THE GREAT DISPARITY: SOCIO, POLITICAL, AND ECONOMIC ISSUES FACING THE 1200 MILE TEXAS BORDER WITH MEXICO

THESIS

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DEDICATION

I would like to dedicate this thesis to the residents of the fourteen-hundred Texas colonias. May God shed hope and peace to all residents of the colonias for a brighter future. "Some people see things that are...and ask why? I dream things that never were...and ask why not?"- George Bernard Shaw

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CHAPTER 1

INTRODUCTION OF STUDY

As the population of the State of Texas continues to rise, so do the issues along the Texas border with Mexico. "If the forty-three counties of the Texas Border Region made up a 51st U.S. state, it would rank first in the nation for its poverty rate and last in educational attainment."[1] There are many concerns facing the twelve-hundred mile border stretching from El Paso to Brownsville. Poverty along the border is associated with the lack of economic development, staggering uncompensated health care costs associated with rampant infectious diseases, and settlements known as colonias that do not have properly engineered housing. Much of the poverty crisis along the border can be associated with the lack of educational attainment by residents. Education levels are commonly associated with a particular region's socio, economic, and political vitality.

Many of the issues surrounding the border were brought to center-stage by the Chicano Movement beginning in the 1960s in Crystal City, Texas. The word Chicano was directly used to symbolize ethnic pride among Mexican Americans during their political movements in the United States during the 1960s and 1970s.[11] To our present date, Mexican Americans continue to use the word Chicano. However, as strong as the Crystal City Chicano Movement was, it was unsuccessful in solving the disparity

crisis along the border. By analyzing the *The Cristal Experiment*[1], written by Armando Navarro, the reader is allowed to understand the political movements along the border during the 1960s and 1970s. *The Cristal Experiment* focused on a local Texas movement to reform years of segregation and disenfranchisement of Texas' Mexican-American population from voting and controlling local political positions.

Beginning in the 1980s, the Texas Legislature began to author key border bills that aimed to have a direct effect on progressively working to alleviate years of failed development along the border. Texas's ambition to improve health care, economic prosperity, living conditions, and educational attainment levels have highlighted some of the state's most proactive leaders efforts to implement a modern day infrastructure. However, legislation is only as powerful as the funding that stands behind the actual implementation of policy change. This thesis examines the pattern of Texas state and local governments' inability to sufficiently fund water development projects, economic investment, and social services along the Texas border. As the state's economy grows, so too do the costs associated to revitalize and invest in major capital projects on the Texas border.

It has been over two decades since the Texas Legislature began to focus on border issues, and, in 2006, the border continues to lie stagnant on pursuing economic and social equality in comparison to the other parts of the state. Data presented on the growing health care crisis will show the severity of the problem and how those Texas residents not living along the border are affected. The border has continuously been

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[1] Armando Navarro's book is titled *The Cristal Experiment*, presenting the Spanish spelling of the word Crystal. This is in reference to Crystal City, Texas, the city that founded the Texas Chicano Movement in the 1960s.

faced with a smaller ratio of health care providers compared to statewide, large proportions of infectious diseases, a higher percent of border residents living at or below the federal poverty level, lack of educational attainment (public and higher education), and mounting costs associated with uncompensated health care. Even though a majority of the political leaders along the border are Mexican American, their power is derived by what they control financially. Ordinances, budgets, and legislative initiatives are only powerful if those who control a community's wealth are in or associated with political power. Financial stability can be seen as the great disparity between prosperity and poverty along the border.[3] In 2001, the Texas Legislative Budget Board showed that the per capita personal income along the border was $18,347 dollars, compared to the state's per capita personal income of $30,222 dollars.[4]

The Foundations of the Texas Border Region

The Texas border region consists of forty-three counties stretching the twelve-hundred mile border with Mexico. The border is widely known in Texas as a region facing poverty and fiscal distress. In 2003, the Texas Comptroller of Public Accounts published a report that analyzed the forty-three county border region.[2] This report summarized the Texas border as being rated first in poverty rate (23%), school children in poverty (38%), unemployment rate (8%), percentage of adult population

