

Self-Evaluation Report



Texas Department of Agriculture

August 2007

TABLE OF CONTENTS

I.	Agency Contact Information.....	3
II.	Key Functions and Performance.....	3
III.	History and Major Events.....	14
IV.	Policymaking Structure.....	18
V.	Funding.....	24
VI.	Organization.....	38
VII.	Guide to Agency Programs.....	41
	Agency Internal Support Services	41
	External Relations.....	47
	Food and Nutrition.....	53
	Marketing and Promotion	63
	Pesticide Programs.....	72
	Regional Operations	86
	Regulatory Programs	91
	Rural Economic Development.....	106
	Texas Cooperative Inspection Program.....	113
VIII.	Statutory Authority and Recent Legislation	117
IX.	Policy Issues	124
X.	Other Contacts	130
XI.	Additional Information	138
XII.	Agency Comments.....	143

**Texas Department of Agriculture
Self-Evaluation Report**

I. Agency Contact Information

A. Please fill in the following chart.

Texas Department of Agriculture Exhibit 1: Agency Contacts				
	Name	Address	Telephone & Fax Numbers	E-mail Address
Agency Head	Todd Staples	P.O. Box 12847 Austin, TX 78711	512-463-1408 888-232-2375	todd.staples@tda.state.tx.us
Agency's Sunset Liaison	Catherine Wright Steele	P.O. Box 12847 Austin, TX 78711	512-463-7700 888-203-5567	catherine.wright-steele@tda.state.tx.us

II. Key Functions and Performance

A. Provide an overview of your agency's mission, objectives, and key functions.

Mission Statement

Partner with all Texans to make Texas the nation's leader in agriculture, fortify our economy, empower rural communities, promote healthy lifestyles and cultivate winning strategies for rural, suburban and urban Texas through exceptional service and the common threads of agriculture in our daily lives.

Agency Overview

The Texas Department of Agriculture (TDA) was created in 1907 pursuant to Chapters 11 and 12 of the Texas Agriculture Code. The agency is headed by the Commissioner of Agriculture, a statewide-elected official who serves a four-year term. TDA headquarters are located in Austin, and the agency has five regional service offices, four satellite offices, six laboratories and six livestock export facilities located throughout the state.

TDA is a full-service agency, involved with all phases of modern agriculture, agricultural businesses and consumer protection. The agency's primary functions include regulatory activities, marketing, statewide economic development, producer outreach, agricultural resource protection, agricultural research and promoting healthy nutrition for all Texans.

TDA nutrition programs help promote a healthy lifestyle through the benefits of good nutrition and exercise. TDA's marketing efforts promote the sale of Texas agricultural products across the state and around the world and help Texans engaged in agriculture find profitable markets for their products. The agency's regulatory responsibilities establish and enforce standards for agricultural commodities and ensure that certain products offered to Texas consumers are properly measured, priced and marketed. TDA is also responsible for enforcing state and federal pesticide laws. Rural economic development programs within the agency provide broad-based assistance to help local economies expand by assisting with rural tourism, small town revitalization and agricultural diversification.

Nutrition

TDA's nutrition objectives include:

- Safeguarding the health and well-being of the state's citizens by ensuring nutritionally adequate meals are provided in schools, child and adult day care programs and through non-profit programs;
- Educating the public about the relationship between proper eating and good health;
- Providing learning experiences designed to result in healthier lifestyle choices; and
- Ensuring all Child and Adult Nutrition Programs and the Commodity Distribution Programs operate within federal and state laws, regulations, and policies.

Key functions:

- Providing federal reimbursement payments to local educational agencies (public, private nonprofits and charters), childcare centers, day care home providers and adult day care centers;
- Performing compliance reviews on program participants; and
- Developing and providing training on regulations, policies and procedures.
- Note: TDA will begin performing the functions relating to non-public schools, adult services and commodity distribution of the Special Nutrition Program currently under the Health and Human Services Commission after October 1, 2007.

Marketing

TDA's marketing and promotion objectives include:

- Increasing sales and awareness of products grown, processed or produced in Texas to consumers around the world;
- Promoting rural Texas to tourists, retirees, sportsmen and other interested audiences; and
- Promoting healthy nutrition for all Texans.

Key functions:

- Raising awareness to increase demand and sales of Texas products globally;
- Partnering with key stakeholders to leverage government and private resources; and
- Supporting agricultural producers and rural communities by offering financial assistance through competitive matching grant opportunities.

Regulatory

TDA's regulatory objectives include:

- Ensuring the quality of certain agricultural commodities and products offered to consumers before they are sold;
- Ensuring price and quantity accuracy for consumers of certain products sold in Texas; and
- Protecting against the movement of harmful plant pests and diseases into Texas.

Key functions:

- Developing and maintaining various consumer protection programs through inspection and certification efforts;
- Conducting road station inspections and overseeing insect trapping programs; and
- Licensing handlers or dealers who buy or sell Texas grown fruits and vegetables.

Pesticides

TDA's pesticide program objectives include:

- Administering both state and federal laws concerning pesticide use and application.

Key functions:

- Educating new and current applicators, licensing pest control applicators and investigating complaints;
- Conducting inspections on pesticide applications; and
- Regulating all pesticides sold or applied in Texas.
- Note: Beginning September 1, 2007, TDA will assume authority over the Structural Pest Control Service, formerly the Structural Pest Control Board.

Economic Development

TDA's economic development objectives include:

- Facilitating rural job creation and retention through business development and community assistance; and
- Promoting statewide economic development through agricultural diversification, value-added processing, rural entrepreneurship, small town revitalization and rural tourism development.

Key functions:

- Administering the Texas Capital Fund (TCF) program through a contract with the Office of Rural Community Affairs (ORCA);
- Administering the Texas Agricultural Finance Authority (TAFA) finance programs;
- Administering the Fuel, Ethanol, and Biofuel Incentive Program;
- Administering the Texas Certified Retirement Community Program (CRC); and
- Advising communities on economic development opportunities and connecting investors with appropriate communities.

B. Do each of your key functions continue to serve a clear and ongoing objective? Why are these functions still needed? What harm would come from no longer performing these functions?

Nutrition

TDA is the U. S. Department of Agriculture's designee to administer the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Seamless Summer Program, and the Fresh Fruit and Vegetable Program (FFVP). Effective October 1, 2007, TDA will administer certain Special Nutrition Programs currently under the Texas Health and Human Services Commission, as directed by the 80th Legislature.

These programs are federally regulated and require adequate personnel to administer programs and monitor compliance. Inadequate administration and oversight could result in a loss of federal funding which would affect program availability and negatively impact the nutritional well-being of many Texas citizens, especially children.

Marketing

Texas is the second-largest agricultural state in the United States and Texas producers rely on market share and consumers around the world who have many choices on the origin of their food and fiber. Texas' food, horticulture and fiber industries generate more than \$85 billion a year for the economy. TDA's Marketing and Promotion Division educates consumers about this dynamic industry, the wide variety of Texas products and the importance of our rural communities.

The unified marketing brand (GO TEXAN) provides Texas businesses a focused tool to promote products through events and materials, as well as a method to measure the impact of promotions. The Texas Yes! Program provides rural Texas valuable assistance to increase rural tourism, boost local economies and generate new jobs. Without these marketing functions, Texas businesses and communities may see decreased income.

Regulatory

TDA regulatory programs protect consumers and businesses by ensuring the quality of consumer products before they are sold, eliminating fraud and misrepresentation in commercial transactions, discouraging unfair and dishonest commerce and preventing the movement of harmful pests into Texas. Without these protections Texas consumers can be taken advantage of and Texas producers risk loss of world market share.

Pesticides

Pesticide regulations help ensure pesticides are used in a manner that does not cause harm to humans or the environment. Regulation is required under both federal and state law. Without these functions, there will be an increased possibility of harm to citizens and the environment from improper pesticide use.

Economic Development

TDA assists rural communities in Texas in maximizing their economic development opportunities. Although 3.5 million Texans live in non-metropolitan regions of the state, many of these areas lag behind urban centers in job creation, infrastructure, health care and other necessities. The services and programs provided by TDA assist rural constituents in obtaining or developing resources to improve their economic conditions.

C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?

TDA is committed to providing excellent customer service and values based on comments and suggestions from TDA customers. TDA created an online customer service survey to assess customers' perceptions of TDA and to gather information to assist in strategic planning. TDA surveyed approximately 5,000 randomly selected customers in April 2006. Findings indicate TDA is doing an excellent job overall as a majority of categories received a 90 percent or higher favorable rating. A recent marketing assessment survey showed a \$42.45 increase in Texas sales revenues for every \$1 in GO TEXAN Partner Program funding. Estimates of tourist spending at TDA Hometown STARS events total an approximate \$43.3 million in economic impact to rural Texas.

To increase efficiency and enhance customer service, TDA developed and implemented the BRIDGE System (Bringing Resource Integration and Data Together for Greater Efficiency). BRIDGE is an integrated information system that has made it easier and more efficient for people to do business with the agency. TDA received the Best of Texas Award from the Center for Digital Government for the '2003 Best Application Serving a Department or Agency's Business Needs' for the system. Some of the realized efficiencies are:

- Turnaround time for on-line customers to receive licenses reduced by 50 to 75 percent.
- Data availability at staff's fingertips has added tremendous value and improved work performance and efficiency when serving costumers.
- The system checks and verifies data, making it more reliable.

Since 2001, TDA has increased the effectiveness of the Texas Capital Fund. At that time it was under legislative direction to cease activities under the Texas Department of Economic Development. Since becoming responsible for the programs, TDA has streamlined the Fund, decreased the time to process awards and increased funding to smaller, more rural communities. Since September 1, 2001, Texas Capital Fund has executed 153 contracts totaling \$72,948,167, creating 5,369 jobs and retaining 1,681 jobs.

Since FY 2000, TDA has assisted 5,268 community development projects, 9,514 business development projects, and organized or participated in 934 events aimed at improving Texas's rural economy. With assistance from TDA staff, Texas businesses were awarded \$981,000 in federal USDA-Value Added Producer Grants in 2006.

From a regulatory perspective, TDA has used technology to increase efficiency and effectiveness. In FY 2007, TDA's weights and measures inspection backlog has been reduced to its lowest point ever and will be eliminated completely in FY 2008. A concerted effort by Austin and regional staff combined with more efficient data systems better protect consumers against fuel pumps inaccuracies (an area that remains above 94% compliance), grocery store scale inaccuracies and fuel that does not meet posted octane levels.

Further examples of TDA's overall effectiveness and efficiency are contained in the agency's performance measure reports. TDA's goal is to continue to respond to comments by customers to strengthen the quality of services to the citizens of Texas.

D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions? Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?

TDA's enabling laws generally reflect its mission, objectives and functions. The Texas Agriculture Code and other pertinent statutes have been amended periodically to allow the agency to adequately address the changing needs of constituents and the agricultural industry. The following are examples of changes made to improve the agency's operations and services:

- 1999: The GO TEXAN Partner Program was established by the Legislature to encourage the development and expansion of markets for Texas agriculture products.
- 1999: Legislative changes extended the rural economic development reach of agricultural financial assistance programs enabling more agricultural interests to receive financial help through authority loans.
- 1999: The Legislature gave TDA the authority (in a 1999 Appropriations Act budget rider) to conduct rural economic development activities through a memorandum of understanding with the Texas Department of Economic Development.
- 2001: The entire grain warehouse statute was revised to reflect current industry practices and to update TDA inspection, enforcement and licensing activities.
- 2001: The Legislature enhanced TAFE programs allowing for more opportunities for borrowers, including non-agricultural rural businesses.
- 2001: The Legislature made TDA's rural economic development authority permanent by placing it in statute.
- 2001: ORCA transfers responsibility for administration of the Texas Capital Fund portion of the federal Community Development Block Grant program to TDA.
- 2003: USDA, at the request of the Governor, transferred state administration of federal child nutrition programs from the Texas Education Agency to TDA.
- 2003: The Legislature changed the weights and measures device inspection frequency from once every three years to once every four years, for efficiency purposes.
- 2003: TDA was given authority to seize or treat articles (vehicles, etc) located in a quarantine area to prevent the spread of pests.
- 2005: TDA worked with the Legislature to clarify/update various statutory provisions related to licensing and enforcement of Regulatory Programs.
- 2005: Rural economic development activities were enhanced with the creation of the Texas Certified Retirement Community Program.
- 2007: The Texas Legislature transferred additional USDA Special Nutrition Programs from HHSC to TDA effective October 1, 2007.
- 2007: The Fuel, Ethanol and Biofuel Incentive Program was initiated at TDA by a Memorandum of Understanding (MOU) with the Governor's Office. In the 80th Legislature the program was transferred to TDA, further streamlining the process.
- 2007: The Texas Legislature abolished the Structural Pest Control Board and transferred all duties and responsibilities of the Board to TDA.

TDA will continue to make recommendations and work with the Texas Legislature to modify the agency's enabling law. The recent addition of the USDA Special Nutrition Programs and the transfer of responsibilities of the Structural Pest Control Board to TDA may require legislative modifications during the 81st legislative session.

E. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

None of TDA's functions duplicate those of another state or federal agency. TDA is charged with marketing and promoting Texas products, overseeing pesticide regulation, ensuring plant health and quality, ensuring child and adult nutrition and supporting rural economic development. Several other agencies have similar responsibilities relative to agriculture and rural economic development, but no other agency or agencies completely duplicate the functions of TDA.

The Office of Rural Community Affairs (ORCA) implements rural community development and healthcare programs. Through a contract with ORCA, TDA implements the Texas Capital Fund for economic development projects. Rural development staffs at both agencies are being cross-trained to learn about each agency's programs and functions.

HB 3446, passed by the 80th Legislature, establishes a marketing program in the Governor's Office of Economic Development to develop and expand markets for Texas manufactured products. This program is similar to the successful Go Texan marketing program at TDA. TDA will enter into a memorandum of understanding with the Governor's Office to minimize duplication of programs.

The Texas Animal Health Commission (TAHC) is the state entity charged with implementing livestock, poultry and exotic livestock health regulations and programs. TDA and TAHC regularly maintain contact and share information to ensure that all needs of agriculture are met.

While none of the regulatory functions are mandated by federal law, some Regulatory Division Programs support or have a parallel federal law, i.e., state quarantine laws are similar in function to federal quarantine laws. The state regulates intrastate and interstate commerce, whereas the federal law regulates intrastate and international commerce. Both have the same intent of protecting against the introduction of harmful pests. TDA enters into cooperative agreements with the U.S. Department of Agriculture to ensure regulatory efforts are not duplicated.

In addition to federal coordination, TDA's plant regulatory efforts parallel the DSHS's food regulatory efforts. TDA works closely with various plant industries to ensure plant health and protection from pests and diseases. In some instances the plant itself, such as lettuce, is in fact the food DSHS regulates for safety from food borne illness. In these instances state agency efforts closely complement each other and the two agencies coordinate with industry to best protect the consumers and the industry.

F. In general, how do other states carry out similar functions?

Each state has an agency or entity responsible for agriculture issues. The scope of responsibility varies from state to state, but natural resource issues, pesticide regulation, food safety and inspections, animal health regulation, biosecurity, economic development and other such areas are commonly included within the states' main agricultural agencies' umbrella of authority to prevent duplication and to best leverage resources.

G. What key obstacles impair your agency's ability to achieve its objectives?

- Limited resources for recruitment, compensation and retention of employees. The program responsibilities assigned to TDA have increased significantly in recent years, yet the administrative investments have maintained relatively constant levels. In terms of funding, TDA's administrative costs as a percentage of total method of finance have decreased from 12% in FY 2003 to less than 1% in FY 2008. These efficiencies are essential, and so is the value of the dedicated and qualified employees entrusted with these increased responsibilities. Historically, TDA has had problems retaining experienced staff. Based on information from exit interviews, the vast majority of those exiting TDA indicated pay as their primary reason for leaving. Because of TDA's small size and broad range of programs, TDA staff are often working on multiple programs. The turnover of key staff put these programs at risk of loss of institutional knowledge.
- Limited office space at TDA headquarters and regional offices. With the implementation of HB 2458 (Structural Pest Control Board Sunset Legislation) and HB 4062 (transfer of some HHSC Special Nutrition Programs), TDA has exceeded its current capacity and is relying on more costly lease alternatives. Additionally, TDA staff are not able to be located in a central location. By not having our staff in central locations, TDA is losing opportunities to consolidate resources that support these staff.
- TDA lacks certain statutory authorities, as outlined in sections VII, VIII, and IX.
- Inability to collect some fines and penalties because of high minimum collection amount established for collections by Office of the Attorney General (OAG). The OAG refuses to engage in collection of penalties unless it is cost effective, e.g. more money is collected than spent, ignoring the deterrent needs for ensuring that persons who are subject to penalties can't simply ignore them.

H. Discuss any changes that could impact your agency's key functions in the future

Changes in program structure or funding for any of several federal programs could impact agency key functions. TDA receives funding and program support through the U.S. Environmental Protection Agency, U.S. Department of Interior, U.S. Department of Agriculture and several other agencies. As programs and regulations evolve through the federal appropriations process and continued rulemaking, there is always a possibility for change at the state level to comply

with federal law. For example, the U.S. Congress reauthorizes USDA programs every five years through the farm bill. The 2007 Farm Bill is expected to pass in late 2007. It authorizes and funds programs administered by TDA such as the Specialty Crop Block Grant Program and the Fresh Fruit and Vegetable Snack Program as well as various economic development and regulatory programs with which TDA coordinates.

I. What are your agency's biggest opportunities for improvement in the future?

- Develop programs to further assist rural communities to retain and support existing businesses and create capital investment opportunities.
- Increase access to nutritious food and the number of eligible citizens participating in nutrition assistance programs to ensure a healthier future for Texas.
- Expand nutrition based education and outreach programs.
- Expand promotional opportunities and develop new markets for Texas products.
- Broaden consumers' understanding of the sources of their food and fiber and the corresponding importance of agriculture, private property rights, sound water and environmental policies and rural infrastructure to their lives.
- Enhance and maximize the use of the new electronic data collection and management systems for inspections.
- Increase efficiencies in implementation of state pesticide programs by transfer of the Structural Pest Control Board functions to TDA.
- Evaluate TDA performance measures and prepare recommendations for the legislature to consider improving their effectiveness.
- Much like several agencies, TDA has limited resources for technology development and implementation. An example of the effects of this is the fact that TDA has no correspondence tracking database, nor does the agency have a comprehensive complaint tracking database. TDA will aggressively begin the development process for these two technology resources vital to monitoring and addressing customer feedback.

J. In the following chart, provide information regarding your agency's key performance measures included in your appropriations bill pattern, including outcome, input, efficiency, and explanatory measures.

**Texas Department of Agriculture
Exhibit 2: Key Performance Measures Fiscal Year 2006**

Key Performance Measures	FY 2006 Target	FY 2006 Actual Performance	FY 2006 % of Annual Target
01-01.01 OUTCOME MEASURES Percent increase from the previous biennium in the number of marketing opportunities for individuals enrolled in TDA marketing programs	3.0%	16.2%	540.0%
01-01.02 OUTCOME MEASURES Percent of farmers/ranchers/ agribusinesses inspections complying with pesticide law	97.0%	92.82%	95.7%
01-01.05 OUTCOME MEASURES Percent of total technical assists to rural communities (1,088 communities per Census)	55.0%	53.0%	96.4%
02-01.01 OUTCOME MEASURE Percent of seed samples found to be in full compliance with state/federal standards	97.0%	92.1%	94.9%
03-01.01 OUTCOME MEASURES Percent of total weights and measures inspections conducted resulting in a finding of full compliance with state/federal standards	96.0%	94.0%	97.9%
04-01.01 OUTCOME MEASURES Percent of school districts in compliance with nutrition regulations	85.0%	89.0%	104.7%
05-01.01 OUTCOME MEASURES Increase dollar volume for research and development projects.	2.75	2.12	77.1%
01-01-01.04 OUTPUT MEASURES Number of acres inspected for seed certification	190,000	118,630	62.4%
01-01-01.05 OUTPUT MEASURES Number of rural communities assisted by TDA	600	576	96%
01-01-01.06 OUTPUT MEASURES Rural development activities and events held by TDA	120	118	98.3%
01-01-01.07 OUTPUT MEASURES Businesses developed as expansion/recruitment prospects in rural Texas	975	927	95.1%
01-01-02.03 OUTPUT MEASURES Number of pesticide complaint investigations conducted	225	206	91.6%

Key Performance Measures	FY 2006 Target	FY 2006 Actual Performance	FY 2006 % of Annual Target
01-01-03.03 OUTPUT MEASURES Hours spent for compliance with cotton stalk destruction deadlines	11,500	14,154	123.1%
01-01-03.02 OUTPUT MEASURES Number of inspections to verify compliance for organic or other crop production certification programs	378	389	102.9%
01-01-01.04 OUTPUT MEASURES Number of pounds of fruits, vegetables, peanuts and nuts inspected (in billions)	2.5	2.4	95.6%
02-01-01.02 OUTPUT MEASURES Number of nursery/floral establishments inspections conducted	9,500	9,916	104.4%
02-01-02.01 OUTPUT MEASURES Number of seed samples analyzed	20,500	22,205	108.3%
02-01-03.01 OUTPUT MEASURES Number of egg inspections conducted	2,000	2,177	108.9%
02-01-03.03 OUTPUT MEASURES Number of grain warehouse inspections/re-inspections/audits conducted	395	393	99.5%
03-01-01.01 OUTPUT MEASURES Number of weights and measures inspections conducted	85,000	119,684	140.8%
04-01-01.02 OUTPUT MEASURES Number of school staff trained	10,000	21,856	218.6%
05-01-01.01 OUTPUT MEASURES Number of research and development projects	38	41	107.9%
05-01-01.02 OUTPUT MEASURES Number of formal published research reports	102	150	147.1%
05-01-01.01 EFFICIENCY MEASURES Cumulative accrual of supporting research funds.	\$3,210,095	\$2,634,008	82.1%

Performance measures play an important role in managing publicly funded programs. Dependable performance measures indicate the successes or weaknesses in a program and adequately measure activity that can be altered in a way resulting in a program improvement. Currently, TDA has several performance measures that measure activities not determined by agency decision or activities that are not reliable measures of a program's performance. For example, several measures record how many inspections were performed under programs for which inspections are performed when a constituent notifies the agency of a program violation and therefore have no inspection schedule. Measuring such an inspection function's performance by the number of inspections provides no valuable data upon which to improve the program's value to Texans. A better measure would be to measure the turnaround time between the constituent call and the inspection. Another opportunity for improvement is the distribution of TDA's performance measures. Some programs have more performance measures than the program's risk level justifies. Yet other important TDA functions lack performance measures. TDA management is evaluating all performance measures and will prepare a comprehensive set of recommendations for the 81st Legislature to consider.

III. History and Major Events

A. Provide a timeline of your agency's history, and key events.

1907 The Texas Department of Agriculture (TDA) is established by the Texas Legislature as a state agency. TDA is charged with executing all laws relating to agriculture, including the proper development and marketing of agriculture, investigating agriculture-related diseases and maintaining relations with the U.S. Department of Agriculture (USDA) and the agriculture departments of other states.

1919 The Legislature passes the Texas Seed Act, establishing procedures for testing vegetable seed to ensure it meets genetic quality standards. The 1920 Pink Bollworm Act institutes a quarantine zone along the Texas/Mexico border and provides for the inspection and destruction of infested cotton and cotton crops. The creation of the Commission averts a federal quarantine of all Texas cotton.

1923 The Legislature passes the Texas Cotton Seed Certification Law to protect farmers when making seed purchases and to encourage the scientific breeding and maintenance of standard varieties of cotton.

1925 The Legislature transfers the functions of the Office of Commissioner of Markets and Warehouses to the Commissioner of Agriculture. TDA is charged with investigating conditions throughout the state with respect to weights and measures and establishing tolerances and specifications for commercial weighing and measuring devices based on recommendations by the National Bureau of Standards. TDA is required to inspect and seal weights and measures on an annual basis. The Legislature authorizes TDA to inspect nursery and floral items to prevent the introduction of foreign diseases and insects into the state when growing, shipping and selling nursery products.

1937 The Legislature passes the Act for Citrus Fruit, which creates a licensing system for the purchasing, handling, sale and accounting of sales of citrus fruits for those entering into or doing business in the Texas citrus zone. TDA is charged with enforcing the law.

1941 The Texas Seed Act is revised to include all agricultural seed.

1957 The TDA Egg Quality program is established to ensure eggs sold to Texas consumers meet quality standards established by TDA. TDA is required to license dealer-wholesalers, processors and brokers and to inspect eggs at the state's packing plants, distribution centers and retail outlets.

1963 The Legislature requires the licensing, bonding and regulation of handlers, dealers, buying and transporting agents, warehousemen, packers, commission merchants, contract dealers and producers of vegetables. The legislation authorizes TDA to enforce the law and defines administrative penalties for failure to comply.

1969 The Legislature passes the Texas Grain Warehouse Act and charges TDA with the regulation of grain storage facilities to ensure producers are protected when placing grain in storage facilities. TDA is authorized to license grain warehouse operators and to conduct inspections to determine if storage facility operators are accurately tracking stored grain.

1977 The Legislature creates the Produce Recovery Fund, a trust fund administered by TDA and financed with annual fees paid by licensed commission merchants. The fund applies to vegetables and fruit, excluding citrus fruit. A Produce Recovery Fund Board, consisting of four members appointed by the governor, was established.

1981 The Agriculture Code is enacted as part of Texas' continuing statutory revision process. TDA is charged as the lead agency for pesticide regulation in Texas. The agency is required to enforce the "Pesticide Control Act," federal laws which mandate that states take an active role in the regulation of pesticide applicators. The Legislature enacts the Agricultural Protection Act, codifying laws concerning the licensing and regulation of the handlers, warehousemen, packers, transporting agents and producers of vegetables, citrus fruits and the Produce Recovery Fund. Lawmakers approve legislation that requires TDA to regulate the use of the term "Texas Agricultural Product." TDA is charged with oversight of any symbol connected with the term in the selling, advertising, marketing and other commercial handling of food or fiber products.

1983 The Legislature increases the offenses for the knowing or intentional use, storage, handling or disposal of a pesticide in a manner likely to cause harm.

1985 The Legislature requires the registration and annual renewal of pump, scale or bulk liquefied petroleum gas metering devices.

1987 The Legislature establishes "FarmWorker Right to Know" laws, requiring agricultural producers to provide workers with training and adequate health and safety information on agricultural pesticides. The Legislature creates the Texas Agricultural Finance Authority (TAFE) within the Texas Department of Agriculture. TAFE's purpose is to provide financial assistance through eligible lending institutions to creditworthy individuals and businesses. TAFE is governed by a six-member board appointed by the governor.

1989 Voters pass a constitutional amendment authorizing TAFE to issue general obligation bonds to fund the TAFE program. The Produce Recovery Fund laws are amended to define administrative, civil and criminal penalties. The Agriculture Code is amended to require inspections of weights and measures for correctness from one to three years. The Legislature passes laws allowing TDA to establish a promotional marketing membership program, with a membership fee, to promote Texas-grown products or products made from ingredients grown in the state.

1991 The TAFE Young Farmer Endowment Fund and Loan Guaranty programs are created by the Legislature.

1993 The Legislature authorizes a business or individual to inspect and certify liquid petroleum gas meters with periodic monitoring and testing by TDA. Private individuals are also allowed to test and certify ranch scales. The Legislature increases the TAFE board from six to nine members and restructures the TAFE Young Farmer Endowment Program from an interest free direct loan to a loan guarantee program. The Farm and Ranch Program is moved from the Veteran's Land Board at the General Land Office to TAFE and administration of all agricultural diversification grant programs at TDA, including the Linked Deposit Program, are transferred to TAFE. The Linked Deposit Program expands to include crops affected by natural disaster and to include projects for the purchase of efficient irrigation and water conservation equipment. The Texas Boll Weevil Eradication Foundation, Inc. is created by the Legislature and chartered by the Secretary of State as a nonprofit corporation, in response to the approximately \$20 million annual loss by Texas cotton producers to the boll weevil. The Legislature establishes the Organic Certification Program to certify producers, processors, distributors and retailers who handle organic food and fiber. The program allows the use of "Organically Produced" or "Transitional-Organic Certification Pending" logos to identify state-certified organic products.

1995 The Legislature places all agricultural finance programs under the TAFE board. The Legislature establishes a statute of limitations for filing claims, revises limits and methods of claims payments, and requires a license holders who owe money to the Produce Recovery Fund to repay the fund before their claims are paid.

1997 The Legislature provides for the adoption of worker protection standards and other rules for the protection of the health, safety and welfare of farm workers and pesticide handlers. Laws are also established to require private pesticide applicators to maintain records of applications. The Legislature designates the Texas Boll Weevil Eradication Foundation Inc., under the supervision of TDA, as the entity to carry out boll weevil and pink bollworm eradication programs. The Legislature also creates the Cost Sharing Program as part of the eradication efforts.

1999 Legislation is passed creating the GO TEXAN Partner Program to encourage the development and expansion of markets for Texas agricultural products through matching funds for promotional marketing programs. The law establishes a fund to finance the program. TDA is also charged with creating a program to advertise and market Texas oysters.

2001 The Legislature made TDA's rural economic development authority permanent by placing it in statute, and gave TDA the authority to conduct rural economic development activities. Legislation also was passed establishing the Texas Wine Marketing Assistance Program at TDA and establishing a grant program to provide surplus agriculture commodities for food banks. In addition, the Legislature moved the grant portion of the Weather Modification Program at the Texas Natural Resource Conservation Commission (now the Texas Commission on Environmental Quality) to the Texas Department of Agriculture.

2003 Legislation passed to: expand the GO TEXAN marketing program to include non-agricultural products grown, processed or produced in Texas; create the Texas Shrimp Marketing Assistance Program; continue TDA funding for the Wine Marketing Assistance Program; conform state and federal organic certification laws; change gas pump inspections from three to four year rotation; clarify TDA quarantine authority; require creation of a list of noxious plants with serious potential to cause economic or ecological harm to the state; move the grant function of the Weather Modification Grant Program from TDA to the Texas Department of Licensing and Regulation; and repeal outdated and duplicative statutory requirements. In addition, federal Child Nutrition Programs were transferred from Texas Education Agency to TDA in July 2003. The federal programs provide funding and nutritional guidelines and services for public schools in Texas. TDA established its Food and Nutrition Division.

2005 The Legislature created: the Certified Retirement Community Program to assess and certify communities as retirement destinations and to help them market themselves as desirable retirement locations; and the Texas Entrepreneurship Network (TEN) to improve the success rate of rural entrepreneurs by providing access to statewide resources such as training, private capital resources and connections to experienced mentors. TDA assumed all responsibilities of the Texas Food and Fibers Commission (TFFC) and established the Food and Fibers Research Council to administer the Food and Fibers Grant Program, which provides funding for research relating to cotton, oilseeds, wool, mohair and other textile products. The highly successful Boll Weevil Eradication Program was expanded to include a statewide maintenance program, and the Legislature created the Feral Hog Damage Abatement Pilot Program to test various hog-control technologies and to measure decrease in financial losses as feral hogs are controlled. The Legislature also streamlined TDA's license renewal process and terminated the Agricultural Resources Protection Authority (ARPA).

