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Is Healthy Kids program good or bad? We'll know soon

by James A. Cooley

The biggest piece of legislation to emerge from the 75th Texas Legislature may have been HB 3, which created the Texas Healthy Kids Corporation.

The bill created a nonprofit organization to relieve the needs of an estimated 1.3 million uninsured Texas children. The first insurance policies are supposed to be in place by June of this year. Rep. Hugo Berlanga (D-Corpus Christi) pushed the bill in the House, while Sen. David Sibley (R-Waco) took the point in the Senate.

Supporters call the Healthy Kids Corporation an attempt to move away from the traditional government 'solutions' to problems. The goal was to create a private entity that sought competitive bids from private insurance companies to cover large "risk pools" of uninsured children. The state would furnish the startup money, but in five

The Texas Agenda '98

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years the corporation would supposedly be on its own. The supporters note that the final version of the bill contained many amendments sought by conservatives.

Critics still wonder if — despite the best intentions — the program will evolve into another costly entitlement program. They note that the history of "private" benefits programs indicates that few ever remove themselves from government funding.

One great concern is that there will be a push to integrate the corporation into the new federal Children's Health Insurance Program (CHIP). The lure of millions in federal money might be too strong for state leaders to resist.

At this point, the Texas program is still in its infancy. Whether it will live up to the

proponents' dreams or mutate into the detractors' nightmare is unknown.

What exactly is the Texas Healthy Kids Corporation, and how does it operate? A June 6, 1997, news release from Sibley provides a summary.

The bill created "a non-profit corporation which will establish an affordable, basic health benefits program for children under age 18 who are not covered by Medicaid or private health insurance." It will "be funded by a combination of state money and private sector donations." A "six-member board appointed by the governor will establish eligibility guidelines for children and criteria for participating insurance companies."

The corporation "will provide incentives such as tax breaks to insurance companies and health maintenance organizations that provide basic medical services for children."

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Hopwood controversy won't go away

by William Murchison

The University of Texas can't let go, seemingly of one of its favorite presuppositions — that racial quotas are necessary to boost blacks and Hispanics up the educational ladder.

Wearily Atty. Gen. Dan Morales says that at UT's request he will consider making this argument to the Fifth Circuit Court of Appeals — though he hasn't much hope that the learned judges will pay attention. "I would not be optimistic about the reinstatement, legally or constitutionally, of race-based decision-making," Morales says.

It is not easy to say whether UT's top officials, who have mourned the *Hopwood* decision ever since it came down from the appeals court, really, truly believe there is a chance to reverse it.

There is a disingenuousness in UT's defense of racial quotas. The administration talks about numbers — the sharp drop in black and Hispanic admission to UT, and especially its

law school, since *Hopwood* took effect. The drop is unquestionable. The question always left dangling when UT officials wept bitter tears over *Hopwood* is why racial neutrality in admissions accounts to bad public policy.

Because state universities outside the Fifth Circuit's jurisdiction (California excepted) don't play by the rules that supposedly hamper UT, UT administrators venture.

Oh. That makes it all plain. The school's interests take top priority. The interest, for example, in maintaining, for public relations purposes, a racially diverse student body. The interest in persuading minority legislators to go on funding generously a mostly white-bread university system. *Hopwood*-phobia, at least when it surfaces in the news, centers on matters like these.

The interest of the students who, under *Hopwood*, don't make it into UT for some reason draws less scrutiny. The almost unconscious assumption is that these students

See Hopwood/7

Healthy Kids/from 1

Participating families "will pay low-cost premiums, subsidized by the Healthy Kids Corp., based on sliding scale income."

HB 3, the Sibley release said, will also "allow courts to order deadbeat parents, who do not honor medical support orders for their children who are on Medicaid, to reimburse the state for a portion of the Medicaid payment." The bill further allows a court to "order the parent to apply for coverage through the Healthy Kids Corp., and allow premium payments to be withheld by the parent's employers."

What are the policies likely to cost? A review of the corporation's web site (<http://www.tdi.state.tx.us/kids/kids.html>) shows a premium target of \$50 a month or less. The web site notes that a pilot program for a similar project in Laredo was able to offer policies at \$45 a month per child. While the premium would remain fixed, financial assistance to pay it would be available through the corporation. One option is to establish a sliding scale, based on parental income.

