

Texas Rural Impact Report 2013



COMMISSIONER TODD STAPLES

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TEXAS DEPARTMENT OF AGRICULTURE

TODD STAPLES
COMMISSIONER



April 18, 2013

The Honorable David Dewhurst
Lt. Governor of Texas
P.O. Box 12068
Austin, Texas 78711-2068

The Honorable Joe Straus
Speaker of the House of Representatives
P.O. Box 2910
Austin, Texas 78768-2910

Dear Lt. Governor Dewhurst and Speaker Straus:

The 82nd Texas Legislature directed the state's resources for community and economic development for rural Texas be consolidated into one agency. Our goal was to work closely with legislators and stakeholders to build an efficient program that works smarter and improves service delivery while being more accountable and efficient with taxpayer dollars.

An external advisory team, comprised of rural stakeholders and agency staff, created a comprehensive transition plan that would result in exceptional service to rural communities throughout Texas. On Oct. 1, 2011, the Texas Department of Rural Affairs (TDRA) merged into the Texas Department of Agriculture (TDA), adding 26 programs, 56 positions and \$173 million in state and federal funds to the portfolio at TDA, and establishing the Office of Rural Affairs.

Following the transfer, we reduced the cost of administration by 34 percent (\$1.2 million for Community Development Block Grant programs) and 18 administrative positions have been eliminated to create a more streamlined program. TDA is dedicated to serving rural Texas and will continue to look for the most efficient ways to manage taxpayer funds.

This 2013 Texas Rural Impact Report is the culmination of many partners from throughout rural Texas working in conjunction with our team at the Texas Department of Agriculture. Specifically, I charged a committee of these partners with coordinating this report. I am proud now to submit the report to you, as required by law, for your consideration in helping tackle the unique challenges and opportunities in rural Texas.

Sincerely yours,

A handwritten signature in black ink that reads "Todd Staples". The signature is written in a cursive, flowing style.

Todd Staples

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TEXAS RURAL HEALTH AND ECONOMIC DEVELOPMENT ADVISORY COUNCIL RURAL POLICY REPORT

In November 2011, Agriculture Commissioner Todd Staples appointed the Texas Rural Health and Economic Development Advisory Council to study the needs of rural Texas and prepare a rural policy report for the Texas Legislature and others.

The following distinguished Texans honored the state by their service:

State Senator Craig Estes from Wichita Falls;
State Representative Chuck Hopson from Jacksonville;
County Judge John Thompson from Livingston (Polk County);
Mayor J Allen Carnes from Uvalde;
Donna Kuentler from Alpine;
Mayor Orlando Correa from Raymondville;
Don McBeath from Lubbock;
Kathi Masonheimer from Brady; and
Bryan Tucker from Childress.

One of the first actions of the Advisory Council was to establish a Rural Health Task Force to assist in efforts to expand and improve access to health care in rural areas of this state. The Rural Health Task Force advises on the development of a statewide rural health work plan that includes strategic initiatives regarding rural health. Judge John Thompson serves as chairman of the Rural Health Task Force which is comprised of members of the Advisory Council along with four additional, ad-hoc members:

Dr. Jonathan Williams from Burkburnett;
Dr. Katharina Hathaway from Austin;
Dr. Ron McMurry from Jasper; and
Mr. Troy Alexander from Austin.

Commissioner Staples established the Council's charges for improving and sustaining rural communities. These include:

- creating a climate for job creation;
- improving community infrastructure;
- providing quality health care; and
- creating a trained and skilled workforce.

The Council met three times in 2012 to discuss rural policy priorities and collaborate with TDA to create a report outlining the strengths, challenges and strategies for economic development and growth in rural communities across Texas.

The inaugural meeting of the Council was held in January 2012 to develop a plan for addressing rural issues and preparing the Rural Policy Report. In May, Commissioner Staples and the Council convened the *Rural Texas ~ Growing Texas* summit to identify the opportunities and challenges for rural Texas. This summit provided an opportunity for more than 150 participants from across Texas to engage in a discussion with key leaders focused on rural communities, business, education and economic development. In November, the Commissioner and the Council again convened to review the Summary Report and finalize the recommendations of the Council.

This report details the policy recommendations identified by the Advisory Council during the past year and serves to fulfill the following reporting requirements:

- Texas Government Code Chapter 487.051, evaluate the conditions of rural communities;
- Texas Government Code Chapter 487.804, develop a Rural Policy Plan; and
- Texas Government Code Section 487.056(a), provide a report from Texas Rural Foundation, Appendix 3.

Climate for Job Creation

The Texas economy has demonstrated continued growth during the recent national economic downturn because of state and local policies and programs that foster a climate for job creation and private capital investment. Texas is a leader in economic development because of its low tax rate, fair court system and predictable regulatory structure.

State and federal economic development policies best serve the public by encouraging the growth of businesses and jobs. Government programs and related policies should focus on maintaining and promoting a competitive environment that must continually be recalibrated to reflect the reality that businesses have other options when deciding where to place capital and jobs.

Many communities across the state have an abundance of natural resources that yield great potential for work in the agriculture and energy industries. While each community is certainly unique, there are common elements that emerge in communities with similar geographic and resource characteristics. It is important for these communities to diversify their economies to mitigate the effects of population changes and business cycles.

Infrastructure

No community can grow without access to infrastructure. Water, transportation, housing, energy and telecommunications are examples of critical infrastructure that must be in place to support businesses and families in rural Texas.

Rural communities face unique challenges in meeting infrastructure needs due to a limited tax base and higher per capita fixed costs. Although communities can supplement local resources with state and federal programs, ultimately infrastructure needs must be met with a local, self-sustaining strategy.

Health Care

Access to rural health care remains a critically important piece of rural community infrastructure. Rural communities must maintain affordable, dependable health care systems in order to foster economic development and sustainability. The health of the rural economy is dependent on the health of the rural community. Enhancing the human resource capacity and improving the infrastructure of health care facilities are vital to creating a strong and enduring health care system in rural Texas.

Currently, the Texas population is growing at a rapid rate, and health care professionals are not able to keep pace with the increasing demand. Health care education support programs, such as scholarships, internships and continuing education classes, help ensure students and professionals gain the education they need to serve rural communities.

Workforce and Skills Development

A qualified and well-trained workforce is key to economic development in rural communities. Identifying the job needs of rural areas helps ensure rural workforce programs meet the needs of both employees and employers while developing a foundation for continued economic growth.

Investing in high school students and creating a curriculum that encourages job and workforce skills training is an important step to providing a community with skilled professionals. Working with area businesses and industries can help a community identify workforce needs and is required to attain successful outcomes.

Policy Recommendations

The Advisory Council has developed several recommendations to guide the development of rural programs by policymakers. No single “blueprint” exists for creating success in rural Texas. The differences between metropolitan and rural counties on issues such as population growth, average age, graduation rates, average wage and employment create a need for different strategies for each community. The one key for any rural community is leveraging all available local and regional resources — financial, structural, professional and personal — with all available funding sources — local, state and federal — to develop a customized, workable plan for that community.

Climate for Job Creation

- Rural communities will benefit from a framework to leverage locally-collected tax revenue with federal and state funding to maximize private job creation opportunities. State and federal agencies must work with local leaders to create these strategies.
- State agencies must structure state funding programs to include natural resource-based opportunities (including recreation and tourism) in job creation goals.
- Rural communities often have limited human capital. Rural policies should ensure rural leaders have access to leadership development and technical assistance programs.
- Job recruitment and attraction efforts offer one strategy for success in bringing new jobs to a community. Rural communities, and their state and federal funding partners, must also support entrepreneurship and local job retention strategies to achieve additional, significant job gains.
- Rural leaders must focus on private capital sources and foster an environment that welcomes and encourages private investment opportunities.
- Rural leaders should work together to identify best practices in rural economic development, and a mechanism for sharing these.

Infrastructure

- Programs related to infrastructure development must demonstrate a clear benefit to taxpayers through direct increases in private job creation, and demonstrate long-term growth.
- Local leaders must proactively take the lead in efforts to increase and improve infrastructure development for rural communities. Rural communities should collaborate to identify cost savings in infrastructure development.
- State and federal funding agencies must target infrastructure loan and grant funds to projects that go beyond basic infrastructure, including public safety equipment, community centers and related projects.
- Local and regional efforts to enhance the quality of life in rural Texas will result in measurable economic development benefits including job retention and increased local revenues from outside visitors.
- Local, state and federal leaders must leverage financial resources to ensure rural communities have the capacity to construct and maintain basic infrastructure for water, wastewater, electric, transportation and telecommunications systems.
- State and federal funding agencies must maintain a contingency fund to mitigate the negative short-term effects from disasters such as hurricanes, tornadoes, floods, wildfires and drought.
- Officials at all levels of government must collaborate in the development and implementation of any regulations that affect the state's business environment.

Health Care

- Access to trauma care in rural counties must be increased to ensure all Texans — whether local residents or traveling urbanites — have available emergency health care. Funds specifically dedicated to trauma care should be spent accordingly.
- Rural leaders and state policy makers must work together to ensure primary care for rural residents is maintained in the local community.
- State and federal funding decisions should foster an increased use of technology to improve health care delivery and record keeping.
- Rural communities and state policymakers must develop incentives to recruit and retain health care professionals in rural areas.
- Local options for long-term care must be maintained in rural communities to ensure overall health.
- Rural communities should fully leverage existing funds to build and maintain local health care infrastructure.
- The public mental health system is characterized by a critical shortage of community-based health services and professionals in rural areas. All funding entities should work together to address this issue.

Workforce and Skills Development

- Local leaders should create programs to incentivize training for health care and public safety professionals to ensure communities can meet those needs.
- Rural schools must create a learning environment for students with different career goals to succeed. Schools should create educational opportunities for vocational certificate programs as well as preparing students for university, community college and technical school programs.
- Rural communities must invest in growing a local workforce, beginning with educational and professional opportunities, identified through cooperative engagement with the business community.
- Rural schools must foster successful partnerships to provide specialized training to meet the workforce needs of local businesses and industries.

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A SNAPSHOT OF RURAL TEXAS

In 2012, the Texas Legislative Council (TLC) published a report on the definitions of “rural” used in Texas Statutes and Administrative Code. The report identifies three categories of definitions identifying a “rural area,” “rural county” or “rural community” for a total of 48 unique definitions.¹ State agencies administer rural programs using a definition of “rural” created specifically for each program. For example, federal Community Development Block Grant program rules define rural as a non-metropolitan municipality with a population of less than 50,000 and counties with a population of less than 200,000.

While the definition of “rural” may vary by program, all rural communities are impacted by geographic distance and population density. In 2012, more than 26 million people called Texas home, with about 3 million Texans living in rural areas.² While the state’s rural population may seem small comparatively, the rural population of Texas is greater than the total population of 20 other states and the District of Columbia.³ However, the 12 percent of the population identified as rural lives in approximately 86 percent of the state’s landmass, yielding a population density of 15.42 residents per square mile compared to the statewide density of 95.92.⁴

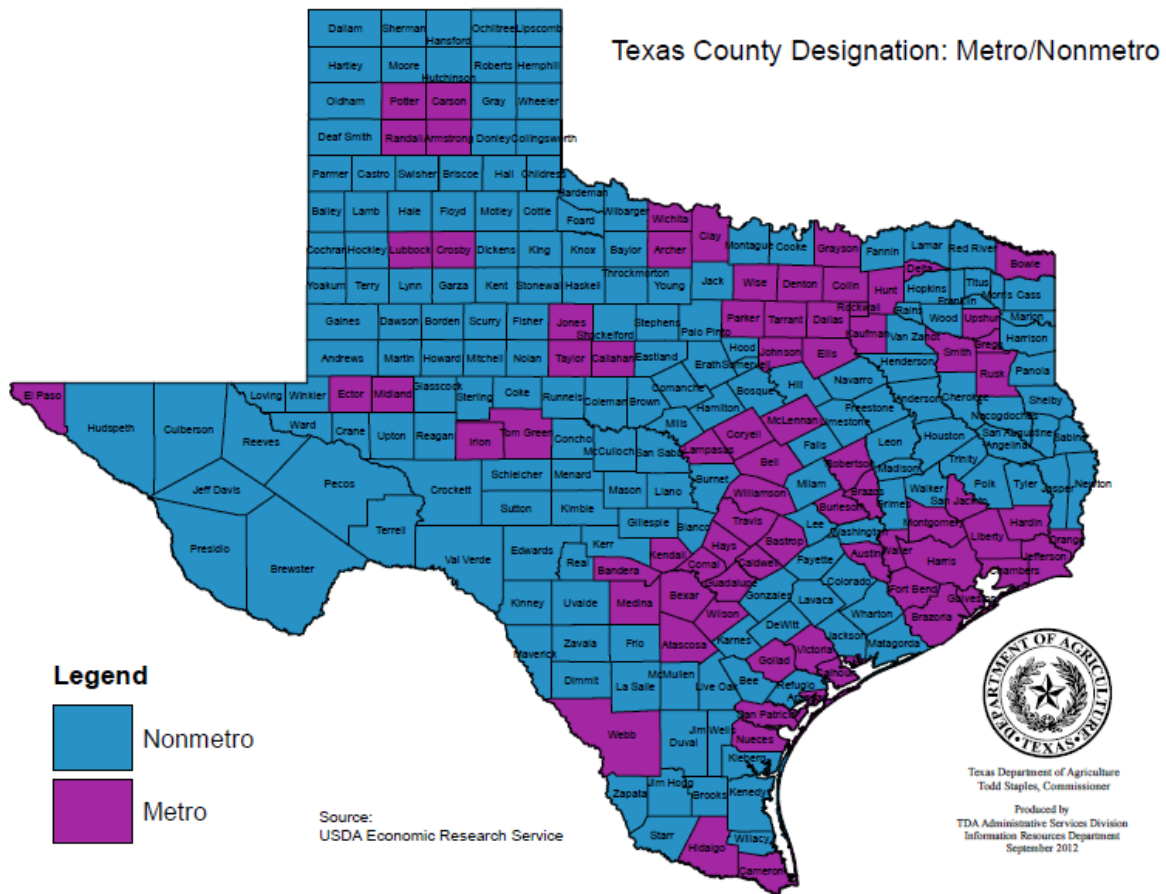
Because of distance and density issues, rural communities address key factors such as population growth, average age, educational attainment, access to health care, average wage and employment opportunities with a different response than metropolitan and suburban communities.

¹ Texas Legislative Council, “Definitions of ‘Rural’ in Texas Statutes and the Texas Administrative Code as of April 2012,” May 2012 (http://www.tlc.state.tx.us/pubspol/RuralDefinitions_2012.pdf).