2007 The Legislature created a Home-Delivered Meal Grant Program at TDA to benefit homebound elderly and disabled people in Texas. The program must help defray the costs of providing home-delivered meals that are not fully funded by the Department of Aging and Disability Services or an area agency on aging. The Legislature also transferred certain special nutrition programs from the Health and Human Services Commission to TDA. The programs include: National School Lunch Program (NSLP), including the After School Snack Program (ASP) for private schools and residential child care institutions (RCCI); School Breakfast Program (SBP) for private schools and RCCI; Child and Adult Care Food Program (CACFP); Summer Food Service Program (SFSP); Special Milk Program (SMP); Food Distribution Program (FDP); Commodity Supplemental Food Program (CSFP); and The Emergency Food Assistance Program (TEFAP) administered in Texas as the Texas Commodity Assistance Program (TEXCAP). The Legislature also required TDA to conduct a study on ways to increase student participation in the school breakfast program and report on steps taken to decrease trans fatty acids in school meals. The Legislature created the Agricultural Biomass and Landfill Diversion Incentive Program to encourage the construction of facilities that generate electric energy with certain types of agricultural residues, waste, debris, or crops to meet the state's goal for generating renewable energy. The Structural Pest Control Board also was transferred to TDA.

IV. Policymaking Structure

A. Complete the following chart providing information on your policymaking body members.

Texas Department of Agriculture Exhibit 3: Policymaking Body			
Member Name	Term/ Appointment Dates/ Appointed by	Qualification	City
Todd Staples, Commissioner	Elected to a four year term beginning Jan.1, 2007	Tex. Agric. Code § 11.005	Austin, TX

B. Describe the primary role and responsibilities of your policymaking body.

In accordance with Tex. Agri. Code § 11.001, the primary role of the commissioner is to work on behalf of Texas agriculture producers. The commissioner is responsible for exercising the powers and performing the duties assigned to the agency by this code or other laws.

C. How is the chair selected?

Per Tex. Agri. Code §11.004, the commissioner is elected for a term of four years.

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

N/A

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2006? in FY 2007?

N/A

F. What type of training do members of your agency’s policymaking body receive?

N/A

G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

Tex. Agri. Code § 11.001 provides that the Commissioner is responsible for exercising the powers and performing the duties assigned to the agency by the Agriculture code or other law. The TDA employee handbook contains detailed information about agency policies and procedures, including the respective roles of the agency staff. Rulemaking and hearing rules regarding administrative proceedings before the agency are administered according to: 4 Texas Administrative Code, Part 1 Ch. 1.

H. What information is regularly presented to your policymaking body to keep them informed of your agency's performance?

N/A

I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

TDA considers input from committees/boards and evaluates the feasibility and legality of incorporating the input into agency operations. Input that does not have a significant fiscal impact on the agency and is within the statutory authority of the agency is incorporated via policy, procedure and/or regulation.

Public input and customer feedback is obtained from:

- Phone calls from constituents
- Online customer survey
- GO TEXAN member surveys
- Event surveys
- Exit interviews with program participants
- Public Notices in the Texas Register
- Input/advice from advisory committee and review committee members
- Correspondence/requests/questions/feedback gained from 1-800-TELL-TDA, Web sites, reply cards and E-mail

Most advisory committees and all boards are subject to open meetings requirements and seek public input in an open meeting setting. The agendas for the meetings are posted on the Secretary of State's Open Meetings Web site in accordance with state law and Texas Register procedures.

J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart.

Texas Department of Agriculture Exhibit 4: Subcommittees and Advisory Committees			
Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Texas Agricultural Finance Authority board of directors	9 members: 2 are statutory and 7 are appointed by the governor from criteria included in the statute.	To govern the Texas Agricultural Finance Authority	SECTION 58.012. BOARD OF DIRECTORS
Healthy Students = Healthy Families Advisory Committee	The 12-member committee is appointed by the commissioner and includes representatives from education, health and nutrition communities.	The committee will make recommendations about the Texas Public School Nutrition Policy and the nutrition issues affecting Texas children.	Tex. Agric. Code § 12.002 and HB 4062
Texas –Israel Exchange Fund Board	12 members: 3 ex officio Texas Agriculture Commissioner, 5 appointed by commissioner, 1 appointed by UT, 1 appointed by Texas A&M, 1 appointed by Texas Tech Ex officio members: - Lieutenant Governor* , - Speaker of the House of Representatives*, and -the Comptroller* *Or their designees	The purpose of the board is to select and oversee projects supported by this fund. The board works in concurrence with its corresponding body in Israel to ensure that proposed projects meet the objectives of the TIE program as stated in the Texas Agricultural Code.	Tex. Agric. Code § 45.006.
GO TEXAN Partner Program Advisory Board	11 members: 10 voting and 1 ex-officio, 8 of which are appointed by the commissioner One representative from each of the following: USDA Commodity Credit Corp, non-voting; radio industry; print industry; television advertising media, advertising profession; Internet Web site or electronic commerce industry; and one person with demonstrated expertise in economic analysis. Other members may be appointed as the commissioner deems necessary for the board.	Assists the agency in the implementation of the GO TEXAN Partner Program. Review applications of eligible participants. Approve or deny funding under the GO TEXAN Partner Program. Advise the agency (Marketing and Promotion) on matters related to the administration of the account and the adoption of rules relating to the administration of the GO TEXAN Partner Program.	Tex. Agric. Code Chapter 46

Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
The Texas Department of Agriculture Wine Marketing Advisory Committee	7 members, appointed by the Commissioner of Agriculture. 3 from Texas wineries 1 from Texas wine wholesalers 1 Texas wine package stores 1 from TDA 1 from Texas Alcoholic Beverage Commission	Provides TDA guidance and direction on the programs, activities and expenditures of appropriated funds as authorized by law.	Alcoholic Beverage Code, Title IV, Chapter 110
The Texas Department of Agriculture Wine Industry Development Advisory Committee	19 members appointed by the commissioner.	Assist the commissioner to develop a vision for the Texas wine industry including industry development, funding, research, educational programming and marketing.	Tex. Agric. Code Chapter 50B
Texas Shrimp Marketing Program Advisory Committee	10 members, appointed by the Commissioner of Agriculture	Assist the commissioner in implementing the marketing program as established. Committee members' duties include providing advice regarding marketing strategies, audience, events and information about the shrimping industry.	Tex. Agric. Code Chapter 47
Texas Oyster Advisory Committee	9 members, appointed by the Commissioner of Agriculture	Provide guidance and direction on the programs and activities established under this chapter and expenditures of the funds appropriated for the purpose of marketing the oyster industry.	Tex. Agric. Code Chapter 47
Citrus Budwood Advisory Council	7 members, appointed by commissioner	Advise the agency on standards and rules for foundation groves, citrus budwood certification, and the regulation of citrus budwood and citrus nursery trees.	Tex. Agric. Code § 19.005
Pest Management Zone Committees	100 members, appointed by commissioner	Makes recommendations to the agency on control of cotton pest and regulations needed to control and prevent cotton pest infestations.	Tex. Agric. Code § 74.003

Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Produce Recovery Fund Board	5 members, appointed by the Governor	Advise the agency on all matters relating to the Produce Recovery Fund, including budget and revenues. Conduct hearings on disputed claims.	Tex. Agric. Code § 103.003 and § 103.004
State Seed and Plant Board	6 members, appointed by the Governor	The board prescribes rules and procedures by which seed and plant certification is conducted in Texas.	Tex. Agric. Code Chapter 62
Seed Arbitration Board	6 members, appointed by the Governor	Investigate, hear and report findings concerning seed law complaints that meet the criteria for seed arbitration.	Tex. Agric. Code Chapter 64
Organic Certification Review and Standards Advisory Committee	12 members, appointed by commissioner	Advise the agency on revisions to this chapter and administration of the Organic Standards and Certification Program.	Tex. Agric. Code § 18.701
The Food and Fibers Research Council	The Food and Fibers Research Council is composed of 12 members appointed by the commissioner: the commissioner or designee; 2 representatives of the Texas Cotton Producers Association; a representative of the Texas Cotton Association; a representative of the Texas Cotton Ginners Association; a representative of the Texas Independent Ginners Association; a representative of the Texas Agriculture Cooperative Council; a representative of the Mohair Council of America; a representative of the Texas Sheep and Goat Raisers Association; a Texas representative of the National Cottonseed Products Association; a Texas Peanut industry representative; a representative of the textile or fashion industry; and a representative of the food processing industry.	The council administers the program to provide funding for surveys, research and investigations relating to the use of cotton fiber, oilseed products, other products of the cotton plant, wool, mohair and other textile products.	Tex. Agric Code § 42.001

Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Structural Pest Control Advisory Committee	The Structural Pest Control Advisory Committee is composed of 9 members appointed by the commissioner as follows: 2 experts in structural pest control application; 3 public members; 1 representing an institution of higher education who is knowledgeable in the science of pests and pest control; 1 industry representative; 1 member who represents the interests of the consumers; and the commissioner of state health services or the commissioner's designee.	Advise the agency and commissioner on: education and curricula for applicants; examinations; proposed rules and standards on technical issues related to structural pest control and enforcement; standards and criteria for issuance of licenses; fees for license application and exams; and other issues affecting the practice of structural pest control.	Occupations Code. Subchapter C Section 1.06
Texas Prescribed Burning Board and Advisory Board	13 members; 8 are statutorily dedicated and 5 members appointed by the Commissioner.	Sets standards for prescribed burning including training requirements and minimum insurance standards for prescribed burn managers.	Natural Resources Code, Title VI, Chapter 153
Boll Weevil Eradication Foundation Board	21 members; 5 statutory appointments made by the Commissioner. 16 members are elected by cotton producer vote from the individual active eradication zones in Texas.	Makes annual recommendations to the Commissioner for assessment to be charged to cotton producers to conduct the eradication program. Board may also borrow money for the operation of the boll weevil eradication program pursuant to the approval of the Commissioner.	TAC, Title V, Chapter 74.1011

V. Funding

A. Provide a brief description of your agency's funding.

The Texas Department of Agriculture is funded through a combination of general revenue funds, general revenue dedicated funds, federal funds and other funds including: farm and ranch fund 0575, appropriated receipts, Texas agriculture fund 0683 and interagency contracts.

B. List all riders that significantly impact your agency's budget.

HB 1, 80th Leg. Art. VI Rider 13. GO TEXAN Partner Program. \$1,000,000 out of the GO TEXAN Partner Program Account No. 5051 in fiscal year 2008, for the purpose of promoting Texas agricultural products. Also included is \$1,000,000 in Appropriated Receipts received as matching funds from program participants including gifts.

HB 1, 80th Leg. Art. VI Rider 19. Child Nutrition Program. For the biennium, \$21,400,000 out of Federal Funds and \$398,248 out of the General Revenue Fund in Strategy D.1.1, Support Nutrition Programs, to administer the Child Nutrition Program.

HB 1, 80th Leg. Art. VI Rider 20. Texas Wine Marketing Assistance Program. \$250,000 each fiscal year in Strategy A.1.1, Generate Marketing Opportunities, from fee revenue transferred from the Texas Alcoholic Beverage Commission for the purpose of administering the Texas Wine Marketing Program.

HB 1, 80th Leg. Art. VI Rider 21. Texas Shrimp Marketing Assistance Program. \$25,000 each fiscal year from fees collected pursuant to Agriculture Code § 134.014(b) and \$250,000 each fiscal year from fee revenue transferred from the Texas Parks and Wildlife Department for the purpose of administering the Texas Shrimp Marketing Program.

HB 1, 80th Leg. Art. VI Rider 22. Texas Yes! Program. \$1,000,000 out of the General Revenue Fund in fiscal year 2008 for the Texas Yes! Program.

HB 1, 80th Leg. Art. VI Rider 23. Feral Hog Abatement Program. \$1,000,000 in fiscal year 2008 to be used to implement feral hog abatement technologies.

HB 1, 80th Leg. Art. VI Rider 24. Surplus Agricultural Product Grant Program. \$1,500,000 in fiscal year 2008 to be used to fund the Surplus Agricultural Product Grant Program.

HB 1, 80th Leg. Art. VI Rider 25. Inspection Stations. \$767,297 in fiscal year 2008 and \$573,155 in fiscal year 2009 for additional road station inspections.

HB 1, 80th Leg. Art. VI Rider 26. Nutrition Assistance Program Funding and Employees. for the purpose of administering a nutrition assistance program:

- For the state fiscal year 2008 and 2009, the amount of \$859,937 in general revenue and the amount of \$265,884,777 in federal funds;
- The number of authorized full-time equivalent employees (FTEs) for the Department of Agriculture includes 100 FTEs for each fiscal year of the biennium to administer the agency's nutrition assistance program.

HB 1, 80th Leg. Art. VI Rider 27. Zebra Chip Research. \$1,600,000 to be used to fund research on the pathogens that cause Zebra Chip Disease affecting potatoes in Texas. The Texas Department of Agriculture and the Texas Agricultural Experiment Station shall enter into an interagency contract for the funds appropriated above to be used for the same purpose.

C. Show your agency's expenditures by strategy.

Texas Department of Agriculture Exhibit 5: Expenditures by Strategy Fiscal Year 2006 (Actual)		
Goal/Strategy	Total Amount	Major Contract Expenditures Included in Total Amount
A. Goal: Markets & Public Health		
A.1.1 Generate Marketing Opportunities	\$14,248,238	\$513,692
A.1.2 Regulate Pesticide Use	\$6,158,338	\$42,657
A.1.3 Integrated Pest Management	\$17,150,422	\$118,794
A.1.4 Certify Produce	\$137,026	\$949
B. Goal: Enforce Standards		
B.1.1 Nursery Floral Regulation	\$1,906,180	\$185,283
B.1.2 Verify Seed Quality	\$2,985,107	\$20,677
B.1.3 Agricultural Commodity Regulation	\$1,101,274	\$7,628
C. Ensure Proper Measurement		
C.1.1 Inspect Measuring Devices	\$2,993,062	\$20,732
D. Food and Nutrition		
D.1.1 Support Nutrition Programs	\$12,386,688	\$521,354
E. Food and Fibers Commission		
E.1.1 Research and Development	\$4,601,122	\$31,870
GRAND TOTAL:	\$63,667,457	\$1,445,873

D. Show your agency's objects of expense for each category of expense listed for your agency in the General Appropriations Act FY 2007-2008.

Texas Department of Agriculture				
Exhibit 6a: Objects of Expense by Program or Function Fiscal Year 2007				
Object-of-Expense	Generate Markets	Regulate Pesticide	Integrated Pest Mgmt.	Certify Produce
Salaries & Wages	\$5,989,431	\$4,330,608	\$1,713,203	\$120,494
Other Personnel Costs	\$270,804	\$224,381	\$96,662	\$4,539
Professional Fees & Services	\$178,022	\$129,132	\$63,549	\$2,017
Fuels & Lubricants	\$112,016	\$220,297	\$94,306	\$1,724
Consumable Supplies	\$181,116	\$106,557	\$27,556	\$648
Utilities	\$190,776	\$128,162	\$50,169	\$1,737
Travel	\$153,093	\$110,303	\$34,112	\$554
Rent - Building	\$111,925	\$287,527	\$37,126	\$767
Rent - Machine & Other	\$170,930	\$25,444	\$28,043	\$463
Other Operating Expense	\$3,456,964	\$520,330	\$142,507	\$4,033
Grants	\$18,227,826	\$0	\$14,600,000	\$0
Capital Expenditures	\$152,703	\$76,916	\$217,285	\$506
Total	\$29,195,606	\$6,159,657	\$17,104,518	\$137,482

Texas Department of Agriculture
Exhibit 6b: Objects of Expense by Program or Function Fiscal Year 2007 (continued)

Object-of-Expense	Bio-Fuel Incentive	Nursery/ Floral Regulation	Verify Seed Quality	Agricultural Commodity Regulation
Salaries & Wages	\$28,988	\$1,525,223	\$2,268,286	\$959,236
Other Personnel Costs	\$711	\$43,269	\$117,220	\$38,281
Professional Fees & Services	\$2,192	\$7,830	\$58,595	\$2,510
Fuels & Lubricants	\$315	\$79,891	\$63,093	\$86,368
Consumable Supplies	\$526	\$16,284	\$39,492	\$13,309
Utilities	\$1,866	\$7,143	\$91,765	\$3,136
Travel	\$271	\$29,610	\$41,940	\$25,043
Rent - Building	\$307	\$27,639	\$114,255	\$29,385
Rent - Machine & Other	\$503	\$3,338	\$10,515	\$1,223
Other Operating Expense	\$5,333	\$95,369	\$231,870	\$45,458
Grants	\$14,500,000	\$35,000	\$0	\$0
Capital Expenditures	\$550	\$24,833	\$28,451	\$9,793
Total	\$14,541,562	\$1,895,429	\$3,065,482	\$1,213,742

Texas Department of Agriculture				
Exhibit 6c: Objects of Expense by Program or Function Fiscal Year 2007 (continued)				
Object-of-Expense	Inspect Measuring Devices	Support Nutrition Programs	Food & Fiber Research and Development	
Salaries & Wages	\$2,104,907	\$2,784,394	\$118,604	
Other Personnel Costs	\$79,428	\$60,903	\$5,345	
Professional Fees & Services	\$43,615	\$909,658	\$2,061	
Fuels & Lubricants	\$109,361	\$12,335	\$296	
Consumable Supplies	\$25,978	\$85,586	\$1,794	
Utilities	\$45,251	\$89,937	\$3,754	
Travel	\$44,438	\$159,011	\$9,722	
Rent - Building	\$50,737	\$77,529	\$289	
Rent - Machine & Other	\$7,744	\$27,186	\$473	
Other Operating Expense	\$158,128	\$2,546,444	\$4,455,409	
Grants	\$0	\$4,949,583	\$0	
Capital Expenditures	\$220,086	\$21,538	\$517	
Total	\$2,889,673	\$11,724,104	\$4,598,264	

E. Show your agency's sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines.

Texas Department of Agriculture Exhibit 7: Sources of Revenue Fiscal Year 2006 (Actual)	
Source	Amount
General Revenue	
General Revenue Regular Appropriations	\$42,852,593
Earned Federal Funds	\$1,102,162
General Revenue Dedicated	
Fund 5002 Regular Appropriations	\$106,427
Fund 5051 Regular Appropriations	\$682,501
Federal Funds	\$13,656,978
Other Funds	
Fund 0575	\$82,270
Fund 0683	\$268,670
Appropriated Receipts	\$3,818,141
Interagency Contracts	\$1,097,715
TOTAL	\$63,667,457

F. If you receive funds from multiple federal programs, show the types of federal funding sources.

Texas Department of Agriculture Exhibit 8: Federal Funds Fiscal Year 2006 (Actual)				
Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
CFDA 10.001 – Agricultural Research (Food & Fiber)	0/100	0	\$420,000	\$420,000
CFDA 10.025 – Plant & Animal Disease (Orbanche & Karnal Bunt)	0/100	\$0	\$110,453	\$110,453
CFDA 10.025 – Plant & Animal Disease (Fire Ant)	0/100	\$0	\$84,384	\$84,384
CFDA 10.025 – Plant & Animal Disease (Gypsy Moth)	60/40	\$44,231	\$29,155	\$73,386
CFDA 10.066 Livestock Assistance	0/100	\$0	\$712,500	\$712,500
CFDA 10.153 Market News	0/100	\$0	\$23,992	\$23,992
CFDA 10.163 Market Protection and Promotion (PDP)	0/100	\$0	\$735,442	\$735,442
CFDA 10.560 SAE Food & Nutrition	02/98	\$199,124	\$9,226,478	\$9,425,602
CFDA 10.574 Team Nutrition Grant	0/100	\$0	\$160,000	\$160,000
CFDA 10.582 Fruit & Vegetable	0/100	\$0	\$1,307,396	\$1,307,396
CFDA 10.601 Market Access	0/100	\$0	\$15,000	\$15,000

Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
CFDA 10.912 Environmental Quality (NRCS)	0/100	\$0	\$189,215	\$189,215
CFDA 10.950 Agricultural Statistics	0/100	\$0	\$22,000	\$22,000
CFDA 66.700 Pesticide Enforcement (EPA)	33/67	\$307,734	\$614,937	\$922,671
CFDA 97.036 Homeland Security – FEMA	0/100	\$0	\$6,026	\$6,026
TOTAL		\$551,089	\$13,656,978	\$14,208,067

G. If applicable, provide detailed information on fees collected by your agency.

Texas Department of Agriculture Exhibit 9: Fee Revenue Fiscal Year 2006				
Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Aquaculture Application and Renewal Fee - TEX. AGRIC. CODE ANN., §134.014 and 134.012 4 TAC § 16.3	\$120	103	\$15,000	General Revenue Fund Not Appropriated
Aquaculture/Shrimp Assist Surcharge - TEX. AGRIC. CODE ANN., §134.014 4 TAC § 16.4	\$8 per acre in production for each year	13	\$1,040	General Revenue Fund Appropriated
Citrus Budwood fees and Foundation Grove Application Fees - TEX. AGRIC. CODE ANN., § 19.010 § 4 TAC 21.38	\$250 for Grove \$0.06 for each citrus budwood sold	1 Foundation Grove which produces all citrus budwood	\$2,810	General Revenue Fund Not Appropriated

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Citrus Maturity Stamp - TEX. AGRIC. CODE ANN., § 94.032 4 TAC § 21.22	\$0.15-0.25 per box	5	\$26,587	General Revenue Fund Not Appropriated
Egg Law Application and Renewal Fee – TEX. AGRIC. CODE ANN. Ch. 132 4 TAC § 15.4	\$20 to \$2,400	273	\$109,735	General Revenue Fund Not Appropriated
Egg Law Inspection/Self Report Fee - TEX. AGRIC. CODE ANN. Ch. 132 4 TAC § 15.4	\$0.03 per case	67	\$503,653	General Revenue Fund Not Appropriated
Cooperative Marketing Application and Renewal Fee - Ag. Code, TEX. AGRIC. CODE ANN., § 52.151 4 TAC § 4.3	\$25	90	\$2,325	General Revenue Fund Not Appropriated
Export Facility Fee - TEX. AGRIC. CODE ANN., §§ 161.053, 161.081 4 TAC § 17.31	Varies per type of animal	50	\$448,619	General Revenue Fund 50% Appropriated; 50% Not Appropriated
GoTexan and GOTEPP Fees – TEX. AGRIC. CODE ANN., § 46.006 4 TAC § 17.55, 17.306	\$25	1,377	\$37,646	General Revenue Fund Not Appropriated
Grain Warehouse Application and Renewal Fee - TEX. AGRIC. CODE ANN., §§ 14.021-23 4 TAC § 13.7	\$100-\$150	207	\$48,948	General Revenue Fund Not Appropriated
Grain Warehouse and Inspection Fee - TEX. AGRIC. CODE ANN., § 14.014 4 TAC § 13.7	\$12 - \$100	207	\$275,560	General Revenue Fund Not Appropriated
Handling & Marketing Perishable Commodities Application and Renewal Fee – TEX. AGRIC. CODE ANN., § 101.106 4 TAC § 14.3	\$10 - \$90	1,000	\$53,901	General Revenue Fund Not Appropriated

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Handling & Marketing Perishable Commodities/Produce Recovery Fund Fee - TEX. AGRIC. CODE ANN., § 103.011 4 TAC § 14.3	\$250	254	\$74,750	Other Funds Not Appropriated
Motor Vehicle Registration Fees – (Go Texan) - TEX. TRANS. CODE ANN. § 504.625, TEX. AGRIC. CODE ANN., § 46.005	\$22	183 specialty plates issued	\$4,036	General Revenue Dedicated Fund Appropriated
Motor Vehicle Assess. (Young Farmers) - TEX. TRANS. CODE ANN. § 504.174 4 TAC § 30.51	\$5	181,749 vehicles registered	\$908,745	Other Funds Not Appropriated
Octane Testing Fee – TEX. CIV. STAT. ART. 8614 4 TAC § 5.6	\$2.50 - \$7.50	5,522	\$569,896	General Revenue Fund Partially Appropriated
Organic Applications, Renewals and Inspection Fees - TEX. AGRIC. CODE ANN., § 18.006, § 18.053 4 TAC § 18.702	\$75-625	330	\$217,451	General Revenue Fund Not Appropriated
Nematode Testing Fees - TEX. AGRIC. CODE ANN. § 71.005 4 TAC § 19.3	\$30	26 Companies submitted 94 samples for testing	0	General Revenue Fund Not Appropriated
Pesticide Commercial/Noncommercial Applicator Testing Fees – TEX. AGRIC. CODE ANN., § 76.006 4 TAC § 7.22	\$24	440	\$21,857	General Revenue Fund Not Appropriated
Pesticide Applicator License Application and Renewal Fee– TEX. AGRIC. CODE ANN., Chas. 76.106, 76.108, and 76.109 4 TAC § 7.20	\$12 - \$180	12,635	\$1,161,346	General Revenue Fund Not Appropriated

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Pesticide Dealer License Application and Renewal Fee - TEX. AGRIC. CODE ANN. § 76.073, 4 TAC § 7.20	\$240	1,027	\$346,620	General Revenue Fund Not Appropriated
Pesticide Products Registration, Application and Renewal Fee - TEX. AGRIC. CODE ANN. § 76.044, 4 TAC § 7.10	\$420	799	\$3,250,367	General Revenue Fund Not Appropriated
Pesticide Recertification Exam Fees - TEX. AGRIC. CODE ANN., § 76.006 4 TAC § 7.24	\$50	19 ¹	\$960	General Revenue Fund Not Appropriated
Prescribed Burn Manager Certification Fee - TEX. NAT. RES. CODE ANN. Chapter 153.048 4 TAC § 227.4	\$50	7	\$300	General Revenue Fund Appropriated
Plant Quality Application, Renewal and Event Block Fees - TEX. AGRIC. CODE ANN. § 71.056 4 TAC § 22.3	\$75 - \$180	11,475 (18,374 licenses)	\$1,429,901	General Revenue Fund Not Appropriated
Produce Recovery Claim Filing Fee - TEX. AGRIC. CODE ANN., § 103.011 4 TAC § 14.3(c)	\$15	11	\$90	Other Funds Not Appropriated
Public Weigher Application Fee- TEX. AGRIC. CODE ANN., §§ 13.252 & 13.255 4 TAC § 12.73	\$120 - \$480	177	\$44,400	General Revenue Fund Not Appropriated
Quarantine/Phyto Cert-State & Fed Fee- TEX. AGRIC. CODE ANN., § 12.021 4 TAC § 19.3	\$30 - \$50	7,898 certificates issued	\$43,650	General Revenue Fund Not Appropriated
Quarantine/Phyto Cert Growing Season Fee- TEX. AGRIC. CODE ANN., § 12.021 4 TAC § 19.3	\$30	726 inspections	\$180,577	General Revenue Fund Not Appropriated

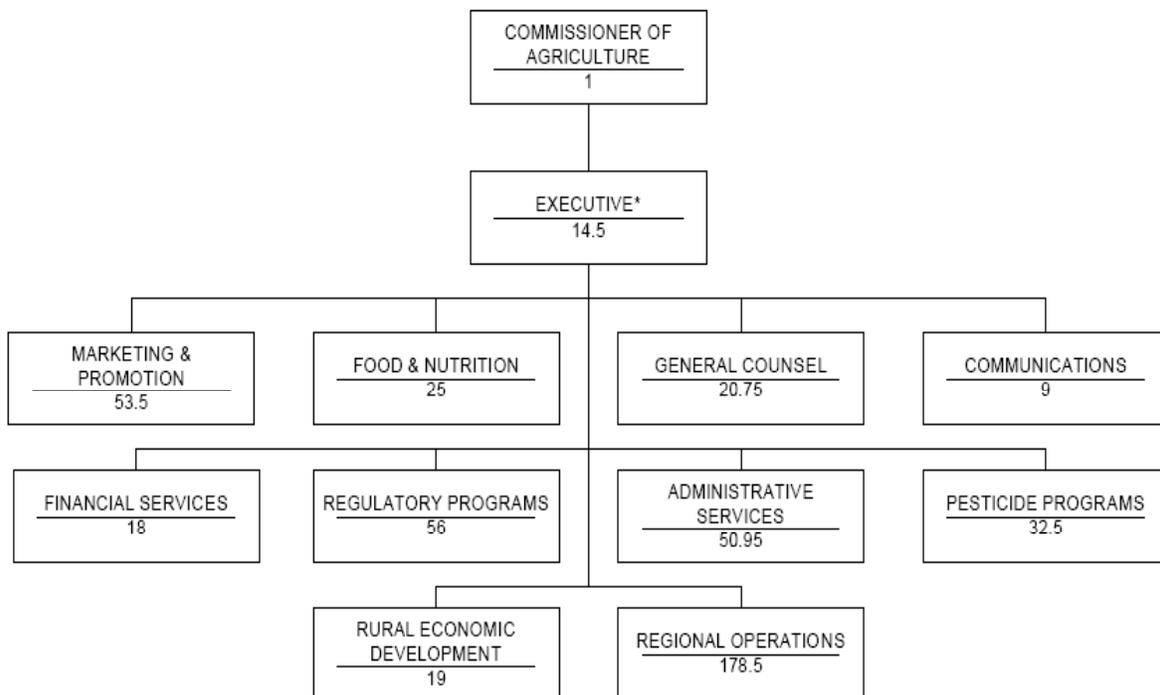
Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Rose Grading Application and Renewal Fee - TEX. AGRIC. CODE ANN., § 121.004 4 TAC § 23.3	\$18 - \$120	16	\$246	General Revenue Fund Not Appropriated
Seed Arbitration Filing Fee - TEX. AGRIC. CODE ANN., § 64.006 4 TAC § 6.4	\$300	6 sworn complaints filed	\$1,441	General Revenue Fund Not Appropriated
Seed Certification Field Inspection and Label fees Enforcement - TEX. AGRIC. CODE ANN., § 62.008 4 TAC § 10.13	\$0.10 per label field: \$25 per field and \$0.62 to \$12.00 per acre	1,771 fields inspected, 61 active Certified Seed Growers	\$277,154	General Revenue Fund Not Appropriated
Seed Fee Labels (Texas Tested) - TEX. AGRIC. CODE ANN. § 61.011, 4 TAC § 9.2	\$0.07 per label	317,925 labels from 41 Seedsmen	\$300,185	General Revenue Fund Not Appropriated
Seed Quarterly Reporting Sys Fee - TEX. AGRIC. CODE ANN. § 61.011, 4 TAC § 9.2	\$0.07 per 100 pounds or fraction thereof	443,240,865 pounds reported by 234 Seedsmen	\$315,818	General Revenue Fund Not Appropriated
Seed Quarterly Reporting Sys. Late fee - TEX. AGRIC. CODE ANN., § 64.005 4 TAC, § 9.2	\$30	165 fees late	\$9,201	General Revenue Fund Not Appropriated
Seed Testing Fees TEX. AGRIC. CODE ANN., § 61.011 4 TAC § 9.5	Seed Analysis fees \$5 - >\$100;	17,160 samples analyzed for 320 seed companies and producers	\$247,472	General Revenue Fund Not Appropriated
Sweet Potato Inspection Fee - TEX. AGRIC. CODE ANN., § 71.114 4 TAC § 19.4	\$0.01 per tag	22 producers	\$1,837	General Revenue Fund Not Appropriated

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Texas Certified Retirement Community Program Application Fee - TEX. AGRIC. CODE ANN. § 12.039(d)(3), 4 TAC § 29.52	\$5,000 or .25 multiplied by population	1	\$5,000	General Revenue Fund Appropriated
Travel Fees – Seed Audit/Egg inspection - TEX. AGRIC. CODE ANN., §§ 61.011 and 132.006	Actual costs	3 Seed and 12 Egg Audits conducted on 16 companies.	\$526	General Revenue Fund Appropriated
Vegetable Seed License Fee - TEX. AGRIC. CODE ANN., § 61.013 4 TAC § 9.3	\$120	68	\$9,000	General Revenue Fund Not Appropriated
Weights & Measures Application and Renewal Fee - TEX. AGRIC. CODE ANN., § 13.115 4 TAC § 12.43	\$8.50- \$120	12,235	\$3,580,836	General Revenue Fund Not Appropriated
Weights and Measures Licensed Inspection Service Companies Fee - TEX. AGRIC. CODE ANN., § 13.403 4 TAC § 12.53	\$90	224	\$39,780	General Revenue Fund Not Appropriated
Weights and Measures Metrology Testing Fee - TEX. AGRIC. CODE ANN., § 13.1151 4 TAC § 12.30	\$20 - \$787.50	688 Companies used Metrology Lab services in FY 2006, 23,841, tests conducted	\$319,554	General Revenue Fund Not Appropriated
Weights and Measures – Registered Technicians Exam - TEX. AGRIC. CODE ANN. § 13.403, 4 TAC § 12.60	\$60	1,213 Technicians Registered, 213 Technicians tested and licensed in FY 2006	\$22,160	General Revenue Fund Not Appropriated

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Late Fees (Revenue Code 3400) Business Fees – Agriculture TEX. AGRIC. CODE ANN., § 12.024	Various	880	\$55,964	General Revenue Fund Not Appropriated
Late Fees (Revenue Code 3402) Weighing and Measuring Device Inspector License TEX. AGRIC. CODE ANN., § 12024	Various	18	\$1,980	General Revenue Fund Not Appropriated
Late Fees (Revenue Code 3414) Regulatory Inspection Programs TEX. AGRIC. CODE ANN., § 12024	Various	884	\$142,868	General Revenue Fund Not Appropriated
Late Fees (Revenue Code 3435) Game/Fish/Equip Fees – Commercial TEX. AGRIC. CODE ANN., § 12024	Various	9	\$840	General Revenue Fund Not Appropriated
Late Fees (Revenue Code 3410) Agriculture Registration Fees TEX. AGRIC. CODE ANN., § 12.024	Various	35	\$55,650	General Revenue Fund Not Appropriated

VI. Organization

A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division.



