:

- a. 76 retirees (64.4%) of all retirement eligible respondents.
- b. 222 (36.6%) of non-retirement eligible respondents.

In addition, 131 (31%) of the 426 who responded they did not intend to stay in the region, would do so if desirable employment were available.



2. When looking at the data of Soldiers' intent on remaining in the Temple-Killeen-Fort Hood MSA from October 2007 to December 2010, the graph below indicates that the percent of Soldiers intending to remain in the area decreased from October 2007 to March 2010. However, this trend changed between January 2010 and December 2010 where the percent of Soldiers intending to remain in the area steadily increased.²



² However, because these surveys are completed up to one year for non-retiring Soldiers and two years for retiring Soldiers before actually leaving the service, "intent" to remain (or leave) may change by the actual separation date.

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Respondents are able to more clearly indicate their intentions of their plans and desires once leaving the service. From October - December 2010, in addition to the 41% remaining in the area, another 18% would stay if desirable employment was available. Since January 2010, in addition to 1363 (34.4%) respondents intending to remain in the Central Texas region, another 938 (23.7%) respondents said they would stay if their desired employment was available which equates to a total of 2301 respondents desiring to remain in the Central Texas area. We will continue to monitor this data, but it clearly demonstrates that desirable employment readily available within the MSA is a strong driving force in retaining Soldiers in this area following their service in the military.

3. Military retirees residing in the MSA: While the Veterans Inventory Initiative only surveys the intent of Soldiers departing the service, it is possible to more accurately track the disposition of the retiring population using data from the Retired Army Personnel System, which provides the actual numbers of retired Soldiers to zip code level. For the eighth quarter in a row, the rate of growth for retirees in the Killeen-Temple-Fort Hood MSA increased slightly; since December 2008, the number of military retirees grew by 7.1 percent in the Killeen-Temple-Fort Hood MSA. As shown in the graph above, while the number of Soldiers intending to remain in the area decreased from October 2007 to March 2010, the number of retirees actually living in the area has been steadily increasing since December 2008. According to the Retired Army Personnel System data below, Killeen, Harker Heights, Nolanville and Belton experienced growth rates exceeding the MSA average for the two year period of 2008-2010. An additional factor might be military retirees moving back into the Central Texas/Fort Hood area immediately upon retirement after having lived (been stationed) somewhere else. This is consistent with the latest census data that states the Bell County population increased by 30.4% from the years 2000 - 2010.

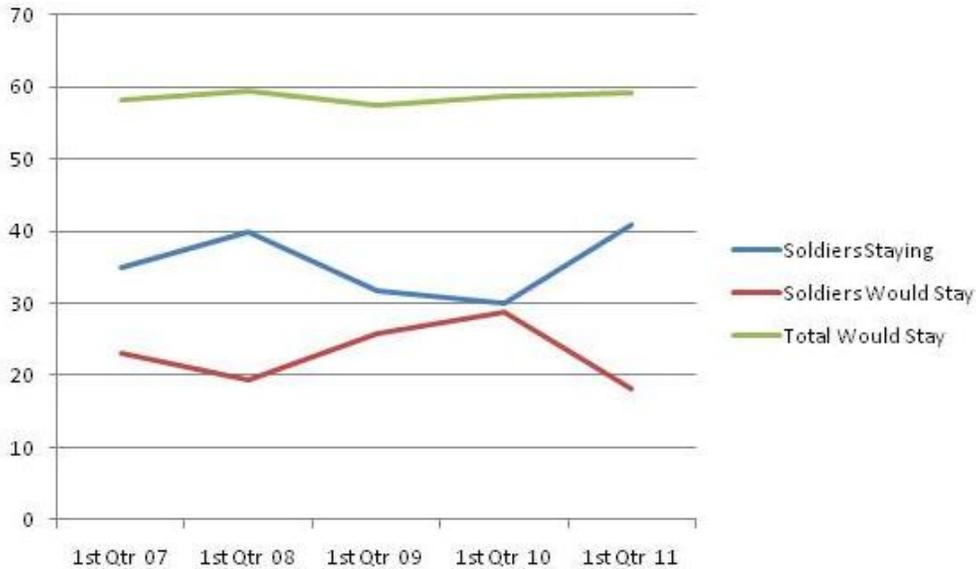
	DEC 2008	DEC 2009	% GROWTH 2008-2009	DEC 2010	% GROWTH 2009-2010	% GROWTH 2008-2010
KILLEEN	7996	8258	+3.3	8650	+4.7	+8.2
COPPERAS COVE	2998	3061	+2.1	3148	+2.8	+5
HARKER HEIGHTS	1809	1928	+6.6	2004	+3.9	+10.8
TEMPLE	1133	1169	+3.2	1158	-.9	+2.2
KEMPNER	879	895	+1.8	931	+4	+5.9
BELTON	819	841	+2.7	883	+5	+7.8
LAMPASAS	349	361	+3.4	366	+1.4	+4.9
GATESVILLE	349	358	+2.6	362	+1.1	+3.7
NOLANVILLE	261	272	+4.2	280	+2.9	+7.3
SALADO	207	210	+1.5	216	+2.9	+4.3
MSA	16800	17353	+3.3	17998	+3.7	+7.1