² U.S. Department of Agriculture, Economic Research Service, State Fact Sheets, Texas, updated March 28, 2013 (<http://www.ers.usda.gov/data-products/state-fact-sheets/state-data.aspx?StateFIPS=48&StateName=Texas>).

³ United States Department of Commerce, U.S. Census Bureau, Population Estimates, State Totals: Vintage 2012, “Table 1. Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2012,” (<http://www.census.gov/popest/data/state/totals/2012/index.html>).

⁴ Texas Workforce Commission, Labor Market and Career Information, Custom prepared County Narrative Profile for Texas Rural Counties Report dated 9/14/2012, page 1.



Source: USDA Economic Research Service⁵

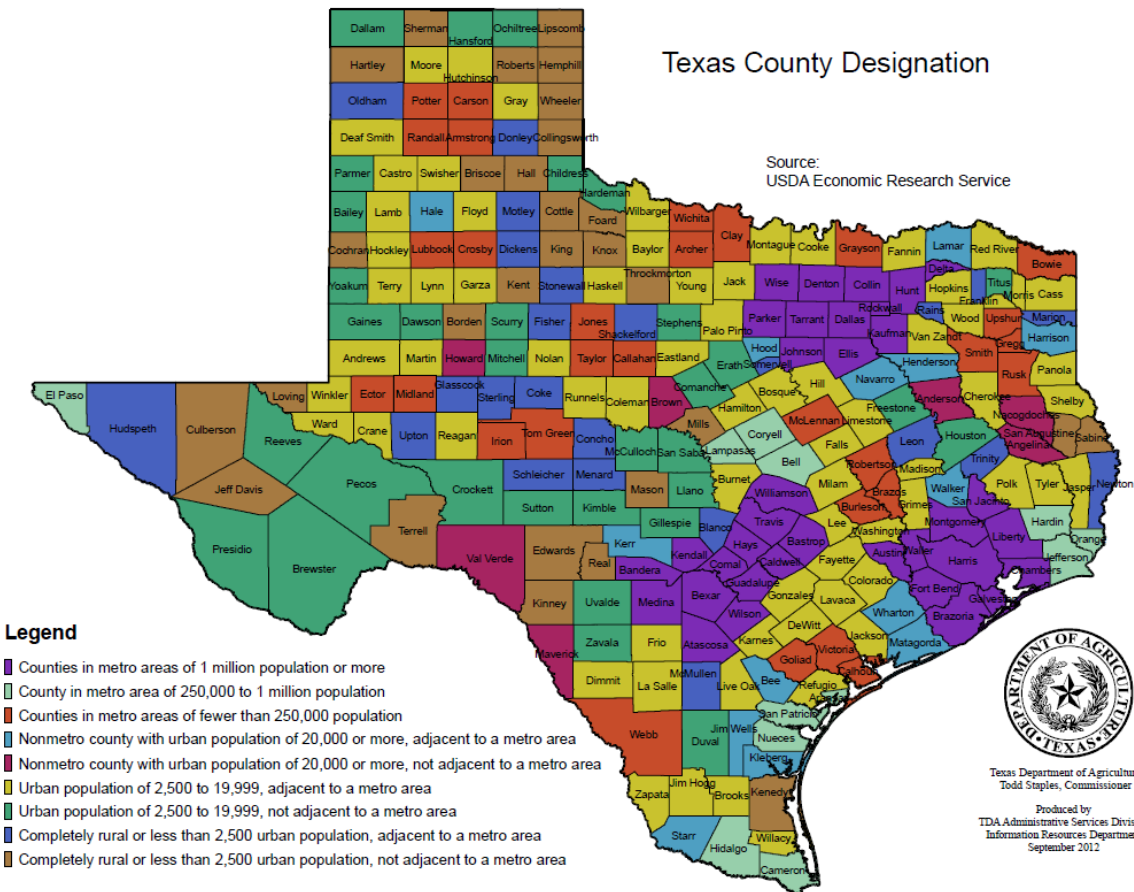
Although the state’s population has grown by more than 11 million people since 1980, Texas’ population growth has not been geographically uniform. The 77 counties comprising the metropolitan statistical areas (MSAs) averaged an 88.2 percent growth in population between 1980 and 2010. Rural counties overall grew by 22.6 percent during the same time period.⁶ While rural Texas saw a population increase of more than 560,000 people, 13 counties grew by less than 5 percent and 78 rural counties lost residents.⁷

⁵ U.S. Department of Agriculture, Economic Research Service, “Texas: rural definition based on Office of Management and Budget (OMB) metro counties,” map created by TDA Information Resources based on U.S. Census Bureau list of urban counties, pages 3 and 10

(http://www.ers.usda.gov/datafiles/Rural_Definitions/StateLevel_Maps/TX.pdf).

⁶ Texas Comptroller of Public Accounts, *The Texas Economy: People and Places*, “Texas Forecast: Widely Scattered Growth” (http://www.thetexasconomy.org/people-places/population/articles/article.php?name=scattered_growth).

⁷ *Ibid.*

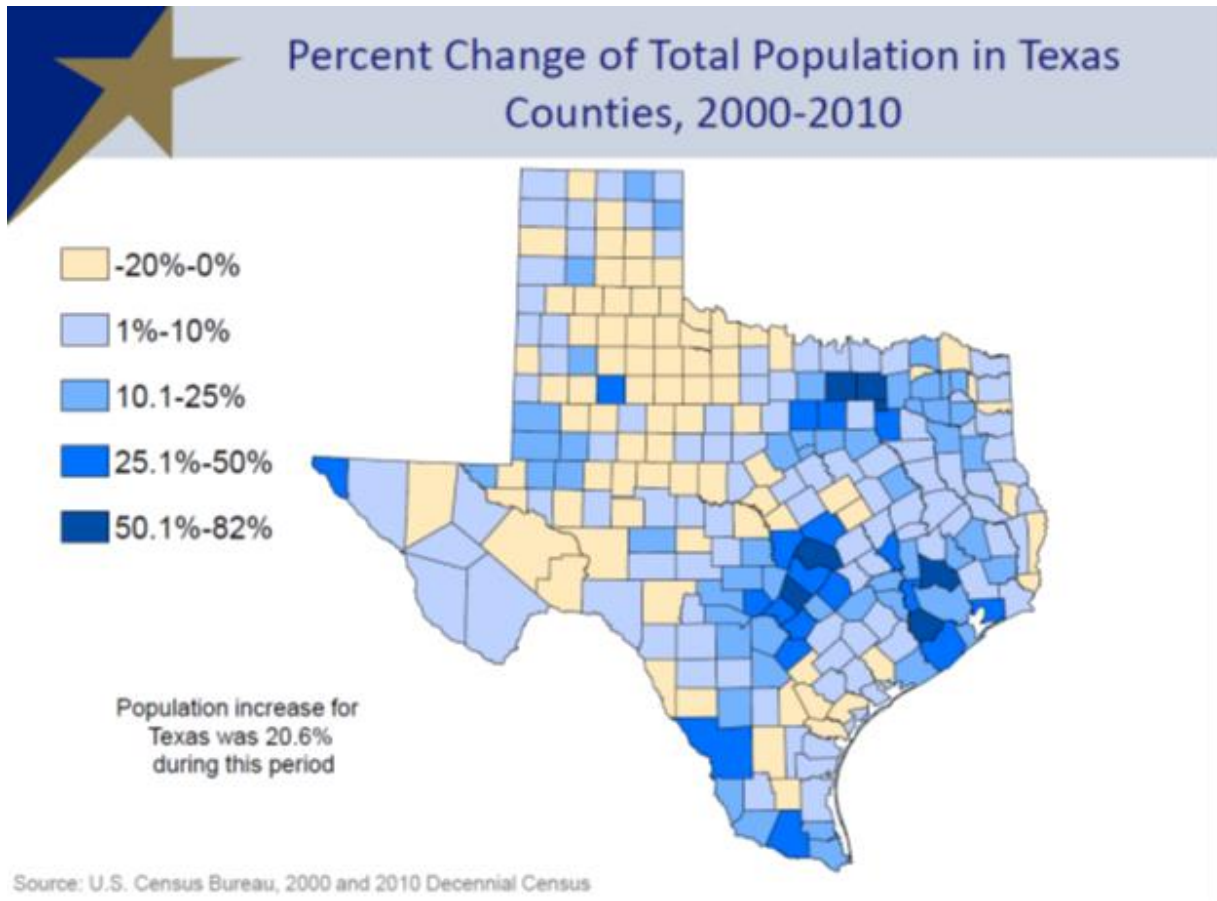


Source: USDA Economic Research Service⁸

A look at the demographic profile of Texans reveals that rural Texas has a lower percentage of residents under 14 years old (20.5 percent of rural population versus 22.9 percent statewide); lower percentage of residents 25-44 years old (23.7 percent rural versus 28.1 percent statewide); and a higher percentage of residents age 65 and older (15.9 percent rural versus 10.3 percent statewide).⁹

⁸ U.S. Department of Agriculture, Economic Research Service, “Rural-Urban Continuum Codes – Overview,” map created by TDA Information Resources based on Office of Management and Budget classifications and U.S. Census Bureau population data (<http://www.ers.usda.gov/data-products/rural-urban-continuum-codes.aspx>).

⁹ Texas Workforce Commission, Labor Market and Career Information, Custom prepared County Narrative Profile for Texas Rural Counties Report dated 9/14/2012, page 3.



Source: Office of the State Demographer¹⁰

Texas is a global economic powerhouse blessed with productive agricultural lands, abundant energy reserves, a skilled workforce and a competitive business climate. In 2012, Texas was ranked among the nation’s leading job creators and top places to do business.¹¹ Rural Texas is a fully engaged, vibrant participant in today’s dynamic world. Of the 12.7 million workers in the Texas labor force, the Texas Workforce Commission reported more than 988,000 people were employed in rural Texas at the end of 2011.¹²

¹⁰ Office of the State Demographer, “The Changing Population of Texas,” presented to BP Business Leaders, November 8, 2012, Austin Texas, page 20, (http://osd.state.tx.us/Resources/Presentations/OSD/2012/2012_11_08_BP.pdf).

¹¹ Office of the Governor, Press Releases: “In Case You Missed It: Texas Ranked Top State to Do Business by Area Development Magazine,” October 18, 2012, (<http://governor.state.tx.us/news/press-release/17776/>).

¹² Texas Workforce Commission, Labor Market and Career Information, Custom prepared County Narrative Profile for Texas Rural Counties Report dated 9/14/2012, pages 6-7.

CLIMATE FOR JOB CREATION

There is not a one-size-fits-all approach to economic development, especially in a state as big and diverse as Texas. Like most successful communities, rural Texas must create an environment for job growth and creation in order to expand the local economy, improve incomes and attract current and future residents to the community. Texas is a leader in economic development because of its low tax rate, fair court system and predictable regulatory structure. As a result, it is a leader in job creation and has weathered the recent economic downturn significantly better than other states.¹³

Communities must work with area residents and business leaders to develop a realistic local or regional strategic plan. Establishing common objectives and identifying strategic partners allows communities to locate opportunities and build relationships to help them achieve their goals. In the 2012 Texas Rural Survey, more than half of responding rural residents ranked the promotion of oil and gas development, Texas agricultural products, the development of small business and the development of telecommunications networks as top priority strategies for economic development.¹⁴

The average rural unemployment rates remain relatively equal to, or less than, the average statewide rate of 7.9 percent at the end of 2011. Even so, the earnings per job and per capita income vary greatly between urban and rural Texans, with urban earnings per job at \$56,688 and rural at \$37,255. Rural earnings have risen more rapidly in the most recent year (2010-2011) with a 1.9 percent increase for rural areas and a 0.6 percent increase for urban. Rural per capita income also increased more rapidly over the period with a 2.7 percent rise for rural residents and 1.7 percent increase for urban.¹⁵

Village Farms has found a new home in West Texas. The produce company has four operations in the Monahans, Presidio, Marfa and Fort Davis areas. The company credits the ideal weather for its success in the area; however, it also recognizes workforce and infrastructure challenges.

See Case Study 1

¹³ Office of the Governor, Press Release, “In Case You Missed It: Business Facilities Magazine Names Texas Best Business Climate in the Nation; U.S. Chamber of Commerce Names Texas a Leader in Job Creation,” July, 23, 2012 (<http://governor.state.tx.us/news/press-release/17460/>).

¹⁴ Theodori, Gene I. “The 2012 Texas Rural Survey,” “Economic Development Options for Rural Texas – Residents,” Slide 73, Center for Rural Studies, Sam Houston State University. Release of the Texas Rural Survey results - February 13, 2013, Texas State Capitol (http://www.shsu.edu/~org_crs/Publications/Texas%20Rural%20Survey%202013.pdf).

¹⁵ U.S. Department of Agriculture, Economic Research Service, “State Facts Sheets: Texas,” (<http://www.ers.usda.gov/data-products/state-fact-sheets/state-data.aspx?StateFIPS=48&StateName=Texas>).

Local, state and federal economic development policies best serve the public by encouraging the growth of businesses and jobs. Rural communities can leverage tax revenue to foster economic development projects. In 2011, 697 rural Texas Economic Development Corporations (EDCs) collected \$573.1 million in Type A and Type B sales tax revenue.¹⁶ EDC fund balances at the end of 2011 exceeded \$800 million for all Texas EDCs from all sources. Several of the communities and projects featured in the case studies in this report were supported by Type A or Type B economic development sales tax revenues, including support for Village Farms by Monahans EDC and Amarillo EDC's support for the regional location of Hilmar Cheese.

Amarillo provided \$5 million to incentivize Hilmar Cheese to come to Dalhart, a rural town 80 miles away. According to an economic development impact report from the Amarillo Economic Development Corp., production reached 1 million pounds of cheese per day and employed more than 250 workers in 2011.

See Case Study 2

Entrepreneurship builds local talent, keeps money in the community and creates jobs based on local skills and resources. Statewide, small businesses and entrepreneurs represent 98.7 percent of all employers and employ 46 percent of the private-sector workforce.¹⁷ The business structure of rural economies is largely composed of small businesses, which are responsible for most of the job growth and innovation.¹⁸ In 2011, the Texas Workforce commission reported 71,542 businesses in rural Texas with an average of 13.85 workers per unit. Statewide, the average number of workers per business is 17.97.¹⁹

The Red River Region understands the importance of supporting entrepreneurs and small business development on a community and regional level. The Red River Region Business Incubator (R3bi), formed in 2010, was designed to spur small business growth.