The benefits offered may include "immunizations, well-child visits, primary and specialty physician office visits, prescription physician office visits, prescription drugs, laboratory tests, and x-rays." The final details of hospital coverage are still being worked out, as are any coinsurance requirements.

A fact sheet distributed by the corporation notes that in 1997, "local school districts lost a total of \$4 million per day in funding because of absenteeism;" that uninsured Texas children "are five times more likely than insured children to use emergency rooms as their primary source of medi-

cal care;" and that Texas' 12 largest hospital districts "paid \$100 million in taxes for care given to uninsured children.

The Texas Healthy Kids Corporation is modeled after a Florida program which contains patient co-pay requirements. Co-pays provide a financial incentive to refrain from seeking expensive treatments for minor ailments. For example, the Florida system establishes a \$25 co-pay for emergency room visits.

A phone call to the corporation established that, unlike traditional government benefit programs, the insurance offered will have no income qualifiers. If you are in the target age group and not on Medicaid, you can participate. The goal is to create as large a risk pool as possible to keep down overall premium costs per-participant. So long as the program is run privately and contracts with private insurance companies to supply the coverage, this is seen as not competing with the private sector. Many private groups currently get volume discounts by creating expanded insurance risk pools. This plan simply uses that existing model on a much larger scale.

The fiscal note for the bill was positive. According to the Legislative Budget Board, HB 3 should generate \$207,500 for the General Revenue fund by the end of the biennium. A portion of the initial startup costs — \$159,116 for FY 98 — was to come from the Department of Insurance operating account. Another \$3,020,500 was to come from the General Fund in the same year. In FY 1999 the General Fund was to chip in another \$1.75 million.

The final installments of startup cash from this fund were \$1,500,000 in FY 2000 and 2001. No General Fund money was to be

available for the Healthy Kids Corporation after FY 2001.

The gains were projected to come from administrative fees assessed to run the program and reductions in state-paid Medicaid premiums for children not getting medical support coverage due in child support cases. The savings would also accrue to the federal government through reductions in Medicaid expenditures and other forms of uncompensated care.

Sen. Jane Nelson (R-Flower Mound), who voted against HB 3, gave *LSR* her reasons for doing so: namely, her concerns with government programs that resist all attempts at control. While the bill's authors may have wanted the corporation weaned off state money in five years, Sen. Nelson believes this is not a sure thing. Her remarks are featured in a sidebar.

Sibley told *LSR* he firmly believes that what he helped create is not some form of socialized medicine or Clinton-care, and openly wondered if some of the critics have read the final version of the bill. He notes that many legitimate concerns were successfully addressed prior to final passage. He believes what emerged was a private-sector solution to the problem. Excerpts from the interview are in a sidebar.

Which predictions for Texas Healthy Kids Corporation — those of the supporters or the skeptics — will prove accurate? It's too early to tell. No one doubts that much attention will be paid this ongoing project during the next legislative session.

NEXT WEEK: An overview of the federal Children's Health Insurance Program (CHIP) and how it might affect Texas.

Sibley: Healthy Kids bill a good thing

LSR: Why did you agree to be the Senate sponsor of the Healthy Kids legislation and how do you feel it is shaping up?

Sibley: I did it because we have a lot of kids that don't have health care and we were looking for some way to do it. We were, in my opinion, looking for a non-governmental approach. We're providing [through a nonprofit] insurance for these kids, but we're taking bids from the [insurance] providers and that sort of thing. I thought that would be kind of a slick way to do it.

I think, if we do this correctly, the plan is that this will be out of government all together. We're just kind of starting it, and when we get the foundation up and running, hopefully it won't take anything out of the state treasury and it will all be a private operation.

LSR: One concern raised has been the possibility that Healthy Kids will be somehow merged with the federal CHIP program. What are your thoughts?

See Sibley/5

Nelson: Healthy Kids bill a mistake?

LSR: Is the Texas Healthy Kids Corp. something that conservatives should support or be wary of? Does it reduce or expand government's role? And will some of the answers be determined by what happens in the next session?

Nelson: Those are a lot of good questions. To answer your question on whether this is something we should be wary of: I think we should be wary of anything the legislature does. There were some of us that were concerned last session that Healthy Kids could expand and become another entitlement. There are indications we might have been right. There is a possibility there will be an attempt to somehow merge Healthy Kids with the new federal CHIP program.

LSR: Why did you oppose HB 3?

