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Dear Client:

Much has been made (and rightly so) of the TexasA&M Health Science Center College of Medicine emerging in Round Rock. But two other Central Texas educational institutions are investing heavily to expand in conjunction with the TexasA&M commitment.

At least three factors are contributing to this expansion: 1) a huge **demand for personnel** in the burgeoning healthcare field, 2) major commitments for **cooperation by local healthcare facilities such as St. David's and Seton**, and 3) **donation of lots of land by the Avery family**, whose ancestors settled in the area way back in 1854.

As the drawing board plans come to fruition, Williamson County will quickly emerge as a very important center for education in the health care field. And while there are many aspects to this concentration, **Texas State University and Austin Community College are going "all in" to add their unique educational roles** to what the A&M Health Science offers.

Texas State University has a long, storied history in *San Marcos* (Former President **Lyndon Johnson** graduated from there when it was known as Texas State Teachers College). But it also has had a **presence in Williamson County for 15 years**. And it now is making big plans for expanding its healthcare educational emphasis in what it calls its Round Rock Higher Education Center (RRHEC).

President **Denise Trauth** points out that Texas State started offering this fall, at its RRHEC campus, **a BSN in Nursing**. In fact, 98 nursing students, ranging in age from 20 to 58 and carrying a 3.266 grade point average are already in classes.

Future plans call for Clinical Laboratory Science, Communication Disorders, Physical Therapy, and Respiratory Care to be offered in what it is calling Health Professions Building #1. A Health Professions Building #2 will house the **Dean of Health Professions**, a Center for Health Professions Research, Health Administration, Health Information Management and Radiation Therapy.

Bottom line: **all Texas State health professions courses will ultimately be located at the RRHEC campus**. Austin Community College also has big plans for Williamson County. For more on those plans, check out the next item.

Austin Community College (ACC) is a relatively new institution that is growing rapidly. And much of that expansion is tied to the healthcare needs and opportunities in Central Texas.

ACC opened its doors September 17th 1973 with one campus and 1,726 students. Today, **ACC enrolls more than 44,100 credit students and 14,788 in non-credit courses.** The students are spaced around eight comprehensive campuses. The ACC Round Rock campus sits on 84 acres. And the Round Rock campus is a focal point for ACC's emphasis on health care course.

Phase 1 of ACC's Round Rock campus opened this fall and can accommodate 5,000 students. **When the 2nd phase is completed, the Round Rock campus capacity will rise to 11,500 students.** ACC has a broad range of courses it offers, but the health care emphasis at the Round Rock campus is impressive and complements what Texas State University and the TexasA&M Health Science Center offer in Williamson County.

ACC is already offering much of what will be situated at the new Round Rock campus, and it **complements what is available at other institutions.** For instance, where Texas State offers a *Bachelor's* degree in nursing, ACC offers an accredited *Associate's* degree in nursing.

There's much more. ACC's **Medical Technology Program** prepares the student for a career as a Medical Laboratory Technician through classroom study and supervised clinical experience. The **Radiology Program** prepares students to be employable in General Radiology. They can also move into other areas such as Magnetic Resonance Imaging (MRI), Ultrasound and Nuclear Medicine.

ACC's **Sonography Program** provides students with both accredited academic instruction and professional training in the field of Medical or Cardiac and Vascular Sonography.

The **Surgical Technology** instruction provides classroom teaching with supervised clinical experience. ACC students receive information in anatomy and physiology, microbiology, pharmacology, surgical pathology and surgical procedures.

You get the point. Usually the academic world moves at the speed of glaciers. But, in this case, **the synergy is propelling these very different institutions along at a very fast rate.** Central Texans will benefit in a variety of ways as a result of their pursuit of these opportunities.

Post Script: You'll notice there is no reference in these items to **plans and actions that are underway within the UTSsystem to enhance medical education in the Austin area.** (We've written extensively about that in the past.) But as TexasA&M has provided momentum for these developments, the UTSsystem is expected to provide another catalyst for further development and expansion of medical education and healthcare in the Austin metro. This is an amazing one-two punch that'll re-shape the area's economy and quality of life for generations.