See Case Study 3

¹⁶ Texas Comptroller of Public Accounts, "Economic Development Corporation Report – 2010-2011." Executive Summary, pages 1-2 and Appendix G: Corporation Revenue – Fiscal 2011, page 97 (http://www.texasahead.org/lga/EDC_Reports/edcr2011/edcr2011.pdf).

¹⁷ U.S. Small Business Administration, Office of Advocacy, "Small Business Profile: Texas," published January 2012, page 1 (http://www.sba.gov/sites/default/files/tx11_0.pdf).

¹⁸ RUPRI – Rural Policy Research Institute, "Entrepreneurship," (<http://rupri.org/entrepreneurship.php>).

¹⁹ Texas Workforce Commission, Labor Market and Career Information, Custom prepared County Narrative Profile for Texas Rural Counties Report dated 9/14/2012, page 8.

The revenues generated from tourism significantly benefit the state's economy. In 2011, spending directly related to travel totaled \$63.2 billion (a 10 percent increase from 2010) and supported 545,300 jobs statewide.²⁰ Rural Texas destinations as a whole hosted 15.56 percent of all Texas visitors (person stays).²¹ Rural Texas can capitalize on the unique contributions to Texas history and heritage by rural Texas communities throughout the state. Travel industry employment exceeded 10 percent of all employment in counties like Aransas, Brewster and Bandera. In Llano County, the figure was greater than 25 percent of all jobs.²² Additionally, communities can promote and market tourism by using revenue generated from hotel occupancy taxes. In 2009, local hotel tax receipts produced \$343 million in revenue to develop and promote tourism in their respective communities.²³

In 2012, AARP listed a survey citing Texas as one of the top 10 states to retire and rural Texas offers numerous desirable retirement destinations.²⁴ According to the survey, Texas offers warm weather and a solid economy for retiree visits and retiree spending.

Texas is home to 247,500 farms and ranches operating on 130 million acres, both first in the nation.²⁵ In all, agricultural and rural lands, including privately owned forestland, encompass 144 million acres, 86 percent of the state's total land area.²⁶ Almost all — 98.5 percent — of the state's farms and ranches are family farms, partnerships or family-held corporations.²⁷ Texas is the nation's leading producer of cattle, cotton, sheep, goats, horses and hay, and is in the top 10 producing states for milk, broilers, eggs, peanuts, pecans, wheat, grain sorghum, rice, vegetables

²⁰ Dean Runyan Associates, Prepared for Texas Tourism, Office of the Governor, Texas Economic Development & Tourism, "The Economic Impact of Travel on Texas: 1990-2011p" June 2012, page i, (<http://www.travel.state.tx.us/getattachment/7941c6e2-2d92-4c42-84af-a7156318ad0d/TXImp11pRev.aspxecodev/texas-economic-overview.pdf>).

²¹ D.K. Shifflet & Associates, Texas Destination Reports: Office of the Governor, Economic Development & Tourism, "2011 Top Destinations."

²² Dean Runyan Associates, Prepared for Texas Tourism, Office of the Governor, Texas Economic Development & Tourism, "The Economic Impact of Travel on Texas: 1990-2011p" June 2012, page ii, (<http://www.travel.state.tx.us/getattachment/7941c6e2-2d92-4c42-84af-a7156318ad0d/TXImp11pRev.aspxecodev/texas-economic-overview.pdf>).

²³ Texas Comptroller of Public Accounts, Texas Rising, "Heds in Beds' Worth Millions to Texans," March/April 2010, page 1 (<http://www.texasahead.org/texasrising/tr1004/tr1004.pdf>).

²⁴ American Association of Retired Persons, AARP Real Possibilities, "10 Best-Rated States for Retirement," Updated October 2012 (<http://www.aarp.org/work/retirement-planning/info-09-2010/10-best-rated-states-for-retirement.2.html>).

²⁵ USDA National Agricultural Statistics Service, 2007 Census of Agriculture, Texas Volume 1, Part 43A, Table 1, February 2009, page 7 (http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1,_Chapter_1_State_Level/Texas/st48_1_0_01_001.pdf).

²⁶ Calculations by Texas Department of Agriculture, using: USDA National Agricultural Statistics Service, 2007 Census of Agriculture, Texas Volume 1, Part 43A, Table 61, February 2009, page 139 (http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1,_Chapter_1_State_Level/Texas/st48_1_0_61_061.pdf), and Texas A&M University, Institute for Renewable Natural Resources, Texas Land Trends (<http://txlandtrends.org/>).

²⁷ USDA National Agricultural Statistics Service, 2007 Census of Agriculture, Texas Volume 1, Part 43A, Table 61, February 2009, page 139 (http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1,_Chapter_1_State_Level/Texas/st48_1_0_61_061.pdf).

and citrus fruits.²⁸ Overall, Texas ranks third in agricultural cash receipts behind only California and Iowa.²⁹ The economic impact of the state's food and fiber sector totaled \$108 billion in 2010 (the latest year available³⁰), and Texas agricultural exports totaled \$7.5 billion during 2011.³¹

Texas' oil and gas industry paid over \$8.5 billion³² in local and state taxes and royalties in fiscal 2009, and the value of crude oil and natural gas produced since that time has grown from \$27.7 billion in 2009 to \$67.8 billion in 2012. Active rigs across the state have jumped from 396 to 912 over the same period,³³ significantly expanding energy-related investment and employment across rural Texas. The state is also the national leader in wind installations and is a manufacturing hub for the wind industry in wind.³⁴ Texas is also featured in the top ten states in solar energy production and growth.³⁵

In 2007, the Texas Parks and Wildlife Department estimated an economic impact of \$14.4 billion from Texas hunters, anglers, bird watchers and active outdoor enthusiasts.³⁶ Texas whitetail deer have an international reputation with hunters and hunting is a driving economic force. The same argument can be made for high-profile fishing destinations. The Parks and Wildlife study also cited more than 950,000 annual wildlife watchers (recreationists) feeding, observing and photographing wildlife.

Another important niche market for Texas tourism is the exotic wildlife industry. A recent study by Texas A&M University showed Texas is home to approximately 125 species of exotic

²⁸ USDA, National Agricultural Statistics Service, Publications, various commodities (<http://www.nass.usda.gov/Publications/index.asp>) and USDA National Agricultural Statistics Service, 2007 Census of Agriculture, United States, Volume 1, Part 51, various commodity tables.

²⁹ USDA, Economic Research Service, Farm Income and Wealth Statistics, Leading Producing States by Commodity Group, 2011, August 28, 2012, RK11AC.xls, (<http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics.aspx>).

³⁰ McCorkle, Dean, et al, Texas A&M University, AgriLife Extension Service, Extension Agricultural Economics, Economic Impact Studies, The Food and Fiber System and Production Agriculture's Contribution to the Texas Economy, November 2012, page 2 (<http://agecoext.tamu.edu/fileadmin/econimpact/FoodFiber2012.pdf>).

³¹ USDA, Economic Research Service, Texas State Fact Sheet, Top 5 Agricultural Exports, Estimates, 2011, updated March 28, 2013 (http://www.ers.usda.gov/data-products/state-fact-sheets/state-data.aspx?StateFIPS=48&StateName=Texas#P0f2f58cbe75848c1a579265980c4b07d_2_657iT24R0x0).

³² Permian Basin Petroleum Association, Economic Impact of Oil and Gas in Texas (<http://pbpa.info/education-center/permian-basin-industry-statistics/economic-impact-of-oil-and-gas-in-texas/>).

³³ Texas Comptroller of Public Accounts, "Texas Economy in Focus — Key Texas Economic Indicators," Updated March 28, 2013 (<http://www.texasahead.org/economy/tracking/>).

³⁴ American Wind Energy Association, "Wind Energy Facts: Texas" Published October 2012 (<http://www.awea.org/learnabout/publications/factsheets/upload/3Q-12-Texas.pdf>).

³⁵ U.S. Department of Energy, Energy Efficiency & Renewable Energy: 2011 Renewable Energy Data Book, "States Leading Solar Electricity Development (2011)" Revised February 2013, page 67 (<http://www.nrel.gov/docs/fy13osti/54909.pdf>).

³⁶ Texas Parks and Wildlife Department, "Hunting and Fishing a \$14.4 Billion Industry in Texas," News Release, February 26, 2008 (<http://www.tpwd.state.tx.us/newsmedia/releases/?req=20080226g&nrtype=all&nrspace=2008&nsearch=>).

wildlife. Each year, exotic wildlife operations generate spending of more than \$822 million, generating more than \$1.3 billion and 14,000 jobs nationally, with the greatest share in Texas.³⁷

Nocona, like many rural communities in Texas, long depended on one company whose operations were relocated to El Paso. Community leaders and residents acknowledged Nocona lacked many traditional development assets, but recognized their tremendous heritage and its value promoting tourism for the community. Nocona committed itself to long-term economic development; the city identified tourism as an interim strategy and capitalized on its cultural heritage and proximity to lake recreation.

See Case Study 4

Throughout rural Texas, communities are exploring other niche markets that can transform themselves into desirable travel destinations. Agritourism is becoming a popular sector of the tourism industry throughout the United States and in Texas. These activities — ranging from experiencing a working ranch from the horseback vantage point, to touring vast wildlife range to exploring vineyards — attract visitors throughout the state.

The Texas wine industry has grown from 944,000 cases produced in 2005 to 1.4 million in 2011, a 48 percent increase.³⁸ As the fifth largest grape- and wine-producing state, Texas and its wine industry contributed \$1.8 billion to the Texas economy, paying \$400 million in wages. With more than 236 wineries in Texas, wine-related tourism generated \$437.8 million in expenditures and attracted more than 1.4 million tourists (2011), growing 66 percent since 2005.³⁹

The arts are thriving across Texas and are important contributors to the state's overall tourism industry and employment. The creative sector contributes significantly in the state's major urban areas; and, significant for rural Texas, the cultural arts are also a "key component of the creative sector and contribute significantly to local economies. The cultural arts bolster existing businesses and propel recruitment, retention and expansion of big and small businesses."⁴⁰ Texas' creative sector employs nearly 700,000 individuals, which represents a growth rate of 22 percent over the past five years. It paid \$38.8 billion in wages and generated \$1.9 billion in state sales tax revenue in 2009.⁴¹ And while the art and culture industries are predominately located in

³⁷ Anderson, David P., Frosch, Brian J., Outlaw, Joe L., Agricultural and Food Policy Center, Texas A&M University, "Economic Impact of the Exotic Wildlife Industry" August 2007, Executive Summary, page 4 and The Industry, page 7 (<http://www.afpc.tamu.edu/pubs/2/496/rr-2007-02.pdf>).

³⁸ Texas Wine & Grape Growers Association, "What's In a Bottle?" (<http://www.txwines.org/Whats%20in%20a%20Bottle%202011%20Final.pdf>)

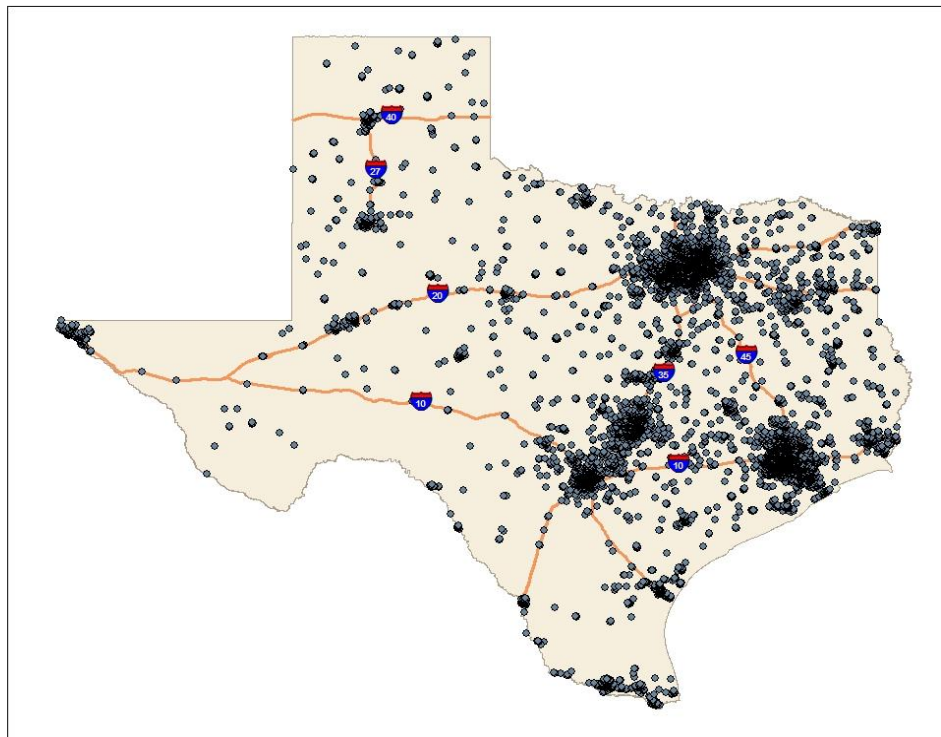
³⁹ *Ibid.*

⁴⁰ Texas Cultural Trust, Economic Development, "The Art of Economic Development in Texas," pages 2-3 (<http://www.txculturaltrust.org/programs/economic-development/>).

⁴¹ Update: Impact of Arts & Culture Industries on Texas, Prepared for Texas Cultural Trust and the Texas Commission on the Arts, Spring 2011, produced by TXP, Inc., Austin, Texas, "Estimated State of Texas Sales Tax Revenue from Creative Sector Occupations" and "Table 4" page 11 (http://txculturaltrust.org/wp-content/uploads/2011/02/Update_Final_021711.pdf).

the large urban centers, the industry locations are distributed throughout the state. For example, annual taxable sales in the arts and cultural industries for 2009 exceeded \$16.4 million, \$9.5 million and \$5.5 million in the rural Texas counties of Comal, Gillespie and Gonzales, respectively.⁴² In a 2012 survey of Texas rural leadership, “promoting tourism” was identified as the highest ranking of economic development options for rural Texas.⁴³

Location of Arts and Culture Industries in Texas



Source: TXP, Inc. and Dun and Bradstreet

⁴² *Ibid.* Appendix 6 – County Level Arts and Cultural Industries Taxable Sales, “Table A6: Annual Taxable Sales by County,” pages 31-32.

⁴³ Theodori, Gene L. and Hudac, Cheryl L., *The 2012 Texas Rural Survey: Economic Development Strategies and Efforts*, Huntsville, Texas, Center for Rural Studies, Sam Houston State University 2013, and “Table 7. Economic Development Options for Rural Texas (Leaders),” pages 8-9.