Note

*As of this date, External Relations was part of the Executive Office. Texas Cooperative Inspection Program (TCIP) is included in Executive's count.

B. If applicable, fill in the chart below listing field or regional offices.

**Texas Department of Agriculture
Exhibit 10: FTEs by Location Fiscal Year 2006**

Headquarters, Region, or Field Office	Location	Number of Budgeted FTEs, FY 2006	Number of Actual FTEs As of August 31, 2006
Headquarters	Austin	233	213.2
Warehouse	Austin	2	2
Seed Lab	Giddings	15	15
Metrology Lab	Giddings	6	6
Greenhouse	Giddings	2	2
TASS	Austin	7	6
Region 1 – HQ (includes seed lab)	Lubbock	48	46
Region 1 – Sub Office	Amarillo	6	6
Region 2 – HQ	Dallas	31	31
Region 2 – Sub Office	Tyler	10	10
Region 3 – HQ	Houston	42	41.5
Region 4 – HQ	San Antonio	26	25
Region 5 – HQ	San Juan	32.5	31.5
Region 5 – Sub Office	Corpus Christi	8	8
Nematology Lab	Stephenville	6	6
Export Pen and Region 1 Sub Office	El Paso	5.5	5.5
Export Pen	Del Rio	3	3
Export Pen	Eagle Pass	3	3
Export Pen	Laredo	2	2
USDA Support	San Angelo	1	1
Export Pen	Brownsville	2	2
Export Pen	Houston	0	.5
Pesticide Lab	College Station	13.5	13.5
TOTAL		504.5	478.7

C. What are your agency's FTE caps for fiscal years 2006 - 2009?

2006 - **504.5**
 2007 - **504.5**
 2008 - **651.5**
 2009 - **651.5**

The following changes increased TDA's FTE cap for the 2008-2009 biennium:

- 99 FTEs added in accordance with HB 1 Article VI Rider 26 transferring additional USDA Special Nutrition Programs from HHSC to TDA. These FTEs will transfer from HHSC to TDA.
- 1 FTE added by LBB approval. This FTE will transfer from HHSC to TDA as apart of the Special Nutrition Programs transfer.
- 12 FTEs added in accordance with HB 1 Article VI Rider 25 for additional road station inspections.
- 35 FTEs transferred from Structural Pest Control Board per HB 2458.

D. How many temporary or contract employees did your agency have August 31, 2006?

As of August 31, 2006, TDA had 5.25 contract employees.

E. List each key programs or functions, along with expenditures and FTEs by program.

Texas Department of Agriculture		
Exhibit 11: List of Program FTEs and Expenditures Fiscal Year 2006		
Program	FTEs as of August 31, 2006	Actual Expenditures
Marketing Division	53.5	\$7,886,478
Economic Development Division	19.0	\$1,773,417
Regulatory Division	56.0	\$3,231,689
Pesticide Division	32.5	\$2,056,506
Food & Nutrition Division	25.0	\$8,825,337
External Relations Division	7.5	\$21,663,014
Administration (Executive, General Counsel, Communications and Financial Services)	105.7	\$10,146,207
Regional Offices	178.5	\$8,263,354
Texas Cooperative Inspection Program	1.0	\$80,620
TOTAL	478.7	\$63,667,457

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

AGENCY INTERNAL SUPPORT SERVICES

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Agency Internal Support Services: Commissioner of Agriculture; Executive Staff; Administrative Services--Human Resources, Support Services, Information Resources, Licensing; Communications, Legal Affairs and General Counsel; Financial Services; Internal Audit,
Location/Division	Austin, Texas
Contact Name	Drew DeBerry, Deputy Commissioner of Agriculture
Actual Expenditures, FY 2006	\$9,072,666
Number of FTEs as of August 31, 2006	105.7

B. What is the objective of this program or function? Describe the major activities performed under this program.

Agency Internal Support Services encompasses the following functions:

Commissioner of Agriculture

The Commissioner of Agriculture is an elected official who serves as the chief executive officer for TDA and directs policy for the agency.

Executive Staff

The Executive staff works under the direct supervision of the Commissioner of Agriculture to oversee agency operations, assists in making final policy decisions for agency programs, also includes administrative support for Commissioner's scheduling and correspondence.

Administrative Services

Human Resources - recruits, hires and retains Texas Department of Agriculture employees; provides management support through the hiring process as well as during employee counseling; administers employee benefit programs.

Support Services - provides infrastructure to TDA business units, including fleet, facilities, mail room operations, safety awareness and records management services.

Information Resources – provides automation infrastructure to TDA business units, including helpdesk, telecommunications, applications development, training and business process management services for the agency.

Licensing - provides customer support and automation processing to the agency's licensing programs, including licensing operations, customer support and data quality analysis.

Communications

Communications provides media information, public information and internal support for the agency, including communication with the media in press releases and responding to phone inquiries, providing columns and other written material under Commissioner Staples' by-line, and providing weekly radio features and commentaries. Communications also coordinates the Family Land Heritage Program and National Agricultural Week. Communications designs, prints and provides publication support for all agency divisions and edits all printed material and correspondence for the agency.

Legal Affairs and General Counsel

The General Counsel section provides general legal services to administrative and executive staff and to non-enforcement programs such as the Texas Agricultural Finance Authority, the Texas Capital Fund, the agency's promotional marketing programs and food and nutrition programs. Additional duties include providing legal support to the agency's board and advisory committees, serving as the agency contact for the Texas Register Division of the Secretary of State's office for rulemaking and open meeting filings, and serving as the agency contact for the Office of the Attorney General for auto accident claims filed against the agency and administrative appeals of agency orders. The Enforcement section of the Legal Affairs division primarily prosecutes violations of those statutory and administrative laws within the jurisdiction of the agency and also provides general legal services to regulatory programs.

Financial Services

Financial includes Budget and Planning, Accounting/Accounts Payable and Purchasing for the agency. This includes developing and overseeing TDA's overall budget, managing TDA's general ledger, revenue and expenditures, strategic planning, performance measure and cost recovery efforts. This office also is responsible for the proper expenditure of grants, both federal and state; and all purchasing efforts for the agency in accordance with the Texas Building and Procurement Commission and federal requirements. The purchasing division is responsible for the minority procurement program, vendor recruitment, vendor identification numbers and encumbrances.

Internal Audit

Internal Audit reviews day-to-day operational processes of TDA to assist managers in identifying inefficiencies and potential problem areas. This office also serves as the liaison between the agency and external auditors.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Efficient and effective agency support services affect and are reflected in all agency performance measures. There is no program at TDA that does not depend upon these services. In FY 2006, TDA met or exceeded 79.17% of its performance measures. In FY 2007, this number is expected to be higher, around 94.12%. Anything below 100% in this area is unacceptable and it is a strong focus area for current TDA management.

Another gauge of agency support services' success is the results of audits. In recent years, internal and external audits have identified various areas for improvement and each have been promptly addressed. For example, Internal Audit recommendations have been implemented that:

- ensure the proper treatment of program income in one Education Service Center region in accordance with federal requirements;
- improve the contract monitoring capabilities of the Food and Nutrition Division with regard to the federal National School Lunch Program; and
- enhance the agency's compliance with Texas Administrative Code Chapter 202, 203, and 204 regarding information security standards.

State Auditor's Office (SAO) recommendations have been implemented to improve compliance with state Historically Underutilized Business program requirements. The SAO just recently completed an audit on the reliability of the agency's reported performance measures. Several recommendations were made to improve the reliability of the measures and the internal controls that support the measures, some of which had been implemented by the close of the audit.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2003, licensing for all programs was consolidated into the Administrative Services Division. In 2006, Financial Services moved into its own division, separate from Administrative Services.

Initially, all TDA hearings were conducted in-house. In 1995, the agency's enforcement hearings were transferred to the State Office of Administrative Hearings (SOAH), and the agency and SOAH entered into a MOU for SOAH to conduct those hearings. Agency prosecutors still prepare cases for hearing, but the case is presented to a SOAH administrative law judge, who issues a proposal for consideration by the commissioner in issuing of the final agency determination. Appeals of agency decisions are handled by the Office of the Attorney General.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

All departments under Agency Internal Support Services support TDA employees and the operations of TDA as a state agency. Licensing and Legal Affairs support the external customers of the agency who are licensed to do business with TDA. This includes 22,000 Pesticides licensees; 21,000 Weights & Measures licensees; 17,000 Nursery & Floral licensees; and 2,200 holders of other types of licenses.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

All Agency Internal Support Services are administered from the TDA headquarters in Austin. Any support for TDA employees, whether centrally located, or in the regions, is extended from the TDA headquarters offices.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT
Internal Support Services	Federal	\$782,590
	General Revenue	\$8,236,366
	Appropriated Receipts	\$53,710

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Most state agencies are required to have similar functions - human resources, support services, information resources - under their respective Administrative Services divisions. In the enforcement area, the agency may seek civil penalties through the Office of the Attorney General in lieu of administrative penalties. For some regulatory areas, violations may be prosecuted as criminal offenses by local law enforcement authorities. Some areas of regulation are additionally subject to federal regulation and enforcement by federal agencies.

Auditors from outside TDA provide audit services as needed. Outside auditor services are normally needed when requirements call for independent audits of financial statements, such as those at TAFE and the Texas Boll Weevil Eradication Foundation. Internal auditors are prevented from performing those audits by professional standards because of a lack of independence from those entities as defined by the standards. Internal auditors perform audits, but these audits are focused on internal controls, economy and efficiency, effectiveness and compliance.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Currently, Administrative Services has an MOU with the Health and Human Services Commission to provide TDA with high-speed print services for correspondence, invoices and licenses to customers. Additionally, we rely on cooperative contracts that are currently being managed by the Department of Information Resources, and the Texas Building and Procurement Commission. The General Counsel has an MOU with the State Office of Administrative Hearings.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Administrative Services works with other state and federal agencies - Comptroller of Public Accounts, the Legislative Budget Board, Health and Human Services Commission, the U.S. Department of Agriculture and the Employees Retirement System - for data sharing purposes. Most of these interactions are to support automation of our programs and to facilitate oversight reporting requirements. The Legal Division has sporadic interactions with units of government involving education, rendering of legal opinions and handling of complaint referrals.

At the state level, Internal Audit collaborates with the State Auditor's Office (SAO) to enhance audit coverage of TDA wherever feasible. As the Internal Audit Department's Annual Audit Plan is developed, TDA works with the SAO and its Audit Plan to help ensure there is no duplicate audit coverage or to ensure the agencies complement each other's audits. For audits of TDA by the SAO or any other external auditor, Internal Audit serves as a liaison between the auditors and the TDA division or program being audited. This helps to ensure TDA responds promptly and completely to auditors' requests for information.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

The Administrative Services division has the following major contract expenditures:

- TEA - TDA MOU: This contract is for hosting and maintenance for the Child Nutrition Program Information Management System (CNPIMS) application which supports the National School Lunch Program of the Food and Nutrition Division. \$435,556
- TxSDC Hosting Agreement: This is for the hosting of seven TDA servers at the Texas State Data Center in San Angelo, Texas. These seven servers host the core enterprise applications for TDA: BRIDGE, PIER, SHIP, PATHS, CNPCMS, Web Sites, Microstrategy Reports. \$311,000
- ADROC Hosting Agreement: This is for the hosting and application use of our agency applications that support Time and Leave, Accounting and Inspection Activity Counts. \$112,237

L. What statutory changes could be made to assist this program in performing its functions? Explain.

N/A

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency=s practices.

N/A

EXTERNAL RELATIONS

A. Provide the following information at the beginning of each program description.

Name of Program or Function	External Relations
Location/Division	Austin - External Relations
Contact Name	Brian Murray, Assistant Commissioner for External Relations
Actual Expenditures, FY 2006	NA – This division was developed in FY 2007
Number of FTEs as of August 31, 2006	NA - This division was developed in FY 2007

B. What is the objective of this program or function? Describe the major activities performed under this program.

External Relations serves as a liaison for the agency, working with stakeholders, producer groups and local, state and federal governments. This division, developed in June 2007, combines producer relations, grant administration and government liaison functions to more efficiently use agency resources and to enhance TDA customer service.

The External Relations Division oversees TDA's statutory oversight requirements for the state's active Commodity Boards (Boards). Commodity Board's are established under Texas Agriculture Code (TAC), Chapter 41 (Texas Commodity Referendum Law). Division staff attend the majority of the board's meetings and review and approve each board's election processes, budgets and annual reports. External Relations is also the program area assigned to implement TDA's statutory oversight (TAC, Ch. 74) of the Texas Boll Weevil Eradication Foundation (TBWEF). In doing so the agency conducts all grower referenda, approves the TBWEF annual operating budget and approves and monitors all purchases over \$10,000 to ensure state funds are used appropriately.

The External Relations Division oversees the majority of the agency's research and education grants. This division administers the following grant programs:

- Food and Fibers Research Grant Program (FFRGP)
- Enology and Viticulture Research and Development Grants
- Texas Enology Teaching, Research and Extension Program
- Texans Feeding Texans: Home Delivered Meals Grant Program
- Texans Feeding Texans: Surplus Agricultural Produce Recovery Program
- Texas Israel Exchange Fund (TIE)
- Feral Hog Abatement Program
- Urban School Agricultural Grants

The External Relations Division also administers federal disaster relief assistance programs on an ad hoc basis such as:

- The Livestock Assistance Grant Program;
- The Catfish Grant Program; and
- The Aquaculture Grant Program.

The External Relations Division assists the commissioner in maintaining relations with federal, state, local and foreign governments on a wide range of agricultural, economic and health issues. Additional responsibilities include monitoring legislative and regulatory activities affecting Texas agricultural producers, consumers and rural Texas. This division works with all levels of government and private organizations to address common issues.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The state's current boll weevil eradication program was signed into law in 1997. There are 16 active boll weevil eradication zones in Texas covering more than 6 million acres. Since the program was implemented, 4.5 million of the more than 6 million acres of cotton in Texas has achieved suppressed or functionally eradicated status. As a result, total value of harvested Texas cotton showed an increase from \$1,406,925,000 in 2001 to \$1,790,000,000 in 2005.

The key efficiency measure for the Food and Fibers Research Grant Program is a cumulative accrual of supporting research funds. The universities report this measure quarterly by listing any state, federal or private funds the project received to support the FFRGP project. The target is \$3,210,095 a year; currently the program is on track to meet this target.

Additionally, over \$1.5 million in other grants are delivered to Texans through this function area each year. The 80th Legislature increased this by nearly \$12 million per year, quadrupling one existing grant program, doubling another and establishing two new grant programs. This confidence is evidence of the function area's effectiveness and efficiency.

The success of other services provided by External Relations are measured by stakeholder satisfaction and TDA's reputation for listening to and incorporating stakeholder input into agency policies.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

1985 - The TIE program was created in 1985 via a signed Memorandum of Agreement between the Texas Department of Agriculture and the Ministry of Agriculture of the State of Israel to work together on projects of mutual agricultural benefit to the people of Israel and Texas.

1999 - The Texas Boll Weevil Eradication Foundation Inc. was created by the 75th Legislature, but state funding for TBWEF was initiated by the 76th Legislature in 1999. The Urban School Agricultural Grant Program was created to increase knowledge among Texas' urban elementary school students.

2005 - The Enology and Viticulture Research and Development and the Texas Enology Teaching, Research and Extension Program grant programs are funded through the Texas Wine Industry Development Fund, created by the 79th Legislature.

2006 – The Food and Fibers Research Council was transferred to TDA as the Food and Fibers Research Grant Program.

2007 - The Urban School Agricultural Grant Program was expanded to allow middle schools to apply to the program.

2007 – External Relations was established, combining Governmental Affairs, the Food and Fiber Research Grant Program, Stakeholder Relations and various other grant programs under uniform management.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Food and Fibers Research Grant Program restricts program activities to surveys, research or investigations of cotton, cottonseed oil or other related oilseed products, wool and mohair, or other related textile products. The recipients of the research funds can be any Texas state-supported university, state agency or federal agricultural agency. Therefore, the food and fiber industries are the beneficiaries of the applied research. This entails 335,000 Texas farmers and ranchers as well as the many agricultural businesses and 23 million consumers throughout Texas.

The Enology and Viticulture Research and Development and the Texas Enology Teaching, Research and Extension grants may be awarded to public or private entities, including institutions of higher education and governmental research entities, dedicated to education and/or conducting research in the areas of enology and viticulture to support the continued growth of the grape and wine industry. Applications must submit project proposals in accordance with published RFPs. Twelve projects have received funding through this program to date.

Organizations who deliver meals to the homes of elderly and disabled Texans are eligible for funding through the Texans Feeding Texans: Home Delivered Meals Grant Program. It is estimated that over 400 entities currently meet the eligibility criteria and serve more than 50 million meals each year.

Applicants to the Texans Feeding Texans: Surplus Agricultural Produce Recovery Program Grant must be non-profit organizations with at least five years of experience coordinating a statewide network of food banks and charitable organizations that serve each of the 254 counties of this state. Applications must submit project proposals in accordance with published RFP. Some 3,700 local charitable organizations receive donated produce to distribute through this program.

Applications to the Texas-Israel Exchange program must be made by a public or private non-profit research institution and the proposal must be submitted by at least one scientist in Texas and one in Israel. This includes institutions of higher education and governmental research entities. Applications must submit project proposals in accordance with the published RFP.

Proposals to the Feral Hog Abatement Program are accepted from public non-profit research institutions. This includes institutions of higher education and governmental research entities. Applicants must submit project proposals in accordance with published RFP. These wild animals are hazards to motorists on Texas highways, are nuisances to agriculture producers and residents of rural and suburban Texas, and endanger the safety of many Texans. Therefore, the program affects several million Texans.

Proposals to the Urban School Agricultural Grant program must be submitted by a Texas public school from an urban school district with an enrollment of at least 49,000 students. As of the 2005-2006 school year, 15 school districts in Texas have an enrollment of at least 49,000 students. Schools can apply for funding to implement a project that will foster an understanding and awareness of agriculture in elementary students.

The boll weevil eradication program directly affects the state's more than 30,000 cotton producers.

<p>F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.</p>

TDA oversight for commodity boards and the boll weevil program is required by Texas Agriculture Code, Ch. 41 and TAC, Ch. 74 respectively.

The grant administration process is similar for each grant program. An RFP is published in the Texas Register and on the TDA Web site. TDA staff and the appropriate review committee or program board review all eligible proposals. Reviewers recommend proposals to the commissioner and the commissioner makes the final decision except for the Food and Fibers Research and the Texas-Israel Exchange Fund grant programs where the Boards make the awarding determinations. TDA administers each grant with a grant agreement. All agreements include regular reporting requirements. Grantees are paid on a reimbursement bases. Financial reports are reviewed and approved by the TDA grant coordinator, and the Financial Services Division before the reimbursement payment is issued. Grant projects are continually monitored during the grant period.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT (FY 2006)
External Relations	Federal	\$1,132,500
	General Revenue	\$17,937,894
	Appropriated Receipts	\$2,790,095

H. Identify any programs, internal or external to your agency, that provides identical nor similar services or functions. Describe the similarities and differences.

Other TDA divisions and other state agencies administer grant programs, but the specific grant programs the External Relations Division administers are unique to this division function based on the laws governing each program. Each of them have a direct correlation to the stakeholders served through the agency's many other programs.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

External Relations routinely works with other divisions and entities to ensure there is no duplication or conflict of efforts. This is also the principal area for coordination with other state and federal agencies. Daily communication prevents duplication.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

External Relations works with a wide range of local, regional and federal governmental entities on a regular basis on issues relating to the agency's mission and responsibilities. Daily communication prevents duplication and enables strong coordination.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

N/A

L. What statutory changes could be made to assist this program in performing its functions? Explain.

N/A

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

FOOD AND NUTRITION

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Food and Nutrition
Location/Division	Austin - Food and Nutrition
Contact Name	Fred Higgins, Assistant Commissioner of Food & Nutrition;
Actual Expenditures, FY 2006	\$9,068,640*
Number of FTEs as of August 31, 2006	25

*Over \$1 billion per year in federal program funding for this program is assigned to TEA, who makes the reimbursement payments. In FY 2008, \$350 million in federal funding will transfer from HHSC to TDA.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Texas Department of Agriculture has an interagency contract with the Texas Education Agency (TEA) to process claims for school breakfast and lunch reimbursements to public school districts. HB 4062 in the 80th legislative session transferred School Food and Nutrition programs for private and parochial schools as well as five additional USDA Nutrition Programs to TDA from the Health and Human Services Commission. This transfer will occur on October 1, 2007.

Child and Adult Nutrition Programs TDA currently administrates programs in Texas public schools: National School Lunch Program (NSLP), School Breakfast Program, After School Snack Programs and Seamless Summer Program. Effective October 2007, TDA will administer these in both the public school and private nonprofit arenas. Additionally, administration of the Summer Food Service Program (SFSP), Special Milk Program (SMP) and the Child and Adult Care Food Program (CACFP) will begin at that time. The After School Snack Program and Seamless Summer Program are available to schools that operate the NSLP. Services include cash reimbursement for nutritious meals or milk, which meet the USDA standards served to children in public, private, parochial and charter schools; child care facilities; residential child-care institutions; summer camps; emergency shelters; after school programs; recreational programs; as well as approved meals served to functionally impaired adults or individuals 60 years of age or older receiving services in adult day care centers.

Commodity Distribution Programs Three programs include Food Distribution, The Emergency Food Assistance Program known in Texas as the Texas Commodity Assistance Program (TEXCAP), and the Commodity Supplemental Food Program (CSFP). These programs provide USDA donated commodity foods to low-income individuals and households, schools, summer programs and certain charitable institutions. Services are delivered through contracts

with private non-profit organizations, governmental agencies, for-profit organizations, residential childcare facilities and food banks. Nutrition education and training is offered to children, parents and participating organizations as well as staff in schools and child care facilities to promote healthy eating habits and to protect the general health of Texas citizens.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The federal government periodically performs a Management Evaluation Review to assess the performance of the nutrition program operations and to identify opportunities for improvement. The most recent review was conducted in January 2007, and no findings were cited. Federal regulations require schools on the National School Lunch Program to be reviewed at least once every five years. Each year over 240 schools are reviewed with over 85% being found in compliance with federal regulations.

TDA's comprehensive public school nutrition policy addresses all food available in schools including school meals, vending machines, school stores, fundraisers and school parties. Texas has the largest number of students participating in the breakfast and lunch programs in the nation. The numbers of lunches and breakfasts served has increased significantly over the years in response to state agency directed education and outreach efforts.

Since 2002, the numbers of meals served in the Child and Adult Care Food Program have increased by 7.9 percent. Although the rate of increase in Summer Food Service Program participation has been small, the growth has been steadily upward as outreach efforts to feed low-income children during the summer have increased.

A network of 15 food banks distribute Texas Commodity Assistance Program (TEXCAP) and Commodity Supplemental Food Program (CSFP) commodities to needy individuals and families living in each of Texas' 254 counties. The food banks distribute commodities and other non-USDA food through approximately 4,500 non-profit pantries and soup kitchens. Distribution through the food banks is efficient and effective and administrative costs have been consistently low. Food banks in Texas reach approximately 2 million people a year with emergency food assistance.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Rationale for TDA to administer the child and adult nutrition programs:

- TDA has a close working relationship with USDA and a better understanding of federal agriculture and nutrition programs.

- TDA has a strong emphasis in food marketing and promoting nutrition and has on-going programs in communities and schools. The Child Nutrition (CN) programs and the Special Nutrition Programs (SNP) have worked closely with TDA for years in these areas.
- Texas schools are a major food purchaser (\$1 billion per year). TDA encourages and assists schools to purchase more Texas products and improve the state's agricultural economy (Example: Farm to School Program, TDA marketing).
- TDA provides leadership and improved service and assistance to customers in all areas of program administration and particularly in improving the nutrition environment, health and welfare of school children and adults.

In 2003, the entire CN division and staff transferred from an education to an agriculture agency. However, the state level administration of the Child Nutrition Programs in Texas continued without disruption to customer service. Regulatory functions stayed the same but the program increased emphasis on nutrition policies and improving the nutritional environment in schools. TDA's goal is to provide improved service, technical assistance and training without changing the basic structure, administration and operation of the CN programs. The same seamless transition is expected with the SNP transfer.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Qualifications and eligibility requirements are listed in the federal regulations section.

Current TDA Program

National School Lunch Program & School Breakfast Program (State Fiscal Year 2006)

Number of participating districts – almost 1,200

Number of participating schools – 7,203

Number of students enrolled – 4.5 million

Special Nutrition Programs

Child and Adult Care Food Program (CACFP)	
<ul style="list-style-type: none"> • Contractors: child care centers, day care homes, at-risk after school programs, emergency shelters, adult day care centers 	Meals Served FY 06: 156,012,972
<ul style="list-style-type: none"> • Benefits: cash reimbursement for breakfasts, lunches, suppers and snacks served 	Meals Served to Date: 47,187,486
<ul style="list-style-type: none"> • Clients: children and adults in day care facilities 	Number of Contractors FY 06: 1,683
	Current Number of Contractors: 1,714

Special Milk Program (SMP)	
<ul style="list-style-type: none"> Contractors: schools and child care facilities that are not in other federal child nutrition meal service programs Benefits: cash reimbursement for half pints of milk served 	Milk Served FY 2006: 482,583 Milk Served to Date: 128,397 Number of Contractors FY 2006: 15 Current Number of Contractors: 13
National School Lunch Program (NSLP)	
<ul style="list-style-type: none"> Contractors: private nonprofit schools, public or private nonprofit residential child care institutions Benefits: cash reimbursement for lunches and after school snacks served Clients: children in schools, residential child care institutions, at-risk after school programs 	Meals Served FY 2006: 7,625,3134 Meals Served to Date: 3,336,663 Number of Contractors FY 2006: 221 Current Number of Contractors: 206
School Breakfast Program (SBP)	
<ul style="list-style-type: none"> Contractors: private nonprofit schools, public or private nonprofit residential child care institutions Benefits: cash reimbursement for breakfasts served Clients: children in schools, residential child care institutions 	Meals Served FY 2006: 64,334,833 Meals Served to Date: 1,818,107 Number of Contractors FY 2006: 221 Current Number of Contractors: 206
Summer Food Service Program (SFSP)	
<ul style="list-style-type: none"> Contractors: summer schools, camps, and parks and recreation programs in areas where at least 50 percent of the children are low income or at least 50 percent of the children enrolled at the site are low-income Benefits: cash reimbursement for breakfasts, lunches, snacks and suppers served Clients: children in summer programs 	Meals Served FY 2006: 12,558,756 Number of Contractors FY 2005: 356 Number of Contractors FY 2006: 337

Commodity Distribution Programs

Food Distribution Program (FDP)	
<ul style="list-style-type: none"> • Contractors: public and private schools and summer programs • Benefits: USDA-donated commodities for use in preparing meals • Clients: children in schools and summer programs 	<p>Commodities Distributed FY 2006: 111.9 million pounds</p> <p>Commodities Distributed to Date: 124.0 million pounds</p> <p>Number of Contractors FY 2006: 1,591</p> <p>Current Number of Contractors: 1,397</p>
Texas Commodity Assistance Program (TEXCAP)	
<ul style="list-style-type: none"> • Contractors: food banks • Benefits: USDA donated commodities • Clients: homeless individuals, low-income households • Food banks receive and distribute food to agencies that prepare meals for homeless individuals or distribute it to households for home consumption. 	<p>Commodities Distributed FY 2006: 39.4 million pounds</p> <p>Commodities Distributed to Date: 17.4 million pounds</p> <p>Number of Contractors FY 2006: 15</p> <p>Current Number of Contractors: 15</p>
Commodity Supplemental Food Program (CSFP)	
<ul style="list-style-type: none"> • Contractors: food banks in the Dallas area and Rio Grande Valley • Benefits: USDA-donated commodities and nutrition education • Clients: low-income women, infants and children who do not participate in WIC; elderly persons • Food banks receive and distribute food to agencies that distribute it to clients 	<p>Commodities Distributed FY 2006: 5.7 million pounds</p> <p>Commodities Distributed to Date: 4.7 million pounds</p> <p>Number of Contractors FY 2006: 2</p> <p>Current Number of Contractors: 2</p>

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Executive Section provides direction, policy interpretation and overall program management and oversight. Federal and state reporting requirements are monitored and management information maintained according to program guidelines. Management oversees efforts to develop a comprehensive package to promote the benefits of nutrition programs through the division's other major activities listed below.