Overall, the growth of the Temple-Killeen-Fort Hood MSA increased by 3.7 percent during the past year and by 7.1 percent during the past two years. As stated before, desirable employment readily available in the area is a strong driving force to retaining Soldiers in this area. From January 2009 to December 2010, while a total of 7268 Soldiers separating responded to the surveys, 2395 (33%) intended to remain in the area while an additional 1772

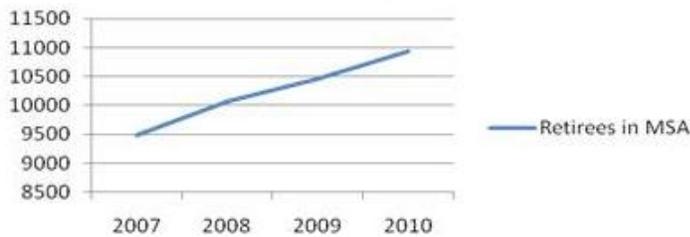
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(24%) said they would stay for desirable employment. In April 2008, the Texas Comptroller certified that the direct economic impact of military retirees and surviving annuitants in the Killeen, Temple, Fort Hood MSA (Bell, Coryell and Lampasas counties) equates to \$791.5 million annually. We will continue to monitor retiree data to determine the potential relationship between intent and the number of retirees that actually remain in the region.



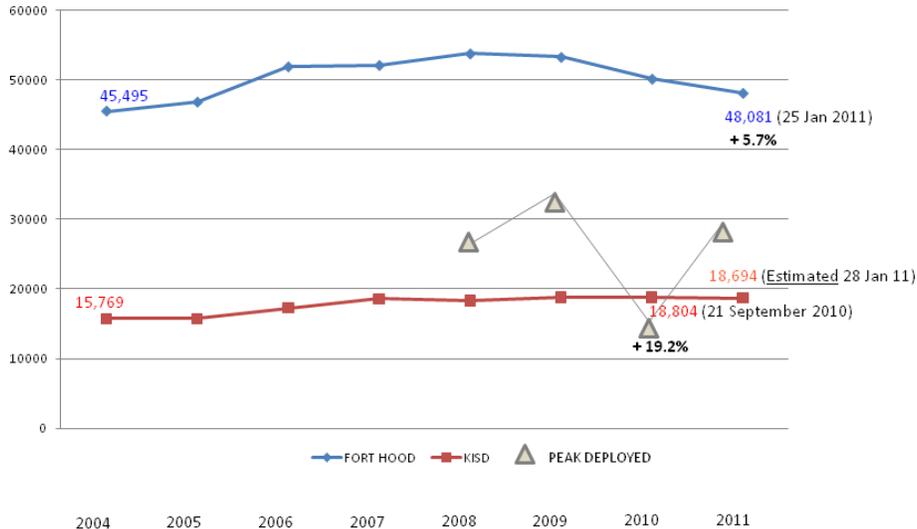
Retirees in MSA



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FORT HOOD PEAK ASSIGNED AND PEAK FORT HOOD-CONNECTED
ENROLLMENT IN KILLEEN ISD



4. Increases in military retirees and school enrollments: As the graphs above indicate, while the Soldier population at Fort Hood decreases in troop strength to reach levels as directed by BRAC, both the enrollment in the Killeen Independent School District as well as the number of retirees living in the Temple-Killeen-Fort Hood MSA continues to increase. The increase in student enrollment during Fort Hood deployments may also indicate that families are choosing to remain in the area to provide stability for family while Soldiers are deployed instead of returning to home of record. In addition, the total amount of Soldiers participating in the survey over the past several years who have stated they are staying or would stay for desired employment continues to increase. These may be further indications that Fort Hood is a desirable area for families and retirees to live.

