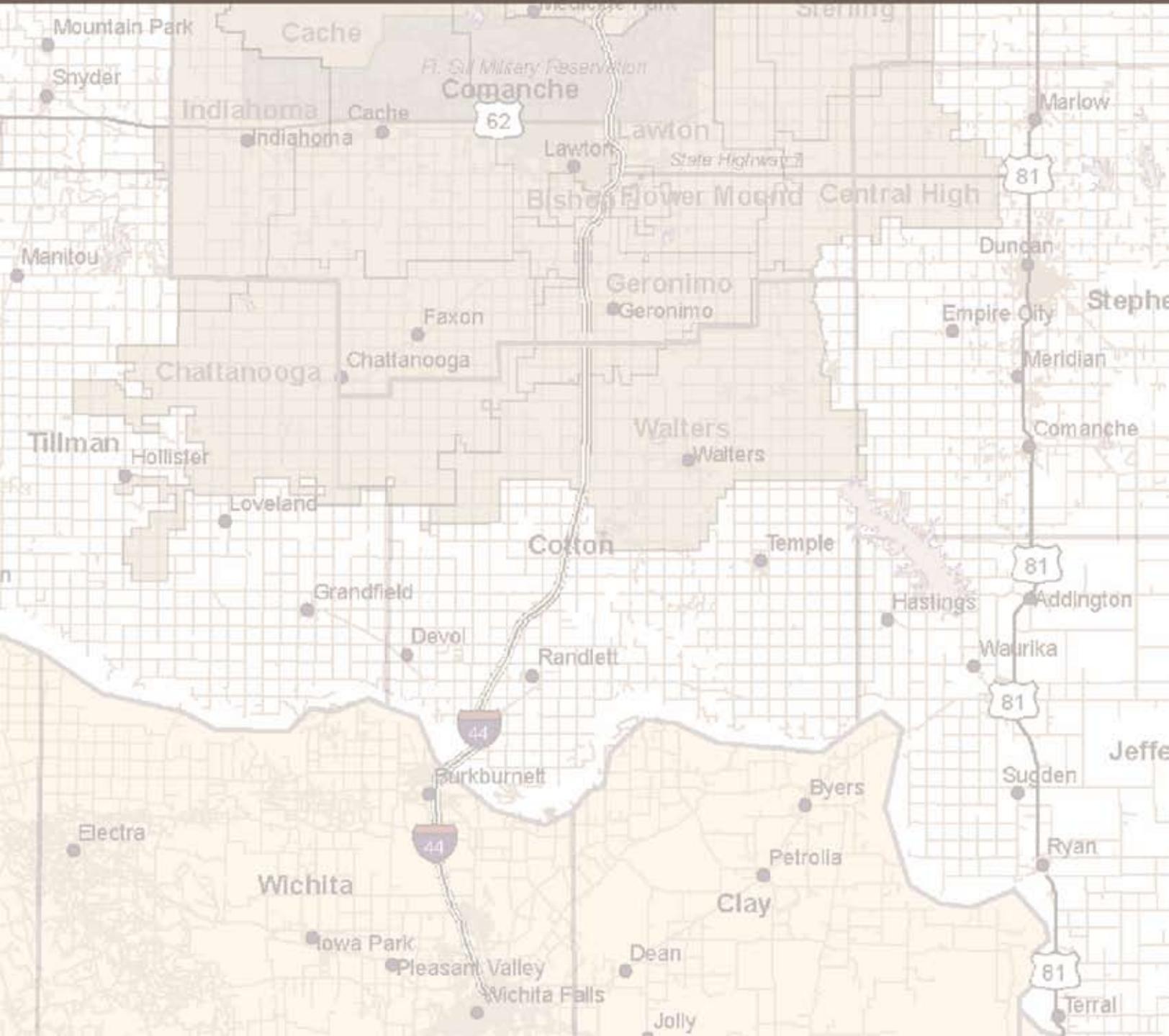


CHAPTER 4

**SOCIO-ECONOMIC
& WORKFORCE
IMPACTS**



CHAPTER 4

Introduction

This chapter examines the regional economic and demographic impacts of installation growth and reorganization at Fort Sill. The primary purpose of this chapter is to present an evaluation of direct and indirect economic changes associated with the increase in the number of military personnel, as well as other related changes in Comanche County, Oklahoma. In our review and analysis it was determined that, while there will be some economic and population impact throughout the study area (i.e. outside of Comanche County), the dominant share of the anticipated growth will center in Comanche County in the cities of Lawton, Cache and Elgin.

This analysis utilizes the output from the Regional Economic Models, Inc. (REMI) evaluation of the economic impacts associated with installation expansion at Fort Sill. Inputs into the REMI analysis were from several sources, including using data from the Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS), the Department of Energy, Department of Defense (DoD), the Bureau of Census, information from Fort Sill, local municipalities and the consulting team. The Great Plains Technology Center of Lawton, Oklahoma completed the “run” of the REMI model.

Summary Impacts

Figure 4-1 provides a summary examination of the population and employment impacts anticipated with the BRAC changes. This data is based on the REMI modeling completed for the project and uses the 2007 data as the baseline year for comparison purposes. As indicated, based on the new military and non-military job growth associated with BRAC, population and employment will increase across Comanche County over the planning period, averaging almost 1% increase per year. The details of this growth are further explained and highlighted throughout this chapter, but it is clear that BRAC will play a significant role in reversing the negative employment and population trends occurring throughout the region over the last 10 years.

Population/Employment Summary						
	2000 Census	REMI Base-2007	2008	2010	2015	2020
Population - Comanche Co.	114,996	114,884	117,540	125,218	132,837	137,813
Employment @ Fort Sill	13,484	14,701	14,870	17,761	17,881	17,881
Employment - Comanche Co.	53,243	67,031	68,800	73,097	74,104	73,753
<p>NOTES: 1) Population Increase over 2000-2020 averages approximately 1% per year. 2) Military Employment averages 18.2% of total employment over planning period. 3) Total employment peaks in 2013 and averages 0.8% per year.</p> <p>Sources: REMI, Department of Defense, RKG Associates, Jacobs Carter Burgess</p>						

Figure 4-1: Population/Employment Summary

In addition to these population and employment increases, BRAC improvements and changes will impact the local economy as indicated in the accompanying box. These impacts will create jobs, incomes and new tax revenue sources for all of Comanche County and its associated governments.

Overall BRAC Impacts per REMI Model

- + add 10,200 persons to Comanche County over and above the increase in the baseline population, including 2,600 direct military personnel and 7,600 other new residents throughout the county.
- + add approximately 6,100 new jobs, including 3,500 that are non-military
- + create a cumulative BRAC impact of \$4.4 billion in additional economic activity over the planning period
- + add an average annual increase in wages and salaries from BRAC impacts of \$58 million which create potential cumulative income tax revenues to State of Oklahoma ranging from \$30 million to \$37 million over the planning period
- + generate an cumulative \$940 million increase in retail spending over the planning period that translates into an increased retail demand capable of supporting approximately 150,000 square feet of retail space
- + generates potential cumulative additional sales tax receipts (constant dollars) to the following entities:
 - \$21.2 million to State of Oklahoma
 - \$12.2 million to City of Lawton
 - \$1.8 million to Comanche County



ECONOMIC IMPACTS

The REMI model generates estimates for both direct and indirect impacts. Direct impacts for this analysis are expanded military operations, military personnel, on-post jobs, and on-post infrastructure spending. *Figure 4-2* is a representation of REMI Policy Insight’s structure and illustrates the linkages within the local economy. The output block shows how businesses will produce goods to sell to other firms, consumers, investors, governments, and purchasers outside the region. The Labor and Capital Demand block shows how labor and capital requirements depend both on total sales (output) and on relative costs. In the Demographic block, Population and Labor Supply contribute to consumer spending (demand) and influence wages. Supply and demand interact in the Wage, Price, and Profit block. Production costs determine market shares locally, for the rest of the U.S. and for the rest of the world. Output depends on market shares and the components of demand.

