

Sept. 3, 2006, 11:33AM

Education the elephant in the room

Experts predict grim future for state if leaders don't address gap among students

By GARY SCHARRER

Copyright 2006 Houston Chronicle Austin Bureau

AUSTIN — Imagine a Texas with declining household incomes, tax revenues that can't keep up with growing demands for services and children growing up worse off than their parents.

That's what Texans can expect unless government does a better job educating the rapidly growing Hispanic population, which could become the state's majority by 2025.

It's a crisis in the making, said Steve Murdock, the state's top population expert, and it comes at a time when state services for low-income people, including hundreds of thousands of Hispanics, already are strained.

And whether the warning bells ring too distantly into the future or sound the alarm for problems that are too abstract, there's little indication the major gubernatorial candidates will invest much time responding to them before the November election.

"I'd like to say that I saw lots of signs that everything was changing, but I don't see it yet," Murdock said.

Without changes, starting with education, Murdock projects that within 35 years, the average Texas household will earn \$6,500 less than it does now, more than that if the number is adjusted for inflation.

Unless education achievement improves — leading to better-paying jobs for more people — tax revenues will fall in the coming decades even as demands for health care, social services and prisons increase, Murdock said.

Last year, Hispanic students made up 45 percent of the public school enrollment, and they are on the verge of becoming the majority.

Yet the dropout rate for Latino students continues to hover around 48 percent, according to the San Antonio-based Intercultural Development Research Association.

The gubernatorial candidates say an improved education system and better economic opportunities are priorities, but they aren't clear how they would accomplish either goal.

And so far, candidates have spent as much time attacking one another as they have discussing the future.

After repeatedly failing to do so, the Legislature and Gov. Rick Perry claim to have complied this year with a Texas Supreme Court order to find a way to equitably fund public education. But their critics contend Perry and state leaders made incremental changes in public education only after the Supreme Court threatened to close the schools if they did not do so.

Because all revenue from a new business tax is dedicated to cutting property taxes, they say the new school law ignores Murdock's warnings.

'The highest priority'

These candidates and other state leaders are paying only "lip service" to educational attainment, said Mike Moses, formerly the state's education commissioner and the former superintendent in the Lubbock and Dallas school districts.

"If we don't really give it the highest priority to every child, I think we can safely say that Murdock's predictions will probably come true," Moses said.

The numbers bear him out.

The Hispanic population in Texas grew by nearly 1.2 million people between 2000 and 2004, according to the U.S. Census Bureau.

That same year saw an increase of only 147,678 whites.

Over the next 34 years, Hispanics will account for about 78 percent of the state's population growth and whites only 4 percent, said Murdock, who is director of the Institute for Demographic and Socioeconomic Research at the University of Texas at San Antonio.

Hispanics and other minorities now make up at least 90 percent of student enrollment in the state's major urban school districts.

That transformation also is reaching into suburban school districts, such as Cypress-Fairbanks outside Houston and North East in San Antonio, where minorities have become the majority student enrollment.

And it is in the schools, where the fight to stave off Murdock's dire predictions begin.

"Unless Texas changes course, we doom an entire generation of kids," said Rep. Pete Gallego, D-Alpine, the state House Mexican American Caucus chairman. "We don't doom them to mediocrity. It's worse than that because we take away their opportunity."

Children from low-income families continue to pour into the state's public school system. Not quite a majority six years ago, low-income children now represent nearly 56 percent of the state's 4.5 million public schoolchildren. The number of limited English-proficient children also continues to grow by about 30,000 a year.

And test scores for 2004-05 show a significant achievement gap. On the Texas Assessment of Knowledge and Skills tests in the fifth, seventh, ninth and 11th grades, the gap between white children and limited-English students was nearly 60 points.

"The numbers are astonishing to me," said professor Angela Valenzuela, director of the Texas Center for Education Policy at the University of Texas at Austin. "We need more school funds, and we need equitable school funding. The ones who most zealously protect their status are the representatives of the wealthiest districts. I think that unmask their motives."