In addition to tracking the retiree military growth rate for the Killeen-Temple-Fort Hood MSA, we are also able to track the military retiree rate of growth for north Texas (174 counties less the Killeen-Temple-Fort Hood MSA). When looking at the data from December 2007 to December 2010, we find that rate of growth of military retirees in north Texas was 4.3% while the rate of growth for military retirees in the Temple-Killeen-Fort Hood area was 13.1% for the same time period. There has been a steady growth rate of military retirees in the north Texas area, but the rate of growth for military retirees in the MSA has been much greater.

Additionally, while the national economy was continuing to experience the effects of the slowly recovering economy as a result of the recession this reporting period, the Killeen-Temple-Fort Hood MSA was:

- a. ranked #1 in nation out of 200 major metropolitan areas for overall business climate by Milken Institute, 14 October 2010.
- b. the real estate market in the Killeen-Fort Hood-Temple area relatively stable, 19 November 2010, Fort Hood Area Association of Realtors.

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c. Central Texas continued to outpace the state and nation in job growth in 2010; the Killeen-Temple-Fort Hood MSA added 600 non-agricultural jobs in December 2010, Texas Work Force Commission, 21 Jan 2011.

d. Texas A&M University - Central Texas enrollment up to 2558 during spring semester 2010; a 2006 economic impact study by GKCC estimated that an enrollment of 2500 students would bring approximately \$37 million to the area and create over 650 new jobs, 1 Feb 2010.

e. ranked #4 out of 234 for 2010 Best City for Job Growth - Small Cities, April 2010, www.newgeography.com.

f. ranked four out of five Best Areas for Military Families (Babb Group - www.military.com/finance).

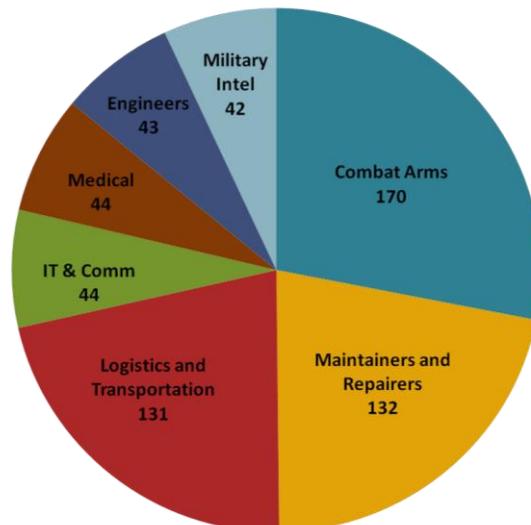
g. the Killeen-Temple-Fort Hood area ranked #5 in highest employment growth rate in Texas during 2010 at 2.4% while Texas averaged 2.3% (<http://recenter.tamu.edu/pdf/1862.pdf>, Dec 2010).

h. Killeen-Temple-Fort Hood MSA ranked #1 out of 200 as Best Performing Economy in the U.S. by the Milken Institute, Oct. 2010, www.milkeninstitute.org/pdf/bpc2010.pdf.

i. Central Texas College ranked 13 out of 50 for one of the fastest growing two-year colleges in the country (www.ccweek.com, June 2010) and named one of the Top 20 Military-Friendly Colleges and Universities (KMI Media Group and Military Advanced Education).

In addition to these indicators of economic stability for the Killeen-Temple-Fort Hood MSA, there are many other indicators of growth and stability in the area such as construction of the new Darnall Army Medical Center, construction of the new Seton Hospital in Harker Heights, three new military medical clinics in Harker Heights, Copperas Cove and Killeen, a 3.9% increase in 2010 over the 2009 enplanements at the Killeen-Fort Hood Regional Airport, as well as the opening and increasing enrollment of the new Texas A&M University-Central Texas.

D. MILITARY OCCUPATIONAL SPECIALITIES: Departing Soldiers represented 134 different Military Occupational Specialities. However, 84.6% (606 /702 respondents) can be grouped into seven general areas: Combat Arms, Logistics/Transportation, Maintainers/Repairers, Information Technology/Communications, Medical, and Military Intelligence. This is the third time that Military Intelligence was ranked as one of the top reported MOSs and is most likely a result of the 504th Battlefield Surveillance Brigade returning from deployment in January 2010.