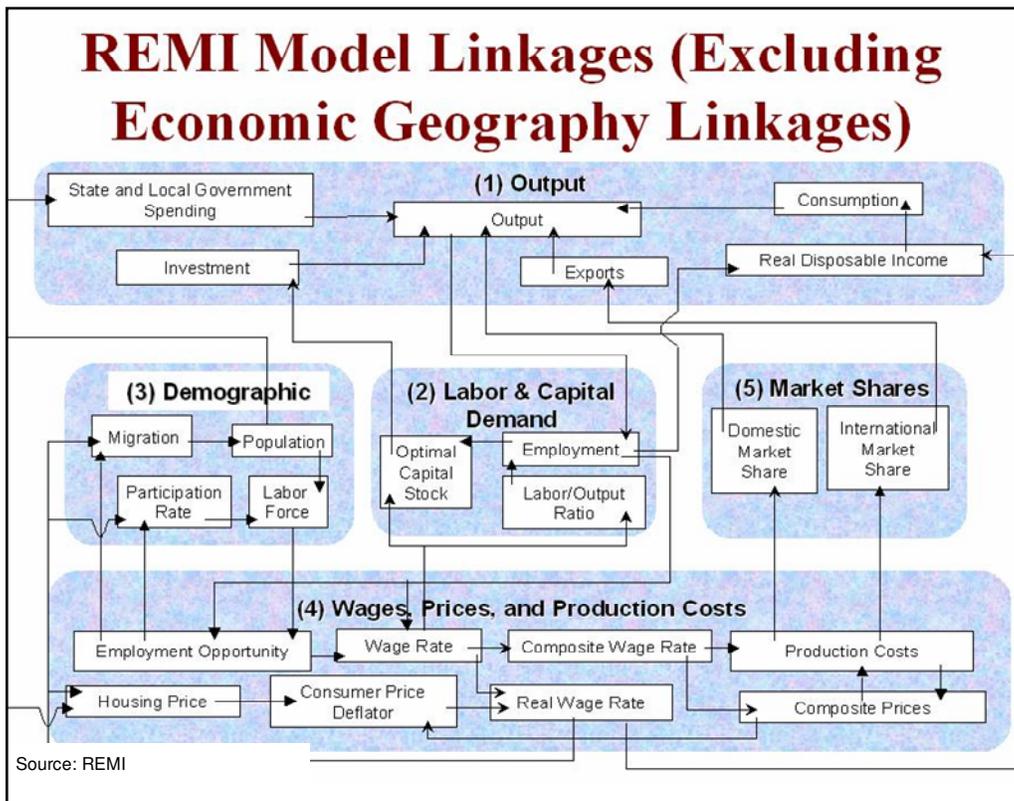


Figure 4-2: REMI Model Linkages

In essence, the REMI model reviews the baseline conditions for an economic area, in this instance for Comanche County, Oklahoma, and estimates the direct and indirect impacts of “changes” introduced into that economic area, such as an expansion of personnel at Fort Sill, as represented in *Figure 4-3*.

Lawton - Fort Sill, OK Direct Impacts	Revised Estimates		
	2005	2011	Change
Soldiers	10,039	12,635	2,596
Military Students	4,643	6,143	1,500
Military Family Members	13,553	18,391	4,838
DA Civilian Employees	2,458	2,504	46
NAF Employees	856	856	0
TOTALS	31,549	40,528	8,979

Source : Fort Sill, Oklahoma and RKG Associates, Inc.
Note - Revised 2011 DA Employees excludes family members, estimated to be an additional 87 persons.

Figure 4-3: Lawton - Fort Sill Direct Impacts

As indicated in *Figure 4-3*, available estimates of direct changes in personnel indicate a “growth” at Fort Sill, 2,596 soldiers; 1,500 military students; 4,838 military family members; and, associated direct civilian employment. This data becomes “input” into the REMI modeling. Additional “input” into the REMI model is the construction activity associated with expansion at Fort Sill. *Figure 4-4* presents the estimated direct construction impacts, totaling \$916.2 million over the timeframe.

Construction \$ Amounts and Phasing									
PROJECT	TOTAL \$	2007	2008	2009	2010	2011	2012	2013	2014
31st ADA Brigade	\$128,000,000		\$89,000,000	\$39,000,000					
ADA School	\$210,000,000	\$138,000,000	\$72,000,000						
Armed Forces Reserve Center	\$39,000,000		\$19,500,000	\$19,500,000					
Physical Fitness Facility	\$20,000,000					\$10,000,000	\$10,000,000		
Unit Chapel	\$9,100,000					\$4,550,000	\$4,550,000		
Vehicle Maintenance Shop	\$22,000,000							\$11,000,000	\$11,000,000
NCO Academy Complex	\$34,000,000						\$17,000,000	\$17,000,000	
Fire Station	\$3,350,000							\$1,675,000	\$1,675,000
Trainee Barracks Complex	\$59,000,000						\$29,500,000	\$29,500,000	
Trainee Barracks	\$37,000,000						\$18,500,000	\$18,500,000	
Vehicle Maintenance Shop	\$13,400,000						\$6,700,000	\$6,700,000	
Rail Deployment Facility	\$2,700,000						\$1,350,000	\$1,350,000	
Infantry Squad Battle Course	\$3,300,000				\$1,650,000	\$1,650,000			
Fire and Movement Range	\$1,700,000				\$850,000	\$850,000			
Fires Brigade Complex	\$103,000,000						\$51,500,000	\$51,500,000	
Child Development Center	\$8,600,000					\$4,300,000	\$4,300,000		
Battle Lab	\$23,000,000						\$11,500,000	\$11,500,000	
Remote Switching Unit	\$5,400,000							\$2,700,000	\$2,700,000
Central Issue Facility (CIF)	\$13,400,000				\$6,700,000	\$6,700,000			
Night Infiltration Course	\$1,500,000				\$750,000	\$750,000			
Climate Controlled Storage Building	\$13,400,000				\$6,700,000	\$6,700,000			
Modified Record Fire Range	\$2,350,000							\$1,175,000	\$1,175,000
Training Complex Upgrade	\$63,000,000			\$31,500,000	\$31,500,000				
SUBTOTAL	\$816,200,000	\$138,000,000	\$180,500,000	\$90,000,000	\$48,150,000	\$35,500,000	\$154,900,000	\$152,600,000	\$16,550,000
Miscellaneous and Unspecified	\$100,000,000		\$14,285,714	\$14,285,714	\$14,285,714	\$14,285,714	\$14,285,714	\$14,285,714	\$14,285,714
TOTAL	\$916,200,000	\$138,000,000	\$194,785,714	\$104,285,714	\$62,435,714	\$49,785,714	\$169,185,714	\$166,885,714	\$30,835,714

Source : Fort Sill, OK and RKG Associates, Inc.

Figure 4-4: Construction Investment and Phasing 2007-2014



Population

The following demographic component of the REMI model uses a “cohort-component” method to forecast the population for a region. The population and labor-force estimates in the REMI model include detailed demographic information about the region. The total population reflects mid-year estimates of people, and includes survivors from the previous year, births, special populations, and three types of migrants (economic, international, and retired). The rate of change for each of the components depends on both observed historical trends in the region and on forecasted national trends. The REMI model calculates the demographic changes every year, for each age group by gender and ethnicity. The majority of this data is provided by official sources, while a portion must be estimated. Changes in population are due to changes in birth rates and migration (retired and international) that is the result of economic growth. The population variable in REMI Policy Insight will directly affect the potential labor force, government spending, consumer spending, and tax collections (sales notably sales tax).