Operations, Nutrition and Education unit (O.N.E.)

Operations - The Operations Section: administers monthly reimbursement claims processing for School Lunch, Breakfast and other Nutrition programs; maintains accurate accounting records to support various financial reporting requirements and provide necessary audit trails; and administers program agreements, severe need certification and ensures corrective action is taken on school district audit findings. The Operations Section administers the automated Child Nutrition Program Information Management System (CNPIMS) including maintenance and enhancements and supplies the testing and program feedback on all CNPIMS system new policy implementations. The Section oversees school districts using Food Service Management Companies including procurement and contract review and monitoring and maintains a registry of companies operating in Texas.

Nutrition and Education – The Nutrition and Education Section ensures nutrition and food service personnel have the education, motivation and skills necessary to provide healthy meals that appeal to the adults and children served and to meet USDA nutrition and compliance requirements to operate local nutrition programs. The Nutrition and Education Section also provides training and technical assistance to Food and Nutrition Division and Regional Education Service Center (ESC) staffs. There are 20 Education Service Regions with more than 45 Child Nutrition Program specialists located in ESC facilities throughout the state. These individuals assist with providing required technical assistance and training of local district staff.

Compliance Monitoring Unit

Program Monitoring – Compliance performs on-site monitoring reviews of program operations. All aspects of program operations, with emphasis on Coordinated Review Effort (CRE) requirements and School Meals Initiative (SMI) evaluation, are monitored to ensure compliance with program regulations. The state staff assists school district personnel in developing corrective action plans as needed. This unit manages the USDA Provision 2 program governing all school districts that participate in this program. All CNP monitors assist the Education and Training staff in educating school districts, ESC's and food service personnel in complex training efforts to ensure compliance and effectively manage USDA's mandates and rules governing school districts that participate in the School Lunch, Breakfast and Snack

programs. Technical assistance is provided through summer workshops and “long distance learning.” In addition to teaching summer workshops, CNP staff provides technical assistance by phone or documentation review to ESC staff, districts/charters and food service managers on the policy and procedures of the CNP School Lunch, Breakfast and Snack programs

Marketing, Education and Outreach. The development of all Square Meals education and outreach materials is vital to the public awareness of children’s nutrition and school meal programs. Nutrition education materials outlining the school meal policy and general nutrition are written, designed, produced and disseminated to schools across the state. Various education and outreach materials are also created to reinforce the message of good nutrition and healthy lifestyles. All items are made available to teachers, parents, schoolchildren and communities through the outreach efforts. At least two full-time staff are dedicated to these efforts and the production of all printed promotional media and all other education and outreach materials while adhering to state of Texas purchasing guidelines.

Information Technology. Three full-time employees support the information technology needs of the Food & Nutrition Division staff. These employees are: one system analyst for both the Compliance Monitoring System (CMS) and the Child Nutrition Programs Information Management System (CNPIMS); one programmer to support the CMS; and one programmer to support other automation needs including maintaining the systems, assisting with ad hoc reports and writing system change requests.

Special Nutrition Programs. There are 53 SNP staff in the Austin state office and 46 area program staff located in eight primary offices and three satellite offices across the state. Staff in area offices administer approximately 2,600 child and adult nutrition contracts for services with nonprofit schools and residential child care institutions, nonprofit and for-profit childcare organizations and governmental agencies. Staff in the state office administer the programs and manage approximately 1,400 commodity distribution contracts, including contracts with faith-based and private schools, food banks and commercial warehouses.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT
Food and Nutrition Division	Appropriated Receipts	\$5,000
	Federal	*\$8,864,516
	General Revenue	\$199,124

*Over \$1 billion in federal program funding for this program is assigned to TEA, who makes the reimbursement payments. In FY 2008, \$350 million in federal funding will transfer from HHSC to TDA.

H. Identify any programs, internal or external to your agency, that provides identical or similar services or functions. Describe the similarities and differences.

The Food & Nutrition Division of TDA utilizes the Child Nutrition Programs Information Management System (CNPIMS) to collect data, account for and prepare monthly reimbursement payments to school districts and charter schools participating in the National School Lunch Programs (NSLP) or School Breakfast Program (SBP) and forward the payment information into the Texas Education Agency's (TEA) central accounting system (ISAS) for proper accounting and payment processing. CNPIMS translates the data into a format that ISAS can accept and exchanges the data through an interface. In addition to working cooperatively with TEA for processing District payments, TDA and TEA also coordinate the Audit process. Each year, school districts, charter schools and ESCs are required to file an annual financial and compliance report. TEA auditors review these reports annually to assure that sub-recipients adhere to generally-accepted accounting principles and OMB Circular A-133. Any findings related to the District's Child Nutrition Program are reported to TDA for review and follow-up. In addition to the annual A-133 single audits conducted in school districts and charter schools, which usually include a district's school food service activity, the Food & Nutrition Division's Compliance Unit conducts the Coordinated Review Efforts (CRE). A CRE is essentially a monitoring visit performed in accordance with USDA guidelines to determine the effectiveness of a school district's food service activity and to determine whether or not it is in compliance with USDA and CNP program regulations.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Through the processes described above, TEA and TDA avoid duplicating efforts and overburdening program recipients. The duplication is avoided by maintaining an MOU between the Food & Nutrition Division of TDA and TEA for processing of the district payments and the financial audit and program review functions. Furthermore, the Child Nutrition Programs Information Management System (CNPIMS) was designed by TEA. Through this MOU, TEA provides system support for the CNPIMS system.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Special Nutrition Programs operate under a federal state agreement with USDA-Food and Nutrition Service (FNS). All program policies and procedures are based on federal law, regulation and operating instructions. Primary interface is with the FNS Southwest Regional Office (SWRO) in Dallas. The SWRO serves as a conduit for program information required by USDA headquarters and conducts program administrative reviews with state office staff and assists with complex policy interpretations.

Food and Nutrition works with Texas public school districts to ensure they comply with federal regulations. We provide training and technical assistance; provide program operation oversight by performing School Meals Initiative (SMI) and Coordinated Review Effort (CRE) reviews; process reimbursement claims processing for School Lunch, Breakfast and other Child Nutrition programs; and dispense federal funds to the school districts monthly. The processing of the reimbursements is handled through a MOU with the Texas Education Agency. Food and Nutrition also receives information from the Food Stamp office used to certify eligibility of students for the federal meal programs.

City and county governments operate the Summer Food Service Program, under an agreement with HHSC. This will be administered by TDA effective Oct. 1, 2007.

K. If contracted expenditures are made through this program please provide:

- **the amount of those expenditures in fiscal year 2006;**
- **the number of contracts accounting for those expenditures;**
- **a short summary of the general purpose of those contracts overall;**
- **the methods used to ensure accountability for funding and performance; and**
- **a short description of any current contracting problems.**

Some \$4,147,511 contracted expenditures in FY 2006 were made. There were 20 contracts accounting for those expenditures to provide technical assistance and training to local school districts. Using risk factors analysis, Education Service Centers deemed high risk receive on site auditing of program performance. Remaining Service Centers receive a desk audit. There are no current contracting problems.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Currently, TDA administers the National School Lunch Program and School Breakfast Program, while TEA administers the reimbursement payments to participating public schools. With the transfer of the Special Nutrition Programs to TDA in FY 2008, TDA will now be administering payments to non-public school program participants. TDA already administers every aspect of the program for public schools except the actual payments. The state leadership should consider through the legislative process whether it would be more efficient and a better policy for the actual payments to be administered at the same agency that administers the program itself, as well as all other nutrition assistance programs.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The Special Nutrition Programs (SNP) are mainly funded by federal dollars. The programs supplement other services by providing a nutrition component that would not be available or sufficient as part of that service. SNP funds are available to support meal services that would otherwise be paid for with state funds. USDA donated commodities are provided to support meal services in schools, which would be otherwise funded with other federal, state or local funds.

As the Special Nutrition Programs are transferring from HHSC to TDA, some issues have surfaced that will require management or legislative solutions. Of particular note is an issue related to program administration funding. It has been discovered that program administrative expenses have exceeded the amount of federal funds designated for this program by approximately \$1.1 million in recent years. While at HHSC, the program's administrative costs have been subsidized by this amount from funds beyond those allocated by USDA to HHSC for program administration. TDA has no source of funds to cover this overrun in program administrative costs. However, through efficient program management of Child Nutrition Programs already residing at TDA, the agency has identified enough carryover federal funds from FY 2007 to cover this overrun in FY 2008. The problem will again avail itself in the budget process for FY 2009 if significant efficiencies are not realized before then.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

N/A

MARKETING AND PROMOTION

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Marketing and Promotion
Location/Division	Austin – Marketing Division
Contact Name	Gene Richards, Assistant Commissioner for Marketing and Promotion
Actual Expenditures, FY 2006	\$7,886,478
Number of FTEs as of August 31, 2006	53.5

B. What is the objective of this program or function? Describe the major activities performed under this program.

TDA's Marketing and Promotion Division administers one of the state's most recognized and successful marketing campaigns. The GO TEXAN brand assures consumers of all types of Texas products that they are getting the best quality available. Agricultural products and non-agricultural products have been made eligible for this program by the Legislature. While agricultural product producers, manufacturers, marketers, and retailers have shown the most interest, in recent years manufacturers of non-agricultural products have expressed a strong interest in being part of a uniform marketing campaign that promotes their product for its connection to the most diverse and highest quality state in the nation. TDA will soon expand the program's reach to also allow the GO TEXAN brand to benefit communities in their efforts to attract new residents, tourists, sportsmen, and retirees. This will further leverage the excellent brand identification established with the GO TEXAN brand.

Each year, TDA's Marketing and Promotion Division works to increase the sales of both raw and processed agricultural commodities by promoting Texas food, fiber, wine, livestock, shrimp, horticulture forestry and other Texas processed and produced products under the GO TEXAN campaign, a comprehensive initiative launched in 1999. The agency is also involved in a variety of areas including farmers' markets and livestock exports. The division creates marketing and development opportunities for Texas agribusiness by providing an assortment of support services and by bringing together buyers and sellers. New and updated directories produced by the Marketing and Promotion Division cover sectors such as horticulture, forestry, wool and mohair, produce, livestock, dairy goats and wine as well as guides on diversifying crops, cut flowers and organic products.

The Marketing and Promotion Division is responsible for organizing and running TDA's Food and Fiber Pavilion at the State Fair of Texas. The Pavilion includes a variety of high-profile exhibitors, sponsors and event presenters, showcasing the array of products produced in Texas. Visitors are presented with shopping opportunities, educational and entertaining programs, and sampling opportunities. The Pavilion's stores sell only GO TEXAN or Texas-made products.

Texas Yes! is an initiative designed to market and promote rural Texas. TDA's Marketing and Promotion Division works with this program to spotlight rural Texas communities and support and encourage economic opportunities such as rural tourism. In addition, the division assists the Food and Nutrition Division with the promotion of children's nutrition, working closely with schools, teachers, parents and administrators.

TDA's export pens provide U.S. producers with a gateway to foreign markets while providing safe and uniform exporting facilities for their livestock to reduce mortality rates and increase their profit.

The Market News program collects and distributes current, reliable, objective information on marketing conditions affecting livestock, grain, specialty crops, poultry, and fruits and vegetables in and around the state of Texas. Texas market reporters work cooperatively with the U.S. Department of Agriculture to collect and disseminate market reports. The goal is to provide buyers and sellers with the information necessary to make sound marketing decisions.

Texas Agriculture Statistics Service (TASS) issues approximately 400 reports annually covering all facets of Texas agriculture, from crop acreages and production, livestock inventories, and prices and farm income to agricultural chemical use, farm labor, and more. In addition, the agency conducts the Census of Agriculture every five years.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The most recent marketing assessment results analyze the effectiveness of the matching grant GO TEXAN Partner Program (GOTEPP) in terms of its impact on Texas' economy, as reported by partner firms. Twenty-six partners used \$246,306 in GOTEPP funds and represented more than \$57 million (\$57,258,739) in total sales to the Texas economy during 2006-2007. These firms had sales increases of more than \$5 million (\$5,349,684), representing a \$42.45 increase in Texas sales revenues for every \$1 of GOTEPP matching funds.

Surveys are used to evaluate the satisfaction of GO TEXAN members with various facets of TDA marketing events. From September 2005 to August 2006, 310 surveyed firms reported attending events and having total gross sales of more than \$116 million.

At Texas Yes! Hometown STARS events between September 2005 and August 2006, an average tourist spent \$174 per event, which translates to a total economic impact to rural Texas of \$43.3 million. Communities saw increases in hotel revenues (more than \$74,000) and increases in employment (more than \$12,000).

According to the wine marketing program's most recent annual survey of Texas wineries, total sales have gradually increased over a four-year period. Texas wineries attribute 29 percent of their total sales increases directly to the efforts of Texas Wine Marketing Assistance Program (up from 16 percent in the 2004-2005 report). A 2005-2006 survey shows that for each \$1 spent in Texas Wine Marketing Assistance Program funds, there is a \$16.50 direct economic impact to the state of Texas.

In fall 2006, TDA contracted with researchers from Texas A&M and Sam Houston State universities to assess Square Meals, TDA's school nutrition education and outreach program, funded by the U.S. Department of Agriculture, Food and Nutrition Service. The Square Meals program online survey included feedback from 905 parents, teachers, school administrators, nutrition professionals and health care professionals. Overall, respondents rated the program goals and materials as effective in improving nutrition knowledge, providing tips for healthy eating and physical activity, and raising awareness of the school meal programs and healthy meal options being served in schools. TDA also received valuable insight into areas for development and is taking immediate actions to further improve the Square Meals program.

At the TDA's Food and Fiber Pavilion at the State Fair of Texas, from 2005 to 2006 total GO TEXAN store sales increased more than 10 percent, from \$195,793 to \$220,003. In 2006, 2.5 million people visited the Pavilion. According to surveyed visitors to the Pavilion, two-thirds recognized the GO TEXAN logo.

During the time period from September 1, 2005 to August 31, 2006, 176,386 head of livestock were exported through TDA's export pens.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Prior to 1999, TDA's Marketing and Promotion Division operated several separate and distinct marketing campaigns for products, e.g., Taste of Texas (food), Texas-Grown (horticulture and forestry), Vintage Texas (Texas wine) and Naturally Texas (fiber). TDA combined all of these efforts into one integrated marketing initiative in 1999. The GO TEXAN program developed a high-profile and easily recognizable brand for Texas-made agricultural products. Based on the success of the program, the Texas Legislature in 2003 expanded the focus of the effort to include all products made in Texas. Because marketing and promotion of Texas products provides an ongoing and tangible benefit to Texas, this function continues to be a needed activity with a mission that grows and changes to reflect growing Texas industries.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

As TDA's comprehensive marketing campaign, GO TEXAN promotes all Texas products. GO TEXAN has 1,658 members, including 70 non-agricultural members. The GO TEXAN Partner Program (GOTEPP) is a dollar-for-dollar matching fund program open to producers, commodity boards, cooperatives and small businesses that are members of GO TEXAN. The GOTEPP matching fund program assists eligible GO TEXAN members with promotional and marketing efforts. An eligible applicant must meet certain criteria.

Texas Yes! is designed to promote the growth and prosperity of every rural Texas town, city and county. The program's two goals are to partner with rural communities to boost local economies and to unite rural Texas, which faces common problems. The program is free and open to communities, businesses and associates (individuals, organizations and associations). There are a total of 1,229 Texas Yes! Members—363 community members, 737 business members, and 129 associate members.

Texas Yes! community members can apply for the Hometown STARS (Supporting Tourism and Rural Success) program, a competitive matching fund reimbursement program designed to help rural communities leverage the dollars available to promote local tourism events. In the first biennium of its existence, the Hometown STARS program awarded 48 projects a total of \$387,229.38. In the second biennium, it awarded 72 projects a total of \$488,726.97. The Bootstrap Bucks program is also designed to help rural communities promote their events and festivals. Bootstrap Bucks is a reimbursable funding program for Texas Yes! communities just beginning their tourism programs or adding new elements to their programs, and it has no matching funds requirement. Bootstrap Bucks awarded 22 projects a total of \$17,000 in the first biennium, and 55 projects a total of \$121,688.56 in the second biennium.

Market News is available through phone, Internet, and USDA. The reports are recorded and placed on a voice mail system for customers to access, (800) 252-3407. There are also some radio stations that broadcast the Market News reports on their shows.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

TDA staff organize promotional activities for GO TEXAN agricultural program members. These members are eligible to apply for matching funds through the GO TEXAN Partner Program, designed to leverage the dollars available to promote their products. Through this program, TDA staff administer a general promotion and advertising campaign for specific Texas agricultural products based on project requests submitted by eligible applicants. Award decisions are made by

the GOTEPP Advisory Board, an independent panel comprised of professionals with expertise in media, advertising, agriculture, e-commerce, government, economics and marketing.

Entities that are not producers, processors and manufacturers of Texas agricultural products – such as retail grocery chains, media outlets and printing companies – may participate in the Associate GO TEXAN program to use the GO TEXAN design and promotional mark.

The Texas Yes! program is specifically designed to aid rural communities through the overall marketing and promotion of rural Texas. It also conducts the Hometown STARS program, which helps rural communities offset the cost for tourism promotion by reimbursing communities half of their promotional costs up to \$10,000 of approved eligible budget expenses, and Bootstrap Bucks, in which communities just beginning their tourism programs can use up to \$2,500 in reimbursable funds to purchase eligible promotional items. There is also a Texas Yes! tourism workshop series designed to teach rural communities, businesses and individuals how to increase tourism in their community. TDA also established the Hardworking Rural Community Awards to spotlight the exciting developments taking place in rural Texas. The annual award presentations recognize communities that are doing an exceptional job of rural development.

TDA operates five field offices across the state that provide additional marketing support through the assistance of marketing specialists in each region. Marketing specialists meet one-on-one with GO TEXAN members, recruit new members, support and develop local GO TEXAN promotional events, act as a vital information resource for GO TEXAN members and provide hands-on assistance with statewide GO TEXAN marketing activities. Rural Economic Development specialists in TDA’s Rural Economic Development Division provide additional support for the Texas Yes! program by recruiting new members, providing information on the program and acting as a vital information resource.

For the operation of the Livestock Export Facilities, guidelines cover actions and preparation for the arrival, care, inspection and shipment of livestock at the export facilities.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT FY 2006
Marketing	Appropriated Receipts	\$311,829
	Federal	\$1,354,143
	General Revenue	\$4,386,010
	General Revenue Dedicated	\$1,289,496
	Interagency Contracts	\$545,000

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

While several other state agencies also promote Texas tourism in general, Texas Yes! continues to keep its focus on promoting rural Texas tourism. All of its reimbursement dollars are provided to rural communities, as defined by the Texas Yes! eligibility guidelines. Additionally, TDA has a working partnership with the Governor's Office of Economic Development and Tourism in the delivery of our statewide rural tourism workshops. Companies in the private sector can deliver similar training or consulting services, but generally at a higher rate that may be prohibitive for smaller communities.

Internally, TDA's Rural Economic Development Division also works to support rural Texas communities. The Marketing and Promotion Division works closely with this division to avoid any duplication of effort, and the rural economic development field staff help support Texas Yes! by recruiting members, promoting the programs and providing information on rural Texas success stories.

HB 3446, passed by the 80th Legislature, establishes Genuine Texas, a marketing program in the Governor's Office of Economic Development and Tourism, to develop and expand markets for Texas manufactured products. This program is similar to the successful Go Texan marketing program.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Texas Yes! promotes rural Texas with a focus on rural tourism. This could result in potential duplication of effort with the Governor's Office of Economic Development and Tourism, the Texas Department of Transportation, Texas Parks and Wildlife, the Texas Historical Commission and the Texas Commission on the Arts. However, while each of these agencies has a Texas tourism component, we meet and communicate with them regularly to avoid duplication. We also participate in meetings with the State Council of Tourism Agencies to share ideas and approaches.

In order to minimize duplication of programs between the Governor's new Genuine Texas Marketing Program and TDA's existing Go Texan Marketing Program, TDA will enter into a memorandum of understanding with the Governor's Office.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Square Meals child nutrition education and outreach program is funded by USDA, which provides federal funding and includes a budget allowance for the Square Meals child nutrition outreach program. TDA's Marketing and Promotion Division works with the Food and Nutrition Division, which serves as the liaison between TDA and USDA to communicate, review and approve all funded child nutrition outreach projects.

TDA receives \$21,000 from the Agricultural Marketing Service (USDA) to aid in the Market News Program as part of a cooperative agreement.

The export pens work with USDA Veterinary Services, Texas Animal Health Commission and the Mexican Government (SAGARPA). USDA issues health certificates and the Texas Animal Health Commission along with USDA investigate and regulate livestock transports in Texas. TDA owns the livestock export facilities, but leases the property under 20-year leases. Each export facility lease is with a local unit of government with the exception of Laredo, which is with a private citizen.

Market News works under Cooperative Agreement No. 12-25-A-4057 with AMS (USDA) to compile and disseminate information on shipments, supplies, prices, market conditions, distribution and other marketing data for fruits and vegetables, poultry products, livestock and grain. Information from other consuming, producing and distributing areas in the United States is interchanged with local information.

Texas Agricultural Statistics Service (TASS) has a MOU with USDA's National Agricultural Statistics Service (NASS) agreeing that surveys and cooperative program estimates will be provided to TDA, and TASS will provide TDA with state, district and county estimates for agriculture commodities and related items that are important to the state but not included in federal programs.

K. If contracted expenditures are made through this program please provide:

- **the amount of those expenditures in fiscal year 2006;**
- **the number of contracts accounting for those expenditures;**
- **a short summary of the general purpose of those contracts overall;**
- **the methods used to ensure accountability for funding and performance; and**
- **a short description of any current contracting problems.**

Major contracted expenditures include:

\$160,000 – Contract with Texas Agricultural Statistics Service:

The Texas Agricultural Statistics Service (TASS) is a cooperative agency of Texas Department of Agriculture (TDA) and USDA's National Agricultural Statistics Service. The Memorandum of Understanding that forms the basis of this agreement was first signed in 1931 and has been in place continuously since that time. TDA provides \$160,000 and 7 FTEs as per the cooperative agreement.

TASS issues approximately 400 reports annually covering all facets of Texas agriculture, from crop acreages and production, livestock inventories, and prices and farm income to agricultural chemical use, farm labor and more. In addition, the agency conducts the Census of Agriculture every 5 years (the next in 2007). These reports are not part of federal program requirements and would not be available to Texas agriculture without the cooperation of TDA.

The information produced by TASS provides accurate, timely and objective statistical information to Texas agricultural producers, government agencies, and others in support of marketing and policy decisions, and much more. This information helps to stabilize agricultural markets and provides sound data for decision makers. Without it, markets and decisions would be driven by rumors and speculation.

\$255,000 – Contract with TateAustin:

The purpose of the media relations contract with TateAustin is to develop more visibility and awareness for Texas wines on a statewide and national level. A publicity value report is currently being formulated to measure the return of investment for all of the projects TateAustin has directly spearheaded or been involved in. This report is due on August 31, 2007.

TDA's Marketing and Promotions Division has retained Baker Botts, LLP as outside intellectual property counsel, pursuant to Outside Counsel Contract No. 2005-551-0089 and letter dated June 1, 2005, extending the contract's expiration date an additional twelve months to August 31, 2006. In fiscal year 2006, TDA incurred \$1,064.11 in legal fees and related expenses under that contract. All invoices for contracted legal services are reviewed and approved by appropriate TDA General Counsel staff to confirm that services provided fall within the scope and amount of the contract. The Office of the Attorney General then confirms that services described in the invoice appear to be covered by the contract and the amount of the invoice is included within the

total contract amount. Any non-allowable fees and expenses are removed during the review/approval process by TDA General Counsel staff and the Office of the Attorney General. TDA's Marketing and Promotions Division also employs graphic designers chosen through a competitive bidding process. Bids are sent to vendors listed on the Centralized Master Bidders List as outlined in the agency's purchasing procedures. Selection is based on pricing and samples of previous work performed.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The wine marketing program could be improved by identifying the similarities between both wine marketing efforts (the Wine Marketing Assistance Program and the Wine Industry Development Fund) and consolidating any efforts that may overlap.

PESTICIDE PROGRAMS

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Pesticide Programs
Location/Division	Austin – Pesticide Division (Lab is in College Station)
Contact Name	Jimmy Bush, Assistant Commissioner for Pesticide Programs
Actual Expenditures, FY 2006	\$2,113,201
Number of FTEs as of August 31, 2006	32.5

B. What is the objective of this program or function? Describe the major activities performed under this program.

Pesticide Compliance and Policy

Pesticide Compliance and Policy Program (CPP) responsibilities include monitoring all pesticide inspection activities, conducting training, formulating policies and providing guidelines for pesticide programs and technical expertise on pesticide related issues to agency staff.

The program coordinates the registration activities of pesticide products, while re-evaluating registrations as new data becomes available. TDA is required at times to ban or limit a pesticide's use. The program also coordinates all activities to assure the accurate, thorough review and approval of non-approved pesticides for emergency conditions (Section 18), special local needs registrations (24(c)), experimental use permits (Section 5) and 2(ee) recommendations. These requests and registrations are made only after it has been determined that the chemical is needed and effective and will not have adverse human health or environmental effects.

In an ongoing effort to ensure all pesticide products that require registration with the agency are in compliance, letters of notification are sent to companies whose pesticide products are not registered with the agency and a Stop Use, Stop Distribution or Removal Order (SUSDRO) is issued.

The program monitors the distribution of pesticides into and within the state by licensed pesticide dealers and marketplaces. Each outlet that distributes federally restricted-use (RUP) or state-limited-use (SLU) pesticides or regulated herbicides (RH) must be a licensed dealer and maintain records of the distribution and are subject to inspection.

TDA continues to educate pesticide users. Staff experience shows that most users want to comply with pesticide laws but often lack proper information for complete compliance. The

concept of inspection, education and re-inspection has been very effective in bringing about compliance with pesticide regulations. In the event that education does not work, appropriate fines and penalties provide a strong incentive for full compliance.

The program serves as a resource for the “Agricultural Waste Pesticide Collection” and “Texas County Cleanup” programs, administered by TCEQ. The program provides for the proper collection and recycling of pesticide containers and waste pesticides across the state. Outreach data are provided to both the public and TCEQ and inspectors participate at the collection sites.

The program also develops regional inspection work plans and monitors the progress of inspections in relation to assigned outputs to meet federal grant commitments and state mandates.

The program places a high premium on training of field inspectors. Pesticide inspectors are provided regimented training on a variety of pesticide topics designed to increase professional skills and maintain a high level of knowledge and performance. Training efforts are designed to enhance an inspector’s basic understanding of pesticide inspection and incident investigation policies and procedures. The program develops, revises and maintains manuals that inspectors use as resource materials in performing their pesticide regulation responsibilities.

Pesticide Education and Outreach

The Pesticide Education and Outreach Program is responsible for coordinating the initial certification and recertification of applicators in addition to the following functions: writing, delivering and maintaining exams for initial certification; approving courses for recertification; approving and maintaining agreements for the reciprocity of exams (in-state and out-of-state); coordinating with TCEQ for the development and maintenance of certification training materials; and reporting numbers and accomplishments to the Environmental Protection Agency (EPA) for grant accountabilities.

Other responsibilities include developing materials and training for TDA personnel to certify pesticide applicators who use restricted-use and state-limited-use pesticides and regulated herbicides in agriculture-related categories. The program also oversees administration of the Predator Control Program for special training using M-44 sodium cyanide and Compound 1080 Livestock Protection Collars (LPC).

The program is also responsible for evaluating health effects and conducting ecological and environmental pesticide assessments. Additionally, the program provides technical support including assessment of pesticides used in Texas agriculture for their potential to pose unreasonable adverse effects on human health, the ecology and the environment. These assessments are conducted in conjunction with complaint investigations, citizen inquiries, requests for pesticide use under emergency conditions and special local needs.

The program has input at the national level with regard to issues related to the certification of pesticide applicators by participating in the EPA Certification and Training Advisory Group and being a member of the American Association of Pesticide Safety Educators.

The program maintains a voluntary endangered species protection approach, which has demonstrated successful partnerships with various stakeholders. EPA has cited this partnership approach as a model for other states because of TDA's collaborative effort that includes Texas Cooperative Extension, Texas Parks and Wildlife Department, U.S. Fish and Wildlife Service, TCEQ, Texas State Soil and Water Conservation Board, EPA, Texas Department of Transportation, Nature Conservancy of Texas, Audubon Society, producer groups, pesticide manufacturers and landowners. Program personnel assist regional endangered species task forces in identifying and managing endangered species and addressing related issues. Emphasis is placed on coordinating and assisting multi-agency natural resource task forces that deal with species that affect multi county broad areas of the state. Task forces assisted include the Texas Black-tailed Prairie Dog Working Group, the Leon River Restoration Project, the Colorado River Saltcedar Control Work Group and the Pecos River Ecosystem Project.

In addition, the program administers the pesticide safety training requirements of the federal Worker Protection Standard (WPS) and the Texas Agricultural Hazard Communication Law, also known as "Right to Know" (RTK) by providing pesticide safety training to farm workers and pesticide handlers as well "train-the-trainer" training to agricultural employers or others who must provide pesticide safety training to persons employed in the farm labor workforce. This program also issues EPA Worker and Handler training verification cards to persons who provide this training.

Pesticide Laboratory

The agency's pesticide residue laboratory in College Station continues to provide top-quality data and sample analysis for the state and nation. In addition to supporting enforcement and investigative procedures of TDA's Pesticide Program, the laboratory generates data for the U.S. Department of Agriculture's Pesticide Data Program, which provides information to the USDA and EPA concerning pesticide residues on our food supply. The laboratory also provides analytical support for the TDA Organic Certification Program and Imported Fire Ant Program. The lab will continue to handle samples from structural pest control complaints. The laboratory is one of the cornerstones of credibility in the pesticide enforcement program. The reliability of their analyses has been a major factor in successful and effective enforcement proceedings.

Structural Pest Control Service

Effective Sept.1, 2007, TDA will assume the duties of the Texas Structural Pest Control Board. The purpose of this program is to license all eligible applicators; continue to ensure technicians are licensed; ensure appropriate education standards for applicators; and ensure approved continuing education courses meet or exceed minimum standards.