COMBAT ARMS

The types of units at Fort Hood (five Brigade Combat Teams and one Fires Brigade at the time of this report) and deployment cycles explains the higher number of Combat Arms Soldiers leaving the service. Most, if not all, will be combat veterans of the Iraq/Afghanistan campaigns, which have a distinctive small-unit focus by their nature. Therefore, in addition to the skills listed below, these Soldiers would likely have extensive leadership and staff planning skills that far surpass those of their civilian peers.

Soldiers in combat arms comprise 24.2 percent of the reported fields.

Infantry (58)	Member or leader who individually employs small arms/heavy anti-armor weapons in support of combat operations
Field Artillery (52)	Operate or supervise high technology cannon artillery weapons, automated tactical data systems, intelligence activities, target processing, radar operations, artillery surveying operations, or meteorological observation.
Armor (42)	Member or leader who employs main battle tanks or cavalry fighting vehicles in combat operations, and performs reconnaissance and security.
Air Defense Artillery (18)	Operate command/control/communications/computer information systems or the lightweight, highly mobile Avenger or medium weight Patriot Air Defense Missile systems.

MAINTAINERS/ REPAIRERS

Soldiers that work in the field of maintenance and repair comprise 18.8 percent of the population.

Wheeled Vehicle Mechanics (50)	Supervise and perform unit, direct support and general support level maintenance and recovery operations on light and heavy wheeled vehicles, their associated trailers and material handling equipment.
Aviation repairers (30)	10 different enlisted specialties (less pilots and air traffic controllers) ranging from aircraft structural repairers to airframe-specific armament/electrical/avionics system repairers.
Tracked Vehicle Mechanics (25)	Perform or supervise unit maintenance, diagnose, and troubleshoot malfunctions on gas turbine and diesel power plants; the suspension, steering, hydraulics, auxiliary power units, and the armament/fire control systems on tracked vehicles including the M1 Abrams main battle tank and Bradley Fighting Vehicle.
Special purpose (20)	10 different low-density fields that require a degree of technical skills that would support the repair and maintenance of Army vehicles and equipment. These skills include metal workers (welders), machinists, small arms and fire control repair, power generation and special purpose equipment (such as HVAC and refrigeration systems).



LOGISTICS AND TRANSPORTATION

Soldiers serving in the logistics and transportation fields comprise 18.7 percent of reported fields.

Motor Transport Operator (34)	Supervises and operates wheel vehicles to transport personnel and cargo. Oversees and checks proper loading and unloading of cargo on vehicles and trailers.
Automated Logistical Specialists (20)	Supervise and perform management or stock record/warehouse functions pertaining to receipt, storage, distribution and issue, and maintain equipment records and parts.
Unit Supply Specialists (20)	Supervise or perform duties involving the request, receipt, storage, issue, accountability, and preservation of individual, organizational, installation, and expendable supplies and equipment.
Food Service Specialists (16)	Supervise or prepares, cooks and serves food in field or garrison food service operations.
Petroleum Supply Specialists (13)	Supervise the receipt, storage, accountability, and cares for dispensing, issuing and shipping bulk or packaged petroleum, oils, and lubricants.
Ammunition Supply Specialists (8)	Assists in receipt, storage, issue, maintenance, modification, destruction, and demilitarization of explosive items. Performs ammunition supply stock control and accounting duties using both automated and manual procedures.

INFORMATION TECHNOLOGY AND COMMUNICATIONS

The information technology and communications field makes up 6.3 percent of the fields reported.

Signal Support Systems Specialist (16)	Supervise, install, employ, maintain, troubleshoot and assist users with battlefield signal support systems, terminal devices, satellite communications equipment and automated telecommunications computer systems, to include local area networks, wide area networks and routers. Integrate signal systems and networks; performs unit level maintenance on authorized signal equipment and associated electronic devices; train and provide technical assistance to users of signal equipment.
Information Technology Specialist (13)	Supervise, install, operate and perform unit level maintenance on multi-functional/multi-user information processing systems, peripheral equipment, and associated devices. Perform analyst and information assurance functions and conducts data system studies. Perform Information Services Support Office (ISSO) duties of printing, publications, records management and Communication Security (COMSEC) custodian functions and certification authority duties in support of the Defense Message System (DMS).
Telecommunications Operations Chief (4)	Plans, coordinates, configures, directs, integrates, and supervises the installation, operation, maintenance, and management of telecommunications systems and networks, and oversees

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	information systems support functions for command, control, communications, and computers used at all echelons of the Army.
Cable Systems Installer-Maintainer (3)	Cable Systems Installer-Maintainers are primarily responsible for installing, operating and performing maintenance on cable and wire communications systems, communication security devices and associated equipment.