The baseline population is projected to increase from approximately 115,000 in 2007 to 127,600 by 2020, representing an increase of approximately 11.3%. However, with the impact of BRAC and the related installation growth of Fort Sill, the REMI population is projected to be 137,800 in 2020, representing an overall 20% increase since 2007 more than 10,000 persons over the projected baseline population over the same period, as presented in *Figure 4-5*.

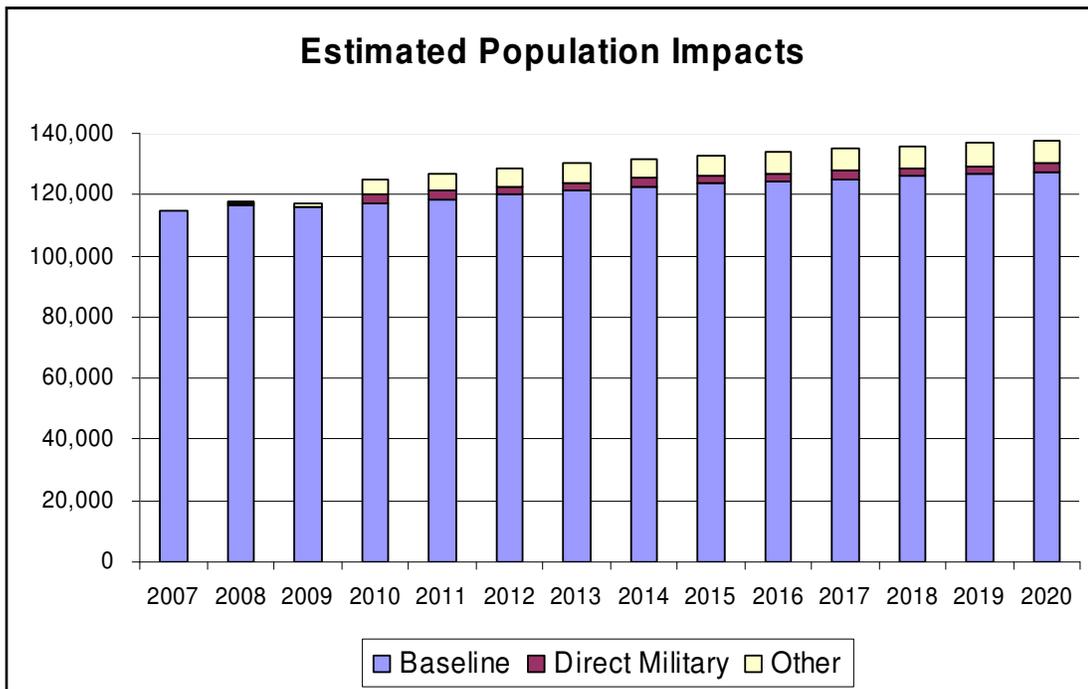


Figure 4-5: Estimated Population Impacts

This increase in population also has implications for an increase in consumer demand and spending (to be discussed subsequently). In total, the estimated increase in population is projected to generate an additional \$940 million in consumer spending demand over the 2007 to 2020 time-period.

Employment

The following Employment variable in the REMI baseline forecast uses historical data from the Bureau of Economic Analysis (BEA). This variable is based on place of work and includes part-time employees, full-time employees, and the self-employed. The model counts full-time and part-time jobs at equal weight. These estimates will not be consistent with employment estimates from the Bureau of Labor Statistics (BLS) as BLS records “full-time equivalent” employment. The county employment estimates are a count of the number of jobs so that, as with the earnings estimates, a worker’s activity in each industry and location of employment are reflected in the measure.

The baseline employment in Comanche County is projected to increase from 66,100 in 2007 to approximately 67,600 in 2020, representing a 2.4% increase. With additional employment, both military and non-military associated with BRAC, the REMI estimate for employment in Comanche County exceed 73,800 by 2020, representing a 10% increase from 2007. As such, the direct military employment in Comanche County represents about one-fifth of all employment in Comanche County. *Figure 4-6* presents the employment changes in the baseline, direct military and non-military, given the proposed expansion at Fort Sill.

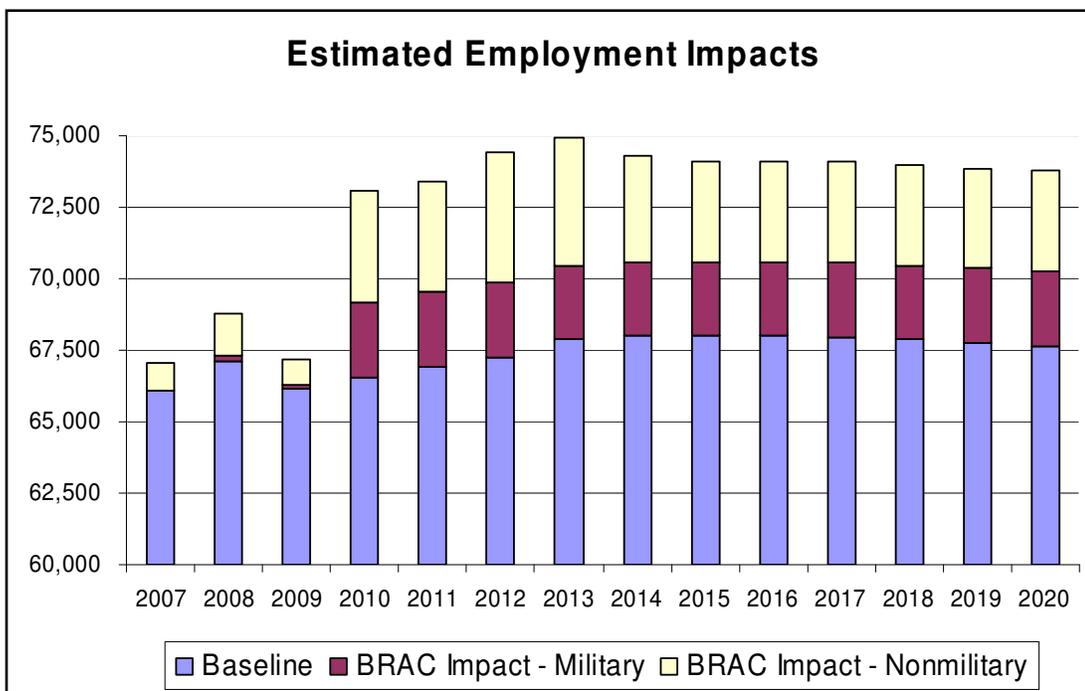


Figure 4-6: Estimated Employment Impacts

This projected increase in employment is also projected to result in an approximate \$58.3 million average annual increase in wages and salaries over the 2007 to 2020 time-period, of which almost 90% of these increased wages are directly attributable to BRAC.



Overall Economic Impact

Gross Regional Product (GRP) is a value-added concept that is analogous to the national concept of Gross Domestic Product. GRP is essentially the market value of all final goods and services produced within a given region. The components that make up GRP are spending by governments, investment within the region by firms and individuals, consumption by individuals, the combined effects of trade (net exports equals exports minus imports), and the change in business inventories (CBI). GRP is usually a smaller dollar amount than output because output includes the production of final goods and intermediate inputs (business-to-business transactions), whereas GRP reports only final goods production. The baseline analysis for Comanche County indicates an increase in GRP from approximately \$3.7 billion in 2007 to \$6.2 billion in 2020. This represents an increase of more than 68% over the time-period. The addition of the BRAC impacts over the time-period results in another \$4.4 billion in economic activity. This then equates to a near 79% increase in economic activity from 2007, as presented in *Figure 4-7* and *Figure 4-8*.