Clifton has emerged as a leading arts community by leveraging the natural environment and taking advantage of the proximity to larger metro areas, and capitalizing on the generosity of local citizens. The arts have become a significant economic development and tourism driver for the town of 3,500 people.

See Case Study 5

The diversity of the rural economy helps to mitigate short-term economic events – even those with severe consequences. For example, in 2011, Texas experienced a historic drought that not only created agricultural losses totaling more than \$8 billion, but it also adversely affected public infrastructure throughout the state, including drinking water supplies. Along with the drought, wildfires burned more than 4 million Texas acres in 2011. Communities that are not diversified and are dependent entirely or largely on agriculture will be more affected economically by these events than diversified communities.

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INFRASTRUCTURE

Reliable community infrastructure provides the foundation for economic and community development. Distance and density issues have a significant impact on the ability of a rural community to address infrastructure needs due to revenue concerns and economies of scale. It is important for rural communities to develop a comprehensive plan to maintain public infrastructure.

Community infrastructure includes water and wastewater disposal, transportation, electricity and telecommunications. These services are fundamental for families and businesses to choose to live, work and stay in an area — urban or rural. Regional infrastructure and community support are important for attracting and developing an entrepreneurial culture. Communities also need to look at their technological infrastructure to ensure that entrepreneurs are able to conduct business efficiently.

Traditionally, downtown and main streets served as the central meeting place for rural community and economic activity. However, growing suburbanization patterns have relocated many of the businesses that once anchored economic activity in these areas.⁴⁴ Despite these challenges, historic rural downtowns and main streets represent a valuable asset for strategic redevelopment. Downtown revitalization can be a source of new jobs, enhanced amenities and community pride. Targeted approaches to downtown and main street revitalization activities can renew rural communities' identities and serve as an economic driver.

In the past decade, Texas has grown at a rate of approximately 1,100 people per day. By 2060, the population of the state is projected to increase to more than 46 million people. According to the Texas Water Development Board, “Rapid growth, combined with Texas’ robust economy and susceptibility to drought, makes water supply a crucial issue. If water infrastructure and water management strategies are not implemented, Texas could face serious social, economic, and environmental consequences in both the large metropolitan areas as well as the vast rural areas of the state.”⁴⁵

State agencies offer technical assistance and help communities evaluate and implement water conservation strategies for rural communities. Educating the public and making water conservation easy and relatable is another approach to preserving existing water supplies. The Texas Water Smart coalition is a public-private coalition of businesses, trade associations, cities, water suppliers and elected officials who are committed to water conservation. It also educates families and businesses about easy and efficient ways to conserve water.

In today’s technological world, it is vital that communities stay well-informed of new ideas, trends and programs. In order to compete in the global market, communities and their businesses

⁴⁴ Texas Comptroller of Public Accounts, Texas Rising: Partnering for Impact, April 2008 (http://www.texasahead.org/texasrising/tr0804/partnering_impact.php).

⁴⁵ Texas Water Development Board, 2012 State Water Plan, “2012 Water for Texas,” page175 (<http://www.twdb.texas.gov/waterplanning/swp/2012/>).

must engage the internet and mobile technology to utilize services such as websites and social media to market to an international audience.

Broadband access is evolving as the new standard for telecommunication service in rural Texas. While 96.6 percent of Texas households live where broadband access is available, Connected Texas estimates that currently, 235,000 or 10.34 percent of all rural households are unserved by broadband Internet access.⁴⁶ Connected Texas found that 20 percent of Texans, or 1.4 million adults, who choose not to adopt broadband, cite a lack of digital literacy as the primary reason behind their decision.⁴⁷ According to the recent Texas Rural Survey the highest ranking strategy perceived to have a positive economic development effect is improving access to high-speed internet in the community.⁴⁸

The city of Chireno in Nacogdoches County partnered with Connected Texas to bring broadband service to this rural Texas town and demonstrates how broadband access and adoption can give a small town the amenities of a big city, while still preserving the small-town quality of life.

See Case Study 6

Texas has the largest rural population in the country and its communities rely on an expansive transportation infrastructure for their economic vitality. According to a Texas legislative committee report, “there are more than 62,000 miles of rural highways in Texas and the 10,175-mile Texas Highway Trunk System forms the core of the rural network. Also included in the trunk system are approximately 41,000 miles of Farm-to-Market or Ranch-to-Market roads and spurs, which is the most extensive network of secondary roadways in the world.” In addition, the county road system features 160,000 road miles and 17,000 bridges.”⁴⁹ The Texas Department of Transportation (TxDOT) anticipates an increase in rural traffic and ridership due to a new influx of truck traffic due to a variety of factors including agricultural industrialization, increase in the physical size of agricultural equipment, revival of the oil industry, increases in trade

⁴⁶ Connected Texas, “The Broadband Landscape in the State of Texas: Assessment at a State, Regional & Local Level and Recommendations for Broadband Expansion” March 2011, “Table 6 – Broadband Service Across Rural Texas at Least 768 Kbps Download Speeds,” page 17

(http://www.connectednation.org/sites/default/files/bb_pp/ctx_planning_report_final_web.pdf).

⁴⁷ *Ibid.*, page 67.

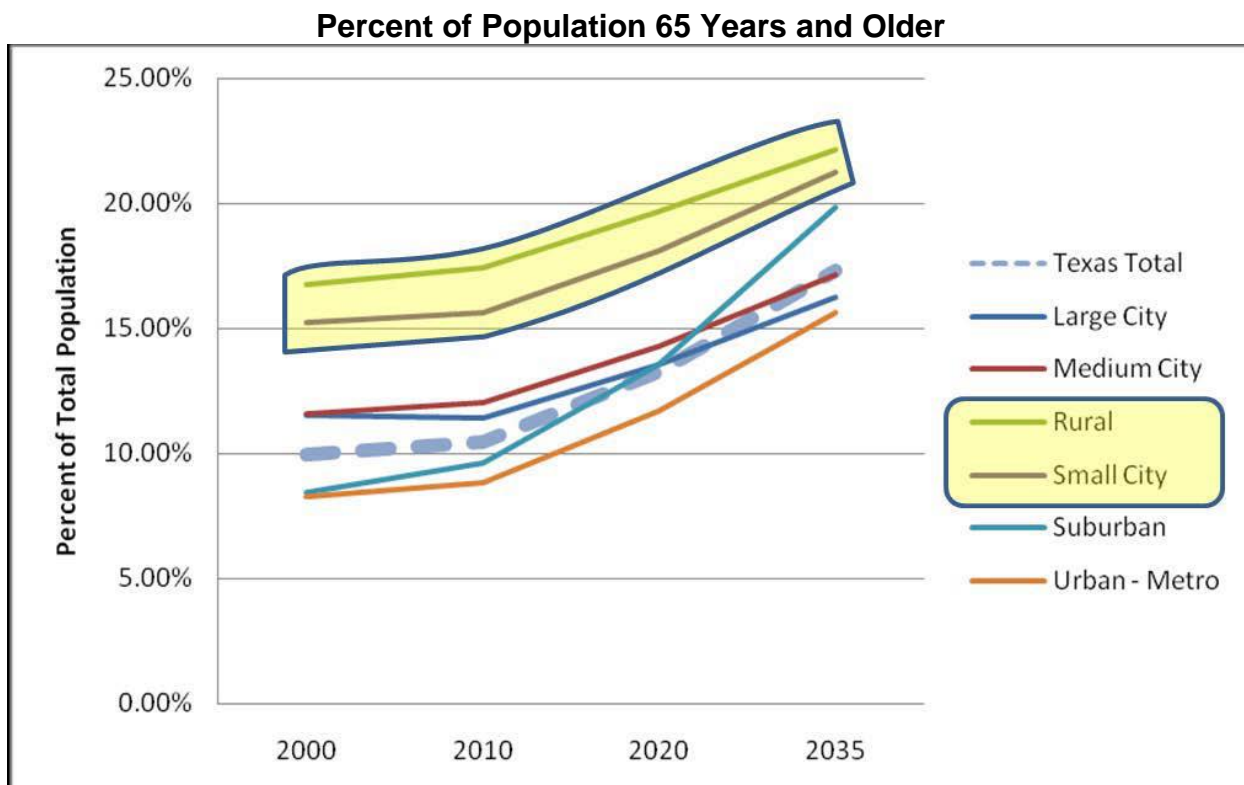
⁴⁸ Theodori, Gene L. and Hudac, Cheryl L., The 2012 Texas Rural Survey: Economic Development Strategies and Efforts, Huntsville, Texas, Center for Rural Studies, Sam Houston State University 2013, page 6 and “Table 5. Effects on community when /if Community Leaders Pursued Selected Economic Development Strategies.”

⁴⁹ Texas House Committee on Agriculture and Livestock, “Interim Report to the 82nd Legislature” House Committee on Agriculture and Livestock, January 2011, pages 19-20

(<http://www.house.state.tx.us/media/pdf/committees/reports/81interim/House-Committee-on-Agriculture-and-Livestock-Interim-Report-2010.pdf>).

resulting from the North American Free Trade Agreement and abandonment of approximately 2,400 miles of rail track in Texas.⁵⁰

In June 2012, TxDOT released the first Texas Rural Transportation Plan (TRTP) to evaluate and define future rural transportation needs. The TRTP identifies rural Texas' aging population, both urban and rural as a significant trend that will influence future transportation development. As current residents continue to age and more seniors retire to rural communities, public transit solutions will be required to transport citizens to health care facilities, shopping centers and recreational areas.⁵¹



Source: TxDOT Texas Rural Transportation Plan⁵²

⁵⁰ *Ibid.*, page 22.

⁵¹ Texas Department of Transportation, The Texas Rural Transportation Plan: Component of the Statewide Long-Range Transportation Plan, Volume 1, Adopted by Texas Transportation Commission Action June 28, 2012, pages 11-12 (http://ftp.dot.state.tx.us/pub/txdot-info/tpp/rural_2035/report/final_0612/adopted_trtp.pdf).

⁵² *Ibid.*, Figure 2-1: Percent of Population 65 Years and Older, page 12.

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HEALTH CARE

Health care is integral to the economic well-being of a community. Businesses seeking to locate in rural Texas are looking at many indices of community vitality, and access to quality health care is essential. Challenges in the rural health arena include access to care, aging health care facilities and equipment, a health care professional workforce shortage, and the variable levels and quality of care available.

Adequate access to health care services, including preventive services and treatment for illnesses, is necessary for optimum health and wellness, as well as workplace productivity. Individuals unable to access health care services contribute to a greater burden of health care costs.

In general, an older population impacts many basic infrastructure needs in a community such as health care. The older population has greater needs for health care services due to the long-term effects of chronic illnesses, end-of-life care and emergency care. Additionally, there are twice as many underinsured individuals nationally, spanning all ages, in rural areas than in urban areas. Further, the odds of rural residents being underinsured are 70 percent higher than for urban residents.⁵³

Maintaining the viability of rural hospitals and clinics along with expanding primary care, specialty care and emergency/trauma care will help improve the health of rural Texans to ensure they have access to quality health care. Investing in infrastructure for buildings, information and communications technology will have an enormous impact on health care over the coming decades.

Rural communities face challenges with aging health care facilities. The cost of updating and maintaining these facilities is significant. Rural hospitals in Texas provide medical coverage to 85 percent of the state's geography and provide care not only to their residents, but to traveling urbanites and visitors.⁵⁴ Technology is expanding at an extraordinary rate requiring hospitals and other health care providers to purchase and maintain computer systems and software that support electronic health records. Health information technology is a central component in improving health care quality by reducing medical errors. Access to accurate and complete information about a patient's health enables providers to provide the best possible care during a routine visit or a medical emergency. Accurate and timely information supports better decisions and better outcomes at lower costs.

⁵³ Bailey, J. M., The Top 10 Rural Issues for Health, March 2009, Center for Rural Affairs, page 1 (<http://files.cfra.org/pdf/Ten-Rural-Issues-for-Health-Care-Reform.pdf>).

⁵⁴ Texas Organization of Rural and Community Hospitals, Texas Rural Hospital Facts, April 8, 2013 (http://www.torchnet.org/position_papers.php).

Telemedicine, a component of health information technology, can also contribute to addressing the shortage of health care professionals in rural areas by connecting specialists in urban areas with rural health care facilities and care providers.

There is a strong need for recruiting and retaining qualified health care professionals in rural Texas. People living in rural Texas suffer from the same illnesses and diseases that are prevalent in the rest of the state, but have limited access to the health care services that can improve health outcomes. Currently, the Texas population is growing at a rapid rate and practicing health care professionals are not able to keep pace with the increasing demand. According to the Bureau of Labor Statistics, three of the top five categories of fastest-growing occupations are health care or wellness-related.⁵⁵ In addition, there are changes in the populations most in need of health care; by 2040, persons 65 years and older are expected to make up more than one-sixth of the population of the state.⁵⁶

Rural Texas has a shortage of physicians.⁵⁷ In the recent Texas Rural Survey, more than 70 percent of responding rural residents noted the need for more primary care physicians and the difficulty of finding medical specialists, including optometrists, in their communities.⁵⁸ In metropolitan areas outside the border region, there is one physician in direct patient care for each 573 county residents. In the 32 border counties and in non-metropolitan Texas, these ratios are two to three times as high.⁵⁹ According to a 2006 report, there were 27 rural Texas counties without a doctor and 16 rural counties with only one doctor.⁶⁰ Urban counties in Texas have more physicians per person than rural Texas counties. In non-border counties, there are 175 physicians per 100,000 urban residents compared to 95 physicians per 100,000 rural residents. Border counties have less coverage at 110 physicians per 100,000 residents in urban and only 53 physicians per 100,000 residents in rural.⁶¹

⁵⁵Lockard, B. C., & Wolf, M., Employment outlook: 2010–2020 Occupational employment projections, January 2012, Bureau of Labor Statistics, page 100 (<http://www.bls.gov/opub/mlr/2012/01/art5full.pdf>).

⁵⁶ Statewide Health Coordinating Council, 2011 - 2016 Texas State Health Plan, Texas Department of State Health Services, page 6 (www.dshs.state.tx.us/chs/shcc/reports/SHP2011-2016).

⁵⁷ Statewide Health Coordinating Council, 2011 - 2016 Texas State Health Plan, Texas Department of State Health Services, Pages 11, 37 (www.dshs.state.tx.us/chs/shcc/reports/SHP2011-2016).

⁵⁸ Sam Houston State University, The 2012 Texas Rural Survey, Fall 2012, Center for Rural Studies, Slide 85 (http://www.shsu.edu/~org_crs/Publications/Texas%20Rural%20Survey%202013.pdf).