ENGINEERS

The engineer field makes up 6.1% of the fields reported.

Combat Engineer (31)	Engaged in providing mobility, counter-mobility and survivability support to combat forces. Operates, directs and assists in the operation of various light and heavy engineer wheeled and tracked vehicles. Directs construction of shelters and assembly of military fixed bridges.
Other (10)	4 Horizontal Construction Engineers, 2 Technical Engineers, 2 Firefighters, 1 Interior Electrician, 1 Terrain Data Specialist

MEDICAL

Personnel in the medical field make up 6.1% of the reported fields.

Health Care Specialist (26)	Provide emergency medical treatment, limited primary care, force health protection, evacuation in a variety of operational and clinical settings from point of injury or illness through the continuum of military health care under the supervision of a physician, nurse or physician's assistant. As a field combat medic, provides emergency medical care/treatment at point of wounding on the battlefield or to battle and non-battle casualties during wartime .
Other (14)	3 Medical Lab Specialists, 3 Vet Food Insp Spec, 2 Preventive Med Specialists, 2 Medical Logistic Specialists, 1 Nutrition Care Spec, 1 Biomedical Equipment Specialist, 1 Patient Admin Specialist, 1 Radiology Specialist

MILITARY INTELLIGENCE

The military intelligence field makes up 6.0% of the fields reported.

Intelligence Analyst (20)	Supervises, performs, or coordinates collection management, analysis, processing, and dissemination of strategic and tactical intelligence.
Human Intelligence Collector (13)	Supervises and conducts debriefings and interrogations and elicitation in English and foreign languages for positive intelligence and force protection information. Translates documents, prepares and edits reports. Conducts analysis and performs briefings.

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Military Intelligence Systems Maintainer/Integrator (4)	Performs and supervises maintenance, integration, and electronics monitoring on various computer systems. Conducts computer network operations, installs and reconfigures computer hardware and software and authors web applications.
Signals Intelligence Analyst (2)	Supervises and performs analysis and reporting of intercepted foreign communications. Performs collection management and produces intelligence reports.

E. DESIRED POST- MILITARY SERVICE EMPLOYMENT: Respondents are asked to indicate the type (or types) of post-military employment they desire. In order to standardize input for ease of analysis, the survey provides 14 broad categories conforming to industry categories found in the North American Industrial Classification System (NAICS), but respondents may write in and/or amplify any area not listed. For this 1st Quarter report, the top five desired categories of post-military service employment were³:

SOLDIER

- 1. Law Enforcement/Security: 107
- 2. Management/Business: 78
- 3. Medical/Health Field: 69
- 4. Education/Teaching: 52
- 5. Transportation/Warehouse: 49

SPOUSE

- 1. Medical/Health Field: 76
- 2. Education/Teaching: 42
- 3. Management/Business: 37
- 4. Administrative/Office: 26
- 5. Law Enforcement: 13
- Hospitality Industry:
- Aviation:

The anomalies in Military Occupational Specialty data may have been carried over to the types of post-service employment desired. Because of the higher number of Combat Arms respondents eligible to leave the military this quarter due to the redeployment cycles, Law Enforcement, as a desired career after military service, has continued to remain one of the top three desired careers after leaving the service since Oct 2007. A wide range of possibilities available in the Law Enforcement area is apparently appealing. Once again, a career in the Management/Business field is listed as one of the top three desired careers after military service and has been since October 2007. For the past twelve months, a career in the Medical/Health Field was one of the top three desired second careers and has been since January 2010. Education, once again, was a top desired career after leaving the service as has been seen many times in the latter part of 2009 and the beginning of 2010.