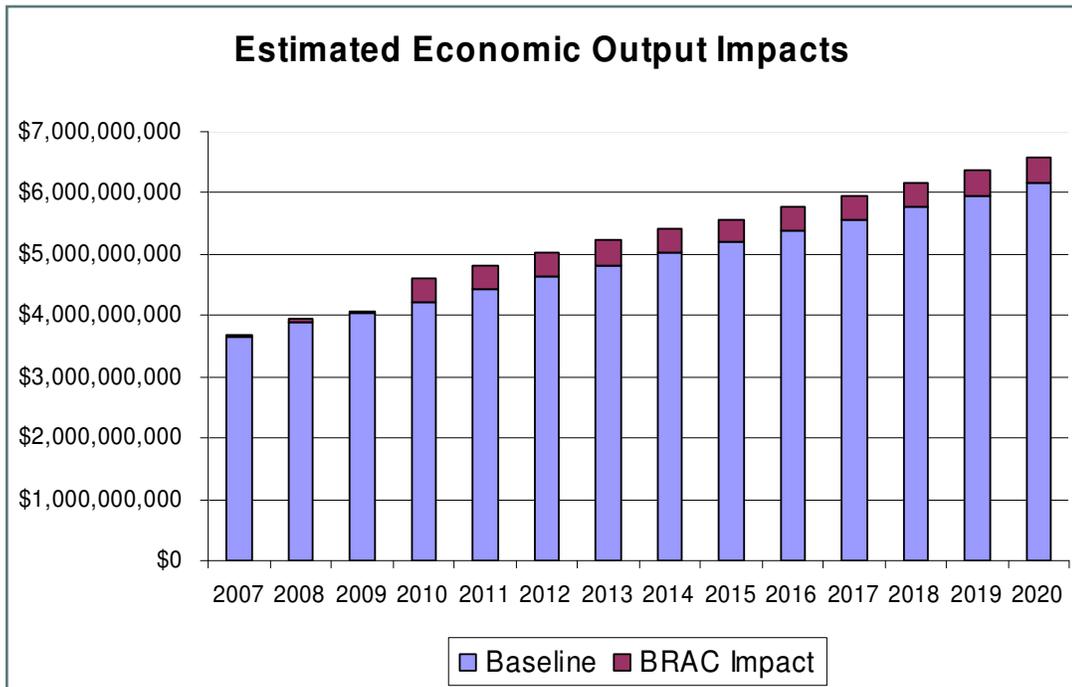


Figure 4-7: Estimated Economic Output Impacts from BRAC

REMI - Comanche County, OK						
		2008	2009	2010 - 2013	2014 - 2020	TOTAL
GRP (ECONOMIC OUTPUT)						
	Baseline	\$3,900,000,000	\$4,031,000,000	\$18,102,000,000	\$39,076,000,000	\$65,109,000,000
	BRAC Impacts	\$58,330,000	\$42,330,000	\$1,573,700,000	\$2,741,000,000	\$4,415,360,000
	Total GRP	\$3,958,330,000	\$4,073,330,000	\$19,675,700,000	\$41,817,000,000	\$69,524,360,000
	BRAC as %	1.47%	1.04%	8.00%	6.55%	6.35%

Source : Fort Sill, OK, Great Plains Technology Center and RKG Associates, Inc.

Figure 4-8: Summary GRP Impacts (REMI) for Comanche County, OK

Estimated Potential Revenue Impacts

The increases in population, employment and overall economic activity, as modeled by REMI and as resulting from an expansion of the Fort Sill installation, also results in an estimated increase in potential revenues to the State of Oklahoma, local municipalities, school districts and Comanche County. These potential revenue impacts include an income tax, ad valorem tax and sales tax, each discussed in turn.

Wages and Income Tax

As noted previously, the average increase in wages and salaries over the 2007 to 2020 time-period is estimated to be \$58.3 million (constant dollars). For the 2008 to 2020 time-period, this increase in wages represents nearly \$800 million cumulatively, as presented in *Figure 4-9*.

REMI - Comanche County, OK					
	2008	2009	2010 - 2013	2014 - 2020	TOTAL
WAGE & SALARY DISBURSEMENTS					
Baseline	\$934,000,000	\$967,000,000	\$4,285,000,000	\$9,260,000,000	\$15,446,000,000
BRAC Impacts	\$29,960,000	\$19,070,000	\$287,420,000	\$461,440,000	\$797,890,000
Total Wage & Salary Disbursements	\$963,960,000	\$986,070,000	\$4,572,420,000	\$9,721,440,000	\$16,243,890,000
BRAC as %	3.11%	1.93%	6.29%	4.75%	4.91%

Source : Fort Sill, OK, Great Plains Technology Center and RKG Associates, Inc.

Figure 4-9: Summary Wage and Salary Impacts (REMI) for Comanche County, OK

Utilizing the 2007 Oklahoma state income tax rates and applying those rates to the number and salary levels of new Fort Sill BRAC personnel, an overall average tax rate of the anticipated military increase, both singles and married with dependents, results in the following projected additional income tax revenue to the State of Oklahoma, ranging from \$29.6 million to \$36.6 million. The mid-range ("MID") estimate is a straight application of the average income tax rate applied to the estimated total wages. These are presented in *Figure 4-10*.

REMI - Comanche County, OK					
	2008	2009	2010 - 2013	2014 - 2020	TOTAL
STATE INCOME TAXES					
Estimated Increase over Baseline - LOW	\$1,112,864	\$708,355	\$10,676,216	\$17,140,189	\$29,637,624
Estimated Increase over Baseline - MID	\$1,309,252	\$833,359	\$12,560,254	\$20,164,928	\$34,867,793
Estimated Increase over Baseline - HIGH	\$1,374,715	\$875,027	\$13,188,267	\$21,173,174	\$36,611,183

Source : Fort Sill, OK, Great Plains Technology Center and RKG Associates, Inc.

Figure 4-10: Summary Estimates of State Income Tax Revenue (REMI) for Comanche County, OK

The LOW estimate represents approximately 85% of the MID estimate. The LOW estimate reflects the possibility that some new workers to the Lawton area may not claim Lawton (or Oklahoma) as their permanent address. The HIGH estimate represents 105% of the MID estimate, noting that some workers may have supplemental dividend, interest or other income streams. None of the estimates are adjusted for standard deductions or dependents as the actual composition of new families and workers to Lawton, by wage, is highly speculative. In this manner, this analysis estimates a likely range of increased income tax revenue to the State of Oklahoma.

Ad Valorem Taxes

New residential ownership will result in additional assessment values and hence ad valorem (property) taxes. The REMI model indicates that the cumulative new residential property values would equate to approximately \$1.53 billion over the 2008 to 2020 time-period. However, the average assessment ratio for Comanche County is 11.25%, indicating that the cumulative \$1.53 billion in additional property value would be assessed for \$172 million. It is from this basis that individual millage tax rates are applied, as shown in *Figure 4-11*.

Residential Growth Ad Valorem Tax Projections BRAC April 9 Simulation					
	2008	2009	2010 - 2013	2014 - 2020	TOTAL
Cumulative Residential Property Value Gain*	\$3.5	\$6.3	\$242.6	\$1,276.9	\$1,529.3
* \$ Millions and Constant					
Residential Property Valuation Gain @ 11.25% (Average Assessment Ratio)	\$393,750	\$708,750	\$27,292,500	\$143,651,250	\$172,046,250
Total Income for Residential Property	\$36,394	\$65,510	\$2,522,646	\$13,277,685	\$15,902,235
Estimated Lawton Public Schools (millage of 0.0613)	\$24,137	\$43,446	\$1,673,030	\$8,805,822	\$10,546,435
Estimated Great Plains Technology (millage 0.01425)	\$5,611	\$10,100	\$388,918	\$2,047,030	\$2,451,659
Estimated Comanche County (millage 0.01688)	\$6,647	\$11,964	\$460,697	\$2,424,833	\$2,904,141

Source : REMI, Great Plains Technology Center and RKG Associates, Inc.