The program also will provide education and awareness to the public concerning matters relating to pest control, with emphasis on integrated pest management (IPM) in Texas public schools. The major activities include providing education and information to the public and pest control industry through personal, written and electronic communication; as well as monitoring and inspecting public schools to ensure compliance with regulations regarding IPM.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The program measures its performance by: tasks as outlined in the LBB performance measures; the work plan developed in cooperation with the EPA Cooperative Grant Agreement; and the work plan developed in cooperation with the USDA Cooperative Grant Agreement. Additionally, the division cooperates with any internal audits conducted by the agency auditor and with any reviews conducted by EPA or USDA in their oversight of the Cooperative Grant Agreements.

LBB measures include:

- Percentage of farmer/rancher/agribusiness inspections complying with pesticide law. Projected performance for FY 2007 is 97 percent.
- Percentage of WPS inspections in compliance. Projected performance for FY 2007 is 98 percent.
- Number of dealer/marketplace/applicator/applicator businesses/producer establishments/use inspections made. Projected performance for FY 2007 is 4,500.
- Number of pesticide special registrations processed. Projected performance for FY 2007 is 40.
- Number of worker protection training sessions conducted. Projected performance is for FY 2007 50.

The lab measures its performance by: tasks outlined in the LBB performance measures; the work plan developed in cooperation with the EPA Cooperative Grant Agreement; and the work plan developed in cooperation with the USDA Cooperative Grant Agreement. Additionally, the lab cooperates with any internal audits conducted by the agency auditor and with any reviews conducted by EPA or USDA in their oversight of the Cooperative Grant Agreements.

The pesticide residue laboratory follows an established quality assurance/quality control (QA/QC) program to monitor performance and to ensure the validity of the data generated and reported. The laboratory uses current analytical methodologies and maintains written standard operating procedures (SOPs) that define laboratory processes and capabilities. In addition, the laboratory participates in proficiency testing programs from the following entities: Association of Official Analytical Chemists International, Southern States Check Sample Program, USDA Pesticide Data Program and the Food Analysis Performance Assessment Scheme. These proficiency testing results are reported to USDA and EPA in periodic quality assurance reports and are indicative of the high quality of data produced by the laboratory. On-site reviews are also conducted by USDA and EPA to monitor laboratory compliance with SOPs, sample chain-of-custody and recordkeeping requirements.

Projected performance for the LBB measure for FY 2007 (Number of pesticide analyses performed) is 6,900. The addition of the Bringing Resource Integration and Data together for Greater Efficiency (BRIDGE) Data System and the Performing Inspections Enforcement Recruitment (PIER) supporting system for TDA pesticide inspectors has significantly increased the efficiency in regulating and enforcing the distribution and use of pesticides.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The basic functions of registering pesticides have not changed since inception. The need for this function will remain as long as pesticides are required to be registered.

At one time the enforcement and compliance functions were both housed in the Pesticide Division, but were separated in an agency reorganization in the early 1990s. The compliance function remains in the program and will continue to be needed to set the protocols and provide inspector training as long as inspections are conducted. The enforcement function is now a part of the TDA Legal Division.

In the mid 1990s, EPA passed the federal Worker Protection Standard and the administration of this standard was incorporated into the pesticide education and outreach program area. Previously, the Agricultural Hazard Communication Law was in place in Texas and administered by this program. Now this program administers both of these worker protection provisions.

Risk assessment was established to support the division's need for scientific expertise to help with special registration applications. The program has expanded since then to accommodate the agency's needs to participate in and monitor water related issues affecting agriculture in the state. Additionally, the added scientific expertise has enhanced and supported many other functions within the agency and provided agency participation on a national level in scientific issues associated with agriculture.

In 1991, TDA entered into a cooperative grant agreement with USDA to perform pesticide residue analyses for the Pesticide Data Program. This new function was in addition to the enforcement duties performed in support of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) and the Texas Agriculture Code. The need for analytical support for enforcement activities will continue as long as pesticides are used in agriculture. The Pesticide Data Program is expected to continue since the data generated by the program ultimately supports EPA's ability to establish residue tolerances under the Food Quality Protection Act. Additionally, the laboratory has provided laboratory analyses for the Organic Certification Program since its inception in the late 1980s. This program is also expected to continue.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Pesticide Compliance and Policy program affects those entities wishing to market, distribute and/or apply a pesticide product in Texas. To be eligible for registration in Texas, a product must first be registered with EPA. Additionally, the program affects those agricultural producers who have a need for the special registration functions performed by the program to address unique situations.

The Pesticide Education and Outreach Program affects persons wishing to become licensed to apply restricted-use pesticides, state-limited-use pesticides and regulated herbicides. To become licensed and to maintain the license, applicators must meet the requirements set forth in the Texas Pesticide Laws and Regulations and administered by this program including training, testing and recertification requirements. The program also affects those who provide continuing education courses for the recertification of applicators since this program approves such courses. The program also provides necessary protocols and technical support for field personnel who perform inspections, testing and training courses related to applicators and those covered by the RTK Law and Worker Protection Standard.

The laboratory provides pesticide residue analyses to support TDA in enforcement actions involving the misuse of pesticides and provides lab analyses to satisfy the certification requirements for the Organic Certification Program administered by the Regulatory Division. Additionally, the lab produces pesticide residue data for USDA under the Pesticide Data Program. The lab performs approximately 7,000 analyses to support these activities annually.

The Structural Pest Control Service impacts individuals who want to be licensed and those who own and operate a commercial or noncommercial business/entity. This includes licensed certified applicators, technicians and apprentices. Applicants for licenses must meet the qualifications as listed in the Texas Occupational Code, Subtitle B. Practices related to Health and Safety, Chapter 1951, Structural Pest Control, Subchapter G and I.

Structural enforcement affects all the citizens of the state of Texas and every licensee of the Texas Structural Pest Control Service. Enforcement attempts to identify those individuals who present a danger to the public and to provide necessary evidence and information for appropriate actions to be taken with regard to these licensees. Every citizen, including licensees, could be a complainant or a witness. Additionally, any licensee could be the subject of a complaint brought before the board.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Division staff establishes and maintains requirements and protocols for inspections and complaint investigations performed by pesticide inspectors in five regional offices and provides the required personnel training. The program also develops annual work plans for these regional field offices to make sure the agency's commitments for the LBB and EPA grant are met.

The Pesticide Division also manages training functions for inspectors and applicators and registers pesticide products distributed in Texas. The Pesticide Laboratory in College Station provides pesticide residue analyses to support division functions.

Field inspectors perform a variety of inspections that ensure proper pesticide use, storage and distribution. Inspection, education and re-inspection have been very effective in bringing about compliance with pesticide regulations, which protects consumers and the environment. The Structural Pest Control Service also has field inspectors, who perform pest control inspections. These inspectors will report to the director of SPCS in Austin.

Pesticide Compliance and Policy

The program establishes and maintains requirements and protocols for inspections and complaint investigations performed by pesticide inspectors in field offices and provides the required personnel training. The program also develops annual work plans for these regional field offices to make sure the agency's commitments for the LBB and EPA grant are met. These work plans are communicated to the regional offices, and program staff monitor progress and provide related reporting functions to the LBB and EPA.

Entities wishing to register a pesticide product are required to submit an application for registration along with the applicable registration fee and supporting documents. The application is processed by the Licensing Division and given to pesticide for technical review. Once the review has been completed and all requirements met, a registration certificate is mailed to the entity, to be able to market its product in Texas. Registrations are good for a two-year period, after which they must be renewed.

Special registrations are performed to address a particular problem or need that currently registered products are unable to address. In these cases, requests are submitted to CPP by producer groups or other entities outlining the problem and the special registration requested. There are several types of special registrations and each has its own protocol and requirements. CPP staff prepares the registration package and submits it to EPA for approval. These special registrations can be very time consuming and sometimes demand a large amount of supporting documentation that has to be developed by program staff and/or obtained from registrants and Texas Cooperative Extension specialists. Once EPA approves the special registration, those entities needing the registration are notified and given proper use directions for the product.

Out-of-state dealer licensees must submit their records of RUP (federally-restricted use) and SLU (state-limited) pesticide distributions in Texas to the program monthly. These records are checked to ensure that only properly licensed or certified applicators or dealers have obtained RUP or SLU pesticides.

Pesticide Education and Outreach

The program establishes and maintains the requirements and protocols for applicator training, testing, licensing, certification and recertification. These requirements and protocols are communicated to the regulated community, TDA field personnel, applicator training providers (mainly TCE) and CEU course providers. The program also provides reports for the LBB and EPA related to these activities.

Risk assessment staff participate in and serve on various interagency committees related to water quality and other subjects and represent the agency on many issues where agricultural practices have or may have an effect on the environment.

Pesticide Laboratory

For the USDA Pesticide Data Program, samples are collected by TDA inspectors and/or by inspectors in other states and shipped to the lab for analysis. The analyses are performed according to USDA procedures and guidelines, and the results of the analyses are entered into USDA's database through web-based data entry software.

Administratively, the activities of the lab fall under two separate cooperative agreements:

- TDA and EPA have a cooperative grant agreement whereby TDA administers and enforces the federal pesticide laws. (FIFRA and WPS)
- TDA and USDA have a cooperative grant agreement whereby TDA provides pesticide residue data for the Pesticide Data Program.

Structural Pest Control Service

Inspections of licensed pest control businesses are conducted at least every four years as required by state statute and to fulfill U.S. Environmental Protection Agency cooperative grant requirements. Inspections include pesticide application records, pesticide storage, application equipment, training records, licensing records, vehicles, contracts, and other documents to ensure proper use and handling of pesticides and compliance with laws and regulations. These inspections also provide opportunities for compliance assistance.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT (FY 2006)
Pesticide Division	Federal	\$846,171
	General Revenue	\$1,257,030
	Interagency Receipts	\$10,000

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Effective Sept.1, 2007, TDA will begin assuming duties of the Texas Structural Pest Control Board. Those duties include initial certification, licensing and recertification of pesticide applicators; and approval and review of recertification courses. These duties are very similar to those performed by the Education and Outreach Program. However, the clientele served by the SPCB and those served by the Education and Outreach Program are different. SPCB licensed and certified applicators perform structural (indoor) pest control services while, TDA Education and Outreach customers perform mostly agricultural and ornamental and turf pest control (outdoor) pest control services. Additionally, initial certification for structural pest control has prerequisite training; certification for agricultural pest control does not.

The Texas Commission on Environmental Quality (TCEQ) has state jurisdiction for waste disposal and administers several federal programs for regulating waste disposal and environmental protection. Structural may enforce label language concerning disposal by its licensees. TCEQ usually only becomes involved if large quantities of material or significant contamination is involved. Likewise, Structural enforces label requirements concerning prevention of exposure or harm to fish and wildlife specified on labels while the Texas Parks and Wildlife Department may also take enforcement action for adverse effects on fish and wildlife.

The Texas Structural Pest Control (SPC) Act requires commercial operators to be licensed when conducting pest control at structures or the plantings around the structure. This is required regardless of the classification of the pesticide (e.g. general use, restricted use, state-limited use.) The SPC Act also requires government employees to be licensed if conducting this work. The Texas Department of State Health Services (DSHS) has a vector control licensing category for health-related mosquito and rodent control. The Agriculture Code, which pertains to DSHS in this area, only requires a license from DSHS if restricted-use or state-limited-use pesticides are to be applied. Each agency has allowed governmental agencies to choose either agency for vector control operations. Structural allows mosquito control and rodent control under the pest category and DSHS allows it under vector control. However, government personnel who also perform general pest control (scorpions, ants, roaches, etc) or weed control near structures or fumigal pests must be licensed with Structural.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Duplication of effort between the current duties of the SPCB (and duties which will be assumed by TDA after Sept. 1, 2007) have been and will continue to be avoided because the two pesticide applicator types - structural pest control and agricultural pest control - are governed by two different statutes and regulations. Structural pest control is governed by the Texas Occupational Code and agricultural pest control is governed by Texas Pesticide Law and Texas Pesticide Regulations.

There is notable overlap in the area of certification for ornamental and turf pest control, right-of-way pest control, and fumigation of stored commodities between structural pest control and TDA agricultural pest control. However, those areas have and will continue to be delineated as follows either by rule or unwritten policy between the two statutes.

The SPCB entered into a memorandum of understanding with the Entomology Society of America in 1993, renewed in 2003, exempting any licensee who is a Board Certified Entomologist (BCE), from the continuing education requirement, therefore avoiding the duplication of service.

The SPCB currently has one MOU with Texas Parks and Wildlife concerning the handling of certain animals. An opinion from the Attorney General has been requested interpreting the law discussed in that MOU.

Additionally, SPCB has a MOU with the Texas Department of Transportation concerning licensing of persons performing pest control for maintenance of right-of-way and roadside parks. This MOU prevents duplication of licensing and enforcement with TDA.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

TDA pesticide division works with Texas Cooperative Extension (TCE) to coordinate education of applicators; with the U.S. Department of Agriculture to participate in the Pesticide Data Program and the Microbiological Data Program; and with the U.S. Environmental Protection Agency to train and license pesticide applicators and to conduct inspections to ensure pesticides are being applied correctly.

TDA pesticide staff members also serve on many water quality interagency committees and task forces. The Education and Outreach Program is required to meet at least twice per year with the Agricultural and Environmental Workgroup of the Texas Cooperative Extension. The purpose of this meeting is to give program the opportunity to exchange information with TCE regarding

training needs based on changes in rules, and enforcement trends and/or other such information. Frequently, these meetings between TDA and TCE also include other agencies, which have similar licensing responsibilities or can provide input to environmental and health consequences of pesticide application. Those agencies have included the Texas Structural Pest Control Board, the Department of State Health Services and the Texas Commission on Environmental Quality.

The program also works with the Texas Department of Transportation and the Texas Wildlife Services agencies to coordinate certification and licensing of pesticide applicators employed with their respective agencies. Both agencies have a memorandum of understanding with TDA with regard to the specialized training and certification exams taken by their agency personnel for the pesticides applied by those agencies in their daily work.

TDA has an MOU with TCEQ and Texas Parks and Wildlife for the Aquatic Weed Management Plan, concerning use of pesticides in public waters.

Reciprocity agreements are in place with several states listed for recognition of each other's exams for initial applicator certification. TDA reciprocates with nine states in most agricultural application categories. These states include Arkansas, Indiana, Kansas, Louisiana, Minnesota, Mississippi, Nebraska, New Mexico and Oklahoma.

The pesticide residue laboratory performs analyses for the U.S. Department of Agriculture's Agricultural Marketing Service, Science and Technology Programs to provide data on pesticide residues in food for the Pesticide Data Program. This data is also used by the U.S. Environmental Protection Agency (EPA) to assess dietary exposure during the review of the safety of existing pesticide tolerances. In addition, the laboratory provides analytical support for the enforcement of federal and state pesticide laws through a cooperative agreement with EPA.

K. If contracted expenditures are made through this program please provide:

- **the amount of those expenditures in fiscal year 2006;**
- **the number of contracts accounting for those expenditures;**
- **a short summary of the general purpose of those contracts overall;**
- **the methods used to ensure accountability for funding and performance; and**
- **a short description of any current contracting problems.**

This division does not currently administer any major agency contracts.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The overlap in jurisdiction for certification of pesticide applicators in the ornamental and turf pest control categories between the two statutes, Texas Pesticide Law, Section 76.102 (a)(3) and the Texas Occupational Code Section 1951.053 should be reviewed and addressed. While the requirements for each statute are different, the tasks performed by applicators in this category are essentially the same. Additionally, Section 76.102 (a) 9; and (b) of the Texas Pesticide Law should be amended to allow TDA to certify applicators for all license use categories. Currently, the Department of State Health Services (DSHS) is the agency designated to certify pesticide applicators for vector/mosquito pest control. However, DSHS rules are limited to only allow persons employed by political subdivisions to make such applications. TDA and SPCB have received many complaints from various political subdivisions statewide that the fees for licensing with DSHS are cost prohibitive, especially for the small political subdivisions that may not have adequate budgets or only employ persons part-time. Subsequently, they are forced to license in the pest control category of the Texas Occupational Code, which does not adequately address application, identification or monitoring methods involved in mosquito control. Further, commercial pesticide applicators who may also want to license for mosquito control can only license in the pest control category of the Texas Occupational Code, and they encounter the same issues of inadequate training.

As structural pest control duties are integrated into TDA's pesticide functions, additional areas of statute may need amendment.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Pesticide Compliance and Policy

Pesticide dealer and marketplace inspections associated with the registration of pesticides are needed to ensure all products offered for sale in Texas have met registration requirements and are currently registered. Inspections of other regulated entities are needed to maintain compliance with established pesticide laws and regulations and to determine the current compliance rate for

those requirements. The number and types of inspections are established by agency commitments to the LBB and EPA. Protocols for these inspections are established that satisfy EPA's criteria for compliance/enforcement as well as those of the state. Inspection and complaint investigation manuals contain the protocols for these activities, and written annual work plans outline the number and type of inspections conducted by field personnel. A Stop Use Stop Distribution or Removal Order (SUSDRO) is placed on all unregistered products found in the marketplace. Follow-up activities - conducted when additional areas of noncompliance are identified - are varied and may include administrative penalties, additional training, or re-inspection. Enforcement actions resulting from inspections are administered by the agency's Legal Enforcement Division. The CPP program is responsible for the protocol for conducting complaint investigations; however, these investigations are tracked by the Legal Enforcement Division.

Pesticide Education and Outreach

Regulations for the certification of pesticide applicators and protection of workers and handlers are needed to ensure pesticides are used in a safe manner. Inspections of regulated entities are set according to various LBB performance measure requirements and the requirements specified in the EPA cooperative agreement. Follow-up activities - conducted when noncompliance is identified - are varied and may include administrative penalties or additional training. These inspection and enforcement activities are performed by personnel outside this program area. The Pesticide Division does not have the enforcement responsibilities of the pesticide licensing or certification programs; however, we cooperate with the Legal Enforcement Division on enforcement issues. There are procedures in place to handle complaints associated with pesticide applicators and/or agricultural establishments; however, this program area is not responsible for those procedures or tracking complaints. Complaints are tracked by the Enforcement Division.

Structural Pest Control Service

Inspections of regulated entities or persons are needed to maintain compliance with established laws and regulations concerning pesticides and to determine the current compliance rate for those requirements. The number and types of inspections conducted are driven by consumer complaints. An investigator may also do a follow-up visit after Structural has settled a complaint as a condition of the settlement. Structural has an investigators' manual describing procedures for handling consumer/public complaints with licensees. When a case investigation is finished and sent to the Enforcement staff, the complaint is reviewed. If the case is accepted by the Enforcement staff, it is handled by the enforcement division with assistance from the investigation staff. In addition, the complainant, the subject and licensee are informed of the status of the complaint every 90 days.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Texas Department of Agriculture Pesticide/Ag Enforcement Exhibit 12: Information on Complaints Against Regulated Persons or Entities Fiscal Years 2005 and 2006		
	FY 2005	FY 2006
Total number of regulated persons	135,175	132,890
Total number of regulated entities (licensed pesticide dealers)	1,500	1,571
Total number of entities inspected	5,346	3,489
Total number of complaints received from the public	180	206
Total number of complaints initiated by agency	0	0
Number of complaints pending from prior years	Not available	Not available
Number of complaints found to be non-jurisdictional	2	0
Number of jurisdictional complaints found to be without merit	Not available	Not available
Number of complaints resolved	180	206
Percentage of complaints for which enforcement action was taken within 180 days	88.89%	94.40%
Complaints resulting in disciplinary action:		
administrative penalty	84*	95*
reprimand	0	0
probation	0	0
suspension	0	0
revocation	1*	1*
other	8*	13*

*Includes actions in routine inspections.

Note: Structural Pest Control Service complaint information is not included as Structural Pest Control Board is not under TDA's jurisdiction until Sept. 1, 2007.

REGIONAL OPERATIONS

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Regional Operations
Location/Division	Statewide
Contact Name	Drew DeBerry, Deputy Commissioner
Actual Expenditures, FY 2006	\$8,491,163
Number of FTEs as of August 31, 2006	178.5

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Texas Department of Agriculture's regional offices provide customer assistance from a local perspective. With locations around the state, regional offices provide a more convenient way for customers to do one-on-one business with TDA. Though all regional offices provide a similar array of services, each is also unique, reflecting the diversity of the state and the special needs of the clients in each region.

Field inspectors carry out assessment measurements that evaluate quality, accuracy and licensure of products and equipment under Regulatory Programs. Pesticide field inspectors also perform major program activities, inspections and investigations.

Field support staff in all of the five regions play an important role in TDA regulatory, rural economic development and marketing programs and strive to increase consumer awareness of Texas agriculture. Regional operations work to expand the markets for Texas agricultural products by implementing promotional campaigns for Texas products based on projects/request submitted by successful applicants.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

For information on marketing measures, regulatory and pesticide inspection effectiveness and efficiency, please see the respective sections concerning these programs.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In regard to office locations, the Texas Department of Agriculture has undergone slight structural modifications. Field offices are strategically placed to provide efficient and excellent service to all areas of the state.

Prior to 1991, the state was divided into 12 districts with an office located in each district. At that time, each area supervisor was overseeing about three to four district offices. During the early 1990s, TDA's administration changed the field office structure to five regional offices and seven sub-offices. This change was made because of budgetary reasons and reallocation of funds. Then in the mid 1990s, the organization of regional offices changed to what it is today (see Section F).

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Regional operations and field staff potentially involve everyone within the state of Texas, since agricultural operations involve everything from the food we eat to the fuel we put in our cars. Having field staff working in local areas magnifies the personal service that we achieve when completing our tasks. More specifically, field staff may form relationships with certain companies and entities they contact on a regular basis. Further information regarding the breakdown of entities affected by certain programs can be found in the sections describing Marketing, Pesticide and Regulatory functions.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The state of Texas is divided into five regional offices. A Regional Director, who oversees all TDA operations within the regional area, manages each office, program implementation, and staffing. Each division has a program lead who facilitates, coordinates and supervises work activities in each respective area (Regulatory, Pesticide, Marketing). The regional field staff are assigned to specific geographical areas, which may include certain counties and/or zip codes in the vicinity of their residence. Field staff strategically reside across the region within their coverage areas. This employee placement allows TDA to respond and provide an instant service to a problem or need with an agricultural activity. Because the field staff are equipped with supplies and computers, they are able to operate from remote locations and communicate any confirmations, follow-up or assistance in an instant.

See Exhibit 10 for a complete list of regional offices and locations.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT (FY 2006)
Regional Offices	Federal	\$534,631
	General Revenue	\$7,956,532

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Field operations are an extension of TDA programs headquartered in Austin. Programs provide the technical support, policy and procedure development and training to support field operations. Field operations implement and enforce a wide variety of TDA laws and regulations at the consumer and business level. Regulatory, pesticide and marketing field responsibilities are administered from regional operations. While both have field operations that are an additional face of TDA to the public, Rural Economic Development and Food and Nutrition Program field operations are administered at program level in Austin.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

In most instances there is a coordinated effort among TDA field staff, Austin program staff and other agencies at the onset of an issue to determine who has jurisdiction in the matter.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The primary federal agencies TDA regional offices coordinate with are USDA, EPA and the Small Business Administration (SBA). TDA works with USDA to collect samples for the Pesticide Data Program and the Microbiological Data Program. These two programs manage the collection, analysis and reporting of pesticide residues and food-borne pathogens on selected agricultural commodities in the U.S. food supply. TDA also works with USDA on quarantines and exports of plant material.

Pesticide programs coordinate with EPA on Worker Protection Standard Inspections. Regional marketing staff work with Small Business Development Center Programs (SBDC) that are jointly administered by the Small Business Administration (SBA) and a specific university in a given urban area.

The SBDC provider helps small businesses plan for profitability by helping with marketing plans. SBA often provides the financial resources to execute the plan(s). SBA funding is usually debt capital, but it does provide some limited grant funds. TDA Rural Economic Development field employees also establish relationships with the local SBDC and SBA staff so agribusiness clients contacting either SBDC or SBA for assistance are referred to TDA for more intensive assistance.

At the state level, TDA regional offices work closely with several state agencies including Texas Cooperative Extension (TCE), TCEQ, DPS, DSHS and TPWD. TCE provides agricultural educational opportunities on the county level. They are not a regulatory entity. Both TCEQ and DSHS cover similar areas as TDA pesticide enforcement and all are regulatory agencies. The separate functions of each agency as it relates to pesticides are defined in statute. TDA and DSHS coordinate on egg quality inspections. The Department of Public Safety provides assistance for quarantine inspections and road stations.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

N/A

L. What statutory changes could be made to assist this program in performing its functions?

N/A

M. Provide any additional information needed to gain a preliminary understanding of the program.

N/A

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

N/A

- O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.**

Complaint information for pesticide and regulatory programs are included in the outline of these programs.

REGULATORY PROGRAMS

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Regulatory Programs
Location/Division	Austin - Regulatory Division
Contact Name	David Kostroun, Assistant Commissioner for Regulatory Programs
Actual Expenditures, FY 2006	\$3,320,783
Number of FTEs as of August 31, 2006	56

B. What is the objective of this program or function? Describe the major activities performed under this program.

Egg Quality

This program ensures eggs sold to Texas consumers meet the standards of quality established by TDA through licensing of dealer-wholesalers, processors and brokers and through the inspection of eggs at the state's packing plants, distribution centers and retail outlets. TDA inspectors conduct egg inspections to ensure the standards of shell egg quality, grade and size are at least equal to those adopted by USDA and the federal Food and Drug Administration.

Grain Warehouse

The Grain Warehouse program protects the interests of grain depositors through licensing and inspection of grain warehouses. All grain warehouses in Texas that receive grain from others for storage or handling for hire must be either licensed by the state or covered by a license issued under the U. S. Warehouse Act. All grain warehouses licensed by the state are mandated by Texas law to be bonded based on their rated storage capacity. Each warehouse must be insured for loss of grain stocks for its full market value and must provide proof of insurance to the TDA. These warehouses are inspected, and accounting records audited by TDA grain warehouse inspectors at least once annually. TDA is also authorized to make additional inspections as considered necessary or upon request by the warehouseman.

Handling and Marketing of Perishable Commodities

The HMPC program requires a person who buys Texas grown perishable commodities for resale to be licensed. These licensees, in addition to paying an annual license fee, also pay an annual fee to the Produce Recovery Fund. This trust fund, administered by TDA, provides for the payment of claims to producers and other dealers who sell perishable commodities on credit as a way of recovery in situations where the licensee refuses or is unable to pay. TDA processes claims and holds hearings to determine whether or not the claims merit payment from the Produce Recovery Fund.

Organic Certification

This program certifies producers, processors, distributors and retailers who produce or handle organic food and fiber in Texas. TDA has been accredited as an organic certifying agent by the USDA's National Organic Program. The program helps Texas farmers diversify their operations and capture a larger share of a growing market niche, assures the authenticity of organically labeled food and fiber to consumers who pay that premium price and helps retailers respond to increasing public demand.

Plant Quality and Pest Management

These programs help prevent the introduction and spread of harmful pests in Texas through education, pest detection, containment, eradication, field and plant inspections, quarantines, and through cooperation with USDA, other state agencies, universities, industry, producers and local authorities.

These programs are associated with many grower and agricultural plant industries, including nursery/floral, cotton and citrus. TDA also conducts plant protection activities through inspection, pest detection, phytosanitary certification and implementation of quarantines. Some inspections are done at road stations while others are at destination. TDA also conducts inspections to certify plant products are free of pests so the products may be shipped to other states and countries.

Seed Quality

Seed quality programs ensure the quality of vegetable and agricultural seed sold through inspection, testing, and seed and plant certification. Seed Law, Seed Testing and Field/Greenhouse Testing activities focus on ensuring proper labeling of seed through testing and inspection. TDA receives service samples from seed companies/producers and also pulls official samples to verify compliance with the seed law. The samples are processed in one of three labs across the state (Giddings, Stephenville and Lubbock). We also conduct grow-outs on trueness-to-variety as well as winter test grow-outs.

Seed Certification is a voluntary program offered to Texas farmers and seed producers. To ensure quality seed, any person producing certified seed must be an approved Texas certified seed grower. TDA ensures genetic identity through field inspections and specific guidelines must be met for the crop being grown.

Weights and Measures

The purpose of the Weights and Measures program is to protect consumers and businesses by ensuring equity prevails in all commercial transactions involving determinations of quantity. Weighing and measuring devices are inspected to ensure performance within acceptable tolerances, and packages are inspected to enforce net content and labeling regulations. The program adopts rules and regulations aimed at eliminating fraud and misrepresentation in commercial transactions.

The Metrology Program provides certification of weights and measures standards that are traceable to national and international standards. TDA operates two metrology laboratories; located in Giddings and Lubbock. TDA is the custodian of measurement standards for the state and supports the weights and measures industry and enforcement staff throughout the state.

Also a part of the weights and measures program, TDA samples gasoline at service stations to ensure the posted octane ratings on gas pumps accurately represent what consumers are purchasing and to ensure that motor fuel quality standards are met.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In 2005 and 2006, the target for the number of hours spent for compliance with cotton stalk destruction deadlines was 12,500 hours and 11,500 hours, respectively. The actual performance in 2005 was 10,353 hours, or 82.8 percent of the assigned target. Extensive rain resulted in a large number of extensions and enforcement extensions, which decreased the number of inspection hours required to carry out the cotton stalk destruction program inspection activities in 2005. The actual performance in 2006 was 14,154, or 123.1 percent of the assigned target. The target was exceeded because of the implementation of a stricter cotton stalk destruction program, which resulted in additional time needed to carry out new regulations and enforcement procedures.

In 2005 and 2006, the target for the number of inspections to verify compliance for the Organic Certification Program was 1,320 and 378, respectively. A total of 293 inspections were conducted in 2005, or 22.2 percent of the assigned target. This was attributed to a decrease in the number of businesses certified with TDA's organic certification program because a new federal regulation exempted many of the program's participants from mandatory certification. In 2006, the target was changed and 389 inspections were conducted, or 102.9 percent of the target.

In 2005 and 2006, the target for the number of nursery/floral establishments inspected was 11,500 and 9,500, respectively. The actual performance in 2005 was 12,087, or 105.1 percent of the assigned target. More businesses than anticipated applied for nursery/floral certification in 2005. Since all new nursery/floral businesses are required to be inspected, the overall number of nursery/floral inspections increased in 2005. The actual performance in 2006 was 9,916, or 104.4 percent of the assigned target.

In 2005 and 2006, the target for the number of egg inspections was 2,000. The actual performance in 2005 was 2,215, or 110.8 percent of the assigned target. The number of inspections increased in 2005 because new inspectors attended/completed an egg inspection/grading training course, which increased the number of inspectors available to perform egg inspections. This effectively increased the number of egg inspections conducted in 2005. The actual performance in 2006 was 2,177, or 108.9 percent of the assigned target. The increase in egg inspections was a result of higher non-compliance rates and having to conduct re-inspections.

In 2005 and 2006, the target for the number of grain warehouse inspections was 395. In 2005 the actual performance was 379, or 95.9 percent of the assigned target. In 2006 the actual performance was 393, or 99.5 percent of the assigned target.