³ Employers desiring to hire Fort Hood veterans may post their employment website URL link on the ACAP website (www.acap.army.mil). Employers may also coordinate with the Fort Hood Transition Services Manager (Linda Christ at (254)288-6735) to arrange to recruit potential Veteran employees in person Tuesday through Thursday, and briefly address the TAP workshop (industry they represent, skills they are seeking, availability to discuss job opportunities.) Employers may place a job posting via "Work in Texas" (www.workintexas.com) - a statewide, internet-based job matching system through the Central Texas Workforce Center (254)200-2020. The Texas Veterans Services staff work closely with the Central Texas Workforce Business Services including job development, direct referrals, and military skills-civilian occupations matching. Contact Jerry Butts (Killeen: (254)200-2026) or Waverly Hargrove (Temple: (254)773-1607, ext 4032) for more information.



Since July 2008, the Medical/Health Field topped the list for desired spouse employment. Since October 2007, the top desired careers have always included Administrative/Office, Education/Teaching and Management/Business. For this quarter as well as 3rd Quarter 2010, Law Enforcement/Security was in the top desired careers for spouses. We will continue to follow this to see if this is a beginning trend for spouses.

The top categories of desired post-service employment for those intending to retire from military service are:

- | | |
|------------------------------|--------------|
| 1. Management/Business: | 17 responses |
| 2. Education/Teaching: | 15 responses |
| 3. Law Enforcement/Security: | 12 responses |
| 4. Transportation/Warehouse: | 11 responses |
| Equipment Maint/Repair: | 11 responses |
| Medical/Health: | 11 responses |

Retiring Soldiers listed Transportation as an area for post-service employment which has been one of the top five choices since October 2008. Again, this is most likely a function of the high volume of respondents this quarter whose MOS was Transportation and Logistics which has always been one of the top three MOSs since January 2008. Since October 2007, Education/Teaching has always been one of the top five desired employment choices after retirement except for the months of October - December 2009. Equipment Maintenance/Repair was listed for the second time as one of the top five desired career choices for those who are retirement eligible. We will continue to monitor this in future reports.

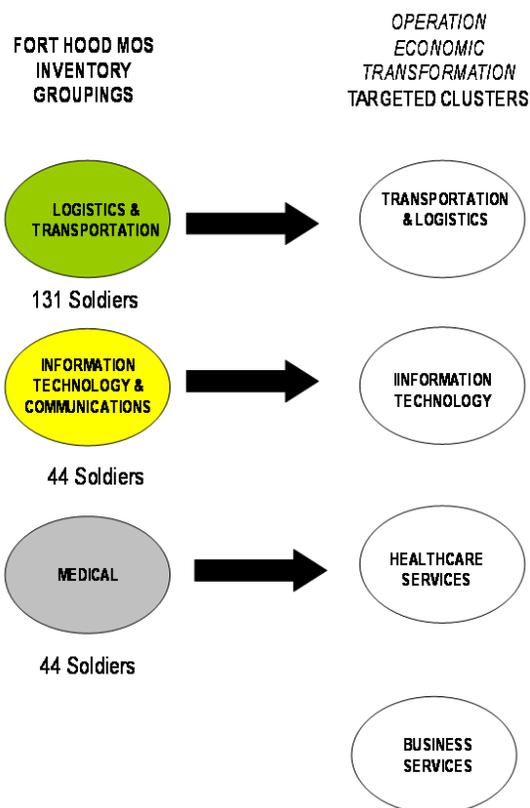
Officers and Non-Commissioned Officers eligible to retire have spent many years leading increasingly larger and more complex organizations, are graduates of an Army Professional Education system that focuses on developing their leadership skills, and have demonstrated success as a result of their longevity of service. In most cases, their skills would include human resource development, supervision of large numbers of subordinates, fiscal planning, etc. Therefore, Management and Administration are areas of post-service employment that are consistent with their training and experience.

The *Operation Economic Transformation* Report identified four “target industries” or clusters that present the Greater Fort Hood Region with immediate opportunities for economic growth:

- Information Technology
- Transportation and Logistics
- Healthcare Services
- Business Services

Clusters are geographic concentrations of interconnected firms and institutions utilizing related applications and serving similar markets. When fully developed, clusters can act as the principal drivers of economic growth and innovation in a region. The report recommended pursuing the development of these four clusters through a coordinated strategy of business retention, recruitment and entrepreneurship.