Figure 4-11: Summary Impacts of Ad Valorem Tax Revenue (REMI)

As indicated in *Figure 4-11*, the estimated cumulative increase (constant dollars) in ad valorem taxes received by the Lawton Public Schools (assuming all new residential growth and property gains occur in Lawton) is \$10.5 million. In actuality, new population and housing would be across Comanche County, but most likely concentrated in the communities of Lawton, Cache and Elgin. For modeling purposes, as presented in this table, all new housing, and hence additional property values, are assumed to be in Lawton. The estimated cumulative increase to be realized by the vocational center is another \$2.5 million and approximately \$2.9 million by Comanche County.

Sales Tax

Sales tax is an integral component of revenue in Oklahoma, for the state as a whole as well as for counties and local municipalities. As noted previously, there is an estimated increase in consumer spending demand of \$940 million (2008 through 2020) associated with the increase in population associated with the expansion of Fort Sill. This growth in consumer spending reflects the estimated increase in population and the average retail sales per capita (approximately \$9,200 annually and in constant dollars).

This analysis assumes that 50% of this increased retail demand is spent in Comanche County (and Lawton specifically which already captures the majority of all retail activity in the county). The other 50% of retail sales is assumed to be spent on-post, via the internet and catalogs or away from Comanche County and hence not subject to local sales tax. While this actual percent spent locally may vary, the consultants have opted for "conservative" estimates, meaning not to potentially overstate the positive impacts.

As indicated in the preceding table, the potential cumulative gain to the State of Oklahoma is \$21.2 million in sales tax revenue (at a constant tax rate of 4.5%) from BRAC related consumer spending. Utilizing a constant sales tax rate of 0.38% for Comanche County, results in an estimated additional \$1.7 million in sales tax collections. The City of Lawton may receive an additional \$12.2 million in sales tax (on a constant tax rate of 3.25%).

REMI - Comanche County, OK					
	2008	2009	2010 - 2013	2014 - 2020	TOTAL
ESTIMATED INCREASE in SALES TAX @ 50%					
Estimated Increase in Consumer Retail \$	\$6,643,367	\$7,319,633	\$307,173,159	\$618,695,705	\$939,831,865
Consumer Retail - State of Oklahoma	\$149,476	\$164,692	\$6,911,396	\$13,920,653	\$21,146,217
Consumer Retail - Comanche County	\$12,456	\$13,724	\$575,950	\$1,160,054	\$1,762,185
Consumer Retail - City of Lawton	\$86,364	\$95,155	\$3,993,251	\$8,043,044	\$12,217,814

Source : Fort Sill, OK, Great Plains Technology Center and RKG Associates, Inc.

Figure 4-12: Summary Estimates of Sales Tax Revenue (REMI)

Sales Tax from Construction Activity – Another short-term potential for additional sales tax revenue may come from the tax estimated to be paid on construction supplies and material associated with the estimated \$916.2 million in construction activity at Fort Sill over the 2007 through 2014 time-period. To be conservative, this analysis assumes that 40% of the \$916.2 million is for the purchase of supplies and materials (the remainder is labor and other). As such, the taxable dollar value of materials is estimated to be \$366.5 million. This analysis further assumes that 50% of the supplies and materials are purchased locally, meaning that there is approximately \$183.2 million in purchases subject to local sales tax. Utilizing the aforementioned tax rates then results in an approximate additional \$15 million in sales tax receipts, as follows:

- State of Oklahoma – the potential sales tax revenue from Fort Sill specific construction activity of \$8.2 million.
- Comanche County – the potential sales tax revenue from Fort Sill specific construction activity of \$687,000.
- City of Lawton – the potential sales tax revenue from Fort Sill specific construction activity of \$6 million.

Potential Retail Development

The increase in consumer spending may also result in an increased demand for new retail stores and development. This analysis, again to be conservative, estimates that \$0.45 to \$0.65 cents-on-the-dollar of new retail purchases would likely occur on-post or at existing merchandisers in the Lawton – Fort Sill area. The remaining retail spending could be the stimulus for additional development (assuming a countywide average of approximately \$325/SF in sales) and could support 100,000 SF to 160,000 SF of retail development, as presented in *Figure 4-13*.

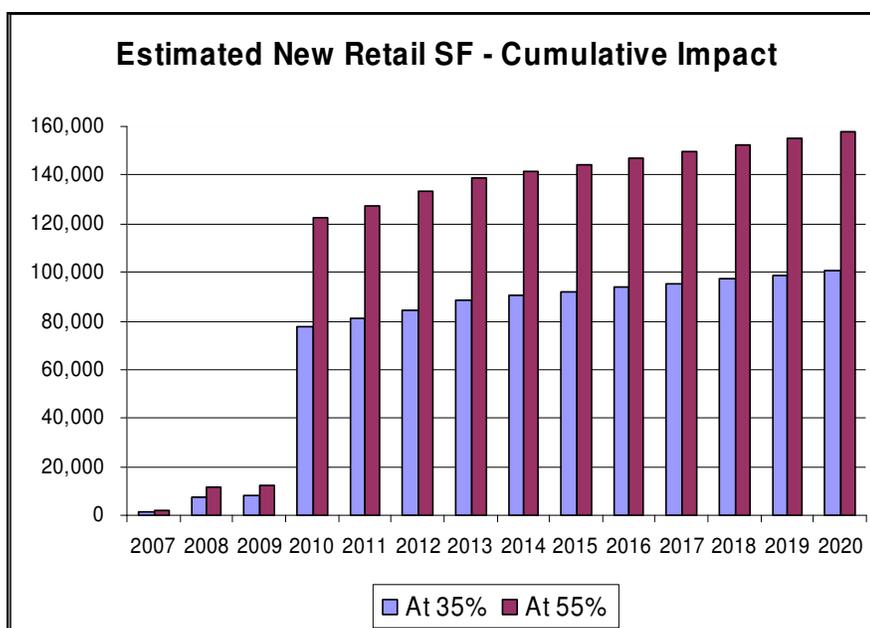


Figure 4-13: Estimated Supportable New Retail from BRAC



WORKFORCE IMPACTS

The preceding sections of this chapter identified the significant social and economic impacts that are anticipated due to the BRAC deployment at Fort Sill. Since the announcement of BRAC in 2005, the Lawton region, and more particularly the South Central Oklahoma Workforce Investment Board (SCOWIB) has researched and evaluated the status of their local labor market and workforce. The Department of Labor has provided two rounds of grant funding to these groups to perform business needs studies and training and education curriculum studies and development to ensure that the region understands the needs that may exist with the new BRAC deployment and define strategies to ensure that the area's education, training and workforce development infrastructure and network can help meet these needs.

This section of this chapter presents the major findings of these studies and the conclusions they reached. Through the course of this research and development of working groups to guide and study the workforce issues, these organizations have developed a comprehensive and coordinated strategy to address the key issues and they are now in the process of implementing many of the strategies outlined herein. As such, this Plan does not propose to alter or contradict any of the previous findings, conclusions, recommendations or implementation strategies already initiated or proposed by these groups. Instead, this section provides a summary of their efforts in order to confirm the ongoing and comprehensive commitment by the region to address these critical workforce issues and opportunities.

Background

Figure 4-14 (below) provides a listing of the current largest employers in the Lawton region.