⁵⁹ Statewide Health Coordinating Council, 2011 - 2016 Texas State Health Plan, Texas Department of State Health Services, Page 11 (www.dshs.state.tx.us/chs/shcc/reports/SHP2011-2016).

⁶⁰Health Professions Resource Center, Center For Health Statistics, Texas Department of State Health Services, Statewide Health Coordinating Council, and East Texas Area Health Education Center. Recruitment and Retention of Health Care Providers in Underserved Communities in Texas, September 2006, page 8 (www.dshs.state.tx.us/CHS/HPRC/hb916rep.pdf).

⁶¹ Lloyd Potter, P., Rural Health and Texas Demographic Characteristics and Trends, September 11, 2011, Office of the State Demographer, Slide 24 (http://osd.state.tx.us/Resources/Presentations/OSD/2011/2011_09_14_Texas_Rural_Health_Forum.pdf).

Health care education support, such as scholarships, internships and targeted curricula, increases the likelihood that students will serve the health care needs of rural Texans. A recent rural medical education study found that multiple intervention strategies are needed to increase the number of rural physicians. For instance, a rural track in medical school produced one extra rural physician for every 17 students and utilizing rural focused admission criteria produced one extra rural physician for every 6 students.⁶² The University of Kansas' Scholars in Rural Health Program has helped underserved rural communities find qualified and eager health care professionals through a mentorship program for pre-med undergraduate students. Students who participate in this program are typically from rural areas of the state and have vested interests in returning. Of the 19 resident graduates, 63 percent serve in rural communities.⁶³ Medical schools currently utilizing these strategies should be encouraged to help fill the health care void in rural Texas.

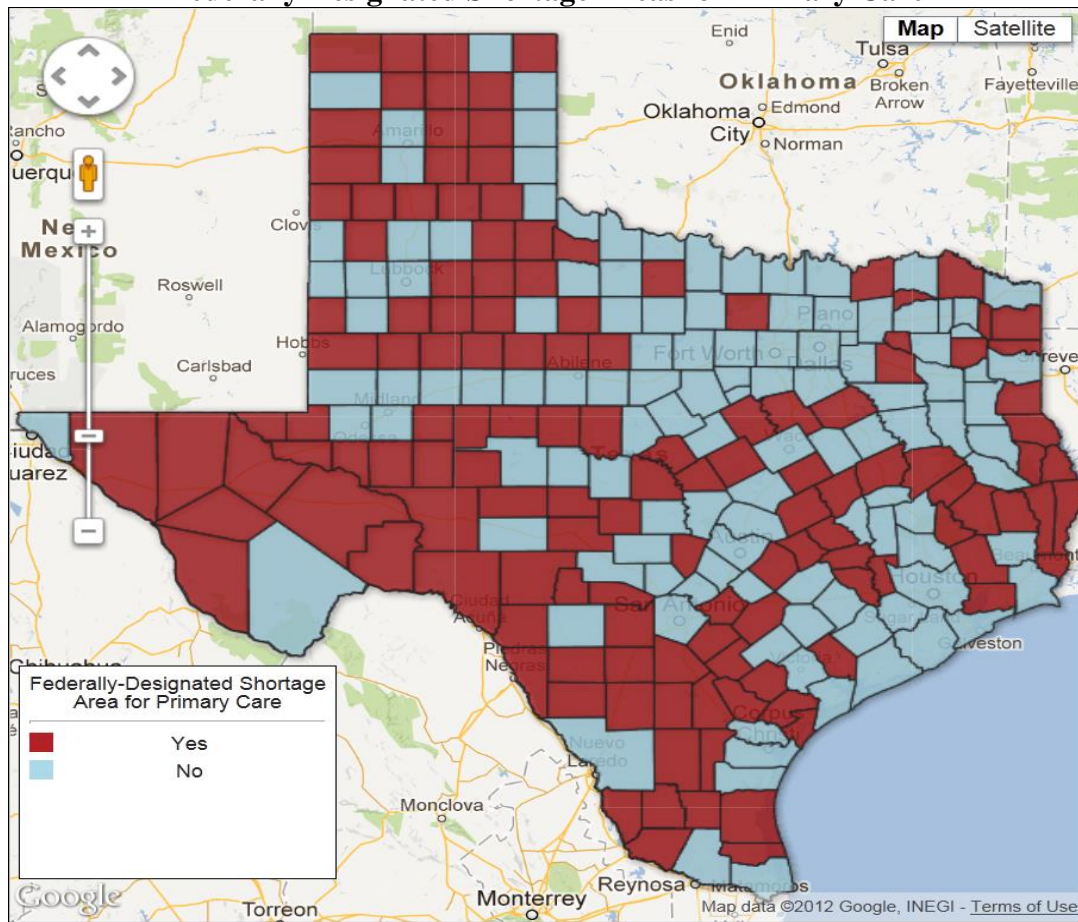
Muleshoe, a GO TEXAN Certified Retirement Community, with a population of more than 5,000 has made significant strides when it comes to strengthening its sense of community and quality of life. One example is the Muleshoe Center for South Plains College. Through significant local collaboration, the center specializes in the education and training of students and nurses.

See Case Study 7

⁶²Wheat, J. R., The Rural Medical Scholars Program Study: Data to Inform Rural Health Policy, January-February 2011, The Journal of the American Board of Family Medicine, pages 93-99 (<http://www.jabfm.org/content/24/1/93.full>).

⁶³ Kallail, James K., P., & McCurdy, Sandra M., Scholars in Rural Health: Outcomes From an Assured Admissions Program, November-December 2010, Society of Teachers of Family Medicine, pages 729-731 (<http://www.stfm.org/fmhub/fm2010/November/K.%20James729.pdf>).

Federally Designated Shortage Areas for Primary Care



Data Source: U.S. Health Resources and Services Administration⁶⁴

⁶⁴ Aaronson, B., Interactive: Mapping Access to Health Care in Texas, May 8, 2012, The Texas Tribune (<http://www.texastribune.org/library/data/texas-shortage-health-care-providers/>).

WORKFORCE AND SKILLS DEVELOPMENT

Workforce development drives economic development and is a priority issue that touches all geographies and generations. One of the most important tools necessary to attract private job-creation investment is having a reliable and adaptable workforce education and training infrastructure to support private investors' needs.

Each community must work with local, regional and state partners in order to successfully implement a workforce development strategy. Area schools and educational institutes should look to local businesses and industries to participate in skill and education training. Communities that work with local industries and conduct assessments are able to determine their workforce needs and can take the “grow your own” approach to job creation and promotion.

To address this unmet need, TDA worked with local partners to create the Parallel Pathways to Success Grant Program. When funds are available, the Parallel Pathways to Success Grant Program is designed to provide communities with grant funding to give rural Texas students the opportunity to acquire workforce skills, training and earn college credit prior to graduation.

Local workforce needs are best known by local officials and business leaders. This program provides alternative educational resources to meet local workforce needs. While traditional 2 or 4-year degree programs are not necessarily excluded from participation, the focus of the program is on job training or educational programs that result in vocational or career certifications for eligible students. TDA has awarded seven awards totaling more than \$750,000 and benefiting hundreds of current and former student participants.

The Education Foundation for the Lampasas County Higher Education Center (LCHEC) was organized in 2010 and is funded in part by TDA's Parallel Pathways to Success Program and matched multiple times by local partners. To date, LCHEC has served over 600 students by providing access to college courses, workforce training and leadership programs. A high percentage of the workforce training students passed their national exams, and many have found

Rural industries such as construction, manufacturing and natural resource management require employees with specific skills and training. An educated and skilled workforce is an essential community asset that keeps an area more competitive for economic growth and development. Research shows there is a direct link between improved labor force quality and economic development outcomes. It is critical that rural areas continue to prioritize workforce development with the objectives of expanding long-term progress.

The rural school districts of Beckville, Harleton and Waskom and the Panola Charter School, in conjunction with Texas State Technical College and Workforce Solutions East Texas have been able to leverage state funds 3:1 to sustain the opportunity for all students to attend college, but also accelerate certification processes and workforce readiness skills of students entering the workforce upon graduation.

The 2012 Texas Rural Survey found that developing and/or promoting local continuing education and youth entrepreneurship programs in local schools ranked second and third behind high-speed internet access among economic development strategies to pursue in order to have the greatest effect on the community.⁶⁵

Rural jobs in Construction, Trade, Transport & Utilities, Financial Activities and Leisure & Hospitality increased at a higher rate compared to Texas, as a whole.

Rural jobs in Natural Resources & Mining, Manufacturing, Information, Professional Business & Other Services, Education and Health Services increased at a slower rate compared to Texas, as a whole.

Most popular occupations in Rural Texas (Rural County)

Management/Professional 26.9%

Sales & Office 23.2%

Service 17.5%

Agriculture 2.6%

Texas Workforce Commission, Labor Market and Career Information, Custom prepared County Narrative Profile for Texas Rural Counties, Report dated 9/14/2012, page 7.

In order to maintain a healthy job climate, rural leaders must first identify the job needs of their community and then develop rural workforce programs that prepare students for employment in those careers. This entails identifying the local job market's demands and coordinating technical training, education and business resources to develop a successful rural economy and community.

One of the largest, sustained demographic shifts occurring in rural Texas communities is the out-migration of young adults between 20 to 29 years of age. This negatively impacts rural communities by reducing the pool of potential human capital. Out-migration of talented

⁶⁵ Theodori, Gene L. and Hudac, Cheryl L., The 2012 Texas Rural Survey: Economic Development Strategies and Efforts, Huntsville, Texas, Center for Rural Studies, Sam Houston State University 2013, "Table 5. Effects on community when /if Community Leaders Pursued Selected Economic Development Strategies," page 7.

individuals, including youth, reduces the number of active participants in communities and prevents continuing issues from new critical examination.⁶⁶

Rural communities must make their own decisions on what specific leadership development experiences and strategies would be effective. For rural communities seeking to improve the function of their municipal government, education and training in strategic planning and community engagement may be appropriate.

A community can encourage youth to return and accept leadership roles after graduation by implementing community-developed leadership programs to cultivate and promote future community stewards.

The West Texas Innovation Network (WTIN) is a regional collaboration with a mission to increase entrepreneurial activity and enhance the resources and training available to aspiring entrepreneurs. By partnering with local entities, WTIN is not only promoting small business growth, but also providing the surrounding communities with a well-trained workforce.

See Case Study 8

A qualified and well-trained workforce is a key to economic development in rural communities. Identifying the job needs of rural areas helps ensure rural workforce programs meet the needs of both employees and employers in order to develop a foundation for continued economic growth.

Denton ISD's Sarah and Troy LaGrone Advanced Technology Complex is a specialized facility designed to prepare high school students and adults in trade-specific technical and professional skills necessary to compete in today's environment.

Source: Denton Independent School District
(<http://www.dentonisd.org/Domain/4300>)

⁶⁶ Schroeder, Craig, RUPRI Center for Rural Entrepreneurship, Webinar: "Proven Strategies to address Youth Outmigration," broadcast June 16, 2011 (<https://heartlandcenter.adobeconnect.com/a946447839/p9qm3rxg4na/?launcher=false&fcsContent=true&pbMode=normal>).

Vocational skill classes and career-prep classes will provide a strong foundation for students. Curriculum that includes job search, interview skills and resume building will give students the skills necessary to obtain a job after graduation. Schools focusing on vocational training programs that align with the job trends of the area will support local industries while preventing out-migration of young and skilled individuals.

A community can also identify workforce needs directly by working with area businesses and industries. This can lead to the creation of high school curricula that encourage job and workforce skills training, both of which are important steps to providing an area with skilled professions.

“What we are willing to invest today will produce dividends later. This [Parallel Pathways grant] program allowed us to help each one of our students whether they were college, trade school or directly-to-work students.”

Rick Moeller, Knox City High School

See Case Study 9

Appendix 1: Texas Rural Health and Economic Development Advisory Council Members

Todd Staples, Texas Commissioner of Agriculture, Serves as Chair of the Advisory Council

Todd Staples is the 11th Texas Commissioner of Agriculture and recently was re-elected to serve a second four-year term in this statewide elected office. Commissioner Staples believes the free enterprise system and individual responsibility are the keys to prosperity for Texas.

From his earliest days of public service as a member of the Palestine city council through his tenures in the Texas House of Representatives and later the Texas Senate, Commissioner Staples has championed such critical issues as protection of private property owners' rights, workers' compensation reform, school finance reform and improving the education of Texas' leaders of tomorrow, just to name a few.

As leader of the Texas Department of Agriculture, Commissioner Staples is diligent in his efforts to support private sector job creation and economic development across the Lone Star State; improve consumer protection from the grocery store to the gas pump; lead true eminent domain reform in Texas; and play an enormous role in continuing to improve the healthy lifestyles of young Texans.

He is also focused on the promotion of agricultural products and businesses using the GO TEXAN marketing program, and has expanded trade opportunities for Texas producers. Commissioner Staples has accomplished these priorities with a philosophy that puts family and taxpayer interests first while also focusing on efficiency.

Commissioner Staples was born in Anderson County where he was active in high school FFA and was elected state FFA vice president. He attended Texas A&M University where he graduated with honors with a degree in agricultural economics.

Commissioner Staples began serving in public office in 1989 when he was elected to the Palestine city council. In 1995 he was elected state representative and served three terms in the Texas House before being elected state senator in 2000 where he served two terms. His public service continues today as Agriculture Commissioner. Following his first election in 2006, he was re-elected to a second term in 2010.

The Honorable Craig Estes; State Senator, District 30

Senator Estes was first elected to the State Senate in a 2001 Special Election, and then re-elected in 2002, 2004 and 2008. Senator Estes is the Chairman of the Senate Committee on Agriculture, Rural Affairs and Homeland Security as well as Vice Chairman for the Senate Natural Resources

Committee. He also serves as a member of the Senate Finance and Business and Commerce. Additionally, Senator Estes was appointed by Lieutenant Governor David Dewhurst to serve as a member of the Senate Select Committee on Redistricting, which used the 2010 census data to reapportion congressional districts as well as districts for the state legislature.

Senator Estes has also been appointed by Governor Rick Perry to serve on the Southern States Biobased Alliance and to the Western States Water Council. Lieutenant Governor David Dewhurst appointed Senator Estes to the Agriculture and Rural Development Committee of the Southern Legislative Conference of the Council for State Governments, and the Agriculture and Energy Committee for the National Conference for State Legislators. In October 2011, Senator Estes was appointed to the Texas Rural Health and Economic Development Advisory Council by the Lieutenant Governor.

Senator Estes was instrumental in founding the Bioenergy Policy Council, which works to expand research and development of domestically produced alternative fuels in order to promote economic growth and reduce dependence on foreign energy. Senator Estes is currently a board member on the council.