Nelson: I was, from day one when the Healthy Kids Legislation was proposed, leery. Every time we enact a new program we're giving up some kind of freedom. I'm very hesitant to implement

See Nelson/5



Mauro goes on attack against Bush

• In an effort to get his poll numbers off the ground, Democrat gubernatorial nominee Garry Mauro launched his first television ad this week, attacking Gov. Bush's veto of the 1995 Patient Protection Act and outlining his view that HMO members should be allowed to choose their own doctors.

Bush was also slated to run his first ad, featuring proposals on education and crime.

• Bush also caught flak this week for making his appearances on his California trip this week off-limits to the press. Bush addressed the Wednesday Morning Club — a group of Hollywood film industry conservatives — and participated in fundraisers for himself, California GOP gubernatorial hopeful Dan Lungren, and the Republican National Committee.

Bush aides said he wanted the events closed to dampen presidential speculation, noting that approximately 20 national reporters had asked to cover the trip.

Mauro charged Bush with hypocrisy, dragging out Bush's criticisms of predecessor Ann Richards for making several trips to Hollywood during her tenure. Bush's response: Richards' fault was "hanging out with the liberal Hollywood elite," while Bush was meeting with conservatives.

Democratic team changing captains?

The Texas Democratic Party may finish the 1998 general election with a new leader at the helm.

Houston energy executive Bill White will announce at the party's executive committee meeting on April 25 whether he will seek another two-year term as state Democratic chairman. White was elected chairman in December, 1995, following the resignation of Bob Slagle.

Rumors of White's departure have intensified over the past two weeks. As of press time, party staffers had not been told of White's decision and indicated they weren't sure whether White himself had reached one. Business responsibilities and an interest in spending more time with his family are primary factors pushing him toward stepping aside.

White is said to want any successor to be one that has the consensus support of party members. Three names are circulating widely as possible contenders should White go:

- Molly Beth Malcolm of Texarkana, head of Texas Democratic Women;
- Ken Molberg of Dallas, former Dallas



County Democratic chairman; and

• Cecile Richards of Austin, executive director of the Texas Freedom Network (TFN).

Richards is the most prominent possibility, although it appears that she is being pushed for the job rather than actively seeking it.

"I guess I would be willing to consider it," she told the *Austin American-Statesman*. "Folks have been talking about all sorts of possibilities. Some folks have said I should think about it."

Those pushing Richards consider her a good leader, a good speaker, and someone from a family that still means a lot to many Texans. However, her activities on behalf of TFN could allow critics to paint the party further to the left than it is now portraying itself. And one party activist predicted understatedly that the prospect of a Richards chairmanship wouldn't sit well with Democratic attorney general nominee Jim Mattox, given his intense feud with Cecile's mother.

Edgewood vouchers

Since the Legislature has failed to act on a school voucher pilot plan, the idea's supporters took a new approach this week.

The Children's Education Opportunity (CEO) Foundation announced on April 22 that it would launch the largest privately-funded voucher pilot program in the country in San Antonio, and the first to target a specific school district.

The CEO Horizon Scholarship plan will make \$50 million available over 10 years to provide vouchers to students in the Edgewood Independent School District, located on the city's Hispanic West Side. Ninety-three percent of Edgewood ISD's 14,180 students meet the plan's requirements: that they reside in Edgewood ISD and qualify for federally funded free or reduced-price lunch.

The scholarship would pay full private-school tuition — up to \$4,000 for high schools and \$3,600 for elementary and middle schools — to students who transfer to the three parochial schools within Edgewood ISD. Those figures drop to \$3,500 and \$2,000

respectively for students who enroll in private schools elsewhere.

Archdiocese of San Antonio superintendent Dale Hoyt said the three parochial schools had 150 spaces available for new students this fall and might be able to accommodate hundreds more. He also suggested the archdiocese could expand current facilities and build new schools if demand is sufficient.

The local CEO foundation is contributing \$5 million to the Horizon program. The remainder is coming from the group's national affiliate, CEO America, and San Antonio philanthropist Dr. James Leininger.

CEO leaders believe the vouchers will be a magnet for the revitalization of the area and help raise property values. "Three years from now, there's going to be plenty of evidence that people are going to move into Edgewood to take advantage of the schools, the area and the scholarship...they can't get anywhere else," said CEO managing director Robert Aguirre.