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When separating the respondents into major MOS categories, the data directly correlates to these target clusters in the Operation Economic Transformation Report as shown in the chart above. In addition, because Officers and Non-Commissioned Officers eligible to retire have spent many years of their military career in leadership positions and are graduates of an Army Professional Education system, they have acquired many skills in Management and Administrative roles. This training and experience, regardless of their MOS, would directly correspond with the Business Services cluster.

F. EDUCATION LEVEL OF THOSE REMAINING IN THE REGION: Respondents provide their highest level of educational attainment. For this quarter, sixty-nine percent of the respondents who intend to remain in the region have some level of post-secondary education:

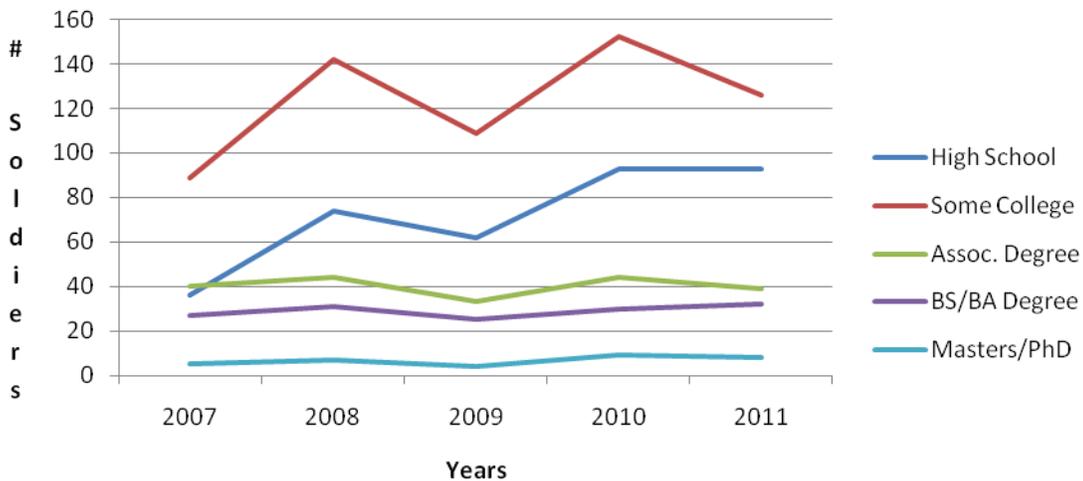
1. Some College - 42.3%
2. Associates Degree - 13.1%
3. Baccalaureate Degree - 10.7%
4. Masters Degree - 2.7%

With data from 15518 Soldiers separating over the last 17 quarters, the following graph shows the averages for the highest level of post-secondary education of which Soldiers have attained between 2007 - 2011. When taking the averages of educational attainment of each year for those Soldiers who intend to remain in the Killeen-Temple-Fort Hood MSA, both retirement



eligible and non-retirement eligible, the data shows that the educational attainment for all Soldiers separating and intending to remain in the region has increased steadily since 2007. This demonstrates the fact that these Soldiers have a high degree of self initiative since many of these Soldiers continue to pursue a higher level of education around multiple deployments overseas. Continuing education is an important component to retention and, in today's Army, Soldiers routinely perform in an increasingly sophisticated and technical operating environment in the execution of their duties. Enrollments at the two regional community colleges are up, and the creation of Texas A&M-Central Texas in May 2009 provides additional opportunities for Soldiers pursuing (or finishing) baccalaureate and masters degrees. These Soldiers have acquired a wide range of skills and experience while in the service, and when combined with the high levels of educational attainment, they are highly qualified, valuable, and competitive for the Killeen-Temple-Fort Hood civilian workforce.

Educational Attainment for Those Intending to Remain in MSA (Avg/Year)

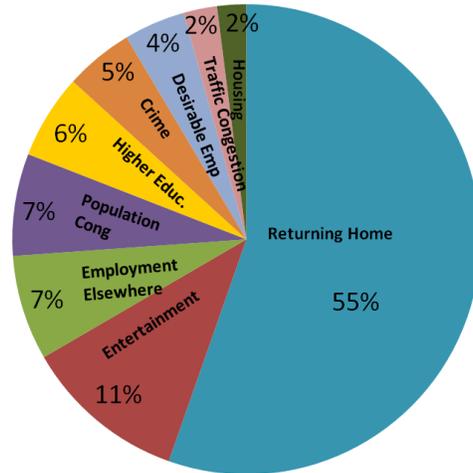


G. DESIRED “QUALITY OF PLACE” IMPROVEMENTS:

1. In the past, the Veteran's Inventory Initiative reports have tracked the respondents' desired improvements (their perception of the Central Texas Quality of Place) if remaining in the Killeen-Temple-Fort Hood MSA after separation from the military service. Respondents were also given the opportunity to provide additional comments regarding their response to "quality of place." The survey was revised in July 2009 to gain more clarity on the quality of place factors that separating Soldiers specifically indicated needed improvement.