Senator Estes also serves on the Board of Directors of Texas Conservative Coalition Research Institute, and is co-chairman of the Economic Development Task Force. Senator Estes represents the fifth generation from the North Texas area, and he was born and raised in Wichita Falls.

The Honorable Chuck Hopson; State Representative, District 11

State Representative Chuck Hopson served six terms as a State Representative representing Cherokee, Houston, Panola and Rusk Counties.

Representative Hopson is an independent pharmacist from Jacksonville, where he owned and operated May Drug from 1973 until 2010. Born in Jacksonville on Sept. 18, 1941, he graduated from the University of Houston where he received a degree in pharmacy.

Prior to his service as a State Representative, Hopson was active in local government and was elected to the Jacksonville School Board, the Jacksonville City Council and appointed Vice-Chair of the local Planning and Zoning Commission. He also serves on the Board of Trustees for Lon Morris College in Jacksonville.

Representative Hopson is an active member of his community serving on numerous boards and charitable organizations, including Austin Bank and the Nan Travis Hospital Foundation. He has also served First United Methodist Church of Jacksonville as a Sunday school teacher.

He and his wife, Billie, a former educator and school counselor for more than 30 years and now in private practice, have three grown children and seven grandchildren. As an active and lifetime

member of the National Rifle Association and the Texas State Rifle Association, he appreciates hunting, fishing and collecting guns.

The Honorable John Thompson; County Judge, Polk County

Judge Thompson has served as Polk County Judge for the last 21 years with a special interest in developing and utilizing regional partnerships to address local, state and national issues.

He has chaired the Legislative Committee for the County Judges and Commissioners Association since 1997. Currently, Judge Thompson serves as President of the North & East Texas County Judges and Commissioners Association and has served as President of the Texas Association of Regional Councils.

Judge Thompson has dedicated much of his energy to working for transportation solutions in Texas and throughout the nation. He currently serves as President of “Alliance I-69 for Texas,” and as Chairman of the “Gulf Coast Strategic Highway Coalition (Strategic I-14).” In 2000, the Texas Department of Transportation honored him with the “Road Hand Award” and in 2004 he was awarded the Department’s Russell H. Perry Award – both recognizing his interest and efforts in the improvements of transportation.

In 2009, Judge Thompson became the second person ever to receive the Giles W. Dalby Award for Judicial Leadership by the Texas Judicial Academy and the Texas Association of Counties.

Don McBeath; Director of Advocacy and Communications, Texas Organization of Rural and Community Hospitals

Don McBeath is the Director of Government Relations for the Texas Organization of Rural and Community Hospitals (TORCH) where he serves as a liaison with state and federal lawmakers, and agencies, for more than 150 rural hospitals in Texas. In this role, he provides rural health policy information to both the members of the Texas Legislature and members of Congress from Texas. He was also a driving force behind recent state legislation to allow hospitals in rural areas to directly employ physicians in an effort to enhance recruitment opportunities.

Prior to joining TORCH in October 2007, McBeath was Director of Telemedicine and Rural Health for Texas Tech University Health Sciences Center in Lubbock, a position he held for nine years. In that role, he worked with many communities across West Texas on rural health issues and directed the telemedicine program for Texas which is used extensively in the prison system and in rural communities to electronically link physicians and patients. He was also instrumental in the establishment of the West Texas Area Health Education Center program at Texas Tech.

Mr. McBeath also served as Lubbock County Judge from January 1991 through December 1998 and as the Office Administrator of the Lubbock County District Attorney’s Office for the 10 years prior to being County Judge. Early in his career, McBeath worked in radio and television news.

Throughout his health care career, McBeath has been active in many state and national health organizations, including the National Rural Health Association. He is a past president of the Texas Rural Health Association.

A 1977 graduate of Texas Tech University with an Arts and Sciences degree in telecommunications, he has been honored as an Outstanding Alumnus from the Texas Tech School of Mass Communications.

The Honorable Orlando Correa; Mayor, Raymondville, Texas

Mayor Correa has spent the last 12 years as an elected official in Raymondville, Texas; six years as city commissioner and six years as the city's mayor. During his time as a city official, Mayor Correa has been elected to the Willacy County Appraisal District and the Lower Rio Grande Valley Development Corporation. He has also been appointed to the Raymondville Economic Development Board.

Mayor Correa earned his bachelor's degree in education along with a double master's degree in counseling & guidance and administration. He has spent the last 23 years of his career in the education field. Currently, he works as a high school counselor in San Benito County Independent School District.

Mayor Correa and his wife, Christina, have been married for the last 23 years. He is an active member of the Willacy County Lion's Club and enjoys spending his time hunting and fishing.

The Honorable J Allen Carnes; Uvalde City Council

J Allen Carnes was born and raised in Uvalde, Texas. In 1997, he graduated from the University of Texas with a Bachelor of Business Administration in Finance. After graduating, he returned to his hometown and was elected to the Uvalde City Council where he has served since 2008. For the last 15 years, Carnes has been running an agricultural wholesale business that does more than \$15 million in annual sales and has an annual payroll of \$3.5 million.

In 2004, Carnes became involved in agriculture politics on the producer side of the industry. He has worked on issues such as the 2004 farm bill, agriculture workforce issues and water. Currently, Carnes serves as the Texas board representative on the National Council of Ag Employees. He is the immediate past president of Texas Vegetable Association.

Donna Kuenstler, RN, MSN; Director and Instructor at Sul Ross University

Donna M. Kuenstler is director and instructor of the Vocational Nursing Program at Sul Ross State University. She has been in the position since 2001. She is also the clinical instructor for the LVN to RN Transition Program with Midland College. She has been a practicing registered nurse in West Texas since 1992. Previous jobs held include: staff nurse, charge nurse, director of home health, and interim chief nursing officer for Big Bend Regional Medical Center; and coordinator of student internship experiences throughout Brewster, Jeff Davis and Presidio counties for the West Texas Area Health Education Centers.

Many years of experience in working with patients, families, health care providers and students gives Ms. Kuentler a unique understanding of the health-related challenges, both historic and current, facing the citizens of the predominately rural Big Bend region. In her role as a nurse educator, she works closely with local hospitals, clinics and private practices to train and supply the vital nursing workforce for an area of Texas considered at high risk for a continuing and severe shortage of nurses.

Donna Kuentler holds a Bachelor of Science degree from University of Texas Health Science Center School of Nursing and a Master of Science in Nursing with a specialty in nursing education from the University of Phoenix. She is a member of Sigma Theta Tau International Honor Society of Nursing, Texas Association of Vocational Nurse Educators and the National Federation of Licensed Practical Nurses.

Kathi Masonheimer; Community Development Director, Brady/ McCulloch County Chamber of Commerce

Kathi Masonheimer is the community development director for the Brady/McCulloch County Chamber of Commerce. She joined the Chamber in May of 2010 and manages the Chamber, EDC, Tourism and Industrial Foundation.

Prior to these services, she was the executive director of the Palestine Area Chamber of Commerce in East Texas. While in Palestine, she served as the District 1 councilperson from February 2007 until her departure in May of 2010.

Ms. Masonheimer has served on numerous boards and delegations, including Texas Midwest Community Network, Brady Historic Theater Board, Palestine Main Street, Palestine CVB and Palestine Downtown Association.

She attended Abilene Christian University and Cisco Junior College. She completed her third year of participation at the Institute for Organizational Management in Los Angeles and graduated in July 2012. She has been married to her husband Jamie for 14 years and they have four children.

Bryan Tucker; City Manager, Childress, Texas

For the past four years, Bryan Tucker has served as the city manager of Childress, Texas. He is the past owner of JC Fiber, an underground construction company, and the current owner of Jachin Construction, a residential construction company.

He is an active volunteer speaker for the Texas Department of Criminal Justice. He is a past volunteer for Mission Arlington and a current member of the Texas Tech Letterman's Association. Tucker received two bachelor's degrees in marketing and management from Texas Tech University.

Texas Rural Health Task Force

All members of the Texas Rural Health and Economic Development Advisory Council, whose biographies are listed above, are also members of the Texas Rural Health Task Force.

The Honorable John Thompson; County Judge, Polk County, is Chair of the Task Force

Jonathan Wayne Williams, M.D.

Dr. Williams is a family practice physician in Burkburnett, Texas and has 16 years of medical experience. He received his Doctorate of Medicine in 1996 from the University of Texas Southwestern Medical School in Dallas, Texas. A 1990 graduate of Howard Payne University with a Bachelor of Arts in Biblical Studies and Bachelor of Science in Chemistry, Dr. Williams is board certified in family practice, hospice and palliative medicine. Dr. Williams is the minister of the Gospel Southern Baptist Convention.

Katharina Hathaway, M.D.

Dr. Hathaway is a family physician in Austin, Texas and has 12 years of medical experience. She received her Doctorate of Medicine in 2000 from the University of Texas Health Science Center in San Antonio. Dr. Hathaway is a 1996 graduate of Texas State University with a science degree in chemistry. Dr. Hathaway is board certified in family practice.

Ron McMurry, M.D.

Dr. McMurry is a physician for emergency medicine and family medicine in Jasper, Texas. He received his Doctorate of Medicine in 1979 from the Universidad Autonoma de Guadalajara, Guadalajara, Mexico. Dr. McMurry is a 1974 graduate of The University of Texas at Austin with a Bachelor of Arts in Psychology. His military service consisted of active duty from 1966-1969; National Guard from 1972-1999; and Texas National Guard in 1985.

Throughout his health care career, Dr. McMurry has been active in many health organizations, such as Texas Academy of Family Physicians and American Academy of Emergency Physicians. He is a past president of Jasper-Newton County Medical Society. He is currently the chairman of the Texas Medical Association's Committee on Rural Health.

Troy Alexander

Mr. Alexander is the associate director for the Texas Medical Association's (TMA) legislative affairs staff. Mr. Alexander worked for TMA as director of political education from 1999 to 2003. Since March of 2009, he served as director of the Texas Department of State Health Services' Center for Program Coordination, Policy and Innovation. Mr. Alexander is a 1991 graduate of The University of Texas at Austin with a Bachelor of Arts degree in History and minor in government.

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Appendix 2: Rural Texas ~ Growing Texas Summit



8:00 A.M.	REGISTRATION
9:00 A.M.	OPENING REMARKS <ul style="list-style-type: none">★ Agriculture Commissioner Todd Staples
9:15 A.M.	RURAL ECONOMIC DEVELOPMENT PANEL <ul style="list-style-type: none">★ Mr. Gil Gonzales, UT San Antonio★ Mr. Carlton Schwab, Texas Economic Development Council★ Mr. Will Newton, National Federation of Independent Business★ Ms. Lorie Vincent, High Ground of Texas
10:30 A.M.	BREAK
10:45 A.M.	RURAL HEALTHCARE PANEL <ul style="list-style-type: none">★ Ms. Becky Condit, West Texas Area Health Education Center★ Ms. Nora Belcher, TX eHealth Alliance★ Mr. Bob Pascasio, Bayside Community Hospital★ Dr. Russell Thomas, Eagle Lake, Texas
Noon	LUNCH AND KEYNOTE SPEAKER <ul style="list-style-type: none">★ Dr. Gene Theodori, Director of the Center for Rural Studies, Sam Houston State University
1:00 P.M.	RURAL WORKFORCE DEVELOPMENT AND SKILLS DEVELOPMENT PANEL <ul style="list-style-type: none">★ Mr. Bill Hammond, Texas Association of Business★ Mr. Doug Ridge, Texas Workforce Commission★ Mr. Joe Arnold, BASF Corporation★ Mr. Rick Moeller, Principal, Knox City High School
2:15 P.M.	BREAK
2:30 P.M.	RURAL COMMUNITY INFRASTRUCTURE PANEL <ul style="list-style-type: none">★ Mr. Leodoro Martinez, Eagle Ford Shale Consortium★ Mr. Don Shirley, Connected Texas★ Mr. Kenny Dority, Community Banker, Paris Texas★ Mr. Michael Sutterer, Vice President Southwest and Southeast Region Marketing, Scotts Miracle-Gro
3:45 P.M.	CLOSING REMARKS <ul style="list-style-type: none">★ Agriculture Commissioner Todd Staples
4:00 P.M.	ADJOURNMENT OF TEXAS RURAL SUMMIT



In May 2012, the Texas Department of Agriculture convened Rural Texas ~ Growing Texas, a summit to identify opportunities and challenges for rural Texas. This summit provided an opportunity for 150 participants from across Texas, including state agencies charged with serving rural Texans, to engage in a discussion with key leaders focused on rural communities, business, education and economic development. This summit also served as a forum for many state agencies to address specific issues impacting rural Texas. The Advisory Committee and Rural Health Task Force attended the summit to a gain a greater insight into the issues facing rural Texas.

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Appendix 3: Texas Rural Foundation

The Texas Rural Foundation is a nonprofit corporation established in accordance with Section 487.710 of the Texas Government Code. The foundation is charged with raising money from foundations, governmental entities and other sources to finance health, community and economic development programs in the rural areas of the state. The foundation is governed by a board of directors appointed by the Texas Commissioner of Agriculture. Current board members are:

Ms. Genora Young, Presiding Officer, Midland
Ms. Muff London, Amarillo
Dr. Darryl Birkenfeld, Nazareth
Mr. Clayton Isom, Lubbock
Ms. Wendy Ellis, Palestine
Ms. Lynda Pack, Jacksboro
Ms. Tyane Dietz, Lufkin
Mr. Ken Isom, Idalou
Judge Richard Cordes, Menard
Ms. Joy Davis, Grandview

The foundation's board of directors did not hold a meeting in 2012. Board meetings will resume in 2013. The foundation currently has a balance of \$37,000.

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Appendix 4: State and Federal Programs that Support Rural Job Creation, Infrastructure, Workforce Development and Health in Texas

Texas Department of Agriculture Programs

Trade and Business Development Division, Office of Rural Affairs:

Community Development Fund primarily uses Texas Community Development Block Grant (TxCDBG) funds for public facilities including water/wastewater infrastructure, street and drainage improvements and housing activities.

Disaster Relief Fund addresses emergency situations that have received an official disaster declaration by the Governor or the President. TxCDBG funds can be used to restore infrastructure damaged by a natural disaster.

Urgent Need Fund is offered by invitation for activities that will restore water or sewer infrastructure whose recent, sudden failure has resulted in death, illness or injury, or poses an imminent threat to life or health.