District superintendent Dolores Muñoz was skeptical of that claim, and suggested that the group's funds would be better spent on upgrading the public schools. "We know choice is out there," she said. "We also know that we ourselves have to create reform to keep students. Here we are charting a course, but to continue that target of reform we still need funds... We must not, because of choice, forget public schools."

The Edgewood district was the lead plaintiff in the school finance litigation that led to the Robin Hood wealth redistribution plan. The district's student enrollment has declined in recent years for a variety of reasons, resulting in the 1996 closure of Edgewood High School.

Round two in Medicaid abortion fight

As expected, six Texas abortion providers asked the Third Court of Appeals on April 20 to overturn a ruling by State Dist. Judge Paul Davis and require the state's Medicaid program to pay for elective abortions.

Davis, an Austin Democrat, ruled last month that the Texas Constitution allows the state to fund abortions only in cases involving rape, incest, or endangerment to the mother's life. If the decision is overturned,

See Around Texas/7

We welcome your leads, suggestions and comments. Please contact us at 512/472-6076, Fax 472-6051 or e-mail lsr@io.com.



Have Democrats divorced key constituents to marry bureaucracy?

For half a century, starting in 1932, the Democratic Party was the majority political party. Its dominance was based on the mission of "social justice" through services (and redistribution) of government in behalf of middle-class Americans and those less fortunate.

But since 1980, it has become evident that while most Americans still believe in "social justice," they no longer believe it can be found in the Democratic Party, or in government services.

The Democratic Party is by all appearances inseparably wed to big government. The party's most reliable voting bloc, the unions, is finding its only major area of growth is government employees. As such, the unions support any and every proposal for growth of government. And make no mistake, government (federal, state, and local) that spends nearly 50¢ of every dollar of personal income encompasses a massive range of direct and indirect beneficiaries who are all voters.

Sounds like a winning strategy for endless growth and prosperity for the Democratic Party. Why, then, the decline in favor and support?

The defections from the Democratic Party to Ronald Reagan's bandwagon show where and how the liberal consensus has come unglued.

- The growth of the welfare state became openly anti-family and anti-religion, substituting welfare services and income redistribution for functioning families, parental control, self-reliance, and providence. The role of community volunteerism, particularly of religious organizations, was eschewed. Working-class families rebelled against both the dogma and tax burden of the Great Society by breaking lifelong ties to the Democratic Party and voting for Reagan's Republican Party.

- Union workers, staunch supporters of the Democratic Party that earlier championed their cause, became increasingly aware

David Hartman

that big government, in the guise of Robin Hood, was not just robbing the rich, but them as well. Government was enlarging the ranks of the poor through welfarism for Robin Hood to support. At the same time, the growing burden of taxation and regulation was sending the good jobs abroad to more tax-friendly countries.

- Farmers and the rural population came to realize that government subsidies and production controls were causing the loss of

“ If, as it would appear is the case, the Democrats can only find solutions through government, then still further defections can be assured. ”

growing foreign markets, and that a free market in agriculture offered greater prospects for prosperity. Worse still, environmental zealots threaten not just their property rights but also the economic utility of their property.

If, as it would seem, the Democrats can find solutions only through government, then still further defections can be assured.

- The public schools are a classic case of the type of 20th century bureaucracy that can only be remedied by radical changes restoring local control, accountability, and competitive justification of performance and cost. The Democrats continue to resist radical restructuring and choice. This resistance reflects their ideological commitment to the schools' centralized purveyance of multiculturalism, for which in turn the Democrats receive staunch political sup-

port. The minorities who suffer the greatest loss of opportunity from the worst of our non-functional schools are ready to desert the Democratic Party for school choice.

- The support of minorities for special rights enforced by all-encompassing federal regulation and enforcement is rapidly turning to opposition. Hispanics and Asians are increasingly demanding that they be identified and treated only as Americans. And a growing number of blacks are now convinced that treatment as victims only causes disadvantage and encourages the embrace of victimhood. The working-class whites who are the real victims of reverse discrimination are packing their bags and leaving the party.

- All Americans, advantaged and disadvantaged alike, are becoming aware that welfarism has expanded rather than eliminated poverty and is no substitute for families and self-reliance. Here again, minorities and recent immigrants do not find representative the views of those Democrats who purport to represent them. They make inviting candidates for conversion.