[2] Border counties are defined differently throughout Texas agencies. The most common definitions used by local and state agencies are counties within 60-100 miles of the Mexican border. Statistics will be presented throughout this thesis using forty-three counties, thirty-two counties, and twenty-four counties all due to different definitions given by various agencies accumulating data.

that does not have a high school diploma, and birth rate if it were to become the fifty-first U.S. State.[5] The border counties would rank sixth in the average annual population growth in the 1990s, third in the death rate caused by diabetes, fifty-first in per capita income, forty-ninth in the percentage of households with a telephone, and fifty-first in average annual pay in construction.[6] This snapshot displays an image of the hardship and the lack of opportunity for many residents living along the border.

Each year before the Texas Legislature convenes, the Legislative Budget Board puts together a report highlighting all areas associated with state funding, public policy, and ranking Texas against other U.S. states. The 2006 report ranks Texas number one in educational drop-out rates compared to all other U.S. states.[7] Texas has the sixth highest percentage out of the fifty U.S. states of its population in poverty, and the eighth highest percentage of children in poverty.[8] The Legislative Budget Board reports that Texas ranks first in the percentage of the population not covered by health insurance.[9] State government expenditures in Texas are ranked forty-ninth out of fifty U.S. states, just beating out Florida as last place.[10] Texas ranks fiftieth in per capita state government tax revenue.[11] With Texas having almost the lowest per capita tax revenue in the country, residents are allowed to keep more of their own money, but it also means there is less tax revenue to be appropriated for social and state services such as education and health care. These statistics clearly identify the hypothesis that a state with strong social welfare programs, funded from tax revenue, can be directly tied into high educational attainment rates, increased per capita personal income, and less poverty among the state's residents.

It is hard to imagine that communities within the United States still lack some of the most basic needs. For example, running water, proper sewer and drainage lines, utilities and basic housing structures are not standard living commodities along the border. Poverty rates are higher on border than the state average; yet, when analyzing Texas' present tax structure, border residents who are concentrated in the lower to middle class bracket pay a larger tax incidence in sales and federal income tax compared to upper-middle to upper class Texans per person. Another report published by the Comptroller found that those Texans making $26,816 dollars a year or less pay 11.1% of property and sales tax. Those making between $26,816 dollars and $52,844 dollars pay 5.5%. For those individuals who make more than $126,345 dollars, they pay 3.2%.[12] The tax structure in Texas is set up with no personal income tax, so a majority of general tax revenue comes from property taxes and the sales tax. The Legislative Budget Board projects that in 2006 and 2007, the sales tax will be 57.5% of the total tax revenue collected in Texas.[13] The sales tax is a regressive tax because the poorer resident the greater the effective impact of payment.[14] Texas lawmakers may have to eventually decide on whether to reduce the regressive sales tax and substitute those lost dollars with a more progressive tax structure statewide to sufficiently fund state funded programs.

Taxes are used to help fund social services such as public education, law enforcement, state health care coverage, and a wide range of other services. When reviewing the tax structure in Texas, it is evident that the border communities where a majority of Mexican Americans reside have lower rates of educational attainment, and income. By comparing a border city such McAllen to Ft. Worth, one can examine the

disparities between two cities of somewhat similar size in different regions of the state. McAllen is located in Texas Senate District 20. District 20 has a total population of 676,225 which 16.7% have bachelor's degree or higher compared to the state average of 23.2%. Out of District twenty's total population, 494,799 or 71% are Hispanic. Approximately 35.7% of those over the age of twenty-five did not graduate high school, compared to the state average of 24.3%. Only 29.6% of the population earns more than $50,000 dollars a year, compared to the state average of 39.5%. Estimates show that 70.4% of the population of District 20 earns less than $50,000 a year, with 40.9% earning less than $24, 999 dollars compared to the state median household income of $40,934 dollars and per capita income of $30,222 dollars.[15]