Texas Capital Fund (TCF) uses TxCDBG funds to provide grants and long-term loans to communities for public infrastructure and real estate acquisition or improvement in support of job creation. The Main Street and Downtown Revitalization programs award matching TxCDBG grant funds for public infrastructure to foster and stimulate economic development in historic rural downtown areas.

Small Town Environmental Program Fund (STEP) provides assistance through TxCDBG to communities for solving water and sewer problems using self-help methods.

Colonia Funds uses TxCDBG funds for eligible county applicants for projects in severely distressed unincorporated areas within 150 miles of the border between the U.S. and Mexico.

Planning and Capacity Building Fund uses TxCDBG funds for a competitive grant program for local public facility and housing planning activities. Localities may apply for financial assistance to prepare a “comprehensive plan” or any of its components.

Jobs for Texas (J4T) uses federal funds from the U.S. Department of Treasury to support entrepreneurship and businesses development throughout Texas by partnering with venture capital firms to invest in emerging and existing businesses.

Texas Agricultural Finance Authority (TAFA) supports ranchers and farmers in their agribusiness efforts with financial assistance including the agricultural loan guarantee, interest rate reduction and Young Farmer Grant program.

GO TEXAN Partnership Program (GOTEPP) is a matching funds program designed to leverage the money available for current GO TEXAN members to market and promote their Texas agricultural products.

GO TEXAN Marketing Program promotes the products, culture and communities that call Texas home.

Parallel Pathways to Success rewards communities and educational institutions that demonstrate effective public/private partnerships to provide students the opportunity to acquire workforce skills and training, while earning college credit prior to high school graduation. The initiative is designed to provide eligible high schools, institutions of higher learning and other similar organizations with funding to give rural Texas students the opportunity to acquire workforce skills and training, and earn college credit prior to graduation. This grant provides alternative educational resources to meet local workforce needs.

State Office of Rural Health (SORH) Program collects and disseminates information related to rural health; coordinates rural health resources and statewide activities to avoid duplication of effort; provides technical assistance related to federal rural health programs; encourages recruitment and retention of health professionals; and strengthens state, local and federal partnerships to improve health in rural communities.

Medicare Rural Hospital Flexibility Program participates in the development of a statewide rural health plan; assists in the conversion of small rural hospitals to Critical Access Hospital (CAH) status; develops rural health networks associated with the CAH facilities; integrates and strengthens rural emergency medical systems; and provides programs for improving of the quality of health care services for rural populations. Programs and activities under this program are designed specifically for hospitals designated as CAHs or those investigating converting to a CAH.

Small Rural Hospital Improvement Program (SHIP) Grant provides funding to small rural hospitals to assist in the improvement of hospital data systems.

Rural Communities Health Care Investment Program (RCHIP) provides incentives such as stipends or loan repayment assistance to non-physician health care professionals who agree to practice in rural medically underserved areas.

Rural Health Facility Capital Improvement Loan Fund Program (CILF) provides grants to hospitals in rural counties to make capital improvements to existing health facilities, construct new health facilities or purchase capital equipment. Hospitals eligible to apply for these funds are public and nonprofit facilities. The funds for this program are made available through a permanent endowment from the tobacco settlement.

Office of the Governor

Economic Development and Tourism Division (EDT) markets Texas as one of the world's premier business locations and travel destinations. The Texas Tourism program is responsible for promoting Texas as a premier travel destination. The office works in concert with its private and community partners to target domestic and international areas with high travel propensities that yield the greatest return on marketing investment.

Economic Development Bank provides funding and oversight of several finance and tax incentive programs. The incentive programs target three key audiences, which include Texas businesses, Texas communities and Texas lending institutions. The Economic Development Bank programs include finance, enterprise and small business assistance programs.⁶⁷

Texas Enterprise Fund (TEF) is a cash grant used as a financial incentive tool for projects that offer significant projected job creation and capital investment and where Texas is competing with another viable out-of-state option.

Texas Enterprise Zone program is an economic development tool for local communities to partner with the state of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state.

Texas Comptroller of Public Accounts

The Comptroller administers several tax incentive programs, including the **Type A** and **Type B** sales taxes that allow communities to fund local economic development marketing and project initiatives.

Chapter 313 is an agreement in which a taxpaying business agrees to make a significant investment to build or install property and create jobs in exchange for an eight-year limitation on the taxable property valuation for school district maintenance and operations tax (M&O) purposes and a tax credit.

Texas Department of Housing and Community Affairs (TDHCA)

As the lead affordable housing agency in the state, TDHCA's statutory programs directly contribute to economic development and job creation. A primary function of TDHCA is to act as a conduit for federal grant funds for housing development and community services, many of which are funded in rural Texas communities and either directly or indirectly support infrastructure development. Additionally, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

⁶⁷ http://governor.state.tx.us/ecodev/business_resources/economic_development_bank

Texas Department of Transportation (TxDOT)

TxDOT Federal Programs:

Transportation for Elderly Persons and Persons with Disabilities assists private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient or inappropriate to meeting these needs.

Formula Grants for Other than Urbanized Areas & Rural Transit Assistance Program provides grants to enhance the access of people in non-urbanized areas to health care, shopping, education, employment, public services and recreation. Assists in the maintenance, development, improvement and use of public transportation systems in non-urbanized areas and other purposes. The Rural Transit Assistance Program provides a source of funding to assist in the design and implementation of training and technical assistance projects.

Job Access and Reverse Commute Program addresses the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. **New Freedom Program – Grant** program aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society.

TxDOT State Programs:

Unified Transportation Program (UTP) is a 10-year program that guides the development and authorizes construction of transportation projects and projects involving aviation, public transportation, and the state's waterways and coastal waters. Funding categories for highway infrastructure that have a specific impact on rural transportation include **Preventative Maintenance and Rehabilitation, Statewide Connectivity Corridor Projects** affecting connectivity between urban areas and corridors, and guidance in the use of **District Discretionary** funding.

Economically Disadvantaged Counties Program (EDCP) provides guidance to the Commission so that when they are evaluating a proposal for a highway improvement project in a local government that consists of all or a portion of an economically disadvantaged county, the Commission may adjust the minimum local matching funds requirement after evaluating the local government's effort and ability to meet the requirement.

Border Colonia Access Program provides financial assistance for colonia access roadway projects to serve border colonias. Statute requires the commission to establish a program to administer the use of the proceeds of the bonds and notes. Under the rules, an eligible project must be located in a county in the El Paso, Laredo and Pharr districts, or in Terrell County.

Texas Water Development Board (TWDB)

Clean Water State Revolving Fund funds loans for Planning, Design and Construction of wastewater treatment facilities, nonpoint source or estuary management projects.

Drinking Water State Revolving Fund provides loans for Planning, Design and Construction of water supply, treatment and distribution infrastructure projects, or source water protection projects.

Texas Water Development Fund provides loans for water supply, water quality enhancement, flood control and municipal solid waste

Water Infrastructure Fund provides financing for State Water Plan projects.

Rural Water Assistance Fund provides assistance for small, rural utilities for water and wastewater projects.

Targeted at Water Supply Corporations identify long-term financing options at tax-exempt equivalent rates.

Economically Distressed Areas Program provides financial assistance in the form of grant or combination grant /loan to provide water and wastewater services to economically distressed areas where services do not meet minimum state standards.

Agricultural Water Conservation Program provides agricultural water conservation loans and grants for agricultural conservation projects and programs.

Other TWDB financing programs include Regional Facility Planning – matching grant; Regional Water Planning - group grants; State Participation Program – defers repayment; Flood Protection Planning - matching grant; FEMA-Flood Mitigation Assistance Program – matching grant; and FEMA-Severe Repetitive Loss Program-matching grant.

Texas Workforce Commission (TWC)

TWC, through the regional Workforce Solutions office, offers direct assistance to employers seeking workers and to residents seeking new or better jobs. Services include job posting and placement, assistance with recruiting, retention, training, tax and hiring incentives. For employers, TWC, through its regional and local offices, offers recruitment, training and retraining, outplacement services and valuable information on employment law and labor market trends and statistics. For job seekers, TWC offers career development information, job-search resources, training programs and, as appropriate, unemployment benefits.

Texas Historical Commission (THC)

THC is the state agency for historic preservation. THC consults with citizens and organizations to preserve Texas' architectural, archeological and cultural landmarks. THC administers several

grant programs designed to assist Texans in restoring, stabilizing or promoting historic properties, protecting important archeological sites, introducing quality preservation programs in the community and conserving museum collections.

Texas Main Street Program helps Texas cities revitalize their historic downtowns and neighborhood commercial districts by utilizing preservation and economic development strategies.⁶⁸

Texas Department of Aging and Disability Services (DADS)

Medicaid 1915(c) waiver programs and Medicaid community-based, entitlement programs: Home and community-based services allow Texans and those with disabilities to achieve and maintain independence and community integration and avoid institutionalization.

Non-Medicaid Services – Social Services Block Grant and General Revenue Fund allow Texans and those with disabilities to achieve and maintain independence and community integration and avoid institutionalization with home and community-based services.

Older Americans Act Programs provides access and assistance services, nutritional services and independent living services.

Texas Lifespan Respite Program enhances and expands the availability of respite services for family caregivers. Local community providers can offer respite vouchers where a caregiver is able to choose an independent respite provider of choice. Vouchers are targeted to rural populations.

Program for All – Inclusive Care for the Elderly (PACE) provides all health-related services for an individual, including inpatient and outpatient medical care and specialty services (dentistry, podiatry, social services, in-home care, meals, transportation, day activities and housing assistance.) Services are limited to El Paso, Amarillo/Canyon and Lubbock service areas.

Texas Commission on Environmental Quality (TCEQ)

TCEQ offers free, contracted assistance to water and wastewater systems through the Financial, Managerial, and Assistance Program. Even though it does not offer money for development of water or wastewater infrastructure, the program allows the system to become aware of compliance challenges and their future needs. TCEQ is a member of the informal Texas Water Infrastructure Coordination Committee and adds value through insight into environmental regulations and compliance issues. The Waste Permits Division offers a Composting Refund Program, which provides an incentive for establishing and operating a composting operation that diverts green wastes from the landfill. It provides for refunds of up to 15 percent to 20 percent of the Municipal Solid Waste Disposal Fees due the state. The Waste Permits Division facilitates

⁶⁸ <http://www.thc.state.tx.us/preserve/projects-and-programs/texas-main-street/about-texas-main-street-program>

the Regional Solid Waste Grants Program, a pass-through grant program which funds local and regional solid waste planning initiatives that may provide many different types of jobs.

Texas A&M University System

Texas Engineering Extension Service (TEEX) provides community assessments and economic development and strategic planning services to identify their unique assets and investments that can lead to job creation, technological innovation and wealth creation.

Texas State Technical College has campuses in Harlingen, Marshall, Waco and TSTC West Texas, which has campuses in Abilene, Breckenridge, Brownwood and Sweetwater. In addition, programs and customized training are available at partnership centers throughout the state. In partnership with business and industry, government agencies and other educational institutions, TSTC seeks to efficiently and effectively help Texas businesses and labor force to meet the high-tech challenges of today's global economy.

University of Texas at San Antonio (UTSA)

UTSA Rural Business Program is a specialty center affiliated with the UTSA's South-West Texas Border Small Business Development Center (SBDC) Network. It provides capacity building services, including community assessments, economic base analysis, targeted industry studies, community planning and leadership development.

Sam Houston State University (SHSU)

The SHSU Center for Rural Studies works to carry out their mission to assist in the building, strengthening, and maintaining of rural Texas communities. The Center recently conducted The 2012 Texas Rural Survey, to provide data and information on rural Texas for state policy makers, local stakeholders and the citizenry at large.

Texas Association of Counties

County Information Resources Agency (CIRA) assists local governments with technology adoption. CIRA works with local governments to register a website address and build a basic website at no charge.

U.S. Small Business Administration (SBA)

SBA provides assistances primarily through its four programmatic functions: Access to Capital; Entrepreneurial Development; Government Contracting; and Advocacy. SBA's Office of Entrepreneurial Development helps businesses start, grow and compete in global markets by providing quality training, counseling and access to resources. This support is delivered through a variety of programs, including Small Business Development Centers (SBDC), Women's Business Centers (WBC), Entrepreneurship Education, SCORE, Native American Affairs and the Small Business Training Network.

Small Business Development Centers (SBDCs) are allied with state universities and provide management assistance to current and prospective small business owners. SBDCs offer one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance, available at central and easily accessible branch locations.

U. S. Department of Agriculture (USDA)

USDA Rural Development, through its Business Programs, provides access to capital in underserved rural areas, often in partnership with private-sector lenders.

Connected Texas

Connected Texas is an independent, public / private initiative working to ensure that all can experience the benefits of broadband. Technology, especially widespread access, use and adoption of broadband, improves all areas of life.

Community Development Financial Institutions (CDFIs)

CDFIs are entities that leverage private and federal funds to provide access to credit especially to underserved and disadvantaged communities.

Universities and Community Colleges

These often provide entrepreneurial technical assistance programs, especially those participating in the statewide network of Small Business Development Centers (SBDCs). Fostering a vibrant entrepreneurial culture can be heavily impacted by the local and regional education institutions.

Chambers of Commerce

Chambers of commerce in rural towns provides marketing, networking and training support for the local business community.

Economic Development Corporations (EDCs)

EDCs throughout Texas promote economic development on a local and regional basis.

Appendix 5: Case Studies⁶⁹

Case Study 1: Village Farms Addresses Challenges in its West Texas Operations

Case Study 2: The XIT City Revitalizes as the Land of Pork and Cheese

Case Study 3: Northeast Texas Efforts to Build an Entrepreneurial Culture: A Regional Approach

Case Study 4: The Last Texas Stop on the Chisholm Trail Changes its Approach to Economic Development

Case Study 5: Clifton Transforms as an Artistic Community and Tourism Destination

Case Study 6: In Chireno Broadband Technology Supplements Small Town Living with Big City Amenities

Case Study 7: Community Initiative and Collaboration Build Educational Opportunities in Muleshoe

Case Study 8: West Texas Innovation Network and Sweetwater Focus on Workforce Development and Entrepreneurship

Case Study 9: Affordable Accelerated Options for Career Technology Education Certifications and Workforce Skills Readiness in East Texas

⁶⁹ All maps are from www.wikipedia.com

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Case Study 1

Village Farms Addresses Challenges in its West Texas Operations

Population: 6,953 (2010)

Per Capita Income: \$21,769 (2010)

Distance from Major Urban Center: 35 miles to Odessa

Strategy: Agricultural Diversification and Entrepreneurship



Texas' economy is as diverse as its geography. Each region has its disadvantages and advantages. For far West Texas, low population density and little (if any) infrastructure when it comes to multimodal transportation presents challenges when working to attract large employers; however, its weather and large tracts of land make it ideal for certain industries. West Texas is seen as the perfect location for Village Farms and its Greenhouse Advanced Technology Energy System (GATES) production facilities. Village Farms currently has facilities in Fort Davis, Marfa, Monahans and Presidio, and is changing the employment and economic outlook of the region. The Monahans site, which opened in May 2012 with location support assistance from the Monahans Economic Development Corporation and the TDA regional economic development team, is a 30-acre, state of the art greenhouse with production that equals a 1,200-acre outdoor farm. This site is only in its first phase of a 120-acre under-roof project which is projected to employ 400 people.