If the 20th century can best be represented as the century which saw the rebirth and restoration of big government, there are many reasons for optimism regarding the potential of the 21st century to be the century in which individualism, community, and family were reborn. The pace of change, the revolution in telecommunications and data processing, the growing distaste for government, and rediscovery of values can produce new political forces that will be based on freedom, self-reliance, and a return to families as the fundamental economic and welfare unit of our society.

The Democrats will either have to reinvent their party, or find their role as the populist party of this country superseded by some other party perhaps not yet conceived. Their natural constituencies will demand it. ★

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Calendar Of Texas Politics

April 27-May 3

To submit an item for LSR's Calendar of Texas Politics, call 512/472-6076, Fax 512/472-6051 or e-mail lsr@io.com. Include the name and phone number of a person to contact.

Monday 4/27

9:30a - Senate Economic Development Comm., Senate Chamber

Tuesday 4/28

9:30a - Joint Hearing of Senate Economic Development and Civil Justice Comms., Senate Chamber

10a - House Higher Education Comm. (Education Cost), Capitol E2.010

10a - Senate Finance Comm. (Art. 1, 6 & 7 Agencies), Capitol E1.036

1:30p - House Natural Resources Comm. (Groundwater Permit Exemptions), Dumas Lions Club Bldg., 6th & Porter (Dumas)

7:30p - President Bush fundraiser for lieutenant governor candidate Rick Perry, Doubletree Hotel at Post Oak (Houston)

Wednesday 4/29

9a - Legislative Comm. on Municipal Franchise Agreements for Telecommunications Utilities, City Hall, 2 Civic Center Plaza, 2nd Floor (El Paso)

10a - Senate Finance Comm. (Art. 1, 6 & 7 Agencies), Capitol E1.036

11a - Senate Public Information Comm., Constellation Ballroom, Sheraton Hotel, 5701 S. Broadway (Tyler)

2p - Joint Hearing of Senate Housing Comm. and House Urban Affairs Comm., City Hall, 2 Civic Center Plaza, 2nd Floor (El Paso)

5p - Reception for Sen. Buster Brown, Austin Club

7:30p - President Bush fundraiser for lieutenant governor candidate Rick Perry, Fairmont Hotel (Dallas)

Saturday 5/2

SPECIAL ELECTION IN TEXAS HOUSE DIST. 34

LOCAL ELECTIONS ACROSS TEXAS

Next week

Joint Hearing of House Comms. on Public Health and County Affairs (Indigent Health Care)

Receptions for attorney general candidate John Cornyn and Rep.-elect Kenn George

Sibley/from 2

Sibley: Well, that's a good point. I am concerned about it and I do wonder if it makes sense to do it. I don't think any decision has been made. I guess they are looking at, on the one hand, you have a whole lot of money out there that will go back to the feds. Do you just let it go back to the feds and proceed on with what we've done? Or do you scrap Healthy Kids and just go with the federal approach? I like the Healthy Kids approach in that it would get it out of state government.

LSR: Critics have raised the question of socialized medicine.

Sibley: Socialized medicine, what a crock! For the life of me, I can't [it] figure out.

LSR: Can this proposal turn into another big government entitlement program?

Sibley: The answer is no. I don't understand how they talk about socialized medicine. We're talking about a private insurance approach. If it works the way we hope it works, it will be completely out of state government in a private foundation, [and] funded privately. If that's socialism, I guess I don't know what the definition of socialism is.

This criticism came up with the first version of the bill that Hugo Berlanga produced. The House Republicans and the Conservative Caucus went to work and they completely changed it. By the time it came out of the House over to the Senate, that [approach] was not even a consideration anymore.

LSR: How did you get the private insurance providers to support HB 3?

Sibley: The insurance industry initially opposed the bill. Then they came over on it after the House got through. We made sure it was going to be open bidding [for insurance policies] and that they could do some things. ★

Nelson/from 2

another new program. I feel that there will be some hook somewhere down the line — and here it is with the federal government and the CHIP program.

LSR: Can the Healthy Kids Corporation be implemented in a way where skeptical conservatives can feel comfortable with it?

Nelson: If I knew the way, I would have suggested it during the legislative session. There were many of us that wanted very much to come up with some way to provide for these children in a conservative manner that would not be hooked into some government program. We couldn't come up with [it]. Now we were able, when the legislation [HB 3] was initially proposed to have some assurances placed in there. But, I'm not sure. I'm not comfortable.