She called the trend line "unjust and polarizing."

Clashing policy

The new school finance law adopted by the Legislature this spring after five sessions over the past three years will make it harder for school districts to generate revenue because voter approval, not school board action, will generally dictate future school tax increases. And those voters with the most discretionary income will be older whites without children in schools.

"Everything that we have done is designed to exacerbate these trends," said Gallego, the Alpine Democrat. "We raise tuition at colleges and universities, and we cut the amount of money available for financial aid. And we made it more difficult for school districts to raise revenue."

But spending more for education investment collides with the clamor for tax cuts and stiffer property appraisal caps.

"The political body that is most vocal at this point in time is the 'no tax' groups, and they are vicious in their zeal to hold the line on taxes," said Sen. Robert Duncan, R-Lubbock. "They are voting their principles, whether you agree with them or not."

"The biggest problem is that it's a short-term popular view. If we don't make investments today, then it will cost us more to correct the course later," Duncan said.

There is also strong resistance among some quarters in the state against increasing funding for public education.

"Unaccountable, bureaucratic government schools clearly aren't currently lifting the minority population out of poverty and improving educational outcome," said Peggy Venable, state director for Americans for Prosperity, a group that supports lower taxes and less government.

Her organization supports vouchers for private schools and giving parents more school choices.

"Hispanic parents recognize that education is a way out of poverty," Venable said. "We think that parents know more about their children and where they might have the greatest success in education, certainly more than the government does."

Population experts and some lawmakers also are concerned about the trend in higher education.

The need to increase college enrollment inspired Texas higher education officials six years ago to adopt a "Closing the Gaps" initiative, which includes a focus on enrolling more Hispanic students.

But the gap is not closing.

The state "is not on track to meet the participation goal," according to a progress report issued earlier this year by the Texas Higher Education Coordinating Board.

By 2015, the plan calls for about 5,000 more Hispanic students to be enrolled in college than whites.

But as of last year, the state's college enrollment included 319,459 Hispanics and 629,211 whites.

The enrollment numbers put Hispanics 20,000 under the state's goal.

Adding to the problems, lawmakers have allowed tuition rates to soar 62 percent on average after they deregulated tuition three years ago but have not increased financial aid to middle- and low-income students.

Funding for the TEXAS Grant scholarship program aimed at these students has remained flat from \$324.4 million in the 2004-05 budget to \$332.2 million for 2006-07.

"The statistics are alarming," said Sen. Rodney Ellis, D-Houston, the program's author. "Closing the Gaps says that we will fall far short of meeting the educational needs of our young people — especially young Hispanic students. Texas ranks last among the six largest states in the amount of student financial aid and grants that are available to students."

Widespread impact

Ruben Martinez, a professor at the University of Texas at San Antonio, is skeptical that Texas can make the necessary changes to avoid Murdock's projections.

"We're living in a time of great fear, and during times of fear, people are very reluctant to engage in change," said Martinez, interim department chair of the college of public policy.

Some Texans don't see the changing demographics as impacting them, state demographer Murdock said.

"But the reality is that they impact all of us because it will impact the tax revenues that support services," he said. "They will impact the consumer expenditures that drive our private-sector market. It's more than just problems for a set of people who may not look like us or be like us.

"If we don't do something, it's a problem that will impact all of us and the quality of life for all of us."

Chronicle reporter R.G. Ratcliffe contributed to this report.

[*gscharrer@express-news.net*](mailto:gscharrer@express-news.net)

[HoustonChronicle.com](http://www.HoustonChronicle.com) -- <http://www.HoustonChronicle.com> | [Section: Houston & Texas](#)
[This article is: http://www.chron.com/disp/story.mpl/metropolitan/4158588.html](http://www.chron.com/disp/story.mpl/metropolitan/4158588.html)