The percentages are much different for Ft. Worth located in Texas Senate District 10, which has a total population of 706,179 and a Hispanic population of only 161,733 (23% of total population). Residents in District 10 that have a bachelor's degree or higher are 28%, almost 5% higher than the state average. Approximately 21.3% of those over the age of twenty-five did not graduate from high school. Nearly 45.7% of District ten's residents make over $50,000 dollars a year, and only 25.2% earn less that $24,999. Only 12% of District ten's population lives in poverty, compared to 23% in McAllen's District 20.[16] These disparities between the two Texas cities and Senate Districts with comparable population size, yet both different in demographics, show a sharp contrast between regions of within Texas. By comparing the data, one can see that economic opportunity and livelihood is distinctively different in these two cities. The earning power of Ft. Worth's Texas Senate District's population is significantly higher, meaning stronger economic vitality when compared

to McAllen's Texas Senate District. As earning potential and education levels increase in a community's population, one could assume that the city has a greater chance of attracting more economic development. As well, with a greater percentage of the population making over $50,000 dollars a year in Ft. Worth, there are a larger number of stakeholders who could have a direct impact on an economy. Statistical evidence shows that predominantly Hispanic communities have higher poverty rates than non-dominant Hispanic Texas communities.

The demographic change of this state is already in motion. All these statistics raise concerns about workforce development and educational attainment along the Texas border. The Federal Reserve Bank of Dallas published a report in October of 2005 which stated, "Hispanics, already a dominant force in Texas, are expected to become the majority population group by 2020."[17] The report clearly states that the key issue in Texas "will be to reduce the economic and educational disparities prevalent among the state's ethnic groups as the population continues to grow and evolve."[18] "During the 1990s, Texas' Hispanic population grew at a pace of 54% [over the decade], adding more than 2.3 million people. As a result, Hispanics now make up 35% of the state's population compared to roughly 14% at the national level."[19] The 2000 U.S. Census shows the State of Texas having just over twenty-two million people. When reviewing the demographics and population increases of Texas, it is important to measure what economic growth this state has seen when analyzing the Hispanic population.[20] The Federal Reserve Bank of Dallas reported that findings from the Census Bureau showed that "Hispanics are undoubtedly the largest segment in poverty in Texas...[showing] [i]n 1999, more than 1.6 million (25.4%) Hispanics in

Texas were poor."[21] Unfortunately, data reported in previous paragraphs show that the concentration of this poverty is along the border.

When it comes to economic development along the border, the workforce is unable to compete for high wage jobs because of low educational attainment. However, a strong area of the border economy deals with retail sales. The retail industry is faceted around the maquiladora industry which deals with cross-border retail trade.

The maquiladora industry was initiated in 1965 under the Border Industrialization Program ending a previous program known as the Bracero Program.[22] "The canceled Bracero Program had used Mexican labor in agriculture, and the replacement maquiladora was designed to relieve the resulting high unemployment rates in northern Mexico."[23] In 1942, the Bracero Program was initiated by the U.S. and Mexican government to assist poor Mexican laborers in getting jobs in the American agricultural industry.[24] The Bracero Program not only assisted Mexican laborers who had very little job stability after the 1910 Mexican Revolution, but the program also assisted the United States agriculture industry by recruiting low cost labor to work the fields.

In 1956, the El Paso Herald Post wrote "[m]ore thant 80,000 braceros pass through the El Paso Center annually. They're part of an army of 350,000 or more that marches across the border each year to help plant, cultivate and harvest cotton and other crops throughout the United States."[25] Bracero workers were "controlled by independent farmers associations" within the United States and would have to return to Mexico if U.S. farmers no longer needed their assistance.[26] As the Bracero

Program began to transition over to the modern day Border Industrialization Program, braceros became known as maquiladoras and began to be paid through the Mexican government instead of being paid directly from U.S. industries. The differences between the two are that braceros worked primarily for U.S. agricultural companies, whereas maquiladoras work predominantly for U.S. retail companies. U.S. companies like maquiladoras because they use cheap labor and allow companies to make higher profits by avoiding the payment of U.S. wages. Maquiladora's have been critical to the U.S. border because these Mexican workers spend their money in Texas and U.S. border communities creating more retail jobs. However, retail jobs have long been associated with low pay for their workers and little or no benefits.