This was very controversial and you had conservatives disagreeing on this issue. Those of us that were concerned that Healthy Kids was going to expand and become another entitlement — I hope we're wrong. But, I'm still very concerned.

LSR: The Texas Healthy Kids Corp. is supposed to be operational by June of this year. What information are you getting on their status? Are they keeping you informed?

Nelson: No. I am not convinced that that [the startup date] is going to happen by June. Either this week or next there is supposed to be a [status] report released to tell us where the heck we are. ★



Masset gives Republican post-primary post-mortem

With the primaries behind us, it is now time to focus on the main event in November. As *LSR* did following the legislative session and after the January filing deadline, we have gone back to representatives of the state's two major parties to get their reflections on what has happened and how things are shaping up for the general election campaign.

This week, *LSR* spoke with Royal Masset, political director of the Republican Party of Texas. Next week will feature a representative from the Texas Democratic Party.

LSR: What was the main message of the Republican primary?

Masset: A lack of excitement for either party. Quite clearly, there didn't seem to be any burning issues, there didn't seem to be any push for anybody. The candidates who won were mostly based on small personal agendas, but there wasn't any overwhelming big issue.

Turnout was low. We expected it to be low in an off-year, but it even seemed lower than I was expecting because of lack of excitement. It forebodes a very low turnout in November.

LSR: How serious a problem is it that the party's activists weren't energized during the primary?

Masset: I don't think it's a serious problem, in that the Democrats are suffering from the same thing. What it really means is that the Bush campaign will have more overall control of the November elections because they'll be the main turnout machine, they'll have the money, they'll set the agenda. It does mean they dominate more of the Republican field than would have been the case if there were more issues and more activists.

But there again, since he's clobbering Mauro, in some ways it still means when you take everything, we do a little better than we would have thought we would have done before the primary.

LSR: Is there anything the party can do to get the activists out between now and November?

Masset: Voter registration and some of the traditional things...But I really don't think in terms of galvanizing conservative activists, I'm not sure there are any issues that will do it, in a way because we feel we're winning. There is a sense that the I.R.S. will

change, there is a sense that a lot of things are headed in our direction, crime control has gotten much tighter, the economy is going well, taxes seem to be going down.

Even property rights doesn't have the same outcry. I think a lot of people think a lot of things the environmentalists have done are silly. As a result, the fear seems to be diminished from what it was before Gov. Bush took over.

LSR: Is Sharp/Perry the bellwether race for November?

“ **One thing that I think is going to be a real kiss of death for Democrats is so many female [Republican] candidates. I really think you're going to see a lot of Democrat females stay around the Republican column a lot longer than they would have simply because almost half of our candidates are female.** ”

Masset: It's certainly our toughest race, because Sharp will try to be their "ticket stopper," where if Bush wins by a wide margin, they need to recover down-ballot otherwise they get swept legislatively and locally.

LSR: Can the GOP sweep the statewide ballot if Perry wins?

Masset: Oh, I think if Rick Perry wins, it's over.

The only unknown variable to me is whether or not Paul Hobby spends a lot of money, and there's no evidence of it...Carole [Keeton Rylander] is campaigning all the time and doing very well.

LSR: Can the GOP sweep the rest of the statewide ballot if Perry loses?

Masset: Absolutely. One thing that I think is going to be a real kiss of death for Democrats is so many female [Republican] candidates. I really think you're going to see a lot of Democrat females stay around the

Republican column a lot longer than they would have simply because almost half of our candidates are female. I think Sharp is the only one who has a real shot at winning.

LSR: Garry Mauro doesn't seem to be making inroads against Gov. Bush. Is there a concern that Bush could win by too large a margin, thus creating complacency down-ballot?

Masset: Complacency is always a factor. The governor [c]ould win out of people not liking Garry and liking him, but wouldn't win on issues.

What I'm figuring is that the governor will get 62 percent of the vote, and I think once you pass 62 percent of the vote, there's roughly an 80 percent rise in our legislative vote. In other words, every 4 percent the governor goes past 62, our legislative candidates go up about 3 percent. Below [62 percent], we may have trouble picking up the House of Representatives; above that, it should be easy.

LSR: Obviously the dynamics of a Cornyn/Mattox race for attorney general differ from a Williamson/Mattox race. Does it work to the party's advantage that Cornyn is the party's nominee instead of Williamson?

Masset: Cornyn will be a very strong candidate. Cornyn will contrast very favorably with Mattox; in some ways, Williamson and Mattox have the same type of quirky personality.