In 2005 and 2006, the target for the number of weights and measures inspections was 100,000 and 85,000, respectively. The actual performance in 2005 was 102,627, or 102.6 percent of the assigned target. The actual performance in 2006 was 119,684, or 140.8 percent of the assigned target. The increase in the number of inspections in 2006 was a result of an increase in consumer complainants driven by high gas prices.

In 2005 and 2006, the target for the number of acres inspected for seed certification was 190,000 acres. The actual performance was 285,562 acres, or 150.305 percent of the assigned target. Because of extensive rains during the fourth quarter of FY 2004, crop production in the High Plains was delayed resulting in a larger number of fields inspected in FY 2005. The actual performance in 2006 was 118,630 or 62.4 percent of the assigned target. Because of the severe drought a number of producers withdrew their cotton and wheat acreages from the certification program, resulting in fewer acres than anticipated inspected for seed certification.

In 2005 and 2006, the target for the number of seed samples analyzed was 20,500. The actual performance in 2005 and 2006 was 32,481 and 22,205 samples respectively. These numbers exceeded the targets by 158.40 percent and 108.30 percent. The number of samples analyzed, including sorghum ergot, received from customers for testing was greater than anticipated. This measure depends on the need for businesses to submit seed samples to the agency for analysis.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Originally, TDA conducted inspections at all egg-packing facilities. In 2003, TDA implemented changes to eliminate duplication of egg inspections conducted at packers under a USDA inspection program.

The agency revised the Organic Certification Program to maintain TDA's status as a USDA accredited organic certifying agent following the implementation of the National Organic Program on October 21, 2002.

In 2003, TDA implemented changes directed by the Legislature to change inspection frequency of weights and measures devices from once every three years to once every four years. TDA has also shifted package and price verification inspections to complaint basis only.

A change to the county public weigher application process was implemented in 2004. The application process was streamlined by eliminating TDA's role in the bond approval process, thereby allowing applicants to submit a certified copy of a bond with their application in lieu of

the original bond. In most cases, this reduced the amount of time required to issue a county public weigher license by several weeks.

The process by which licensed service companies notify the agency when devices are repaired, calibrated, or placed into service was redesigned in 2003. The earlier Service Report and Out-of-Order tag was combined to form a single report that is used to notify the agency of both repair and installation activities. This enabled TDA to receive notification of repaired devices timelier.

In June 2000, the agency implemented the use of portable octane analyzers to enable inspectors to implement a gasoline screening and sampling program in which only those samples differing greatly from the posted octane level are submitted to the testing laboratory for confirmation, thus saving the cost of laboratory testing.

TDA implemented a strategy in 2002 to incorporate a 72-hour road station inspection blitz as an important pest management strategy for quality control and promotion of regional commerce. These inspections not only play an important role in homeland security but also allow for the interception, containment and control of pests and diseases. Through FY 2007, the number of inspections was restricted because funding was limited to agency savings and federal funds that were only available for a short time. In 2007 the legislature approved \$767,297 in FY08 and \$573,155 in FY 2009 for additional road station inspections. Beginning September 2007, TDA will be adding 12 inspectors to conduct the additional road stations inspections.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Because Regulatory Programs impact a wide array of consumers, producers and various agricultural industries, much of the population of Texas as well as others outside the state are affected by the functions of the Regulatory Division. For example, the Weights and Measures Program affects every consumer who purchases fuel or buys groceries. The Plant Quality Program impacts industries that use or sell nursery/floral and other agricultural products, as well as consumers here, in other states and countries who purchase plant commodities. Also, producers and gardeners are affected by the regulation of seed.

An accurate statistical breakdown of persons and entities affected is difficult because some of the relevant information is not collected by TDA. In some cases, one entity may be affected by more than one Regulatory Division program. However, the following is a breakdown of known persons and entities affected:

- The Egg Quality Program licenses 5 egg brokers, 345 egg dealer/wholesalers and 4 egg processors.
- The Grain Warehouse Program licenses 362 facilities in 212 grain warehouse single and combination licensees.

- The HMPC program licenses 365 buying agents, 1,056 cash dealers, 341 general licensees and 620 transporting agents.
- The Organics Certification Program certifies 170 producers, 36 distributors, 55 retailers, and 56 processors.
- The Plant Quality Program licenses 20,761 establishments that grow, sell or distribute nursery/floral products.
- For Seed Quality: 928 seed companies/producers/etc. requested seed testing; 234 reporting system members; 68 vegetable licenses; 37 companies/producers/etc. which use tested seed fee labels; 705 certified seed growers; 133 licensed conditioning plants for seed certification; 2,868 fields/ 194,158 acres inspected for seed certification; and 5,337 seed samples inspected for compliance with the Texas Seed Law.
- The Weights and Measures Program licenses 23,872 establishments that use commercial weighting and measuring equipment; 227 licensed service companies, 2,429 registered service technicians; 768 county public weighers; and 32 state public weighers.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Division staff administer programs of the Regulatory Division, and inspectors who report to five regional offices across the state carry out the functions of the programs. Division staff develop the policy, procedure and regulations, which are enforced by regional inspectors. The Regulatory Division also manages training functions and acquisition of inspection equipment.

The division establishes an annual criteria for inspection in each program, which is used by inspectors to target establishments for inspection.

The Regulatory Division field facilities include seed laboratories in Giddings, Lubbock and Stephenville; metrology laboratories in Giddings and Lubbock; and a greenhouse/grow-out facility in Giddings.

Field inspectors perform a variety of inspections that ensure consumer protection while providing standards for the private industry, which discourage unfair and dishonest commerce.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions.

DIVISION	FUNDING SOURCE	AMOUNT (FY 2006)
Regulatory	Federal	\$125,865
	General Revenue	\$3,159,918
	Interagency Receipts	\$35,000

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

The aquaculture program is regulated by three state agencies (TDA, TCEQ and TPWD), all of which have a different scope and purpose in the regulation of aquaculture facilities and fish farm vehicles. All three agencies work cooperatively in the regulation of aquaculture. TDA's sole responsibility is to license aquaculture facilities and fish farm vehicles. TCEQ is responsible for ensuring environmental standards are upheld by reviewing applications for aquaculture licenses and issuing permits to aquaculture facilities that discharge wastewater and effluent into waterways. TPWD is responsible for protecting the state's fish and wildlife resources by regulating the taking, possession and conservation of aquatic life.

The Texas Department of State Health Services (DSHS) has regulatory oversight over all food handling establishments, including establishments where TDA conducts egg inspections. Since TDA and DSHS share authority in the area of shell egg storage temperature requirements, a MOU was developed to eliminate any duplication in this enforcement. The two agencies have agreed that DSHS will enforce temperature requirements at retail establishments and TDA will enforce temperature requirements at egg packer and egg distributor establishments.

Grain warehouses may be license by either USDA or by TDA. Grain warehouse entities that operate in more than one state often choose a USDA license. Generally, grain warehouse entities that only operate in Texas choose to be licensed by TDA. Texas has adopted USDA's inspection methods and how warehouses issue negotiable warehouse receipts for commodities stored in a licensed warehouse. Warehouses subject to the U. S. Warehouse Act are exempt from the Texas Grain Warehouse Act.

The Perishable Agricultural Commodities Act program (PACA) is an external program under the USDA Agricultural Marketing Service that fosters trading practices in the marketing of fresh and frozen fruits and vegetables in interstate and foreign commerce. It prohibits unfair and fraudulent practices and provides a means of enforcing contracts. Under the PACA, anyone buying or selling commercial quantities of fruit and vegetables must be licensed by the U.S. Department of Agriculture. Texas produce may be included under this act.

Private Organic Certifiers, accredited by USDA, also can provide certification in the state. While there are no private certifiers currently located in Texas, less than 10 out-of-state certifiers are providing organic certification to businesses in Texas.

Although there are commercial seed labs in other states that conduct service seed testing, there are no commercial seed labs in Texas. USDA's Agriculture Marketing Service also conducts inspections on Texas seed (TDA pulls the sample seed in Texas and conduct trueness to variety in cooperation with USDA).

TCEQ and TDA perform separate but similar inspections at retail fueling facilities. TCEQ monitors underground storage tanks and vapor recovery systems, while TDA enforces standards to ensure consumer protection through proper fuel pump operation. Both agencies entered into an MOU to facilitate an exchange of information about non-compliances observed during the agencies' individual inspections at retail fueling facilities.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Regulatory programs coordinate activities through Memorandums of Understanding, agreements and contracts to avoid duplication of program services.

Memoranda of Understanding/Agreements	
Parties	Agreement
Texas Commission on Environmental Quality (TCEQ) and TDA	To exchange information regarding retail fueling facility inspections obtained during the inspections by TCEQ and TDA at such facilities.
USDA Animal and Plant Health Inspection Service Plant Protection and Quarantine and TDA	To cooperate in operations or measures to detect, eradicate, suppress, control, or to prevent or retard the spread of plant pests, and to enter into a post entry quarantine agreement.
USDA Federal Grain Inspection Service and TDA	To exchange inspection information to prevent duplication of work effort with regard to the testing and certification of grain hopper, vehicle and track scales.
Texas Department of State Health Services and TDA	To coordinate regulatory programs and eliminate conflicting regulatory requirements and inspection standards of shell eggs at the retail level.
TCEQ, Texas Parks and Wildlife Department, and TDA	To ensure that regulation of aquaculture is conducted in a collaborative and responsible manner.
Texas Pest Control Board and TDA	To foster cooperation and avoid duplication of services in efforts to reduce damage caused by and to slow the spread of Formosan subterranean termites.

Parties	Agreement
Texas Boll Weevil Eradication Foundation and TDA	To coordinate monitoring efforts of cotton fields in boll weevil eradication zones to eliminate duplicate inspection efforts for cotton stalk destruction in counties that have active boll weevil eradication programs.
USDA Animal and Plant Health Inspection Service Plant Protection and Quarantine and TDA	To provide for cooperative participation between the parties to perform phytosanitary export certification of plants and plant products and to expand the system of issuance of Federal plant export certificates.
USDA Animal and Plant Health Inspection Service Plant Protection and Quarantine and TDA	To outline the roles and responsibilities of the parties in the inspection and monitoring of postentry quarantine sites and the monitoring and enforcement of importer compliance with postentry quarantine requirements.
USDA, Animal and Plant Health Inspection Service Plant Protection and Quarantine and TDA	To provide for cooperation to protect agricultural, horticultural, timber and natural plant resources from losses caused by plant pests or noxious weeds
Texas Lottery Commission and TDA	TDA's Metrology Laboratory weighs the Texas Lottery Commission's game balls to ensure such balls are within the proper weight tolerances.
USDA Agriculture Marketing Service and TDA	TDA agrees to draw and inspect samples of seed within the state subject to the federal Seed Act.
USDA Agriculture Marketing Service and TDA	Cooperative activities for the Organization for Economic Cooperation and Development (OECD) Seed Schemes. Involves seed certified for varietal purity that is shipped in international commerce.
Texas Youth Commission (TYC) and TDA	Lease agreement with TYC for the 5.491 acres where the Giddings Metrology Lab is located. The agreement is for 10 years beginning in 2001 for the sum of \$10 annually. Renewable in 10 year increments.
Texas Youth Commission (TYC) and TDA	Lease agreement with TYC for the Giddings greenhouse and 65.609 acres for field grow outs. The agreement is until April 2012 for the sum of \$1 annually.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The MOU's in the section above describe many of this program's relationships with local, regional and federal units of government. TDA meets annually with state and federal agencies with Memoranda of Understanding to review and, if necessary, update agreements.

The TDA Organic Certification Program is accredited as a certifying agent under the USDA National Organic Program. Accreditation is required for an organic certifying agent to provide organic certification services for products sold as organic in the United States.

The organic program welcomes, and as time permits, will continue to seek out collaborative training opportunities with the Texas Cooperative Extension Service, Farm Service Agency, and National Resources Conservation Service (NRCS) personnel. There is no formal arrangement or relationship at this time, but future plans include applying for a Professional Development Grant from SARE (Sustainable Agriculture Research and Extension) to provide training to TDA inspectors as well as state (TCE) and federal (FSA and NRCS) staff.

As required by statute, county public weighers are required to file a bond with the county clerk's office in the county where the county public weigher is licensed. The county clerk offices file and maintain records of each county public weigher bond.

K. If contracted expenditures are made through this program please provide:

- **the amount of those expenditures in fiscal year 2006;**
- **the number of contracts accounting for those expenditures;**
- **a short summary of the general purpose of those contracts overall;**
- **the methods used to ensure accountability for funding and performance; and**
- **a short description of any current contracting problems.**

This division currently administers 12 contracts totally approximately \$389,223 in expenditures. The following are major contracted expenditures administered by this department:

Major contracts include:

\$172,080 – Contract with Pest Management Consultants

Road station inspections administered by the Plant Quality Program help prevent the spread of harmful pests in Texas through plant pest inspection and quarantine implemented at the border for plant commodities entering Texas. TDA operates temporary road stations or check points in cooperation with the Texas Department of Public Safety (DPS) to deter artificial introduction of pests through commerce. Prior to 2002, all of the temporary road stations were operating for two to four hours only during the times when the DPS weigh stations were in operation. Since then, TDA has incorporated a 72-hour inspection strategy to conduct several round-the-clock road

stations at Anahuac and Mt. Pleasant, using federal specialty crops grant funds and agency budget savings. A private company was contracted to assist with implementing the road stations and assisting with inspecting the trucks for prohibited agricultural products and quarantined pests.

The 72-hour road station inspection activities were contracted through a bidding process. The contracted company was asked to furnish TDA with a summary of activities within seven days following the completion of each road station inspection. The inspection activities were coordinated with TDA and DPS staff at the DPS weigh station sites. TDA provided guidance, locations and dates for road station inspections. The overall operations of commodity rejection and enforcement activities were conducted under the direct supervision of TDA staff.

No contracting problems were encountered.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Egg Quality

Eliminate from current law (TX Ag Code 132.044, e), or prohibit by enacting a new law, the retail repacking of shell eggs by retail establishments. Current law (cited above) allows for the retail repacking of eggs. In the past, retailers have challenged TDA's position of not allowing retail repacking because current law gives TDA the authority to provide for retail repacking. Retailers have interpreted this provision in current law as an authorization to repack eggs. The Texas Department of State Health Services and the Texas egg industry support TDA's position of not allowing retail repacking because of concerns associated with the spread of food borne illness through improper handling of shell eggs and the inability to trace the source of a food borne illness back to origin because eggs lose their identity once repacked. Making these legislative changes would eliminate confusing language from current law and provide clearer guidance to retail establishments on the subject of retail repacking.

Handling and Marketing of Perishable Commodities

Cash dealer obligations are met at the time the transaction takes place; therefore, inspection activities would be most effective at general HMPC licensee locations, where risk of non-payment is greater. Changes to the statute and applicable LBB performance measures could clarify inspections.

Increase the amount of payment that a claimant can receive from the Produce Recover Fund. The current amount are outdated and serve to minimize benefit of Fund to agriculture producers.

Plant Quality

Statutory changes in Chapter 71 related to entry power for the purpose of pest or disease detection, control and/or eradication is needed to ensure that agriculture and Texans as a whole are adequately protected from invasive pests/diseases and acts of bioterrorism.

Weights and Measures

Administrative penalty amounts and authority should be reviewed and appropriate changes made in statute to adequately deter non-compliance. These sections have not been addressed in several years and with the higher price of fuel, increased penalty authority may better deter fraud and noncompliance issues.

As the population in Texas continues to grow and regulatory needs expand, TDA will be under increasing pressure to meet new regulatory demands and respond to emergent risks. To address these challenges, TDA should consider a concept of developing resource-efficient strategies for identifying risk concentrations, problem areas, and patterns of noncompliance, and then design interventions tailored to solve each problem. Such a reform to TDA's current regulatory practices would require changes to laws that mandate specific inspection frequencies, specifically to Chapters 13 (Weights and Measures), 14 (Grain Warehouse), and 71 (Nursery/Floral) of the Agriculture Code. Ideally, changes to these laws would grant TDA authority to establish inspection frequencies in regulation, thus providing TDA greater flexibility to adjust inspection frequencies in order to mitigate specific risks.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Grain Warehouse

The statute requires an annual inspection of each licensee. The main purpose of this inspection is to verify that obligations to depositors are documented and settled under regular accounting practices. The inspection also ensures the integrity of a negotiable warehouse receipt and the standards set by law.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities..**

Regulations provide a framework/guide for the regulated public to follow to achieve compliance.

Aquaculture

Licensing of aquaculture facilities is necessary to ensure the state has on record the location of aquaculture facilities. This enables other cooperating agencies to determine where to focus their regulatory efforts. TDA does not conduct inspections or audits of aquaculture licensees. Inspections and audits of all other regulatory programs are conducted according to procedures outlined in the Regulatory Inspector Manual. Risk is a factor in targeting locations for inspection.

Egg Quality

Regulation of egg quality is necessary to ensure eggs purchased by Texas consumers meet USDA quality standards. Eggs failing to meet quality standards are prohibited from sale.

Grain Warehouse

Grain warehouse regulation protects the interests of grain Texas grain depositors. TDA can subpoena, apply for an injunction or collect on bond proceeds if a warehouseman fails to uphold the provisions of the Public Grain Warehouse Law. There are penalties for operating without a license, grain fraud, unlawful delivery, fraudulently issuing a scale weight ticket or receipt or changing a receipt or scale weight ticket after issuance, depositing grain without title and stealing grain or receiving stolen grain.

Handling and Marketing of Perishable Commodities

The program protects Texas perishable commodity producers and licensed produce dealers from nonpayment by dealers, shippers and retail buying agents to whom they sell their Texas perishable commodities. A five member, governor-appointed Produce Recovery Fund Board is authorized to conduct hearings on complaints to the HPMC program and make a final disposition on disputed claims on the Produce Recovery Fund.

Organic Certification

The organic regulation enables the agency to continue an established, highly recognized program that provides affordable third-party certification services to farms and other businesses that choose to market organic products. The National Organic Standards provide the framework for certification that is consistent nationwide and provides a level playing field for all certified entities. Without certification, organic claims cannot be authenticated resulting in loss of consumer confidence in the product, ultimately undermining the organic market.

Each organic certified entity is inspected annually to verify compliance with the organic standards. All areas of the organic management plan are discussed and examined. Inspectors are trained to look for indicators of potential non-compliance with the standards, such as the presence of prohibited materials on the premises. Inspecting records of activities and transactions is a key component of each inspection. The specific areas covered and the inspection procedures vary according to the type of business (farm, processor, distributor, retailer), but the basic inspection process includes examining of records, touring the farm or facility to observe all areas needed to verify compliance with the regulations, and conducting an exit interview with the operator to summarize the findings of the inspection.

When a non-compliance is identified in the organic program, a Notice of Non-Compliance is issued from the program office. If the non-compliance is not resolved satisfactorily within the specified timeframe, a Notice of Proposed Suspension (or Revocation) is issued. If the proposed

suspension or revocation is not appealed in a timely manner, the final Suspension or Revocation letter is issued. If the non-compliance is corrected, a Notice of Resolution of Non-Compliance is sent to the business. For applicants for certification, the Notice of Non-Compliance is followed by a Notice of Denial letter, which includes an opportunity to appeal the denial decision, or to correct the non-compliance and reapply for certification.

To ensure compliance in the organics program, the agency is able to deny applications for certification and can suspend or revoke an existing certification to ensure compliance. The agency has the authority to stop-sale product that is not in compliance with the organic standards, preventing it from being sold as organic. Sanctions also include administrative penalties (up to \$500) and civil penalties (up to \$10,000). Violations of the organic standards are also referred to the USDA-National Organic Program Compliance office for additional federal sanctions, including administrative, civil and criminal penalties.

The organic regulations require complaints to be submitted in writing to the agency. Written complaints about TDA certified businesses are investigated by TDA regulatory inspectors. If evidence of non-compliance is found, the non-compliance procedures outlined above are followed. Serious violations that warrant further action beyond the non-compliance process (suspension or revocation of certification) are referred to USDA-NOP Compliance for additional enforcement action. Complaints about businesses that are not certified by TDA are also referred to USDA for investigation and enforcement.

Plant Quality and Pest Management

Plant quality and pest management regulation protects Texas from plant pests and noxious/invasive plants of foreign origin, while promoting intrastate and interstate commerce of Texas products.

Statewide inspection of plants and plant products in commerce is conducted through border station, random, emergency and destination inspections. Regulated entities are brought under compliance through the issuance of stop-sales and seizure of plants.

In general, regulated businesses are inspected according to a preset inspection frequency. Some inspection frequencies are established by statute while others are established by internal policy. In any case, when non-compliance is identified, regulated establishments that receive stop-sales are re-inspected to ensure compliance. A follow-up inspection is conducted within 10 days on the initial findings of non-compliance (in most programs).

In these regulatory programs, consumer complaints are entered into a database and forwarded to the appropriate TDA regional office. Public complaints are logged and assigned to regional staff for inspection, investigation and enforcement action if necessary.

When TDA receives a complaint against a regulated business, the complaint is entered and tracked in a centralized database. An inspector is deployed to the location of the alleged violation, and an inspection/investigation is carried out. Appropriate enforcement action is taken, if necessary, after the inspection/investigation is complete.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Texas Department of Agriculture Regulatory Programs Exhibit 12: Information on Complaints Against Regulated Persons or Entities Fiscal Years 2005 and 2006		
	FY 2005	FY 2006
Total number of regulated persons	N/A	N/A
Total number of regulated entities	53,934 estimated	53,934 estimated
Total number of entities inspected (fields, inspections, tests, etc.)	333,739	332,756
Total number of complaints received from the public	1,048	1,572
Total number of complaints initiated by agency	N/A	N/A
Number of complaints pending from prior years	29	17
Number of complaints found to be non-jurisdictional	Not captured in database.	Not captured in database.
Number of jurisdictional complaints found to be without merit	N/A	N/A
Number of complaints resolved	All	All
Average number of days for complaint resolution	14	5
Complaints resulting in disciplinary action:		
administrative penalty	Information not available	7
Reprimand	0	0
Probation	0	0
Suspension	0	0
Revocation	0	1
Other – Total seizures, stop sales and devices tagged out-of-order as a result of complaint investigations.	410	525

RURAL ECONOMIC DEVELOPMENT

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Rural Economic Development
Location/Division	Austin – Rural Economic Development
Contact Name	Rick Rhodes, Assistant Commissioner for Rural Economic Development
Actual Expenditures, FY 2006	\$1,773,417*
Number of FTEs as of August 31, 2006	19

*This total does not include the \$10.6 million approved in FY 2006 by the Texas Capital Fund for awards to economic development projects by cities and counties. This funding is administered by TDA through an interagency agreement with the Office of Rural and Community Affairs using U.S. Housing and Urban Development funds.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Rural Economic Development division (RED) focuses on job creation and retention through business development and community assistance. RED's primary mission is the promotion of agricultural diversification, rural entrepreneurship, small town revitalization and rural tourism development. RED administers the Texas Capital Fund programs through a contract with the Office of Rural Community Affairs, and RED provides administrative support and staffing for the Texas Agricultural Finance Authority (TAFA), the Biofuel Incentive Program, and the Agricultural Development District Program.

In addition, RED has general authority to promote Texas as a retirement destination through the Texas Certified Retirement Community Program (CRC). Encouraging tourism to the state is also a focus for RED.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

RED administers programs to aid rural areas of the state in community development, business retention and expansion, entrepreneurial development and tourism.

The Biofuel Incentive Program which fosters growth in the renewable fuels industry, registered 16 plants between May 2006 and July 2007. The Downtown Revitalization Program (DRP) received 28 applications for its first round of funding in 2004, and 16 communities received DRP awards through 2006. The Certified Retirement Community (CRC) program was initiated in

September 2006. To date, six Texas communities have received the designation and an additional 54 communities have expressed interest in the program.

Since becoming responsible for the Texas Capital Fund program in 2001, RED has streamlined the program, decreased the time taken to process awards and increased funding to smaller, more rural communities. Since September 1, 2001, Texas Capital Fund has executed 153 contracts totaling \$72,948,167, creating 5,369 jobs and retaining 1,681 (a total 7,050 jobs). Matching funds for these projects totaled \$244,769,670. Also through the Texas Capital Fund, RED administers the Main Street Improvements program in partnership with the Texas Historical Commission (THC). THC estimates that the Texas Main Street Program has resulted in more than \$1 billion in investment in Main Street cities since 1981.

Since FY 2000, TDA has assisted 5,268 community projects, 9514 business projects, and organized or participated in 934 events aimed at improving Texas's rural economy. With assistance from division staff, Texas businesses were awarded more than \$981,000 in federal USDA-Value Added Producer Grants in 2006.

The development of the catfish farming industry in Texas has had an estimated impact of \$17 million with direct assistance from TDA. Staff worked extensively with the Texas Aquaculture Association to create a farm-raised catfish industry in Texas. Catfish farm acreage has grown from 900 acres in 2002 to 4,000 acres in 2006.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Beginning in 1999, the Texas Department of Agriculture was among several organizations that actively promoted the idea that rural areas would be more successful by adopting a strategy of growing businesses from within the community. TDA was an early and instrumental collaborator in the Texas Center for Rural Entrepreneurship and the proposed Texas Enterprise Network, and the agency has been among the leaders in promoting strategies to diversify agricultural operations. During the past several years, with leadership from TDA and others, rural communities have recognized they must rely on a combination of community development, business retention and expansion, entrepreneurial development, tourism and traditional recruitment to succeed in the future.

The Texas Agricultural Finance Authority (TAFA) was created by statute and was authorized to make loans and loan guaranties for "non-traditional" agribusinesses up to \$5,000,000. During the years, TAFA has lowered the permissible exposure to any single business and has shifted its emphasis to supporting water conservation, agricultural diversification and helping rural communities provide adequate infrastructure to support rural businesses. The TAFA board placed a moratorium on the Financial Assistance Programs with the exception of the Rural Municipal Finance Program effective November 2002. Agricultural Development Districts were authorized by statute in 2001 during the 77th Legislature.

The Fuel Ethanol and Biodiesel Production Incentive Program was created by statute in the 78th Legislature under Chapter 16 of the Agriculture Code. The statute designated the Texas Economic Development and Tourism Office to administer the program. In January 2006, a Memorandum of Understanding between the Office of the Governor Economic Development and Tourism Office and Texas Department of Agriculture (TDA) designated TDA to perform all functions and activities in developing the program. The program became functional and began accepting plant registrations on May 1, 2006. The Fuel Ethanol and Biodiesel Incentive Production program was transferred to the TDA from the Office of the Governor during the 80th legislative session.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

RED programs serve rural businesses, producer groups, individuals and communities. Eligibility varies by program requirements. Field staff technical assistance is available to all rural constituents. The Texas Capital Fund is open to non-entitlement communities, while the Rural Municipal Finance Program loans money to benefit communities less than 20,000 in population. Non-entitlement communities are designated by the federal government and are generally cities of less than 50,000 in population and counties with less than 200,000 in the unincorporated part of the county. There are approximately 1,250 non-entitlement communities in Texas. There are 1,117 communities less than 20,000 in population, according to the 2000 Census. The Texas Certified Retirement Community program is open to any city or county in Texas. The Biofuel Incentive Program is available to biofuel producers in Texas who make a permanent and substantial investment in the state.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.

RED programs and field staff serve all rural businesses, individuals, producer groups and communities. The seven field staff employees work individually and collectively with their respective constituents to create customized programs that benefit each unique region of Texas. RED field staff plan activities, meetings and workshops all across Texas to help fulfill the program mission. They respond to inquiries from constituent groups and have sufficient latitude to respond to the wide variety of issues that confront various constituent groups. RED leverages the resources and efforts of TDA's Marketing Division to assist rural constituents further with their marketing and tourism development efforts.

Texas Capital Fund programs are governed by Housing and Urban Development (HUD) regulations, ORCA rules and division guidelines and policies. The TAFE board has delegated authority to approve Linked Deposit Loans to the commissioner. The board reviews and ratifies those loans at the first board meeting following the approval.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT* (FY 2006)
Rural Economic Development	Federal	\$189,215
	General Revenue	\$672,830
	General Revenue Dedicated	\$106,427
	Interagency Contracts	\$454,005
	Other Funds	\$350,940

*These amounts do not include the \$10.6 million approved in FY 2006 by the Texas Capital Fund for awards to economic development projects by cities and counties. This funding is administered by TDA through an interagency agreement with the Office of Rural and Community Affairs using U.S. Housing and Urban Development funds.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Several entities in the state also perform economic development functions; however, none has a comprehensive mission to target rural Texas economic development efforts. TDA field staff personnel are strategically assigned in seven regions of Texas, and each works to customize services and programs for their local constituents.

Other state entities provide a limited number of economic development programs to rural areas, including the Governor's Office of Economic Development and Tourism (EDT) and Texas Cooperative Extension (TCE).

EDT has programs that can assist rural areas; however, most of their programs tend to target projects in metropolitan areas. EDT has also targeted a number of industry clusters for heightened attention, and those industries are more common in metropolitan areas. However, EDT does serve rural areas when their programs are appropriate, and EDT and RED often coordinate our efforts on those rural projects.

TCE has many programs, including programs that assist rural communities as well as programs that assist with rural entrepreneurship and agricultural business diversification. TCE and RED both serve rural constituents; however, while it is RED's primary focus, it is one of many areas of focus for TCE. TCE charges constituents for some of their services; RED's services are provided free of charge.

The Office of Rural Community Affairs has developed two small business loan programs to assist with rural economic development. However, the core programs within ORCA have historically focused on community development (primarily water and sewer projects) and health care. ORCA's enabling statute authorizes them to contract with TDA for the administration of economic development programs.

The Texas Water Development Board provides funding for water infrastructure projects, as does the TAFRA Rural Municipal Finance Program (RMFP). The RMFP targets smaller transactions (less than \$1 million) and has a wide variety of applicable uses in addition to water related projects.

Rural Economic Development staff regularly handle inquiries from the public, local elected officials, economic development professionals and state elected officials. Frequently, we refer those inquiries to the USDA, as they have numerous other grant and loan programs to serve rural areas. We try to give our customers multiple options to consider for their financing/funding needs. USDA is one of the few additional resources available to rural communities.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

RED has a Memorandum of Understanding with the Texas Cooperative Extension service, as well as contractual agreements with ORCA and the Governor's Office of Economic Development and Tourism (EDT). Additionally, RED regularly interacts with these various agencies to ensure that all available resources are being accessed for the benefit of RED's constituents.

With TDA's historical presence in rural areas, we have developed a program that is complementary to the efforts of the Office of the Governor. We work well with EDT, but each office has a unique role in helping the economy of rural Texas. TDA participates in weekly meetings with EDT to discuss projects.

ORCA, as the name implies, focuses on community development and health care, often providing funding and expertise on projects involving community infrastructure. TDA has an interagency agreement with ORCA to administer the economic development portion of the Community Development Block Grant (CDBG) program. TDA works closely with ORCA on a number of issues for the benefit of rural constituents, and regularly interacts with ORCA's staff and executive committee.