The Federal Reserve Bank of Dallas reports a study by the University of Texas-Pan American that "estimates the total expenditures by Mexican visitors in the lower Rio Grande Valley amounted to $1.4 billion in 2003."[27] The report also shows that from 1978-2001, Brownsville's border export retail sales were 25.7%, El Paso's 11.3%, Laredo 51.1% and McAllen's 35.6%.[28] However, from 2001 to 2003, the maquiladora industry faced a downturn because of the U.S. and Mexican economic recessions. Additionally these industries were facing stiff competition from other foreign countries such China and India. However, El Paso seems to have revived the best out of all the other border cities during 2001-2003 recession, becoming the largest maquiladora sector in the U.S.[29]

Trying to capture the maquiladora market in the U.S. prompted a study by Sul Ross State University and the Rio Grande Institute to craft an economic tourism strategy. The goal was to "have Texas communities along the Rio Grande border

employ the assets of their natural and cultural heritage to build and sustain a viable tourism industry."[30] The report stated, "leaders in border communities and state government need to garner the political will and community support to make tourism development along the Rio Grande border a first tier objective."[31] The study states that the border communities have an advantage due to the implementation of NAFTA in 1994 and the historical maquiladora market. The study cites, "[a]s its (border community) has grown [,] and the disparity between job opportunities in the U.S. and Mexico widened, the border region has become a magnet for migrants from Mexico and from elsewhere in Texas and the U.S...[p]opulation pressures have strained infrastructure and put heavy burdens on the fragile tax base of communities."[32]

The aim of the report published by Sul Ross State University is to create an environment that promotes tourism to known travel destinations (such as Big Bend and the Rio Grande birding trail) along the border which gross $1 billion per year by bird watchers.[33] "In the fifteen Rio Grande border counties, travel and tourism produce over $164 million in sales tax revenue and close to $19 million in local tax revenue each year."[34] These figures did not take into consideration the increased tax base that could be attained if all forty-three counties were included in tourism expansion. The Sul Ross study also discussed how more low to mid income jobs would be created through tourism expansion. These jobs would assist in lowering the unemployment rate along the border, but these positions could prove difficult in raising low paying wages.

It is evident that there is great disparity between the border region of Texas and other parts of the state. With only a small percentage of border residents controlling

the wealth, initiating proactive programs on the border has proven to be difficult. The lack of a progressive and equitable tax system for the state has prevented many communities from receiving the needed dollars to promote proactive change. The Tax Foundation ranks Texas' business tax climate as the seventh best in the country.[35] This ranking gives a good image of Texas in order to lure more businesses and jobs to the state. The concerns are that for a state as large as Texas, having such a low tax base will fail to meet social service needs.

The border is viewed as a region with limited educational attainment which is translated into low paying jobs. Because of these low paying jobs that seldom provide benefits, the results often mean unsanitary housing settlements such as colonias. Colonia residents predominantly fulfill low paying jobs because they have no education, nor do they have the opportunity to progress their studies. Survival among colonia residents relies on all parents and siblings working in order to financially support their families. With less money for social service services available at the local level, state policy makers are faced with deciding whether or how to appropriate aid to the border region. Since the 1980s, state lawmakers have begun to turn their attention to the Texas border region in hopes of initiating reforms to end colonia development, improve health services, and find a way to improve already settled colonias. Eventually, lawmakers will need to decide whether an educated and healthy society is a productive society and if adding the extra funds necessary to help the border region improve to state median is an appropriate policy direction.