Despite the positive outlook, Village Farms has faced challenges in developing its West Texas operations. Given the low population density of the region and the recent lure of working in the high-paying oil and gas industry, finding the 400 full time (15 percent of Monahans' population) workers for the Monahans facility is proving difficult. Furthermore, once the operation is fully staffed, the town and the company recognize the next big issue will be the lack of adequate affordable housing.

Contact: Morse Haynes, Director, Monahans EDC, (432) 943-1123
(monahansedc@monahans.org)

Case Study 2

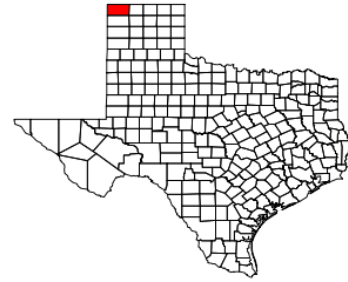
The XIT City Revitalizes as the Land of Pork and Cheese

Population: 7,930 (2010)

Per Capita Income: \$24,010 (2010)

Distance from Major Urban Center: 85 Miles to Amarillo

Strategy: Business Attraction and Agricultural Diversification,
Regional Economic Development Collaboration



Dalhart has long been recognized as the XIT City because of its association to the XIT Ranch; however, today the community is known for its pork and cheese thanks to two large companies moving in and making significant investments. Dalhart recognizes the importance of large and small scale business operations. It is home to a number of locally-owned retail businesses, restaurants and boutique stores; and more recently, it has welcomed Hilmar Cheese and Cargill Pork to town.

In 2007, the California-based Hilmar Cheese Company opened a \$190 million cheese manufacturing and distribution plant in Dalhart. The company's decision to move to the Panhandle town can be credited to its location and local infrastructure.⁷⁰ With private funding leveraged by grants and tax incentives from sources including the Texas Capital Fund, Texas Enterprise Fund and the Amarillo Economic Development Council, the Hilmar plant created 120 jobs and spurred the creation of many more in related industries. In 2011, Hilmar completed its Phase II expansion plan increasing its processing capacity from 580,000 to 1 million pounds of milk per day and its total employment to 250 people.

Then in 2012, Cargill Pork announced plans to acquire and reopen an idle processing plant near Dalhart due to its unique geographic environment. "Acquisition of the property near Dalhart will allow us to have better control over the health and quality of animals raised for our premium pork programs, while also helping us better control our costs and ensuring a high level of bio-security that comes with a remote site," said Jeff Worstell, vice president of livestock production with Cargill Pork.⁷¹ As pork and dairy production develops on the High Plains, Dalhart continues to promote its infrastructure and ability to growing food-processors.

The addition of these two companies has brought many value-added agriculture services to the Dalhart area, including equipment dealers, veterinarians, construction companies and more.

Contact: Dalhart EDC, (806) 244-5511

⁷⁰ Foodprocessing-technology.com, Net Resources International, Copyright 2012 "Hilmar Cheese Plant, Dallam County, Dalhart, Texas, United States of America" (<http://www.foodprocessing-technology.com/projects/hilmar/>).

⁷¹ Cargill, "Cargill buys Texas hog production facility," company press release dated 27 April 2011 (<http://www.cargill.com/news/releases/2011/NA3043482.jsp>).

Case Study 3

Northeast Texas Efforts to Build an Entrepreneurial Culture: A Regional Approach



Population: 325,596 (11 County Trade Area OK-TX)
Per Capita Income: \$21,606 (Texas Counties)
Distance to Urban Center: 98 miles from Paris to Dallas
Strategy: Entrepreneurship & Small Business Development, Regional Economic Development Collaboration

The Red River Region understands the importance of supporting entrepreneurs and small business development on a community and regional level. The Red River Region Business Incubator (R3bi) was formed in 2010 to improve the “economic viability of new and emerging businesses by fostering entrepreneurial growth and enterprise development.” It is a partnership between the Paris Junior College and the Paris EDC, and is supported by numerous private entities.

The R3bi is only two years old, but it has made significant strides to support emerging businesses throughout the region. Partnering with the SBDC and the Paris EDC, R3bi not only trains and houses several entrepreneurs, but also evaluates agribusiness opportunities for the county and works with several surrounding cities to establish satellite incubators on a regional basis.

The regional approach to creating an entrepreneurial culture escalated to a new level at the Small Business Entrepreneurship Conference (SBECON) early in 2012. The conference was sponsored by Paris, Greenville, Sulphur Springs and Commerce EDCs and the R3bi. The conference, the first of its kind in the area, addressed economic development and entrepreneurship, and the importance of regionalism in economic recovery and progress. Each of the EDCs represented will be hosting one entrepreneurial event a year.

Contact: Hank Betke, Director, R3bi, (903) 905-4979 (hank@r3bi.org)

Case Study 4

The Last Texas Stop on the Chisholm Trail Changes its Approach to Economic Development



Population: 3,033 (2010)

Per capita income: \$20,069 (2010)

Distance to Urban Center: 89 miles to Fort Worth

Strategy: Local Competitiveness Identity, Branding, Tourism

Nocona, like many rural communities in Texas, was long dependent upon "THE Company." For Nocona it was the Nocona Boot Company. When its operations were relocated to El Paso, Nocona struggled to fill the void left behind. Determined not to let Nocona fade away, the local stakeholders developed "Turning the Stampede," a community assessment focusing on the present and desired future. Community leaders and residents acknowledged Nocona lacked many traditional development assets, but recognized tremendous heritage and its value promoting tourism for the community.

Nocona committed itself to long-term economic development; the city identified tourism as an interim strategy and capitalized on its cultural heritage and proximity to lake recreation. "Tourism is not the only answer to Nocona's future, but it does provide opportunity and hope to the community," said James Yohe, executive director of Nocona's Economic Development Corporation.

Realizing the value of branding and marketing, Nocona has partnered with the GO TEXAN program and the Texas Historical Commission's Historical Trail Program. These programs help Nocona bill itself as a getaway destination with live music performances at Nocona Nights and its recent Mardi Gras Parade celebrating its downtown revitalization effort.

Nocona also participates in the Texas Rural Internship Program (TRIP), a program aimed at increasing the rural and urban linkages amongst the younger generations. Administered by TDA, the individual communities are primarily responsible for covering the costs. The interns who have come to Nocona have laid important groundwork for a county-wide community leadership program that began in 2012, a concept paper for a heritage museum with an operating vineyard and winery, and a leather manufacturing experience to highlight the cowboy boot and Nocona baseball glove heritage.

Nocona still faces several challenges, including youth engagement and retention, broadband and technology capabilities, access to rural loans and increased funds for marketing support; however, its hard work and successes have not gone unnoticed. In 2009, Agricultural Commissioner Todd Staples applauded Nocona's efforts with a Hardworking Rural Community Award. "Innovative community spirit, sound leadership, unrivaled dedication and hard work are having an impact on the future of rural Texas," Commissioner Staples said.

Contact: James Yohe, Director, Nocona EDC, (940) 825-3150 (noconaedc@nocona.org)

Case Study 5

Clifton Transforms as an Artistic Community and Tourism Destination

Population: 3,442 (2010)

Per capita income: \$18,140 (2010)

Distance to Urban Center: 77 miles to Fort Worth

Strategy: Art, Cultural Tourism



Clifton has leveraged its cultural arts status for downtown redevelopment and tourism. The transformation began in the 1980's with the Bosque Arts Center; however, it is not until recently that the downtown area has become a vibrant, productive economic development center. Clifton's approach to the arts focuses on attracting artists to live and work in the region, building an arts center, incorporating the arts as a key part of downtown revitalization and growing a retirement community linking arts and quality of life. Its success has been overwhelming.

Over the past 25 years, the Bosque Art Center has leveraged its original \$33,000 endowment to \$3.7 million in private support and contributions. The center and the 20 renowned artists who now live in Bosque County have contributed to resurgence in the downtown area. Since 2007, nearly 50 percent of new business startups, expansions and relocation as well as remodeled buildings are located in downtown. By embracing the arts, Clifton has developed a significant tourism attraction. Approximately 20 percent of total tourism and visitor spending in Bosque County is art and culture related. "In 2009, cultural arts tourism spending generated \$2.4 million in economic activity, \$1.1 million in earnings and about three dozen permanent jobs."⁷²

Contact: Amy Barbee, Executive Director, Texas Cultural Trust, (512) 478-5289
(abarbee@txculturaltrust.org)

⁷² Texas Cultural Trust, "Clifton: The arts have helped transform downtown Clifton, Texas from dead to dynamic," (<http://www.txculturaltrust.org/programs/economic-development/clifton/>).

Case Study 6

In Chireno Broadband Technology Supplements Small Town Living with Big City Amenities

Population: 386 (2010)

Per capita income: \$22,255 (2010)

Distance to Urban Center: 130 miles to Beaumont

Strategy: Infrastructure Development, Broadband



The residents of Chireno cherish their East Texas community and the “small town” values it supports. However, the city’s small size and rural location also kept it from attracting the attention of broadband service providers and their services. Unwilling to accept the notion that a rural lifestyle precludes technology-based opportunity; community members took steps to bring broadband access to them.

With technical guidance from Connected Texas, an independent, public-private initiative to expand broadband, Chireno City Manager Steven Spencer was put in contact with a nearby broadband provider. Together they evaluated the potential for bringing access to the community. “We usually try to target 40-50 customers, and if we can do that we feel like it will later on allow us to put up a tower that can generate enough revenue to pay for itself,” said Joe Kelley of East Texas DSL. However, once broadband became available in Chireno, demand soon exceeded capacity and the broadband provider had a waiting list of more than 40 people.

Residents began utilizing broadband technology for improved telecommuting, Internet research and simple conveniences such as online bill-pay. As Chireno resident Tasha Smith explained, “It keeps us connected like the bigger towns, but we still get to live in the small town and have all of our small town values.”⁷³

Contact: Don Shirley, Director, Connected Texas, (877) 846-7710 (dshirley@connectedtx.org)

⁷³ <http://www.youtube.com/watch?v=PgH1YMB6K58&feature=share&list=UUwtcqXRzXHj86IeWDWWtbww>

Case Study 7

Community Initiative and Collaboration Build Educational Opportunities in Muleshoe

Population: 5,158 (2010)

Per Capita Income: \$18,409 (2010)

Distance from Urban Center: 69 miles to Lubbock

Strategy: Community and Workforce Development, Type A Sales Tax



Muleshoe, a TDA GO TEXAN Certified Retirement Community, with a population more than 5,000 has made significant strides when it comes to strengthening its sense of community and quality of life. One example is the Muleshoe Center for South Plains College. Through significant local collaboration among South Plains College, Work Force of the South Plains, Muleshoe Area Hospital District, Muleshoe Education Foundation, City of Muleshoe, Muleshoe Independent School District, and Muleshoe Economic Development Corporation, the center specializes in the education and training of student nurses. Continuing education courses are now also offered at the center.

Contact: Kasey Coker, Director, Muleshoe EDC (806) 272-7455 (muleshoe@fivearea.com)

Case Study 8

West Texas Innovation Network and Sweetwater Focus on Workforce Development and Entrepreneurship

Population: 10,906 (2010)

Per Capita Income: \$17,762 (2010)

Distance from Urban Center: 220 miles to Dallas

Strategy: Workforce Development, Entrepreneurship



Sweetwater is a small town that has many assets ranging from its wind production to the Texas State Technical College West Texas. The potential for industry development and economic growth is significant. However, in order to capitalize off its renewable energy resources and its educational opportunities, Sweetwater needed to provide its entrepreneurs and its employers the necessary education and support.

The West Texas Innovation Network (WTIN) is a regional collaborative with a mission to increase entrepreneurial activity and enhance the resources and training available to aspiring entrepreneurs in the Big Country. WTIN provides training opportunities to identify and cultivate the region's entrepreneurial spirit and talent. WTIN was launched in the summer of 2011 with the help of various regional supporters as well as a grant from the Texas Workforce Commission. The program coordinators include Workforce Solutions of West Central Texas, Texas Tech Small Business Development Center and the Griggs Center for Entrepreneurship and Philanthropy at Abilene Christian University.

One of the local agencies working with WTIN is the Sweetwater Enterprise for Economic Development, Inc. (SEED). SEED recognizes the how important entrepreneurship and business development are in economic and community development. By partnering with the WTIN and working with the Texas State Technical College West Texas and the ISDs, the community is providing a well-trained workforce.

Contact: Mike Mikeworth, Project Manager, Workforce Solutions, (325)795-4313
(mike.mikeworth@workforcesystem.org)

Case Study 9

Affordable Accelerated Options for Career Technology Education Certifications and Workforce Skills Readiness in East Texas

Population: 89,427 (Panola and Harrison Counties)
Per capita income: \$22,941 (Panola and Harrison Counties)
Strategy: Workforce Development, Parallel Pathways



Four rural school districts of Beckville, Harleton, Waskom and Panola Charter School, in conjunction with Texas State Technical College and Workforce Solutions East Texas have been able to leverage state funds 3:1 to sustain the opportunity for all students to attend college, as well as to accelerate certification process and workforce readiness skills of students entering the workforce.

The program, funded through the Parallel Pathways to Success grant, allows students to earn college dual credit and/or certification credit while in high school. Texas State Technical College (TSTC) is working to assess key skills in identified occupations needed by the workforce and advise students of alternative paths to earn certification and/or degrees. Students are offered career guidance in developing a five-year Personal College/Career Plan as well as instruction in key workforce skills such as applied mathematics and business writing. Certification in specific job related skills are offered including, but not limited to, industrial maintenance, combination welding, medical office technology, computer systems network administration or desktop support, and diesel technology.

To date, the program has advanced the knowledge of over 75 students, through skills certification and/or college credit. One graduate from the Early College High School in May 2012 received certificates through this program and went to work the Monday following graduation. This young man is now working for approximately \$50 per hour.

Contact: Robert Bruce, Superintendent/CEO, Texas Early College High School, (903)935-4109 (rbruce@txechs.net)