

TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER TODD STAPLES
2010-2011 LEGISLATIVE APPROPRIATIONS REQUEST
ECONOMIC DEVELOPMENT

TDA's Role in Economic Development

The Texas Department of Agriculture has been engaged in economic development across the state for the past 100 years of the agency's existence. All the agency's programs have a benefit to the state's economy, and agriculture alone contributes more than \$100 billion to this economy. Specifically, TDA performs extensive targeted rural economic development activities through the utilization of various state and federal resources.

The Texas Capital Fund is a \$10 million per year federally funded program designed to create and retain jobs in rural communities. Through the program, TDA works with rural communities to attract private businesses to rural Texas. In complement to the Texas Capital Fund, TDA also administers the Texas Agricultural Finance Authority, a lending assistance tool for rural communities, rural businesses, and agricultural producers, which offers interest rate reductions and loans for capital expansion and improvement.

Developing markets for Texas products and communities is another economic development tool TDA offers. Through the GO TEXAN program, businesses and communities have access to a widely recognized marketing campaign that opens their economic doors to markets and people across the state and around the world.

Economic Development Needs

Economic development is driven by jobs and capital investment. Just as important as creating jobs in Texas is supplying employers with a skilled workforce. The Texas Capital Fund has been a valuable tool for many rural communities – so much that TDA typically receives more than three applications for every one available award.

LAR Exceptional Item #4 – Texas Rural Investment Fund

To continue fostering economic growth in rural Texas, TDA is proposing a new Texas Rural Investment Fund (TRIF). The proposal calls for this state-funded program to be about half the size of the federal sister program (Texas Capital Fund) at \$5 million per year. Without the requirements of the federal program, TRIF will have the flexibility needed to address Texas-specific needs such as creation of higher wage jobs and tools for education and training that will put our workforce on a parallel pathway with our workforce needs. With a dual focus on economic development and workforce readiness, TDA will coordinate with the Texas Workforce Commission to identify workforce needs.

TDA Economic Development Funding Summary

	2008-2009 Biennium	2010-2011 Biennium		
		Base	Exceptional Item #4	Total LAR
General Revenue	\$14.8 million	\$15.1 million	\$10 million	\$25.1 million
Federal Funds*	\$20 million	\$20 million	-	\$20 million
Other Funds*	\$1 million	\$1 million	-	\$1 million
Total	<i>\$35.8 million</i>	<i>\$36.1 million</i>	<i>\$10 million</i>	<i>\$46.1 million</i>

* Funding received by the Office of Rural Community Affairs (ORCA) from the Community Development Block Grant (CDBG) federal program; TDA's Rural Economic Development Division administers the program.