Company	Employees
Fort Sill	5,092
Goodyear	3,300
Lawton Public Schools	2,528
Comanche Memorial Hospital	1,658
Walmart/Sam's	1,135
City of Lawton	841
Southwestern Medical Center	535
Assurant Group	443
Cameron University	425
Lawton Correctional Facility	398
Bar-S Foods	283
Great Plains Technology Center	275
Techrizon	275
Lawton Constitution	175
Chempac	145
Republic Paperboard	125

Figure 4-14: Area Employers



In addition to these employers, the Lawton region is also home to a number of defense contractors due to the presence of Fort Sill (see Figure below). These large companies and the defense contractors presently located in the area form a strong foundation for the area’s economy and provide a supply of trained workers for future employers.

Lawton Area Defense Contractors - 2007	
Advanced Systems Technology, Inc. (AST)	Institute for Advanced Technology (IAT)
The Boeing Company	Lockheed Martin Corporation
Booze Allen Hamilton	Morgan Research
CACI, Inc.	Northrop Grumman Information Technology
CAS, Inc.	Pioneer Services
Computer Sciences Corporation (CSC)	Raytheon
DME Corp.	Signal Mountain Associates
EFW, Inc.	Smiths Detection – Defense US
Eagle Systems	Stellar Solutions, Inc.
FSCX	Talley Defense Systems
Gene Love Enterprises	Tec-Masters, Inc. (TMI)
General Dynamics	Techrizon
ILEX	Titan Systems, Averstar Group
	Litton Data Systems
Source: Lawton Fort Sill Chamber of Commerce	

Figure 4-15: Lawton Area Defense Contractors - 2007

Workforce Studies

The SCOWIB initiated a three phase program of studying the workforce impacts and needs of the Lawton region as the BRAC legislation was being debated, finalized and now implemented.

Business Needs and Labor Force Study (make this heading like “Potential Retail Development” on page 4-10)

First, a Business Needs study and labor force study were conducted with the primary purposes of understanding the specific needs of the Air Defense Artillery domain, identifying workforce needs at Fort Sill, companies likely to locate to the area due to BRAC and those of existing companies in the area that may expand as a result of BRAC. While a variety of tools and research methods were used in this effort, a survey of defense contractors in and around the Fort Bliss area provided some critical findings and resulted in several key recommendations. Excerpts from the report (see Figure 4-16 on next several pages) provide the critical conclusions and recommendations from this initial phase of study.



4.3.1.6. Contractor Survey Conclusions and Recommendations.

Because there remains a high degree of uncertainty about how the BRAC process and movement of missions will play out, most defense contractors are pushing their development timelines “to the right”. Significant relocation of assets and personnel are not expected until the fourth quarter of 2008. There are several major conclusions that can be analyzed at this time, and planning to these situations can proceed.

Conclusion # 1, Labor Availability

The concerns and apprehensions of the management teams associated with defense contractors facing a move from El Paso, Texas to Lawton, Oklahoma can be summarized in the availability of qualified labor, specifically the availability of labor with direct experience in the Patriot Missile System. There are literally dozens of minor concerns ranging from the availability of class “B” or better office space, to access of broadband telecommunications. Defense contractors have no doubt that the Lawton-Fort Sill area will have little or no problem constructing buildings or installing lines of connectivity; however, they are concerned about a shortage of available workers with direct experience in Air Defense Artillery.

The contractors’ labor concerns stem from their understanding of the culture of their workforce as well as the lack of former / retired military in southwest Oklahoma with ADA experience. When initially asked about a possible transfer to the Lawton-Fort Sill area, most employees (70 to 80%) informed the company that they would not accept the move. This attitude is impacted by two main factors: family and retirement. The retirement factor is very simple to understand. Most of the employees (over 90%) are retired Army, and a high number of these employees are very near the age when they would be retiring from their jobs with a defense contractor. Their children are grown adults, their houses are paid for and their social network in El Paso is well established. The second factor of family is a little more complicated. Most of the defense contractors report that more than half of their employees are not only retired military but also

Figure 4-16: Excerpts from Business Needs Study



members of the Hispanic culture. To the Hispanic culture, family is paramount. For those employees, moving away from their immediate and extended family is simply not an option. If you combine the retirement factor and the cultural factor, there is a strong likelihood that the employee will have to be replaced with a new hire.

Recommendation # 1, Labor Attraction

The Lawton-Fort Sill area economic development effort, working closely with the Southwest Oklahoma Workforce Investment Board and Oklahoma Employment Security Commission, can begin an aggressive program to locate former Army personnel with Air Defense Artillery experience. This may require a nation wide recruiting effort. Special employment marketing packets will need to be developed. This effort should also include a continued marketing effort to current defense contractor employees who have not yet decided if they will accept a transfer to the Lawton-Fort Sill area.

A third group to recruit would be current ADA Army personnel who are nearing the end of their current enlistment or retirement. One such senior NCO was interviewed by Keith Bridges and Court Newkirk during a recent visit to El Paso. This NCO was actively pursuing a job with ADA defense contractors because his retirement date would parallel the BRAC timeline.

Conclusion # 2, Monitoring the Decision Making Process

Although the BRAC Legislation was initially met with varying degrees of skepticism, it is now generally accepted by defense contractors. The Economic Development Team found that most companies were taking a “wait and see” attitude when it comes to planning for future movement of missions and troop assignments. This situation has been exacerbated by the constant changing of planning numbers issued by the Department of Defense. There still exists a wide range of views and theories as to how much of the Air Defense Artillery School, and the overall Air Defense system, will eventually be moved from Fort Bliss to Fort Sill. This reluctance to divulge planning strategies and hard data concerning their respective corporate structures has made it extremely difficult to draw any conclusions that the Team feels will be within an acceptable level of statistical evidence.

Recommendation # 2, Continued Marketing Effort to ADA Defense Contractors

Many of the defense contracting companies have been reluctant to accept marketing calls from the Lawton Economic Development Team over the past year, but this attitude is quickly changing. The Team should continue a direct marketing program to all identified contractors for the foreseeable future, possibly through 2011. One company that initially reported that they had no plans to move any assets or personnel because of the BRAC legislation is now communicating with the Team. As the movement of missions become more clearly defined, we are confident that other companies will also have a change in posture.

The economic development recruiting effort should involve participation in the Association of the United States Army (AUSA) conventions and symposiums. There are two major AUSA events held each year that should be attended by members of the Team-

Figure 4-16: Excerpts from Business Needs Study (continued)



the annual national convention of the AUSA which is held in Washington DC, and the Space and Missile Defense Symposium and Exhibition which is held in El Paso.

The economic development effort should also include regular participation in the El Paso Defense Contractors meetings. The Economic Development Team has been invited to participate, and Raytheon, the lead contractor for the ADA School, has offered to host us at those meetings and assist us with building a network of contacts. The meetings are held monthly, but attendance by our Team members would not be that frequent.

The Lawton Fort-Sill Economic Development Team should also join the Association of Defense Communities and participate in their regional and national events. The ADC's next convention is the week of January 9, 2007, in St. Louis, Missouri. The Team is currently making plans to attend.

Conclusion # 3, AUSA Support

Informal discussion with the executive team of AUSA uncovered a willingness on their part, to consider moving the annual Space and Missile Defense Symposium and Exhibition from El Paso to Lawton-Fort Sill. As the ADA School is relocated, there is an opportunity to move this major annual event to our area, but not without a significant investment in meeting and tradeshow infrastructure. This event has drawn up to 2,000 attendees, and filled a major tradeshow center with elaborate displays by every defense contractor associated with space and missile defense. A trade show of this magnitude cannot currently be supported in Lawton; therefore, the AUSA is also considering moving the annual event to Dallas, Texas or Oklahoma City, Oklahoma. The Tourism and Convention office in Dallas is making a concerted effort to recruit this show.

