TEXAS DEPARTMENT OF AGRICULTURE

Texas Agricultural Finance Authority

Meeting Minutes

August 18, 2025

Board Members Present:
Ted Conover, Chairman
Dan Hunter
Sarah Burnett (virtual)
John Crew (virtual)
Georgina Macias (virtual)
Brian McCuistion (virtual)
Barry Smith (virtual)
Justin Tucker, Vice-Chairman (virtual)
Aaron Wiechman (virtual)

TDA Staff Present:
CJ Balderrama
Mindy Fryer
Emily Hirsh
James Redfield
Karen Reichek
Emily Daly (virtual)
Susan Maldonado
Zona Martin (virtual)
Danielle Mitchell (virtual)
Kat Neilson (virtual)
Kelly Sara (virtual)

Guests Present:
Joshua Karar
Jeff Nunley
Ty Wilson
Representative Stan Kitzman (virtual)
Rusty Andrews (virtual)
Kody Bessent (virtual)
Kyle Bingham (virtual)
Robert Braden (virtual)
Jess Brockman (virtual)
Hilda Gutierrez (virtual)
Erin M. Kimbrough (virtual)
Jennifer Nesbitt (virtual)
Marissa Patton (virtual)
Andy Prihoda (virtual)
Tillery Sims (virtual)
Tracy Tomascik (virtual)
Brant Wilbourn (virtual)

I. **Call to Order:** Ted Conover called the meeting to order at 10:31 AM.

II. **Roll Call and Confirmation of Quorum:** Mindy Fryer called roll and confirmed a quorum.

III. **Opening Remarks:** Ted Conover welcomed the Board to the meeting and introduced the goal of discussing changes necessitated by H.B. 43.

IV. **Discussion and Possible Action relating to Approval of Meeting Minutes for the Texas Agricultural Finance Authority (TAFA) board meeting on July 30, 2025:** Ted Conover called for edits to the previous meeting's minutes. Hearing none, Ted Conover motioned to approve the minutes; Barry Smith seconded; the motion passed unanimously.

V. **Discussion and Possible Action relating to approval for the Texas Department of**

Agriculture, on behalf of TAFA, to solicit for professional audit services to conduct TAFA's financial audit for State Fiscal Year (FY) 2026: Ted Conover called for a motion to approve. John Crew moved; Barry Smith seconded; the motion passed unanimously.

VI. **Discussion and Possible Action relating to FY 2026 budget:** No additional discussion was heard regarding the previously approved FY 2026 budget. No motion or vote was taken by the Board on this agenda item.

VII. **Discussion and Possible Action relating to TAFA bonding authority:** Karen Reichek provided an overview of related bond review history, including work with the Bond Review Board. Karen Reichek recommended not pursuing the commercial paper program to allow staff to direct additional effort to new programs under H.B. 43. John Crew and Justin Tucker both expressed approval of this priority. As the Board begins considering new program design, Susan Maldonado reminded the Board of their access to legal services through Bracewell. No motion or vote was taken by the Board on this agenda item.

VIII. **Discussion and Possible Action relating to Potential Discussion with Speaker Burrows and Representative Kitzman's offices related to legislative intent of House Bill 43 enacted during the 89th Texas Legislature, Regular Session (HB 43):** Dan Hunter introduced Marissa Patton with Speaker Dustin Burrows' office. Marissa Patton invited any questions from the Board and provided an overview of the legislative intent behind H.B. 43. She also introduced Kody Bessent, a member of Plains Cotton Growers, one of the main stakeholder groups behind the legislation.

Next, Dan Hunter introduced Representative Stan Kitzman, one of the authors of H.B. 43. Representative Kitzman informed the Board of the history behind the legislation to expand the TAFA program.

Karen Reichek reminded the Board of upcoming restructuring under H.B. 43, including current Board terms which will be replaced by the Texas Governor in January 2026. Ted Conover requested TDA confirm whether the Board would maintain a quorum without these missing members; Mindy Fryer confirmed a voting quorum. No motion or vote was taken by the Board on this agenda item.