Based on the number of jobs being created in the Austin area, “we are headed for a shortage of housing in Austin – at least in the desirable locations” according to one residential real estate tracker.

If home sales in the Austin metro fell in August by 15%, how can **Mark Sprague** of Mission Mortgage make a claim of a housing shortage in the near future? First of all, remember what the Real Estate Center at TexasA&M reported several weeks ago: the sales for the remainder of this year will probably **drop below the previous year because the homebuyers’ federal credit expired this year** – thus skewing a year-to-year comparison.

In fact, the Chair of the Austin Board of Realtors, **John Horton**, pointed out that the **year-to-date sales total is still running ahead of 2009** and **“our real estate values are holding strong.”** He calls that “good news as we head into the fall season.”

Sprague is looking at it from a different perspective. He’s looking at the number of **new jobs being created**, which is usually a precursor to an increase in home sales. He pointed to USBureau of Labor Statistics that tracks job creation in all the metros around the US. Referring to the Austin metro numbers, Sprague said “if these numbers are anywhere close to being accurate, we are headed for a **shortage of housing in Austin** – at least in the desirable locations within our metro area.”

Why? Sprague said “very little new product is being produced and positive net absorption continues. It would be VERY concerning if Austin had a ten year supply of housing or lots. We don’t.” In fact, Sprague said that **good markets in the Austin metro area “are already getting tight.** That is why you are seeing builders (and) equity (investors) purchasing entitled and developed tracts.” His conclusion: **“Without something to build on, it’s hard to build.”**

Speaking of jobs, the recent 2.5% rate of job growth put the Austin metro first among major US metros in July and well ahead of the second greatest US increase of 1.6%.

Texas is also showing job growth. **Austin leads the major Texas metros.** Austin’s 2.5% rate of job growth leads Dallas (1.2%), Fort Worth (0.5%), Houston (0.0%) and San Antonio (0.1%).

On the *unemployment* side of the coin, the **Austin area again was tops of all the major Texas metros in August.** Austin (at 7.2% unemployment) was better than Dallas (8.3%), Fort Worth (8.4%), Houston (8.7%) and San Antonio (7.6%). By the way, Austin’s 7.2% unemployment rate in August was better than a year ago.

Even though the unemployed percentage is down in the Austin metro the number of unemployed has risen a bit – from 65,065 to 66,047 because the labor force has grown. **All in all, the job picture in the Austin area still is among the best in the nation.**

The lack of new jobs nationwide led a Texas economist to challenge the news story this week that the recession ended in 2009.

Such recession-ending headlines this week were “premature,” said **Mark Dotzour**, the Chief Economist at TexasA&M’s Real Estate Center. Speaking in Dallas this week, Dotzour said **“Job growth is the essential engine of growth in this country. Until we start producing jobs, it’s premature to say we are out of the recession.”**

Dotzour does see some good economic news elsewhere. He said the “real economy” – **economic activity that is not stimulated by tax credits – appears to be “turning the corner toward recovery.”** He noted that corporate profits and new orders for manufacturing have clearly rebounded.

What about commercial real estate? Dotzour said commercial real estate markets will not clear until **two issues involving financial institutions are resolved.**

First, when will the banks recognize the losses on the real estate loans in their portfolios and begin to **sell the troubled assets to new buyers?**

Second, will the Office of the Comptroller of the Currency **tone down its strict limits on commercial real estate lending for commercial banks?**

His answer to those two questions: **“As of today, there doesn’t appear to be an encouraging answer to either question.”**

One of **Dr. Louis Overholster’s** patients told the doc how he and his wife finally figured out how to take breaks from their high-stress jobs and spend relaxing weekends in their motor home. On previous trips, their peace and quiet was too often disturbed by well-meaning, but unwelcome, visits from other campers. To assure themselves some privacy, they told Dr. Overholster that now, when they set up camp, they place a sign of the door of their RV. It reads: “Insurance Agent. Ask about our term-life package!”

Sincerely



Editor/Publisher