CHAPTER 2

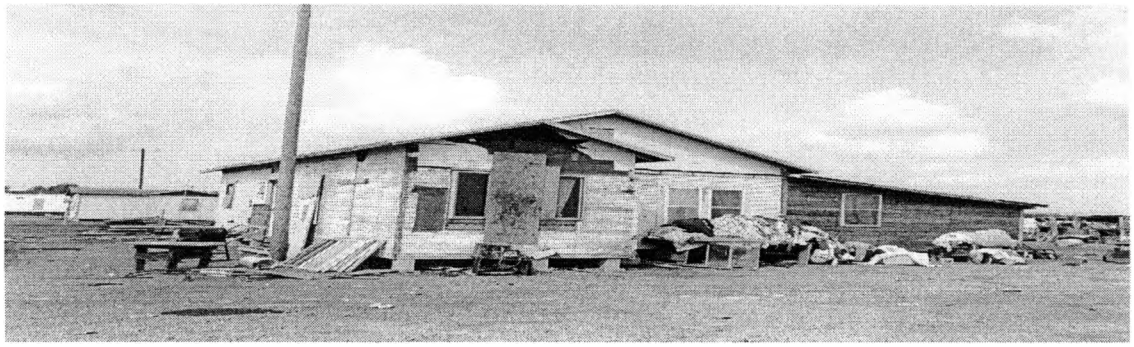
THE TEXAS LEGISLATURE'S APPROACH TO THE BORDER, 1980S-2006

Texas has always been a state admired by many for its distinct heritage and vast western frontier. The state has a proud history which emphasized the heroic pursuit of independence in 1836 and eventual admission to the Union in 1845. When many Americans think of Texas, they envision the traditional cowboy and rancher, wide open spaces, and a big blue sky. Although for many residents these beliefs hold true, there unfortunately is vast poverty throughout many areas along the Texas-Mexico border, as introduced in the previous chapter. It can be hard to imagine that in the twenty-first century, the nation and the state have large areas that lack acceptable development.

As mentioned previously, in all the border counties that lie within Texas, there are settlements known as "colonias," which refer to "...a residential area along the Texas-Mexico border that may lack basic water and sewer systems, electricity, paved roads, and safe and sanitary housing," as defined by the Texas Secretary of State's Office.[i] Although Texas has the largest number of colonias within the United States, the other border states, Arizona, New Mexico, and California contain a smaller number of these communities, whose underlying poverty denies their residents adequate health care. Over the past two decades, with more Chicano leaders being

elected to state legislative positions in the 1980s, the Texas legislature and governmental agencies have played a more critical role in finding ways to improve and limit the expansion of these settlements. The major concern in this effort is the unsanitary conditions that affect the health of the residents that result within these tracts of land.[37] The picture below shows an example of a typical house in a Texas colonia. The house was built upon cement blocks and constructed from discarded wood and other materials. It is typical that houses in colonias are built little by little as money and new but poor quality materials become available.

Illustration 1: The Common Colonia House



Source: The Children of the Colonias
http://www.swt.edu/HumanResources/LasColonias/

Colonias first originated in the 1950s along the border. During this period, many indigent agricultural workers could not afford decent housing. This need encouraged land owners to turn their less valuable property into tracts or plots which could accommodate dwellings for field hands. This trend became especially clear when the cotton market declined, and farmers sold their marginal acreage to real estate developers. Developers would proceed to plat and sell lots to predominantly Hispanic workers and make false promises that running water, sewage, and electricity would

soon be implemented. In all, too many owners failed to develop infrastructure. Many land owners felt they were providing affordable housing to the migrant labor force (predominantly Mexican workers) by selling their tracts. As a result, poor living conditions remain in place today.[38]

El Paso, in westernmost Texas, represents a historical case in point. This west Texas city has struggled with the lack of adequate housing resulting in the proliferation of colonia developments. City government faced housing and resident health problems long before the rise of colonias in the lower Rio Grande Valley, where a majority of colonias came to be situated.[39] The rise in population within El Paso, largely the result of strong economic growth across the border, produced a significant influx of immigrants to the area. As the Mexican economy faced instability due to the government's leadership, the U.S. market was viewed as a land of opportunity and prosperity. By the late nineteenth-century and into the twentieth, a housing shortage took hold and worsened in El Paso because of these high rates of immigration. Unfortunately, native El Paso residents gave little sympathy to those who had no other choice but to build shacks on whatever tracts of land were available. Many researchers have speculated that the El Paso housing shortage in the late nineteenth and twentieth-centuries was seen by the affluent and state leaders as a centralized problem.[40] Organized labor groups in the early twentieth century, predominantly composed of Mexican immigrants worked hard to push for housing reform initiatives that could better assist the residents of El Paso. It would take almost the entire twentieth century before housing reforms would even be discussed.