Recommendation # 3, AUSA Support

All of southwest Oklahoma should continue to support the efforts of the downtown redevelopment of Lawton. This would include the construction of a major convention center with an attached conference center, hotel and a significant tradeshow display area possibly incorporated into a sports arena. The trade show floor space in the El Paso convention center is 80,000 square feet with a clear span ceiling height of twenty-eight feet. The main tradeshow space can be subdivided into thirds. The center also contains 17 breakout meeting rooms and two large lobbies.

Conclusion # 4, Foreign Military Involvement

The BRAC legislation did not delineate the training component for foreign militaries using Fort Bliss or what options those armies / air forces would have for continued joint training. As many as nine different foreign air defense systems currently train at Fort Bliss and all of these have the option to stay at Fort Bliss, move to Fort Sill, or move to some other location.

Recommendation # 4, Foreign Military Movement to Fort Sill

The economic development effort should include continued networking and marketing with these foreign military units. During a recent visit to El Paso, the Economic Development Team invited representatives of the German Army and the Israeli Air Force

Figure 4-16: Excerpts from Business Needs Study (continued)



to visit the Lawton-Fort Sill area. Both have tentatively accepted, but set appointments have not yet been finalized.

Conclusion # 5, Economic Development Incentives

The process of direct recruiting of defense contractors and foreign military training to southwest Oklahoma is truly in its earliest stages. Only one defense contractor has asked about possible assistance or incentives available from the State of Oklahoma or from the local area. Although, at this time, incentives do not appear to be a major issue, this situation could dramatically and quickly change.

Recommendation # 5, Economic Development Incentives

The legislative representatives for southwest Oklahoma, and their respective counterparts that represent other areas of the State with military installations, should begin the process of developing State supported incentive packages for recruiting defense jobs to our State. This development process should be done in cooperation with the cities, counties and economic development professionals from all affected areas.

Conclusion # 6, Physical Assets

At this time, the availability of office space is just beginning to appear on the radar screen of three defense contractors. Because of the rapid growth of the economy in southwest Oklahoma, the selection of office space at the quality level desired by defense contractors is limited and will become more acute as time passes. The availability of true dual feed broadband telecommunications is also an early concern.

Recommendation # 6, Physical Assets

The economic development effort in southwest Oklahoma should continue to encourage private sector developers to look at construction of new office centers for defense contractors. This component is already part of the long range development plans for the redevelopment of downtown Lawton. The effort should also include the encouragement of local and national telecommunication providers to improve their assets and construct another trunk line for broadband into the Lawton-Fort Sill area, for true dual feed capabilities.

Conclusion # 7, Changing Environment

Several major influences in the national and international political arena have limited the Consortium's ability to calculate conclusions with the level of confidence originally anticipated. The political climate caused by the war in the Middle East, and its subsequent affects on military budgeting and planning, have all but forced many private sector companies to dramatically delay the decision making process. Virtually all companies have pushed their respective development timelines significantly into the future. Despite the Consortium's best efforts, many measurable outcomes anticipated through our research will have to be included in subsequent follow-on reports. The general atmosphere in the Team's direct meetings with defense contractors has significantly improved over time. Companies who originally would not share data or discuss issues or concerns are now more than ever willing to receive a visit from the Economic Development Team. This process is best described as a marathon, not a sprint.

Figure 4-16: Excerpts from Business Needs Study (continued)



The finish line lies somewhere around the year 2011, and the Team has a great deal of resolve to work this process through to a successful conclusion. It is the Team's conclusion that the bulk of the work lies in the years 2008 and 2009.

Recommendation # 7, Changing Environment

Each member of the Consortium is also a member of the Lawton Fort Sill Economic Development Team, a team dedicated to the enhancement of the Lawton region and Southwest Oklahoma. Because of the nature of the BRAC process, we will be continuing our efforts to assist existing companies and recruit additional businesses to the region in support of missions at Fort Sill. Since the BRAC legislation requires all realignments and closures to be completed by 2011, this report is just one step in our overall efforts and ultimate objective to enhance those communities impacted by BRAC.

Figure 4-16: Excerpts from Business Needs Study (continued)



In addition to the Business Needs Study, the SCOWIB group researched the regional and local labor markets to gauge their employment potential in terms of skills, education, desire and ability to work. Outlined in Figure 4-17 are excerpts of the SCOWIB report and conclusions regarding the labor markets for Southwest Oklahoma (the “region”) and the Lawton/Fort Sill area (the “local”) labor markets.

4.3.2.1. Analysis of Significant Study Data.

Our analysis of Study data yielded a variety of cogent facts and statistics pertinent to the Southwest Oklahoma regional labor force, to include the following:

- A significant proportion of the adult population is currently not working; however, only a small minority can be officially considered unemployed. The United States Department of Labor designates persons as being unemployed if they are without work, but have been actively seeking work. Based on this definition, 2.6 per cent of the population within the Southwest Oklahoma area is currently unemployed.
- Job Keepers are those individuals who have not been identified as being underemployed and have not looked for work within the past three months. This group makes up 73.6 per cent of all workers (133,301 people).
- Job Seekers are those individuals who are currently not employed, but want to work. Nine percent of all adults in the Southwest Oklahoma area are represented in this group, which is equivalent to 25,998 people.
- Although Job Keepers, by definition, are those workers who are not interested in changing jobs, almost 56,000 still find a job of \$14 per hour, plus benefits, to be either “attractive” or “very attractive”.
- 52.2 per cent of Job Shifters (persons willing to change jobs) were likely to change jobs for a 15 per cent increase or less. Job Keepers were, not surprisingly, the group least likely to say they would change jobs for a pay increase of 15 per cent or less, with only 30.1 per cent (40,180 workers). However, even though this figure is a smaller proportion than for the other two groups, it still represents a sizable group of workers. It is also interesting to note that only 20.6 per cent of Job Keepers claimed to not be interested in changing jobs at all.
- Of the Underemployed, 57.4 per cent indicated that they would be willing to change jobs for an increase in pay of 15 per cent or less. Approximately one-half of Job Shifters were likely to change jobs for a 15 per cent increase or less. Again, Job Keepers were the group least likely to say they would change jobs for a pay increase of 15 per cent or less with only 30.1 per cent. However, even though this figure is a smaller proportion than for the other two groups, it still represents a sizable group of workers.

Figure 4-17: Southwest Oklahoma Labor Force Study Findings



- Workers who did not currently have a package of benefits were also asked what pay raise would be necessary for them to change jobs if benefits were included with that job.
- The underemployed were most likely to be willing to change jobs for a 15 per cent pay raise and benefits, however, almost 11 per cent of Job Keepers were also willing to change under those circumstances.
- Eighteen percent (32,616 workers) in the labor market have looked for other work in the past three months. Of all the methods used to look for other work, the majority (60.7 per cent), were active (such as contacting an employer or filling out applications). Fewer workers, (39.6 per cent) were passive (such as looking at ads or browsing the internet).
- The reasons the Job Shifters were looking for work were varied; however, the primary reason for 52.9 per cent of people was in order to get higher pay and/or better benefits. Another 17.6 per cent wanted a change in career, which is a much higher proportion than found in many other parts of Oklahoma.
- Of all workers, 83.2 per cent (or about 150,562 people) have full-time positions, and another 15.6 per cent (approximately 28,173 people) have part-time jobs. Of those workers with part time jobs, 37.7 per cent would like to have a full-time position with just one employer.
- Of the Underemployed, 14,653 workers (57.4 per cent) indicated that they would be willing to change jobs for an increase in pay of 15 per cent or less.
- This study has identified 58,142 workers who are currently available for other work. The categories of Job Shifters and the Underemployed are included in this estimate. Additionally, there are those adults who are not working but want to work (Job Seekers). There are also workers who are not underemployed and have not looked for work in the past three months (Job Keepers), which can be included in the pool of potential workers. These two groups total another 159,299 potential workers for a grand total of 217,441 adults in the labor force.