IX. **Discussion and Possible Action relating to proposed rulemaking associated with TAFA's administrative rules located at Texas Administrative Code, Title 4, Part 1, Chapter 28:** Karen Reichek provided drafted rule changes for the Board's review and comment. Susan Maldonado noted that "lender" is defined differently in Chapter 44 and Chapter 58 and recommended the Board align with Chapter 58. John Crew requested broadening the definition of "rural community" to include unincorporated areas. In regard to Rule §28.36, Barry Smith requested TDA provide budget projections for establishing a rebate amount of $5,000; discussion also included adding language that would allow the Board to control a specific rebate amount. In regard to Rule §28.42, Susan Maldonado recommended striking the phrase “whether located in this state or not.” In regard to Rule §28.44, Justin Tucker proposed changing the notification of default amount from $5,000 to $10,000. In regard to Subchapter E, Ted Conover requested updating parameters to exclude hobby farming. In regard to Rule §28.52, it was proposed to strike the matching funds language.

Karen Reichek turned discussion to Subchapter H, which establishes the Pest and Disease Control and Depredation Program. Tracy Tomascik highlighted the original intent was to counter the New World Screwworm and the feral hog population.

Dan Hunter informed the Board that TDA would create a document incorporating Board feedback. Karen Reichek encouraged members to submit additional comments via email. External legal counsel would also be reviewing the draft rules and provide their comments. A revised draft would be shared with the Board prior to the next meeting. No motion or vote was taken by the Board on this agenda item.

X. **Discussion and Possible Action relating to HB 43 program development, including but not limited to, the following TAFA programs:**

a) **Interest Rate Reduction Program pursuant to Texas Agriculture Code, Chapter 44:**
b) **Farmer Interest Rate Reduction pursuant to Texas Agriculture Code, Chapter 58:**
c) **Agricultural Loan Guarantee Program pursuant to Texas Agriculture Code, Chapter 58:**
d) **Agriculture Grant Program pursuant to Texas Agriculture Code, Chapter 58:**
e) **New Pest and Disease Control and Depredation Program, HB 43, Section 16:**
f) **Other TAFA programs:**

Tillery Sims requested TDA provide an overview of the “buckets” discussed for new grant programs. Karen Reichek discussed the development process, which begins with establishing final rules. Sarah Burnett presented program ideas to the Board, including a Small Business Grant Program and a Land Stewardship Grant Program. Georgina Macias voiced support for Sarah’s drafted programs. Mindy Fryer confirmed TDA would draft proposed language for the next meeting. No motion or vote was taken by the Board on this agenda item.

XI. **Public Comment:** Jeff Nunley, Director of the South Texas Cotton and Grain Association, highlighted the importance of infrastructure in agriculture. Jeff Nunley expressed support for a small business-focused grant, and encouraged the Board not to focus on applicants who do not make their livelihood from agriculture.

Kody Bessent reiterated the original intent of H.B. 43 was to provide immediate assistance for producers and industry infrastructure businesses to sustain current operations.

Robert Braden emphasized the importance of making sure that applicants receiving funding are good investments. Tillery Sims encouraged the Board not to exclude all struggling producers, however, as certain counties in Texas do not have many farmers remaining. No motion or vote was taken by the Board on this agenda item.

XII. **Discussion and Possible Action relating to the next meeting date:** After discussion of availability, September 24 or 25 at 10:30 AM was proposed for the next Board meeting. Ted Conover requested Mindy Fryer conduct a poll with the Board to finalize a data. No motion or vote was taken by the Board on this agenda item.

XIII. **Discussion and Possible Action relating to other business raised at meeting to be placed on next agenda:** No Board members requested additional business to be placed on future agendas. No motion or vote was taken by the Board on this agenda item.

XIV. **Executive Session (as necessary):** The Board did not conduct an executive session.

XV. **Adjourn:** Marissa Patton thanked the Board for their attention to the bill. Ted Conover called for the meeting to adjourn at 12:22 PM; Barry Smith seconded; the motion passed unanimously.