TAFRA regularly educates potential applicants for water related projects about the availability of TWDB programs and works with TWDB staff to provide the most beneficial assistance to applicants.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Texas Capital Fund serves non-entitlement communities, which are determined by the federal government. For approved projects, TDA enters into a contract with non-entitlement cities or counties to perform specified economic development activities.

RED also administers the Rural Municipal Finance Program that is open to rural communities and governmental entities that serve rural areas, such as utility authorities, irrigation districts or hospital districts. For approved projects, TDA enters into repayment agreements with these governmental entities.

RED also works with rural cities and counties on a non-contractual basis to provide information on specific projects such as attracting a new business, as well as general education to assist rural constituents.

RED administers the Certified Retirement Community Program that is open to any city or county. For certified communities, TDA provides a five-year certification to the community and meets annually to ensure success.

TDA stands ready to work with the commissioners court of a county in which an Agricultural Development District is being proposed.

K. If contracted expenditures are made through this program please provide:

- **the amount of those expenditures in fiscal year 2006;**
- **the number of contracts accounting for those expenditures;**
- **a short summary of the general purpose of those contracts overall;**
- **the methods used to ensure accountability for funding and performance; and**
- **a short description of any current contracting problems.**

TDA's Rural Economic Development Division has retained Vinson and Elkins, LLP as outside program and bond counsel for the Texas Agricultural Finance Authority ("TAFAs"), pursuant to Outside Counsel Contract No. 206-551-0076. In fiscal year 2006, TDA incurred \$7,057.45 in legal fees and related expenses under that contract. Services provided during this time period were primarily related to the TAFAs loan guaranty program. All invoices for contracted legal services are reviewed and approved by appropriate TDA General Counsel staff to confirm that services provided fall within the scope and amount of the contract. The Office of the Attorney General then confirms that services described in the invoice appear to be covered by the contract and the amount of the invoice is included within the total contract amount. Any non-allowable fees and expenses are removed during the review/approval process by TDA General Counsel staff and the Office of the Attorney General.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

TDA staff, in coordination with the Texas Agricultural Finance Authority (TAFE) Board, are currently evaluating the current TAFE programs to identify their effectiveness in accomplishing their mission and addressing modern financial challenges in Texas agriculture. Statutory changes could be necessary and TDA will work with Sunset staff should this become evident.

Constituents and legislators often work together to create additional programs to assist TDA with serving rural communities. Specific appropriations for funding for the Certified Retirement Community Program and the Biofuel Incentive Program would help us administer the programs and better serve those involved.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

TEXAS COOPERATIVE INSPECTION PROGRAM

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Texas Cooperative Inspection Program
Location/Division	Austin
Contact Name	Waldo Morgan, Assistant Commissioner TCIP
Actual Expenditures, FY 2006	\$80,620*
Number of FTEs as of August 31, 2006	1

*These expenditures reflect the amount of funds expended by TDA for administrative expenses for the program. The program collected \$6,049,950 in user fees in FY 2006 for services provided to the agriculture industry.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Texas Cooperative Inspection Program (TCIP) operates through a cooperative agreement between the Texas Department of Agriculture (TDA) and the U.S. Department of Agriculture (USDA). The program is responsible for the inspection of all fruits, vegetables, tree nuts, and peanuts grown in Texas or imported into the United States through Texas. These inspections benefit the citrus, vegetable, tree nut and peanut industries of the state by ensuring USDA standards are met, thereby enhancing the marketability of commodities for producers and shippers and providing consumers with consistent, quality products. Once USDA standards have been met, a certificate is issued attesting to the quality of the individual shipments.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

TCIP inspected 2.4 billion pounds of fruits, vegetables, peanuts and nuts in 2006.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The first cooperative inspection program in Texas inspected only fruits and vegetables in the Texas Rio Grande Valley beginning in 1917. The statutes mandating the program were added to the Agriculture Code at that time. These statutes have always provided for the inspection of fruits and vegetables, with the costs being borne by growers, shippers and shippers' agents, rather than the state. The inspection of tree nuts and peanuts was added in 1947.

Since 1935, TDA has been authorized by state law to execute cooperative agreements, which provide for the inspection of fruits, vegetables and other products. A cooperative agreement between TDA and USDA signed during the 1950s established the Texas Federal Inspection Service (TFIS). TFIS operated until 1990 when the agreement was cancelled.

Shortly after TDA and USDA negotiated a new cooperative agreement, the current program began operations in May 1992.

The program is currently moving from manually completed certificates to computer-generated certificates. Computer-generated certificates do all calculations previously done manually by the inspectors, eliminating a significant opportunity for human error. In addition certificates can now be transmitted electronically where previously they had been completed and delivered by hand to the applicant who took the data and entered it into a system. With electronic transfer there is a large reduction in redundant data entry.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The program benefits Texas fruit and vegetable shippers and receivers of fresh commodities. Peanut growers and shellers benefit from peanut inspections, which determine the quality of the peanut and thereby its market value.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

At no time in the inspection programs' history has it been, nor is it now, an official agency of TDA or USDA. TCIP operates entirely on a user-fee basis and receives funding from neither the federal or state government. Funds are retained in a federal trust with independent audits conducted annually, and USDA compliance and financial audits are conducted every five years.

TCIP has an administrative office in Austin; an office in Alamo in the Rio Grande Valley for oversight of the fruit and vegetable operations; and an office in Gorman, near Stephenville responsible for all tree nut and peanut inspections.

The employees of the service are neither TDA employees, nor are they USDA employees. TDA administers the program, and USDA licenses the inspectors for each commodity.

Inspection programs similar to TCIP operate in 47 states and Puerto Rico.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DIVISION	FUNDING SOURCE	AMOUNT (FY 2006)
Texas Cooperative Inspection Program	Reimbursement from federal trust	\$80,620

TCIP receives no state or federal funds and operates solely from user fees which are kept in a federal trust. The total user fees collected by TCIP in FY 2006 was \$6,049,950. The amount of user fees collected each year is dependent on the success of the crops subject to regulation under this program.

To offset administrative expenses incurred by TDA in operating the TCIP program, the agency receives reimbursement of its expenditures up to 4 percent of all fees collected for inspection work performed under the cooperative agreement. The administrative expenses received by TDA under this program in 2006 is reflected in the chart above.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

N/A

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Since TCIP inspectors are inspecting citrus fruit at the shipping point, an interagency agreement is in place with TDA to conduct citrus maturity testing to ensure citrus products meet maturity standards prior to packing.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Texas Cooperative Inspection Program (TCIP) operates through a cooperative agreement between the Texas Department of Agriculture (TDA) and the U.S. Department of Agriculture (USDA). TDA is responsible for hiring personnel, collecting fees for all services, and paying all expenses incurred in the operation of the program. The funds for operation of the program are kept in a federal trust. USDA requires an annual financial audit of these funds and every five years USDA audits the compliance of program operations with the approved USDA procedures. USDA receives monthly payments from the program to offset expenses such as development of grading standards, development of new training techniques, and for the actual training of inspectors.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

This division does not currently administer any major contracted expenditures.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

VIII. Statutory Authority and Recent Legislation

A. Fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2003 - 2007, or earlier significant Attorney General opinions, that affect your agency's operations.

Texas Department of Agriculture Exhibit 13: Statutes/Attorney General Opinions	
Statutes	
Citation/Title	Authority/Impact on Agency (e.g., A provides authority to license and regulate nursing home administrators@)
Tex. Agric. Code § 12.002, Development of Agriculture	Allows TDA to encourage the proper development and promotion of agriculture, horticulture, and other industries that grow, process or produce products in this state.
Tex. Agric. Code § 12.006, Development of Domestic and Foreign Markets	Allows TDA to investigate and report on the question of broadening the market and increasing the demand for cotton goods and all other agricultural or horticultural products in the United States and foreign countries.
Tex. Agric. Code § 12.011	Authorizes TDA to collect and publish agricultural resource statistics.
Tex. Agric. Code § 12.016	Authorizes TDA to adopt rules as necessary to administer its powers and duties under the Code.
Tex. Agric. Code § 12.017, Use of Term "Texas Agricultural Product"	Allows TDA to regulate the use of the term "Texas Agricultural Product" and any symbol connected with that term in the selling, advertising, marketing or other commercial handling of food or fiber products.
Tex. Agric. Code § 12.017 Grown or Produced in Texas Program	Allows TDA to establish programs to promote and market agricultural products and other products grown, processed or produced in the state.
Tex. Agric. Code § 12.020	Establishes agency administrative hearing authority.
Tex. Agric. Code § 12.0202	Requires hearing for license action.
Tex. Agric. Code §12.027 Economic Development Program	Provides authority to maintain an economic development program.
Tex. Agric. Code § 12.032	Requires agency cooperation with SOAH.
Tex. Agric. Code § 12.038	Provides authority to maintain an Office of Rural Affairs.
Tex. Agric. Code § 12.039	Provides the authority to establish and maintain a Certified Retirement Community Program.

Citation/Title	Authority/Impact on Agency
Tex. Agric. Code § 12.039	Provides the authority to establish a voluntary grape registry, reduce the percentage by volume of Texas grapes that must be included in wine sold in dry counties.
Tex. Agric. Code Chapter 13 Weights and Measures	Provides the authority to supervise all weights and measures sold or offered for sale in the state through licensing and inspection.
Tex. Agric. Code Chapter 14 Warehouse Regulation	Provides the authority to license and investigate the storing, shipping and handling of grain through the inspection of public grain warehouses, the grain within and all property and records.
Tex. Agric. Code Chapter 16	Authorizes the Fuel Ethanol and Biodiesel Production Incentive Program.
Tex. Agric. Code Chapter 18 Organic Certification and Agricultural Product Standards	Provides the authority to license and regulate organic producers, processors, distributors and handlers of organic agricultural products.
Tex. Agric. Code Chapter 19 Citrus Budwood Certification Program	Provides the authority to develop and maintain a certified citrus budwood program through the establishment of standards, foundation groves and certified citrus nursery trees, and the inspection of nurseries.
Tex. Agric. Code Chapter 21 Grant Program For Distribution of Surplus Agricultural Products	Provides authority to develop a program to award grants.
Tex. Agric. Code Chapter 41 Commodity Producers Boards	Provides statutory oversight requirements over the state's ten Producer Commodity Boards. PR attends the majority of the boards' meetings and reviews and approves each board's election processes, budgets, and annual reports.
Tex. Agric. Code Chapter 42	Establishes the Food and Fibers Research Grant Program to be administered by TDA.
Tex. Agric. Code Chapter 44	Provides authority to administer the Linked Deposit programs.
Tex. Agric. Code Chapter 45 Texas-Israel Exchange Fund	Provides authority to establish a fund to promote and support practical and applied agricultural research and development that will result in mutual benefit to Texas and Israel.
Tex. Agric. Code Chapter 46 "GO TEXAN" Partner Program	Allows TDA to create a Texas agricultural product promotion program to increase consumer awareness of Texas agricultural products and expand the markets for Texas agricultural products.
Tex. Agric. Code Chapter 47 Texas Oyster and Shrimp Program	Allows TDA to promote and advertise the Texas shrimp and oyster industries.
Tex. Agric. Code Chapter 48 Agricultural Projects In Certain Urban Schools	Provides authority to develop a program to award grants to public elementary schools.
Tex. Agric. Code Chapter 49	Establishes the Agricultural Technology Program.
Tex. Agric. Code Chapter 50B	Allows the Commissioner to appoint a Wine Industry Development Advisory Committee. Establishes the Wine Industry Development Fund to be administered by TDA.

Citation/Title	Authority/Impact on Agency
Tex. Agric. Code Chapter 52 Cooperative Marketing Associations	Provides authority to license cooperative marketing associations.
Tex. Agric. Code § 58.001, et seq.	Provides authority to administer finance programs to assist agricultural businesses and to further rural economic development.
Tex. Agric. Code § 59.001, et seq.	Provides authority to administer the Farm and Ranch Finance program.
Tex. Agric. Code §60.001, et seq.	Provides authority to maintain records and approval authority relating to Agricultural Development Districts.
Tex. Agric. Code Chapter 61 Inspection, Labeling, and Sale of Agricultural and Vegetable Seed	Provides authority to require specific labeling information for agricultural or vegetable seed sold in Texas. Also, provides authority to collect inspection fees and to conduct inspections of said seed.
Tex. Agric. Code Chapter 62 Seed and Plant Certification	Gives the agency the authority for seed and plant certification including licensing, inspection and the associated fees.
Tex. Agric. Code Chapter 64 Arbitration of Seed Performance Disputes	The authority to investigate seed complaints that meet the requirements of arbitration. The commissioner refers complaints to the Arbitration Board who hears the arbitration and makes findings reports.
Tex. Agric. Code Chapter 71 Horticultural Diseases and Pests – General Control	The authority to regulate the traffic, growing, shipping, selling and leasing of nursery products through licensing, quarantine and inspection.
Tex. Agric. Code Chapter 72 Mexican Fruit Fly Control	The authority to control or eradicate Mexican fruit fly in this state and to protect all premises from this pest the agency may enter premises, inspect and determine the best method of controlling or eradicating a Mexican fruit fly infestation.
Tex. Agric. Code Chapter 73 Citrus Diseases and Pests	Authority to inspect shipments of citrus nursery product coming into the state.
Tex. Agric. Code Chapter 74 Cotton Diseases and Pests	Authority to establish regulated areas, dates and appropriate methods of destruction of stalks, other parts and products of host plants for boll weevils. Allows for field inspection, destruction and treatment of host plants, and penalties.
Tex. Agric. Code Chapter 76	Specifies TDA's authority and responsibilities as related to the regulation of pesticide sale and use in Texas.
Tex. Agric. Code Chapter 77 Fire Ant Control	Authorizes the agency to approve methods of eradication to be used in any program established under this chapter.
Tex. Agric. Code Chapter 78 Noxious Weed Control Districts	Authority to name noxious weeds and to certify assessments amount of control districts.
Tex. Agric. Code Chapter 91 General Grades and Packs of Fruits and Vegetables	Provides for the establishment of an inspection program.
Tex. Agric. Code Chapter 92 Tomato Standardization and Inspection	Provides state standards for the inspection of tomatoes.

Citation/Title	Authority/Impact on Agency
Tex. Agric. Code Chapter 93 Citrus Fruit Standardization and Inspection	Provides state standards for the inspection of citrus fruit.
Tex. Agric. Code Chapter 94 Citrus Fruit Maturity Standards	Authority to inspect and certify maturity of citrus fruit.
Tex. Agric. Code Chapter 95 Citrus Fruit Coloring	Authority to set citrus fruit coloring rules and to inspect citrus fruit coloring.
Tex. Agric. Code Chapter 101 Handling and Marketing of Perishable Commodities	Authority to license resellers of Texas grown perishable commodities.
Tex. Agric. Code Chapter 102 Handling and Marketing of Citrus Fruit	Authority to license citrus fruit dealers.
Tex. Agric. Code Chapter 103 Produce Recovery Fund	Authority to investigate complaints from producers and other dealers who seed perishable commodities on credit. Includes the authority to determine the amount due the aggrieved party.
Tex. Agric. Code § 103.006	Provides for agency determination on Produce Recovery Fund claims and hearing before Produce Recovery Fund Board
Tex. Alcoholic Beverage Code Chapter 110 Texas Wine Marketing Assistance Program in the Department of Agriculture	Establishes the Texas Wine Marketing Assistance Program in the Department of Agriculture to assist the Texas wine industry in promoting and marketing Texas wines and educating the public about the Texas wine industry.
Tex. Agric. Code Chapter 121 Grading of Roses	Authority to issue a certificate of authority to each person who determines or influences the grade of roses.
Tex. Agric. Code Chapter 125 Agricultural Hazard Communication Act	Specifies the requirements of certain agricultural employers to supply information regarding hazardous chemicals to employees. These requirements are regulated by TDA.
Tex. Agric. Code Chapter 132 Eggs	Authority to license and inspect packers, distributors, wholesalers and retailers of eggs.
Tex. Agric. Code Chapter 134 Regulation of Aquaculture	Authority to license individuals that raise cultural species of fish.
Tex. Agric. Code Chapter 146 Sale and Shipment of Livestock, § 146.021, Department Facilities	Allows TDA to receive and hold for processing, animals and animal products transported in international trade. Allows TDA to collect reasonable fees for yardage, maintenance, feed, medical care, facility use and other necessary expenses incurred in the course of processing those animals.
Tex. Agric. Code § 487.352	Provides authority to enter into a contract with ORCA to administer community development block grant funds that are allocated to economic development programs
Tex. Nat. Resources Code Chapter 153 Prescribed Burning Board	Pesticide Division is responsible for the administrative work associated with the Prescribed Burning Board.
Child Nutrition Act of 1966, 42 U.S.C. § 1771, et seq.	Authorizes and provides funding for states and schools to participate in the CN programs.

Citation/Title	Authority/Impact on Agency
Child Nutrition and WIC Reauthorization Act of 2004, Public Law 108-265 (2004)	Authorizes and provides funding for states and schools to participate in the CN programs.
Endangered Species Act, 16 USC, Ch. 35	Placed requirements on EPA to consider possible effects that registration decisions may have on endangered species. These requirements must also be addressed by the states when pursuing special registrations.
Federal Insecticide, Fungicide and Rodenticide Act, 7 USC § 136 et seq.	Provides for the delegation of primary authority to the states for the enforcement of federal pesticide laws and regulations concerning pesticide registration, pesticide application, applicator certification, etc.
Federal Worker Protection Standard, 40 CFR, Part 170	Established requirements designed to reduce the risk of illness or injury resulting from workers' and handlers' occupational exposures to pesticides used in the production of agricultural plants on farms or in nurseries, greenhouses, and forests and also from the accidental exposure of workers and other persons to such pesticides. It requires workplace practices designed to reduce or eliminate exposure to pesticides and establishes procedures for responding to exposure-related emergencies.
Food Quality Protection Act of 1986, P.L. 104-70	This federal act was passed in 1996 and significantly modified the way EPA handles the federal registration of pesticide products. The act has also had an effect on the way special registrations are conducted by the states. Additionally, this act was the basis for the USDA Food Safety Program which involves our laboratory.
Housing and Community Development Act of 1974, 42 U.S.C. Section 5301 et seq. and Public Law No. 97-35	Authorizes and provides funding for state community development block grant programs, including the Texas Capital Fund, administered by TDA through a MOU between TDA and the Office Community and Rural Affairs.
Richard B. Russell National School Lunch Act , 42 U.S.C. § 1751, et seq.	Authorizes and provides funding for states and schools to participate in the CN programs.

Attorney General Opinions	
Attorney General Opinion No.	Impact on Agency
GA-500 (2007)	Found that when a school district contracts competitively with a food service management company that merely permits or requires the company to provide food as a part of its service, a school district is not violating a statutory duty or delegating a governmental function under state law.
GA-0289 (2005)	Found that the agency may require an applicant for an occupational license to provide a social security number, or in the absence thereof, require the applicant to provide verification that applicant has no social security number. Found that commercial pesticide applicators are occupational licensees. Permits the agency to proceed with appropriate child support enforcement assistance procedures when issuing licenses. Provided guidance regarding classification of occupational licenses relevant to calculation of fees charged by Texas Department of Information Resources for agency's online license application processes.
JC - 0267 (2000)	Found that that language of <u>Tex. Agric. Code, Sec. 58.014(b)</u> does not permit a minority of the board of TAFE to overrule a decision of a majority of the board. It impacts the agency because a contrary finding would allow board action by a minority of the board present.
JC - 0539 (2002)	Found that the agency has no enforcement authority over horsemeat slaughterhouses under <u>Tex. Agric. Code, Ch., 149</u> . It impacts the agency because a contrary finding would add to agency's enforcement jurisdiction and necessitate adding a new enforcement program.
DM-14 (1991)	Found that school districts may not delegate purchasing under a food service management contract to food service management companies.

B. Provide a summary of recent legislation regarding your agency by filling in the chart below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation).

Texas Department of Agriculture Exhibit 14: 80th Legislative Session Chart		
Legislation Enacted - 80th Legislative Session		
Bill Number	Author	Summary of Key Provisions
HB 1090	Swinford	Establishes a grant program at TDA to encourage the construction of facilities that generate electrical energy with certain types of agricultural residues, wastes, debris or crops. Grants may not be made before September 1, 2009 and the amount of funding available for this program will be determined during the 81st legislative session.
HB 2313	Rose	Establishes the second week in September as obesity Awareness Week to raise awareness of the health risks associated with obesity and to encourage Texans to achieve and maintain a healthy lifestyle.
HB 2417	Swinford	Transfers the Fuel Ethanol and Biodiesel Production incentive program to TDA from the Office of the Governor.
HB 2458	Cook,B./ Truitt/ McClendon/ Kolkhorst	Transfers duties of Structural Pest Control Board to the Texas Department of Agriculture.
HB 4062	Miller	Authorizes the Texas Department of Agriculture to administer state and federal nutrition programs, including the National School Lunch Program and the School Breakfast Program, as well as certain special nutrition programs previously administered by the Texas Health and Human Service Commission. This legislation also requires TDA to report on its progress towards reducing trans-fatty acids in nutrition programs. Requires TDA to conduct a study on methods to increase student participation in the school breakfast program.
SB 555	Lucio	Designates April as Texas Fruit and Vegetable Month to promote awareness of the health benefits of fruits and vegetables to encourage Texans to consume more fruits and vegetables.
SB 556	Lucio	Creates an interagency obesity council. The commissioners of agriculture, state health services and education must meet at least yearly to discuss the status of each agency's programs that promote better health and nutrition and prevent obesity among Texans. The council is also to consider the feasibility of tax incentives in the workplace. The council must submit a report to the governor, the lieutenant governor and speaker of the House of Representatives on the activities of the council during the preceding two calendar years and recommendations for future goals or legislation.

IX. Policy Issues

1. Penalty Matrices

A. Brief Description of Issue

Penalty Matrices at the Department of Agriculture have been around for years with little change or increases. Providing increased penalties and the authority to make adjustments to those penalties will assist the agency in ensuring the appropriate penalty is assessed based on the seriousness or egregiousness of the violation. It also will ensure that penalties serve their purposes as true incentives to comply with laws and regulations.

B. Discussion

Pesticides

The \$4,000 limitation on penalties assessed for any single incident imposes an artificial restraint unrelated to the potential harm or necessary deterrence involved in a particular incident. Currently, an individual could commit numerous serious violations which would essentially go unpunished because the violations were uncovered during a single investigation and therefore considered to be a single-penalty instance. As an example, a person whose misuse of a pesticide killed 27 horses and committed half a dozen other violations uncovered while investigating horse deaths could be subject to the same total penalty amount as a person whose misuse led to the death of a single horse. Consistent with other TDA programs, a maximum penalty amount should apply only to each individual violation, not any particular collection of violations, whether the relationship between those violations is artificial or real.

The penalty for pesticide violations has not increased in at least 10 years. Inflation alone has reduced the impact of penalties in real dollars. The encroachment of residential housing into agricultural areas since 1997 has increased the potential for harm from pesticide misuse.

Other Regulatory Programs

Maximum penalties for certain regulatory programs are set in statute at \$500. While the impact of this maximum has been decreased due to inflation, TDA has found in some cases the maximum penalty amount limits TDA's ability to effectively punish initial wrongdoing while leaving little room for increased penalties for repeat violators. In many instances, the maximum penalty of \$500 is an appropriate amount for an initial violation, given the potential economic harm to the public or the seriousness of the violation, which allows for no increase for subsequent violations by the same entity. There is no ability to address the escalation of violations under current law.

Most recently (June 2006), TDA increased the fines for gas pumps out compliance from the previous fine of \$25 per device to a minimum \$100 per device. While compliance was in the mid-ninety percentile, previous fines provided no incentive to gas pump operators to ensure

calibration of the pumps was compliant. The increased fees will help bring attention to this issue: however, the limitation of \$500 for any offense does not correlate with the effects of violations – consumers not getting what they pay for.

C. Possible Solutions and Impact

Legislatively providing TDA the authority to increase fines for certain violations would allow the agency to adjust for inflation as well as consumer and industry changes. It has been recommended that pesticide violations maximums increase from \$2000 to \$5000 and regulatory violations increase from \$500 to \$2000.

2. Statutory Authority

A. Brief Description of Issue

The Department of Agriculture is responsible for regulating and enforcing a variety of activities, including pesticides, nursery/floral products, plant pest quarantines, weights and measures, aquaculture, egg quality, seed quality, octane labeling and grain warehouses. The department lacks meaningful statutory authority in many instances which could more effectively and more quickly address violations under the agencies purview. Since the large majority of regulated customers are compliant with TDA regulations and have the most at stake when violations occur, there should be general support for these concepts among those industries and consumers.

B. Discussion

TDA's current enforcement authorities are weak, ambiguous, and legally suspect for some programs.

Cease and Desist Orders

Cease and desist orders would provide TDA with efficient, effective and flexible response options to businesses operating in a noncompliant manner, including without a license. Currently, TDA relies on stop-sale or stop-use-stop-distribution-removal orders to address unauthorized operations. The recent sunset legislation which transferred the Structural Pest Control Board to TDA also included cease and desist orders to ensure that program had proper authority. Ensuring the entire agency had this authority would create consistency throughout agency programs.

Agriculture Warrant Authority

The regulatory division of the agency is responsible for protecting the public from plant disease and pest infestation and responding to outbreaks of such disease and pest. Citrus canker was eradicated in Texas in 1943, but recent outbreaks in Florida make Texas producers nervous that an outbreak could occur here as well. Citrus Greening is spread by the Asian citrus psyllid which is found in areas in Texas. There have not been any infestations of greening in Texas, but the presence of the vector means that if the disease were to make its way to the state, it could be spread rapidly throughout the citrus industry. Because of the spread of these diseases in Florida and the devastating impacts they have had on the Florida citrus industry, Texas needs the tools to properly detect and control these diseases.

The Department of Agriculture currently does not have the authority to remove trees exposed to these diseases which do not currently show symptoms nor to enter premises with an agriculture warrant to inspect plants where the owner objects to the inspection. The devastating nature of certain plant and pest outbreaks requires swift action to isolate and prevent the spread of these diseases. The authority to develop a response plan with the necessary tools in place is critical. The lack of this authority when citrus canker was initially discovered in Florida is largely credited as being the catalyst for the devastating disease spreading beyond eradication possibility

in that state. The legal problem has now been corrected in Florida, but the damage has already been done for their industry.

Discretionary Background Checks

The department lacks specific authority to perform discretionary criminal background checks and to obtain complete information on criminal history from DPS, NCIC and other states. While the agency has general authority to deny or revoke a license under the occupational code, more specific authorities would remedy some ambiguities. Statutes are also ambiguous as to whether or not an agency has authority to deny a license based on either a conviction, the imposition of deferred adjudication, or any other instance involving a guilty or nolo contendere plea.

Additionally, more specific procedural mechanisms specified by statute regarding the process by which licenses can be denied, revoked, or modified in response to such criminal history would assist the agency in having the flexibility to make determinations which are in the best interest of public safety, while protecting the due process rights of license applicants.

Other General Provisions

TDA has many outdated, conflicting and duplicative statutory revisions which need to be addressed to ensure we have clear and unambiguous authority and processes to ensure consistency is maintained throughout the agency's various responsibilities.

C. Possible Solutions and Impact

While the agency places the public interest at the core of its processes, legislation to better clarify enforcement authorities of the agency will provide greater response to emergencies and ensure protection of the public continues to be the highest consideration.

3. Risk Based Inspections

A. Brief Description of Issue

Currently, the Department of Agriculture performs inspections for many different regulatory and pesticide functions such as weights and measures, egg inspections, cash dealers of perishable commodities and non-structural pesticides. Many of the inspection frequencies are prescribed by statute or initiated through complaints to the department. However, TDA does not have authority to set inspection frequencies according to risk-based criteria.

B. Discussion

Risk-based inspection would allow for more efficient use of limited agency resources by permitting TDA to focus primarily on those areas presenting the most risk of harm to the public, the environment, or fair competition in the marketplace, rather than excessively using scarce/limited valuable resources inspecting areas of known or likely compliance, or where a low risk of harm exists.

For example, every fiscal year each TDA region is required to conduct an assigned number of inspections of general and cash dealers of perishable commodities. As a result of increased demands, inspectors have focused the majority of their inspection efforts on cash dealers. The seasonal nature of cash dealers makes it difficult to locate and inspect the cash dealer operations. The purpose of these inspections is to verify that cash dealers are not selling stolen commodities, primarily citrus. Over the past several years, the citrus industry has hired their own inspectors to inspect fruit vendors to verify the vendors have receipts to show proof of purchase. The practice of inspecting cash dealers of perishable commodities has become outdated or at a minimum a low risk inspection which should be balanced against needs that have a greater impact on the agriculture industry such as quarantine road stations to inspect commodities coming into the state.

This concept of risk-based inspections is consistent with previous Legislative direction. On September 1, 2007, TDA will be transferred the powers and responsibilities of the Texas Structural Pest Control Board. Through the sunset process and subsequent passage of the sunset legislation, HB2458, the newly established Structural Pest Control Service at TDA was given statutory authority to establish risk-based investigations. The ability for TDA to provide risk-based inspections for structural pest control will be a critical component to ensure the new SPCS is operating effectively and efficiently; however, having broader authority for TDA to set inspection frequencies based on risk management would provide a more efficient allocation of resources based on appropriate parameters.

C. Possible Solutions and Impact

Add new section to the Agriculture Code to allow TDA to set inspection frequency and encourage the use of risk-based inspection strategies.

4. Nutrition Reward Program

A. Brief Description of Issue

Obesity is a crisis facing our families. The impact of obesity on children is particularly challenging, but through the Texas School Nutrition Policy (Policy) schools are doing their part to address the problem. In addition to regulatory requirements that are prerequisites to program benefits, there is interest from philanthropists and the private sector to establish incentive programs to schools for their achievements in achieving excellence in children's health. The department has been approached to serve as the conduit to such an endeavor. The incentive program would be established through private donations and corresponding grants.

In order to establish a program to reward schools for their achievements in providing excellence in children's health, it was determined that the department could establish such an endeavor, but the agency did not have the authority to expend any resources raised for the program from private sources.

Texas has a responsibility to create solutions to better educate and ultimately have a healthier population. This starts with our children. Encouraging and rewarding voluntary efforts to further this cause should be a priority as such endeavors complement the existing policies and programs that have been established at the state and federal level. Schools are faced with the obesity challenge daily and often are more successful through their ingenuity than we can be when identifying policy to fit an entire state.

B. Discussion

Legislation providing the authority for TDA to create and administer such a program would provide another tool for the agency to encourage voluntary ingenuity to a difficult problem.

C. Possible Solutions and Impact

Legislation providing the authority for TDA to create and administer such a program would provide another tool for the agency to encourage voluntary ingenuity to a difficult problem.

X. Other Contacts

A. Fill in the following chart with updated information on people with an interest in your agency, and be sure to include the most recent e-mail address.