Beginning in the 1980s, colonias statewide began to receive more publicity for the conditions that plagued the hundreds of thousands of residents living within these inhumane regions. Viral diseases accrue at a much higher rate within colonias because of the lack of running water and the failure of recent developers to follow laws to implement housing infrastructures.[41] Select agencies that took an interest include the Texas Department of Health, the Texas Water Development Board, the Governor's Office, the Texas Secretary of State's Office, the Texas Attorney General's Office, and the Texas Legislature. Together, these agencies and elected officials began working on reducing the number of infectious disease cases, allocating more funding to develop an infrastructure throughout the colonias, and providing more health services. Although lawmakers have been working diligently over the past twenty plus years to reduce the number of infectious diseases and the outbreak of possible epidemics, legislation that has been passed has failed to appropriate enough funding to improve health on the border. Another reason why disease rates have not decreased is the fact that after many patients are cured of viral infections, many inhabitants of colonias return to their unsanitary living conditions. Until more development is brought forth for water and sewage services, it is likely that colonia residents will still become victims of these various infectious diseases.[42]

Although colonias have existed in Texas since the early 1900s in El Paso, not until the mid 1980s did the Texas Legislature become more involved in writing laws dealing specifically with how land was divided and sold, as well as how utilities were provided. By the 1980s, the main reason for the attention given to colonias was Texas' rapid increase in population of legal and illegal immigrants whose medical

conditions were spreading disease. In 1987, the seventieth legislative session introduced Senate Bills 896 and 408.[43] These were the first legislative measures to address concerns over the increasing amounts of plats being created outside local jurisdictions. Ultimately, the bills reformed the Local Government Code to allow cities and municipalities to have extraterritorial jurisdiction over plats based on the population of the city and the distance the plats are from the municipality. The promising efforts of these bills are that if utilities are to be added to these platted or unplatted lands, then the city would have to render its approval and certification.[44] These laws created new ways to attempt to control the growth of colonias, and to prevent land owners and developers from creating more unregulated tracts. Although these enactments seemed to have had some success in accounting for the number of plats and colonias in Texas, the growth of colonias has continued.

In 1988, the Texas Comptroller, Bob Bullock, supported the allocation of more than five hundred million dollars to construct various sewage and water treatment facilities along the Texas border. Although considered a proactive initiative, the necessary support in the appropriations stage did not follow.[45] It is important to clarify the fact that state lawmakers began to develop statutes to assist with colonia development; yet, not every state lawmaker was a proponent. Bullock's initiative could have been critical in beginning the stages of development within the Lower Rio Grande Valley, but fellow state leaders held back from funding this plan. Eventually, in 1991, the voters of Texas agreed to appropriate $250 million for such initiatives.[46]

With the state legislature now becoming more informed on border issues, the seventy-first (1989) legislature wrote one of the most important pieces of legislation

regarding colonia development. The State of Texas had asked for federal appropriations to help assist with development costs pertaining to colonias. "The message sent to Texas from D.C. was that Congress was reluctant to appropriate money for colonias without some reassurance that steps were being taken locally to prevent more unregulated developments."[47] Senate Bill 2 created the Texas Water Development Board's Economically Distressed Area Program (EDAP) funding initiative. This board initiates projects that will develop water and sewage services. The EDAP was designed to award funding to plats or residential areas that were usually one-acre in size whose inhabitants had minimal incomes, usually below the federal standard per-capita poverty level.[48] Projects in areas of high unemployment also would qualify. The primary focus of this initiative was to implement proper water infrastructures to deliver water into and out of underdeveloped settlements to reduce the spread of viral diseases from contamination.