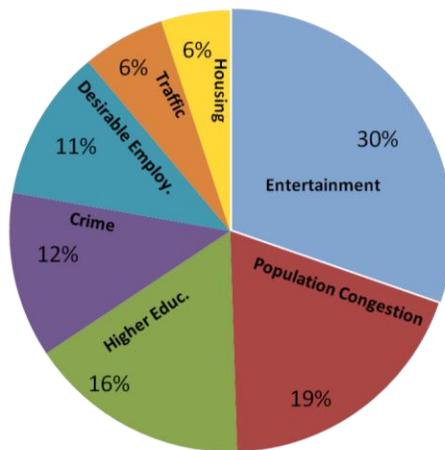


**Desired Quality of Place Responses
1st Quarter 2011**



After removing the 55% who state they intend to "return to home of record" and "moving for employment elsewhere" choices, the following graph depicts the factors the remaining 45% cite as quality of place issues.

**Quality of Place Desires Needing Improvement
1st Quarter 2011**



2. For this quarter, the top two desired quality of place improvements remained the same as last quarter - available entertainment followed by population congestion. The perception of population congestion in the area may be a result of several units returning from deployment recently as well as the military's commitment to increase the dwell time between unit deployments as compared to the past several years. Traffic congestion moved to one of the

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last desired quality of place improvements and this may be a result of the recent completion and improvement of entrance/exit ramps and the addition of more lanes on 190.

Although available higher education was listed as the third desired quality of place improvement, the enrollment at Texas A&M University - Central Texas (TAMU-CT) in Killeen continues to grow each semester and the first new administration building will be opening in the fall of 2012. The enrollment for this new university increased 18% once the university became stand-alone. In addition, Central Texas College (CTC) has had an increase in its enrollment as well. The past academic year was a record-setting one with an over 6,000 student headcount at the central campus, 2,500 at the Fort Hood campus, and an increase in the distance learning enrollments as well. CTC signed a memorandum of agreement (MOA) in November 2010 with TAMU-CT that articulate and transfer academic credit between the two institutions to complete an associate's degree with CTC or a bachelor's degree with TAMU-CT. In addition, CTC was named for the fourth consecutive year as one of the Top 20 Military-Friendly Colleges and Universities because of its ability to offer associates degrees via face-to-face classroom instruction as well as a distance learning option while providing maximum credit for military education and training. This two-year college, paired with TAMU-CT, provides many Soldiers and their families a more attainable and affordable option to completing their higher education while serving in the military or after separating from the service. We will continue to monitor this growing upper-level university and its partnership with CTC as it becomes more known in the area. While there are areas that separating Soldiers desire to see improvements to within the MSA, the Killeen-Temple-Fort Hood MSA economy appears to be more stable than many other areas in the country as well as most of Texas which makes this a desirable area to live after separating from the military.

Perceptions versus reality. Specific comments that separating Soldiers cite as desired improvements to the Central Texas "Quality of Place" remain consistent from previous reports. As 75 to 80 percent of Fort Hood Soldiers reside in the communities of Central Texas (98% within 10 miles of the Fort Hood main gate), the comments reflect their perceptions of areas where improvements might further influence their decision to remain in the region when their military service ends. As Operation Economic Transformation points out, "Economic development planning that is responsive to new opportunities...recognizes the increasing importance of quality of place in the attraction and retention of business and workers. Quality of place is about providing options, not just for current residents, but for those who will be residents in the future." Veterans ending their service at Fort Hood are clearly a talented and educated workforce worth retaining in the Central Texas region, and their perceptions of Quality of Place improvements are important feedback to be considered in future planning. We will continue to monitor the responses for any significant changes in subsequent reports.

Additional information not addressed in this quarterly report may be available for release to eligible entities. Requests for specific information should be addressed in writing to Executive Director, Heart Of Texas Defense Alliance at 2916 Illinois Avenue, Killeen TX 76543.

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