Texas Department of Agriculture Exhibit 15: Contacts			
INTEREST GROUPS (groups affected by agency actions or that represent others served by or affected by agency actions)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Association of Rural Communities in Texas Donna Chatham	P.O. Box 200847 Austin, TX 78720	(512) 331-1354	donna@arcit.org
Dairy Farmers of America John Cowan	3500 William D. Tate Avenue, Suite 100 Grapevine, TX 76051-7102	(817) 410-4540	jcowan@dfamilk.com
Independent Cattlemen's Association Bill Hyman	P.O. Box 1168, Lockhart, TX 78644	(512) 620-0162	hyman@icatexas.com
Plains Cotton Growers, Inc. Steve Verett	4517 West Loop 289 Lubbock, TX 79414	(806) 792-4904	steve@plainscotton.org
South Texas Cotton and Grain Association Jeff Nunley	P.O. Box 4881 Victoria, TX 77903	(361) 575-0631	jnunley@stcga.org
Southwest Dairy Farmers Gene Dunham	P.O. Box 936 Sulphur Springs, TX 75483	(903) 439-6455	geduswd@peoplescom.net
Southwestern Peanut Growers Dale Curb	P.O. Box 338 304 S.E. Lubbock Gorman, TX 76454	(254) 734-2222	dale_curb@hotmail.com
Southwestern Peanut Shellers' Association Max Grice	P.O. Box 1375 Brownfield, TX 79316	(806) 637-1800	mgrice@birdsong-peanuts.com
Texas Ag Industries Association Donnie Dippel	726 Camp Lone Star Road La Grange, TX 78945	(979) 247-4300	ddippel@cvtv.net
Texas Agricultural Aviation Association Chris Shields	1005 Congress, Suite 480 Austin, TX 78701	(512) 476-4405	sbennett@cshields.pc.com
Texas Aquaculture Association Donna Hanson	P.O. Box 10584 College Station, TX 77845	(979) 690-1635	taa@txaqua.net
Texas Boll Weevil Eradication Foundation, Inc. Lindy Patton	P.O. Box 5089 Abilene, TX 79608	(325) 672-2800	Lindy@txbollweevil.org

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Texas Center for Rural Entrepreneurship Dr. Greg Clary	P.O. Box 38 Overton, TX 75684	(903) 834.6191	g-clary@tamu.edu
Texas Cattle Feeders Association Ross Wilson	5501 West I-40 Amarillo, TX 79106	(806) 358-3681	ross@tcfa.org
Texas Citrus Mutual Ray Prewett	901 Business Park Drive, Suite 400 Mission, TX 78572	(956) 584-1772	rprewett@sbcglobal.net
Texas Corn Producers Board David Gibson	4205 North I-27 Lubbock, TX 79403	(806) 763-2676	dgibson@texascorn.com
Texas Cotton Ginners' Association Tony Williams	408 West 14 th Street Austin, TX 78701- 1619	(512) 476-8388	tony@tgca.org
Texas Deer Association Jimmy Hasslocher	403 E. Ramsey Suite #204 San Antonio TX 78216	(210) 767-8300	marta@texasdeerassociation.com
Texas Economic Development Council Carlton Schwab	1300 Guadalupe, Suite 107 Austin, TX 78701	(512) 480-8432	tedcinfo@texasedc.org
Texas Farm Bureau Kenneth Dierschke	P.O. Box 2689 Waco, TX 76702	(254) 751-2220	kdierschke@txfb.org
Texas Forestry Association Ron Hufford	P.O. Box 1488 Lufkin, TX 75902- 1488	(936) 632-8733	rhufford@texasforestry.org
Texas Grain and Feed Association Ben Boerner	2630 West Freeway #100-A Fort Worth, TX 76102-7117	(817) 336-7875	ben@tgfa.com
Texas Grain Sorghum Producers Board Wayne Cleveland	P.O. Box 2368 Lubbock, TX 79403	(800) 692-4169	wcleveland@sorghumgrowers.com
Texas Nursery and Landscape Association, Inc. Ed Edmondson	7730 South IH-35 Austin, TX 78745	(512) 280-5182	eddy@txnla.org
Texas Mohair Producers Board Zane Willard	P.O. Box 5337 San Angelo, TX 76902	(800) 583-3161	zane@mohairusa.com
Texas Peanut Producers Board Shelly Nutt	4205 North I-27 Lubbock, TX 79403	(800) 734-0086	shelly@texaspeanutboard.com
Texas Pecan Producers Board Cindy Wise	P.O. Box 5976 Bryan, TX 77805	(877) 583-3161	pecans@tpga.com
Texas Petroleum Marketers and Convenience Store Association Chris Newton	701 West 15 th St. Austin, TX 78701	(512) 476-9547	cnewton@tpca.org

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Texas Pork Producers Association Ken Horton	P.O. Box 10168 Austin, TX 78766	(512) 453-0615	kentppa@austin.rr.com
Texas Poultry Federation James Grimm	595 Round Rock West Drive, Suite 305 Round Rock, TX 78681	(512) 248-0600	tpf@jumpnet.com
Texas Produce Association John McClung	901 Business Park Drive, Suite 500 Mission, TX 78572	(956) 581-8632	johnmclung@msn.com
Texas Propane Gas Association Bill Van Hoy	8408 IH-35 Austin, TX 78753	(512) 836-8620	bvanhoy@txpropane.com
Texas Retailers Association Chuck Courtney	504 West 12 th Street Austin, TX 78701	(512) 472-8261	txretailers@txretailers.org
Texas Rice Producers Board Vicki Rao	1806 Avenue D, Suite 106 Katy, TX 77493	(281) 391-3655	vickirao@gmail.com
Texas Seed Trade Association Charles Leamons	P.O. Box 906 Brenham, TX 77834-0906	(979) 251-8970	clseed@texasseedtrade.com
Texas Sheep and Goat Predator Management Board Penny Price	P.O. Box 3543 San Angelo, TX 76902-3543	(325) 659-8777	sgpmb@wcc.net
Texas Sheep and Goat Raisers' Association Sandy Whittlely	P.O. Box 2290 San Angelo, TX 76902	(915) 655-7388	tsgra@wcc.net
Texas and Southwestern Cattle Raisers Association Eldon White	1301 West Seventh Street Fort Worth, TX 76102	(817) 332-7064	ewhite@cattleraisers.org
Texas State Florists' Association Dianna Doss	P.O. Box 140255 Austin, TX 78714	(512) 834-0361	TXSFA@aol.com
Texas Vegetable Association J, Carnes	901 Business Park Drive, Suite 500 Mission, TX 78572	(956) 581-1881	johnmclung@msn.com
Texas Vegetation Management Association David Wall	6402 Betty Cook Drive Austin, TX 78723	(512)933-9930	pnorth@sbcglobal.net
Texas Wheat Producers Board Rodney Mosier	2201 Civic Circle, Suite 705 Amarillo, TX 79109	(806) 352-2191	info@texaswheat.org
Texas Wildlife Association Kirby Brown	401 Isom Road, Suite 237 San Antonio, TX 78216	(210) 826-2904	k_brown@texas-wildlife.org

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Texas Wintergarden Spinach Producers Board Kenneth White	4676 RR 1501 Uvalde, TX 78801-4623	(830) 591-8111	Kg-white@tamu.edu
Texas Wine and Grape Growers Association Dacota Julson	701 South Main Street Grapevine, TX 76051	(817) 454-0570	dacota@twgga.org
U.S. Livestock Genetics Export Mike Phillips	413 North Broadway Suite C, Salem, IL 62881	(618) 548-9154	phillipsm@uslge.org
U.S. Rice Producers Association Dwight Roberts	2900 Wilcrest, Suite 180, Houston, TX 77042	(713) 974-7423	dwight@usriceproducers.com
INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS (that serve as an information clearinghouse or regularly interact with your agency)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Association of American Warehouse Control Officials Rick Garza	P.O. Box 12847 Austin, TX 78711	(512) 936-2430	Rick.garza@tda.state.tx.us
Association of Fruit and Vegetable Inspection and Standardization Agencies Shannon Shepp	Division of Fruit and Vegetables Florida Department of Agriculture P.O. Box 1072 Winter Haven, FL 33882-1072	(863) 291-5820	shepps@doacs.state.fl.us
Association of Official Seed Analysts Brent Turnipseed	SDSU Seed Lab Plant Science Department P.O. Box 2207 A Brookings, SD 57007	(605) 688-4589	brent.turnipseed@sdstate.edu
Association of Official Seed Control Officials Mary Smith	1 Natural Resources Drive Little Rock, AR 72205	(501) 225-1598	mary.smith@aspb.ar.gov
Bob Bullock Texas State History Museum Toni Beldock	P.O. Box 12874 Austin, TX 78711	(512) 936-4660	toni.beldock@TheStoryofTexas.com
National Conference on Weights and Measures Beth Palys	15245 Shady Grove Road, Suite 130 Rockville, MD 20850	(240) 632-9454	ncwm@mgmtsol.com
National Food Service Institute Dr. Charlotte Oakley, Executive Director	University of Mississippi, 6 Jeanette Phillips Drive, P.O. Drawer 188, University, MS 38677-0188	(662) 915-7658	nfsmi@olemiss.edu

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
National Plant Board Aurelio Posadas, Executive Secretary	P.O. Box 847 Elk Grove, CA 95759	(916) 709-3484	aureliop@elkgrove.net
School Nutrition Association Barbara Belmont Executive Director	700 South Washington Street, Suite 300 Alexandria, VA 22314	(703) 739-3900	servicecenter@schoolnutrition.org
Southern U.S. Trade Assoc. Jerry Hingle	2 Canal Street, Suite 2515, New Orleans, LA 70130	(504) 568-5986	jerry@susta.org
Texas Association for School Nutrition Rick Gresser, Executive Director	The Travis Building, 3520 Executive Center Drive, Suite 165, Austin, TX 78731	(512) 371-0087 ext. 11	rickg@tasn.net
Texas Association of School Boards Jim Crow, Executive Director	7703 North Lamar Blvd., Austin, TX 78752	(512) 467-0222	jim.crow@tasb.org
Texas Association of School Administrators Amy Beneski	406 East 11 th Street Austin, TX 78701	(512) 477-6361	abeneski@tasanet.org
Texas Beef Council Richard Wortham	8708 Ranch Road 620 North Austin, TX 78726	(800) 846-4113	beef@txbeef.org
Texas Food Bank Network Barbara Anderson	4388 W. Vickery Blvd., Suite 202 Fort Worth, TX 76107	(817) 735-9292	banderson@secondharvest.org
Texas PTA Kyle Ward	408 W. 11 th Street Austin, TX 78701	(512) 476-6769	kward@txpta.org
Texas Wine Marketing Research Institute – Texas Tech University Dr. Tim Dodd	Texas Tech University P.O. Box 41162 Lubbock, TX 79409- 1162	(806) 742-3077	tim.dodd@ttu.edu
USDA Agriculture Marketing Service Kenneth Gladney	Amarillo Livestock Auction P.O. Box 30217 Amarillo, TX 79120	(806) 372-6361	kenneth.gladney@usda.gov
USDA, Agricultural Marketing Service-Monitoring Programs Office Martha Lamont	8609 Sudley Road, Suite 206 Manassas, VA 20110	(703) 330-2300	martha.lamont@usda.gov
USDA, Agricultural Marketing Service-Seed Branch Richard Payne	801 Summit Crossing Place Gastonia, NC 28054	(704) 810-8870	richard.payne2@usda.gov
USDA , Animal and Plant Health Inspection Service Kelly Preston	P.O. Box 9000 Brownsville, TX 78520-9000	011 (52-55) 1997-1511	kelly.preston@aphis.usda.gov

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
USDA, Animal and Plant Health Inspection Service Stuart Kuehn	903 San Jacinto, Suite 270 Austin, TX 78701	(512) 916-5241	stuart.w.kuehn@aphis.usda.gov
U.S. Environmental Protection Agency Maria Martinez	1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733	(214) 665-2230	martinez.maria@epa.gov
USDA National Agriculture Statistics Service Dave Abbe	USDA/NASS Texas Field Office P.O. Box 70 Austin, TX 78767	(512) 916-5581	dave_abbe@nass.usda.gov
USDA-Natural Resource Conservation Service Donald W. Gohmert	101 S. Main, Temple, TX 76501	(254) 742-9822	donald.gohmert@usda.gov
USDA-Rural Development Bryan Daniel	101 S. Main, Suite 102 Temple, TX 76501	(254) 742-9710	bryan.daniel@tx.usda.gov
LIAISONS AT OTHER STATE AGENCIES (with which your agency maintains an ongoing relationship, e.g., the agency=s assigned analyst at the Legislative Budget Board, or attorney at the Attorney General=s office)			
Agency Name/Relationship/ Contact Person	Address	Telephone	E-mail Address
Governor's Division of Emergency Management Jack Colley	Texas Department of Public Safety P.O. Box 4087 Austin, TX 78773-0220	(512) 424-2443	jack.colley@txdps.state.tx.us
Legislative Budget Board Jennifer Fox	P.O. Box 12666 Capitol Station Austin, TX 78711	(512) 463-1200	jennifer.fox@lbb.state.tx.us
Office of the Attorney General Barbara Deane	209 W. 14th St. Austin, Texas 78701	475-4300	barbara.deane@oag.state.tx.us
Office of the Governor Auburn Mitchell	Office of the Governor State Insurance Building 1100 San Jacinto Austin, TX 78701	(512) 463-2000	auburn.Mitchell@governor.state.tx.us
Office of the Governor, Economic Development and Tourism Aaron Demerson	Office of the Governor State Insurance Building 1100 San Jacinto Austin, TX 78701	(512) 936-0101	ademerson@governor.state.tx.us
Office of Rural Community Affairs Charles Stone	1700 N. Congress, Suite 220 Austin, TX 78701	(512) 936-6701	orca@orca.state.tx.us

Agency Name/Relationship/ Contact Person	Address	Telephone	E-mail Address
Secretary of State Melanie Best	1100 Congress, Room 1E.8 Austin, TX 78701	(512) 463-9863	mbest@sos.state.tx.us
State Apiary Inspection Service Paul Jackson	Department of Entomology Texas A&M University College Station, TX 77843-2745	(979) 845-9714	l-sebesta@tamu.edu
State Fair of Texas Daryl E. Real	P.O. Box 150009 Dallas, TX 75315	(214) 421-8792	dreal@bigtex.com
Texas Agricultural Experiment Station Dr. Mark Hussey	2142 TAMU College Station, TX 77843-2142	(979) 845-7980	mhussey@tamu.edu
Texas Alcoholic Beverage Commission Lou Bright	5806 Mesa Drive Austin, TX 78731	(512) 206-3204	lou.bright@tabc.state.tx.us
Texas Animal Health Commission Bob Hillman	P. O. Box 12966 Austin, TX 78711- 2966	(512) 719-0700	bhillman@tahc.state.tx.us
Texas Commission on Environmental Quality Glenn Shankle	12100 Park 35 Circle, Austin, TX 78753	(512) 239-3500	execdir@tceq.state.tx.us
Texas Cooperative Extension Dr. Ed Smith	Room 112, Jack K. Williams Admin.Bldg College Station, TX 77843-7101	(979) 845-7800	agextension@tamu.edu
Texas Department of Information Resources Rene Mauzy	300 W. 15th , Suite 1300 Austin, TX 78701	(512) 475-4750	rene.mauzy@dir.state.tx.us
Texas Department of Licensing and Regulation Chris Kadas	920 Colorado Austin, TX 78701	(512) 463-3306	chris.kadas@license.state.tx.us
Texas Department of State Health Services David L. Lakey, M.D.	1100 West 49 th Street Austin, Texas 78756- 3199	(512) 458-7375	david.lakey@dshs.state.tx.us
Texas Department of Transportation Doris Howdeshell	150 E. Riverside Drive Austin, TX 78704	(512) 486-5900	dhowdes@dot.state.tx.us
Texas Education Agency Robert Scott	1701 North Congress Avenue Austin, Texas 78701	(512) 462-8985	robert.scott@tea.state.tx.us

Agency Name/Relationship/ Contact Person	Address	Telephone	E-mail Address
Texas Ethics Commission Sarah Woelke	201 E. 14th Street Austin, TX 78701	(512) 463-5800	sarah.woelke@ethics.state.tx.us
Texas General Land Office Robert N. Jones	P.O. Box 12873 Austin, TX 78711- 2873	(512) 463-5236	robert.jones@glo.state.tx.us
Texas Health and Human Services Commission Albert Hawkins	4900 North Lamar Austin, TX 78781	(512) 424-6500	albert.hawkins@hhsc.state.tx.us
Texas Historical Commission Debra Farst	P.O. Box 12276 Austin, TX 78711	(512) 463-5758	debra.farst@thc.state.tx.us
Texas Lottery Commission Kim Kiplin	611 E. 6th Street Austin, TX 78701	(512) 344-5113	kimkiplin@txlottery.org
Texas Parks and Wildlife Department Ann Bright	4200 Smith School Road Austin, TX 78744	(512) 389-8558	ann.bright@tpwd.state.tx.us
Texas State Soil and Water Conservation Board Rex Isom	P.O. Box 658, Temple, TX 76503	(254) 773-2250	risom@tsswcb.state.tx.us
Texas Water Development Board J. Kevin Ward	P.O. Box 13231 Austin, TX 78711- 3231	(512) 463-7847	kevin.ward@twdb.state.tx.us

XI. Additional Information

A. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate. The chart headings may be changed if needed to better reflect your agency's practices.

Texas Department of Agriculture		
Exhibit 16: Complaints Against the Agency Fiscal Years 2005 and 2006		
	FY 2005	FY 2006
Number of complaints received	Not Available	Not Available
Number of complaints resolved	Not Available	Not Available
Number of complaints dropped/found to be without merit	Not Available	Not Available
Number of complaints pending from prior years	Not Available	Not Available
Average time period for resolution of a complaint	Not Available	Not Available

TDA promptly recognizes and responds to complaints against the agency. Each complaint is forwarded to the appropriate manager for review and resolution. TDA does not currently track complaints but is developing a system to track this information.

B. Fill in the following chart detailing your agency's Historically Underutilized Business (HUB) purchases.

**Texas Department of Agriculture
Exhibit 17: Purchases from HUBs**

FISCAL YEAR 2004

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction	0	0	0	11.9%
Building Construction	0	0	0	26.1%
Special Trade	\$16,549	\$455	2.75%	57.2%
Professional Services	\$148,412	\$21,732	14.6%	20.0%
Other Services	\$4,792,467	\$406,750	8.48%	33.0%
Commodities	\$1,492,452	\$398,488	26.7%	12.6%
TOTAL	\$6,449,452	\$827,426	12.8%	

FISCAL YEAR 2005

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction	0	0	0	11.9%
Building Construction	\$102,330	\$2,755	2.69%	26.1%
Special Trade	\$101,619	\$7,416	7.29%	57.2%
Professional Services	\$63,327	\$22,947	36.2%	20.0%
Other Services	\$2,944,074	\$535,961	18.2%	33.0%
Commodities	\$1,801,871	\$349,882	19.4%	12.6%
TOTAL	\$5,013,224	\$918,963	18.3%	

FISCAL YEAR 2006

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction	0	0	0	11.9%
Building Construction	6,890	2,490	36.1%	26.1%
Special Trade	66,794	1,884	2.82%	57.2%
Professional Services	53,138	9,300	17.5%	20.0%
Other Services	3,464,735	591,947	17.0%	33.0%
Commodities	1,677,985	448,095	21.0%	12.6%
TOTAL	5,717,640	1,053,717	18.4%	

C. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy?

TDA has a current HUB policy and addresses any shortcomings with TDA's Executive Administration. Attached please find TDA's HUB Policy, Mentor Protégé Program, Purchasing Coordinator's job description and a copy of literature on our 5th Annual Texas State Agency HUB forum held last held on June 29, 2007.

D. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Tex. Government Code, Sec. 2161.252; TAC 111.14)

Yes, the agency follows all legal requirements regarding subcontracting.

E. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.

	Response / Agency Contact
1. Do you have a HUB coordinator? (Tex. Government Code, Sec. 2161.062; TAC 111.126)	Yes. Contact: Darryl Gaona, 512/463-7499
2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency? (Tex. Government Code, Sec. 2161.066; TAC 111.127)	Yes. Contact: Darryl Gaona, 512/463-7499
3. Has your agency developed a mentor-protége program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Tex. Government Code, Sec. 2161.065; TAC 111.128)	Yes. Contact: Darryl Gaona, 512/463-7499

F. Fill in the chart below detailing your agency's Equal Employment Opportunity (EEO) statistics.

Texas Department of Agriculture							
Exhibit 18: Equal Employment Opportunity Statistics							
FISCAL YEAR 2004							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	37	11%	7%	5%	11%	41%	31%
Professional	281	10%	9%	26%	10%	34%	47%
Technical	57	7%	14%	21%	18%	34%	39%
Protective Services	0	0	18%	0	21%	0	21%
Para-Professionals	23	9%	18%	18%	31%	78%	56%
Administrative Support	89	29%	19%	31%	27%	90%	80%
Skilled Craft	2	0	10%	0	28%	0	10%
Service/Maintenance	6	0	18%	83%	44%	0	26%

FISCAL YEAR 2005							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Admin	34	12%	7%	12%	11%	38%	31%
Professional	297	10%	9%	25%	10%	34%	47%
Technical	65	6%	14%	23%	18%	28%	39%
Protective Services	0	0%	18%	0	21%	0	21%
Para-Professionals	17	18%	18%	2%	31%	76%	56%
Administrative Support	84	20%	19%	32%	27%	91%	80%
Skilled Craft	1	0	10%	0	28%	0	10%
Service/Maintenance	7	0	18%	86%	44%	0	26%
FISCAL YEAR 2006							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Admin	36	11%	7%	11%	11%	31%	31%
Professional	286	9%	9%	27%	10%	35%	47%
Technical	61	5%	14%	23%	18%	30%	39%
Protective Services	0	0	18%	0	21%	0	21%
Para-Professionals	14	14%	18%	14%	31%	79%	56%
Administrative Support	79	25%	19%	28%	27%	94%	80%
Skilled Craft	1	0	10%	0	28%	0	10%
Service/Maintenance	6	0	18%	83%	44%	0	26%

G. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

TDA has a current equal employment opportunity (EEO) policy and addresses any shortcomings with TDA's Executive Administration. In order to enhance minority recruitment TDA attends job fairs at historically minority colleges (ex: Huston-Tillotson, St. Edwards, Prairie View) and post vacancies with minority groups (ex: LULAC, NAACP, Network of Asian American Organizations).

XII. Agency Comments

The Commissioner and TDA staff would be pleased to provide any additional information to assist the Sunset Commission in its review of the department. Additionally, the agency looks forward to the opportunity to discuss TDA operations with Sunset staff as the process moves forward.

ATTACHMENTS

Attachments Relating to Key Functions, Powers, and Duties

1. TDA enabling statute.
2. Annual reports.
3. Internal and external newsletters published by TDA from FY 2005 - 2006.
4. List of publications and brochures describing the agency.
 - Agricultural Diversification through Nature Tourism
 - Biofuel Fact Sheet
 - Building an Agribusiness or Small Business Plan
 - Business Retention and Expansion Program
 - Certified Retirement Community Program Brochure
 - Rural Economic Development Brochure
 - Texas Capital Fund Brochure
 - Handling of Marketing and Perishable Commodities brochure
 - Seed Arbitration Pamphlet,
 - Plant Variety Protection Questions and Answers Pamphlet,
 - Seed Information Handout, Cotton Pest Control Law Notice Posters
 - Attention Cotton Harvesters and Transporters Posters.
 - Licensing to Apply Pesticides to Lawns, Trees and Ornamentals
 - Pesticide Applicators Employed by Political Subdivisions
 - Pesticide Complaint Investigation Procedures
 - Pesticide Prior Notification for Farm Operators
 - Pesticide Prior Notification for Neighbors and Their Employees
 - Pesticide Texas Worker Protection Law
 - Pesticide Worker Protection Pesticide Exposure
 - Preventing Pesticide Misuse in Controlling Animal Pests
 - Private Pesticide Applicator Recordkeeping Requirements
 - The Pesticide Label
 - Using Donkeys to Guard Sheep and Goats
 - Procedures for Applying Regulated Herbicides
 - Pesticide Applicator Licensing in Texas
 - Pesticide Commercial/Noncommercial Applicator License
 - Pesticide Private Applicator License
 - Pesticide Dealer – How to Comply
 - Pesticide Dealer – Stop Use, Stop Distribution or Removal Orders
 - Proteccion Para El Trabajador Agicola en Texas
 - Que hago si he sido expuesto a pesticidas?
 - Resumen de Reglamentos de Notificacion Previa para Agricultores
 - Resumen de Reglamentos de Notificacion Previa para vecinos y sus Empleados
 - GO TEXAN Infoletter

- Texas Wine Infoletter
- Texas Yes! Infoletter
- Texas Shrimp newsletter
- Kids@Heart newsletter
- Grow Texan, a horticulture and produce industry e-zine
- Recipe for a Healthy Texas Family flyer (English and Spanish)
- 10 Easy Ways to Change Your Family's Eating Habits (English and Spanish)
- Suggestions for Nutritious Snacks (English and Spanish)
- Horticulture info-cards promoting cut flowers, poinsettias, desert plants, Easter lilies and GO TEXAN for retail display
- *Open Range*, a one-time international livestock magazine produced in partnership with the International Committee of the Houston Livestock Show and Rodeo
- Texas Yes! program overview
- GO TEXAN membership information/application brochure
- Texas Superstars
- Texas Certified Farmers Markets
- Texas Pick-Your-Own Farms
- MAP Branded Program
- International Marketing
- Market News
- Texas Choose and Cut Christmas Tree Farms
- Texas Cut Flower Growers
- Texas Forestry
- Texas Turfgrass
- Deer-Resistant Plants
- Texas Yes! membership information/application brochure
- Pure Quality, Pure Texas
- Texas Herb Growers
- Texas Shrimp Wholesalers Directory
- Texas Leathers
- International Buyers' Brochure
- School Foodservice Buyer's Guide
- Know Your Market
- Texas Dairy Goat Directory
- Texas Livestock Directory
- Texas Equine Directory
- Texas Wine Grape Guide
- Texas Winery Guide
- Cut Flower Manual
- Cut Flower Resource Guide
- Texas Produce Directory
- Texas Farmers Market and Pick-Your-Own Directory
- Texas Olive Growing Manual
- Starting a Choose and Cut Christmas Tree Farm

- Texas Horticulture Directory
 - Southwest Desert and Native Plant Manual
 - Texas Wool and Mohair Directory
 - Going Global
 - 2004 and 2006 Texas Winery Guide
 - Introductory Guide to Organic Production
 - Texas Yes! Event Starter Kit
 - Revised Texas Horticulture and Produce Directories on CD-ROM
 - Make Your Getaway: The Biggest Little Guide to Rural Texas Destinations
 - Go-to GO TEXAN Recipe and Idea Book
 - Tips from Texas (GO TEXAN Guide)
5. List of studies TDA is required to do by legislation or riders.
- Breakfast Participation Analysis HB 4062
 - Transfat Study HB 4062
 - Feral Hog Abatement Report HB 1 Art. VI Rider 23
6. List of studies from other states, the federal government, or national groups/associations that relate to or affect TDA or agencies with similar duties or functions.
- Automatic Temperature Compensation (ATC) – In response to recent questions on issues related to retail fuel pump temperature variations and the impact on the volume of fuel sold at retail outlets, the Congressional Committee on Science and Technology requested in May 2007 that the National Academy of Sciences conduct a study to determine whether a problem exists and whether the use of ATCs is warranted. The National Conference on Weights and Measures (NCWM) has also formed a steering committee to study issues related to ATC at retail outlets. If the outcome of these studies supports the mandatory use of ATC at retail outlets, TDA would be required to perform additional tests in order to certify the accuracy of the fuel pumps with ATC systems.
 - Food Research and Action Center: *Hunger Doesn't Take a Vacation*

Attachments Relating to Policymaking Structure

7. Biographical information - Commissioner Todd Staples
8. TDA's most recent rules.

Attachments Relating to Funding

9. TDA Legislative Appropriations Request for FY 2008-2009.
10. TDA financial reports FY 2004 - 2006.
11. TDA operating budgets FY 2005 - 2007.

Attachments Relating to Organization

12. Map of TDA regional boundaries, headquarters location, and field office locations.

Attachments Relating to Agency Performance Evaluation

13. TDA quarterly performance reports FY 2004 - 2006.
14. Internal Audit Plan FY 2007
15. Internal audit reports FY 2003 - 2007 completed by or in progress at the agency.

Texas Department of Agriculture Attachment Related to Agency Performance Evaluation Internal Audit Reports FY 2003 - 2007		
Fiscal Year	Report Name	Report Number
2007	In Progress - An Audit Report on Compliance with Significant Livestock Assistance Grant Program Requirements	07.04
2007	An Audit Report on a Consulting Engagement with the Food and Nutrition Division	06.04
2006	An Audit Report on Micro Strategy Financial Reports	06.03
2006	An Audit Report on Contract Compliance, Education Service Centers Region 5	06.02
2005	An Audit Report on Compliance with Outside Employment Policies	05.04
2005	A Management Audit of the Food and Nutrition Division	05.03
2005	An Audit Report on Texas Boll Weevil Eradication Foundation Contracts	05.02
2005	An Audit Report on Compliance with	05.01

	DIR TAC 202, 203, and 204	
2004	An Audit Report on Federal Compliance and Indirect Cost Rate Plan	04.02
2004	An Audit Report on the Texas Agricultural Finance Authority	03.11
2003	An Audit Report on the Texas Boll Weevil Eradication Foundation Zone Expenditures	03.05
2003	An Audit Report on the Financial Reporting Process	03.04

16. State Auditor reports FY 2003 - 2007.

Texas Department of Agriculture State Auditor's Office Audit Reports FY 2003 – 2007			
Fiscal Year	Release Date	Report Number	Report Title
2007	04/27/07	07-555	State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2006
2007	03/07/07	07-316	State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2006
2007	03/29/07	07-709	A Classification Compliance Review Report on the State's Attorney, Assistant Attorney General, and General Counsel Positions
2006	03/16/06	06-555	State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2005
2006	03/08/06	06-325	State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2005
2006	02/24/06	06-704	Workforce Planning Guide

Texas Department of Agriculture State Auditor's Office Audit Reports FY 2003 – 2007			
Fiscal Year	Release Date	Report Number	Report Title
2006	02/13/06	06-703	A Report on State Employee Benefits as a Percent of Total Compensation
2006	01/31/06	06-702	A Classification Compliance Review on the State's Inspector and Investigator Positions
2005	03/29/05	05-555	State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2004
2005	03/03/05	05-319	State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2004
2005	12/21/04	05-016	An Audit Report on Selected Entities' Compliance with Requirements Relating to Historically Underutilized Businesses and Purchases From People With Disabilities
2004	03/30/04	04-555	State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2003
2004	03/05/04	04-316	State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2003
2003	04/30/03	03-555	State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2002
2003	04/30/03	03-434	State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2002

17. 2006 Customer Service Survey.