Cornyn is just extremely strong and credible and will blow Mattox out of the water, and I think Mattox will have great difficulty in finding some chink in Cornyn's armor. Mattox — as he did with [Tom] Pauken and every other opponent he's had — would always find some little thing and beat it to death, and a lot of times, he would almost get his opponent to help him. I don't see that being the case with Cornyn.

LSR: How much effort will it take to hold onto the Senate?

Masset: The only race where there is any kind of race is the Galloway race. And of course, Galloway showed how strong he was in the primary. His only weak point has been fundraising. I think that if he was to have equivalent, or close to equivalent, funds to his challenger, there's no problem.

See Republicans/7



Republicans/from 6

LSR: Can the GOP get to 76 seats in the House if Perry wins?

Masset: Oh, yeah. The thing which I've said all along is that when you really look at the numbers, we're going to be extremely close no matter what. Even if, say, we lost two or three statewide races, we would still pick up five or six seats. And yet at most, by my projections, we pick up 10 or 11 seats.

In other words, we will win almost automatically most of the six open seats — we will win four or five of those. Incumbents are always very tough to beat in an off-year election, especially where the populace feels happy as they do today. So no matter what happens, we will probably be between 73 and 79 seats.

LSR: What counties does the party view as battlegrounds? Where do you see opportunities for breakthroughs in county-level races?

Masset: In Wichita County we might be able to swing two legislative seats and local seats. Hays County, we'll probably have a breakthrough. Ironically, in the Austin area — Bastrop County, Gonzales County.

A lot of counties in Ron Paul's district, because it's very Republican, yet we've never really built an organization.

The urban areas will be very static. Because of gerrymandering, they're already either Republican or Democrat, so you're not going to see any shifts in any urban areas. We may pick up one seat in Houston, and that would be our only chance at a legislative gain in an urban area. The suburbs are all Republican. They're with us, so there will be no shifts there. The rest is all rural which kind of makes for an interesting election.

That's why, like around this area, Hays County, in East Texas there are a lot of seats up. A very interesting race will be the [Rob] Junell race. Even though Junell is all-powerful, his numbers are so darn Republican, and we have an excellent candidate out there. It will be very interesting to see how that plays out.

LSR: Any other things to look for between now and November?

Masset: One thing I'm kind of curious to see is to what degree Hispanics and blacks will turn out to vote for Democrats. In other words, there could be a real dropoff in minority voting because of the lack of passion, or because of the sense that the Democrats really haven't done anything. ★

Hopwood/from 1

need to be at UT. Why they need to be there, if their grades don't justify their being there, isn't automatically clear.

The college admissions process, though one shouldn't romanticize its effectiveness, is supposed to route applicants to the academic destinations they hope for and fit into. The fitting isn't the least important part. Not to fit, academically speaking, because of inadequate preparation, is secular hell: a favor to no one, including the "favored" applicant, who very likely — UT rarely if never admits this — would fit in better at a less heavyweight school.

The United States is trying to solve its racial problems — which are real — in the federal courts: a near-impossible ambition. The outcome that fits one case may well not fit others. Still, you get a precedent and you're stuck.

Sympathy for UT may be hard to muster. The constitutional box it was dumped into by *Hopwood* was of the school's own manufacture. Had UT not adopted and pursued conscious policies of racial discrimination, it would hardly have been ordered to halt such policies.

This present phase — UT's hands tied by the courts, the attorney general dubious of a legal remedy — could prove a moment of transition. If blatant discrimination won't pass muster, another way has to be found — presumably a more basic way.

Though rarely if ever remarked by University of Texas hand-wringers, a public consensus for educational reform has been taking shape over the past few years (not unlike the growing consensus for reform of Social Security). Gov. Bush, not to mention particular aspirants like Rick Perry and John Sharp, is beating this particular drum for all its worth.

The objective: Raise standards all across the board; black schools, white schools, Hispanic schools.

The techniques: end social promotion; expand charter schools; experiment with a voucher system. In short, challenge the public schools to measure up.

All of which is long-term in nature. You don't solve your *Hopwood* problem overnight by stopping social promotion. On the other hand, if you do stop social promotion after all these years, and if you toughen standards and foster flexibility in

the educational marketplace, you help students of all races and minimize the possibilities for racial conflict stemming from perceptions of unfairness.