Figure 4-17: Southwest Oklahoma Labor Force Study Findings (continued)



Education and Training Curriculum Study

The second phase of the workforce development and analysis research was the conducting of an education and training curriculum study. The intent of this study was to build on the results of the initial review of business needs and labor force issues by analyzing the education and training needs of those persons who were to be relocated through the BRAC process and identify expansions and/or additions of existing education and training programs in the area. The study group used a variety of survey research and first hand interviews with potential relocators to yield information upon which education and training institutions could begin to formulate action plans. Figure 4-18 provides an excerpt from the study that identifies the “gaps” in the current education and training offerings in the area, as well as the identified corporate training needs of potential businesses relocating to the area.

7 GAP ANALYSIS

7.1 New programs in the top 33% of the Southwest Oklahoma BRAC Instructional and Training Needs Survey:

- Associate/Vocational
 - Communications Technology
 - Business Administration
 - Marketing and Sales Management
 - Electronics
 - Human Services
 - Teacher Certification
 - Technology Certification
- Undergraduate
 - Police Administration
 - Law Enforcement
- Graduate
 - Criminal Justice

7.2 Other courses identified as desired but not available

Associate/Vocational

- | | |
|--------------------------------|---------------------------|
| ▪ Instructional Systems Design | ▪ Psychology/Sociology |
| ▪ Gunsmithing | ▪ Conservation Agent |
| ▪ Music Marketing | ▪ Robotics |
| ▪ Animal Studies | ▪ Paramedic |
| ▪ Animal Biology | ▪ History |
| ▪ Zoology | ▪ Science |
| ▪ Animal Husbandry | ▪ TV/Film Production |
| ▪ Aviation | ▪ Business Administration |
| | ▪ Human Services |

Undergraduate

- | | |
|--------------------------|-----------------------|
| ▪ Fire Science | ▪ TV/Film Production |
| ▪ Philosophy | ▪ Operations Research |
| ▪ Robotics | ▪ Forensics |
| ▪ Electrical Engineering | ▪ Sports Management |
| ▪ Architecture | ▪ Nanotechnology |

Figure 4-18: Education and Training Curriculum Needs



Post Graduate:

- Language Studies
- Law
- Finance
- Computer Science
- International Business
- Electrical Engineering
- Zoology
- Mathematics
- Criminal Behavior
- English Literature
- Forensic Science
- Space Operations
- History /Political Science
- TV/Film Production
- Physics
- Aeronautical Engineering
- Environmental Management
- International Relations
- Asian Studies
- Teaching ESL
- Instructional Technology
- Information Technology

8 CORPORATE TRAINING NEEDS

Corporate training needs were gathered through personal interviews with relevant defense contractors in the El Paso-Fort Bliss community. As a result of these interviews, the following relevant information was obtained. Quantification of needs will require further research through on-going, longitudinal data collection.

8.1 Defense Contractor Relocation Plans

The majority of defense contractors interviewed indicated they would be relocating their senior management and highly skilled personnel to support the military operations relocating to the Lawton-Fort Sill Community. While contractors expressed the desire to employ personnel with Patriot experience, they further indicated the need in the labor pool for a variety of skilled employees in the following areas:

- Computer Programmers
- Computer Scientists and Database Administrators
- Computer Software Engineers
- Computer Support Specialists and Systems Administrators
- Computer System Analysts
- Computer Information Systems Managers
- Computer Operators
- Mathematicians
- Operation Research Analysts
- Engineers
- Engineering Technicians
- Science Technicians
- Administrative Services Managers
- Executives
- Construction Managers
- Financial Managers

Figure 4-18: Education and Training Curriculum Needs (continued)



- Industrial Production Managers
- Dispatchers
- Shipping, Receiving, and Traffic Clerks
- Office and Administrative Support Worker Supervisors and Managers
- Secretaries and Administrative Assistants
- Structural and Reinforcing Iron and Metal Workers
- Sheet Metal Workers
- Maintenance and Repair Workers, General
- Industrial Machinery Mechanics and Maintenance Workers
- Heavy Vehicle and Mobile Equipment Service Technicians and Mechanics
- Precision Instrument and Equipment Repairers
- Assemblers and Fabricators
- Machine Setters, Operators, and Tenders – Metal and Plastic
- Machinists
- Inspectors, testers, Sorters, Samplers, and Weighers
- Material Moving Occupations

Job skill qualifications were provided for all listed occupations. A WorkKeys® analysis was performed on job titles that were deemed an exact match and include analyses for:

- Computer Programmers
- Computer Software Engineers
- Computer Systems Analysts
- Computer Operators
- Operations Research Analysts
- Engineers
- Engineering Technicians
- Administrative Services Managers
- Financial Managers
- Construction Managers
- Industrial Production Managers
- Office and Administrative Support Worker Supervisors and Managers
- Secretaries and Administrative Assistants
- Dispatchers
- Shipping, Receiving, and Traffic Clerks
- Maintenance and Repair Workers, General
- Industrial Machinery Mechanics and Maintenance Workers
- Machinists
- Material Moving Occupations

This data may be used to develop specialized training needed for the incumbent workforce and new entries into the labor market to fill such positions. Job descriptions and complete WorkKeys® analyses are included as appendices. Target populations include the incumbent workforce and those projected to be entering the workforce during the relocation time frame.

Figure 4-18: Education and Training Curriculum Needs (continued)



Workforce Development – WIRED Initiative

As the final element in the development of a comprehensive, regional approach to workforce development, the Southwest Oklahoma Impact Coalition (SOIC), in conjunction with SCOWIB and the local institutions, applied for and won a WIRED Initiative grant from the Department of Labor. The WIRED Initiative is focusing on supporting Southwest Oklahoma economic and workforce development by developing a sustainable pipeline of workers for high demand occupations. The initiative targets three or four industry clusters: Manufacturing/Advanced Manufacturing, Utilities Delivery, Oil and Gas Mining, and Health Care. These industries have demonstrated the largest growth in the region and have the greatest impact on the region's economic development. These industries now require increasingly higher skill levels to meet the emerging demands of technology within these industries.

The SOIC seeks to achieve the following five goals as a result of this multi-year, multi-faceted program:

1. Develop a skilled workforce for these growing industries from the transitional workforce moving to Fort Sill as a result of BRAC.
2. Become the model for transitioning military and military spouses into the regional workforce.
3. Create an environment for businesses to grow and incorporate new technologies.
4. Become a region that values education and the skills development of the workforce.
5. Integrate economic workforce and economic development and education with business growth and individual business needs.

The WIRED Initiative is in its initial phase of implementation and is anticipating the start of training and education support services for the region in the next few months.

Conclusions

To meet the needs of the future residents and workforce of the region, the development and implementation of a comprehensive and coordinated workforce development program has been initiated by the SCOWIB and SOIC. These agencies, along with major support provided by Cameron University and Great Plains Technology Center, must be prepared to be flexible in their offerings and willing to commit time and money to the development of the identified, high demand career paths and/or education majors. Appropriate student advisement, through the Army Education Center or through on-campus personnel, is imperative to adequately identify and meet the changing education needs and desires of the military personnel in the community. Additionally, the WIRED Initiative must constantly monitor and respond to the potential changing needs of potential defense contractors to ensure that a competent and competitive local labor market is available. Finally, while these studies and preparations have permitted the region to gain a strong foothold on the anticipated workforce issues, additional longitudinal data, collected continuously over the relocation time period, will permit the community to continuously monitor and prepare for the influx of personnel and industry and insure a smooth transition and prepared labor pool.