Meanwhile there are plenty of good, shall we say sub-UT, academic institutions in Texas to which we shouldn't be ashamed to point students not thoroughly qualified for the main university. The UT system itself funds and operates a number of these institutions — UT-San Antonio, UT-Permian Basin, UT-Tyler, and so on.

Do these institutions embarrass the UT system's princelings? Is it the assumption in Austin that the incorporation of blacks and Hispanics into higher education can take place in Austin only? If this is so, why do we maintain these other institutions at considerable expense to the taxpayers?

Thorough-going reform of public education in Texas, assuming the will for that to take place, could level the famous playing field that is said to slope downhill for whites, uphill for others. Reform, conscientiously and compassionately carried out, could be "affirmative action" in the most basic sense — a sense that seems so far to elude the distinguished minds that cluster on the Forty Acres. ★

Around Texas/from 3

the plaintiffs estimate that the state will be required to pick up the tab for an additional 4,000 abortions per year, at an annual cost to taxpayers of at least \$1.1 million.

People with new jobs

- House Human Services Chairman Harvey Hilderbran (R-Kerrville) has brought in Chris Britton as his new committee clerk. Britton had been chief of staff for Rep. Arlene Wohlgenuth (R-Burleson), a committee member, and replaces Ray Spivey, who left the Capitol to go work for the Texas Municipal Retirement System.

- David Dewhurst, Republican nominee for land commissioner, has added several people to his campaign. Media specialist Mark Sanders, who had worked for the unsuccessful primary campaigns of Tom Pauken and Jerry Patterson, is Dewhurst's new communications director; Ben Kanatti is in charge of advance operations; Marnie Ketchum is in charge of scheduling; and former Republican Party of Texas finance director Debbie Pabian will assist him with fundraising in the Metroplex. ★



Hall of Shame 1998 primary class adds another member

For the sake of balance, we tried to find an example of Democratic boorishness to include in the 1998 primary Hall of Shame class, but this year's Democratic primary was surprisingly civil. Instead, we had to settle for a former Democrat who switched parties when he filed for office on Jan. 1 even though his offensive behavior doesn't quite fit the criterion mentioned last week. We add him this week because the actions responsible for his recognition were still in progress as *LSR* went to press last week.

Bob Honts, Republican candidate for Travis County commissioner, precinct 2.

In the primary, Honts, a Democratic county commissioner from 1975-86, outspent his opponent by 11-to-1 yet lost by 51 to 49 percent. Disbelieving the results, he filed notice seeking a recount. However, the afternoon before the recount was to have started, he informed the GOP primary office that he was withdrawing his request.

End of story? Not nearly.

The following Monday, he filed a lawsuit in state district court to have the primary results thrown out and a new election called.

His grounds: a conspiracy theory that claimed the primary administrator's decision to consolidate 19 voting precincts was driven not by lack of poll workers (a problem also affecting local Democrats) but by his personal desire to suppress the turnout of Honts' supporters.

His evidence: a set of e-mails, intercepted by Honts operatives, that had been written by a low-level primary office employee expressing

personal preference for Honts' opponent. The most referenced of these e-mails was sent the day after the election, attributing the opponent's victory to his willingness to raise scandals from Honts' previous tenure.

Beyond that, the deposing of primary office employees was directed by the operative who intercepted the e-mails — the only non-party in the case invited to the deposition. Said operative, whose questions were conveyed through attorney Buck Wood, indicated a greater interest in the organization and activities of Travis County social conservatives than in the basis for consolidating polling places.

State Dist. Judge Rick Morris, brought down from Bell County to hear the case after local judges recused themselves, determined that party officials had failed to comply with state law regarding posting of polling locations at the county courthouse, but had made other efforts to tell voters of the changes. Morris did not believe the conspiracy theory or arguments that eligible voters had been denied their right to vote.

As a result, Honts' opponent, Jim Shaw, who spent \$1,300 to win the GOP primary, has already gone \$10,000 in the red to pay legal bills to preserve his victory against this lawsuit, which even Honts' backers charitably called frivolous. Even in a 55 percent GOP area, that puts the party's nominee in a pretty steep hole. And Honts has appealed, which promises to drag this dispute into June.

The lawsuit has united Travis County Republicans of most stripes — an amazing feat in and of itself — around a reworked campaign slogan: "Go (Away) Honts." ★

The Lone Star Report

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