At the beginning of the seventy-ninth legislative session (2005), EDAP funding is still an ongoing effort. EDAP was awarded $505,260,265 dollars "for facility planning grants and for construction grant/loan commitments" to meet the total infrastructure costs for Texas colonias.[49] It is clear that there has been progress made in many colonias, although their continued expansion means that the numbers are exceeding the amount of funding appropriated. Even with EDAP working to implement water infrastructure, diseases continue to run rampant.[50]

The biggest issue preventing reform in the border counties is the lack of financial means. Without funding to provide more hospitals, physicians, and patient coverage, health care's priority is declining. Many medical doctors do not practice

along the border because they primarily receive government-subsidized reimbursements, which doctors consider too low. Hospitals cannot afford to keep their doors open because much of the care they give goes uncompensated. Uncompensated care "refers to medical care provided free, although not necessarily intentionally so. [H]ealth care providers often ma[k]e up the cost of their uncompensated care by passing it along to other payers," typically by cost shifting uncompensated costs to patients with private insurance by charging them higher rates for medical services.[51] Every year, statistics are showing that it is becoming harder and harder for border families to purchase private health care because employers do not provide insurance or because private coverage is just too expensive for workers to afford on their low wages.[52] The inadequate compensation for hundreds of thousands of border residents puts a strain on providing the necessary medical checkups and care.

For many colonia residents, their main priority is to find work in order to provide for their families. Unfortunately, colonia residents are deceived because they do not speak English, nor do they read the newspapers to find out about legislation and new laws created to protect their rights. On the other hand, developers, despite the new laws, are usually able to find loopholes.[53] In the case of colonias, many real estate developers used the loopholes for their own financial self-benefit. Senate Bill 2, passed during the seventy-first legislative session (1989), had established provisions regarding water, sewer, and development services in colonias only for lots one acre or less.[54] Land owners got around many of the provisions that required seeking a county certificate of approval for the sale of tracts or plats by selling colonia communities

whose lots are slightly larger than one acre, so they did not have to abide by all areas of Senate Bill 2.

In 1991, after these loopholes in Senate Bill 2 were identified, Senate Bill 1189 was written to provide preventive steps on the resurrecting of colonias on plats of five acres or less.[55] Senate Bill 1189 specifically addressed how developers were going around Senate Bill 2 by building on lots of more than one acre. The enforcement agency for making sure developers, cities, municipalities, and other government agencies follow these statutes was the Texas Office of the Attorney General (OAG). Until 1989, the OAG was not able to prosecute offenders. After SB 1189 was passed, the Attorney General began to prosecute those offenders who developed areas without running water or sewage treatment. Developers continued to evade the laws by doing the bare minimum of setting up utility infrastructures, but OAG became more committed to enforcement. House Bill 2079 in the seventy-third (1991) legislative session gave authority for OAG to begin taking legal action on health and safety codes to protect border communities from ambitious entrepreneurs.[56] After the passage of House Bill 2079, the OAG office increased its efforts to prosecute subdividers who evaded the laws and worked with county and district attorneys to put more of a state emphasis on local violations.

By 1995, new more stringent statutes were being enacted regarding developing and selling of land. House Bill 1001 implemented a new subchapter that provided requirements for constructing utility connections, assuring water and sewage services, and enforcing new guidelines on the sale of property intended to become colonias.[57] One of the main requirements was that all counties within fifty-miles of the Mexican

border were to be covered under these new guidelines. "As a result of House Bill 1001, the OAG focused investigative efforts on detecting (a) attempts to subdivide land without obtaining plat approval, (b) sales of lots without water and sewer, and (c) advertisements lacking the required disclosure information."[58]

With the laws changing so rapidly, the OAG began to arrange visits and programs to explain the new requirements to public officials, county agencies, real estate agencies, and land owners. By having such a rigorous process to inform all parties of new statutes on the books, the intent was to reduce and slow the growth of colonias that did not provide adequate and humane living conditions for residents. While the Attorney General was working hard to bring violators to justice and to prevent further residential development of this sort, the health care crisis continued to be an issue. As promising as these statutes were, they did not move rapidly enough to provide the funding necessary to add water and sewage services to preexisting colonias. The combination of inadequate infrastructure and a growing low-income population continued to produce an environment in which health problems thrived and exceeded state average disease rates in almost every instance.

In Hidalgo County, as well as with the entire border region, there are many medically underserved areas (MUA) where patients go without the care they need. The federal government identifies medically underserved areas as regions or populations that have a shortage of professional health services.[59] MUA's are "designated based on demographics of an entire area including: percentage of elderly population (over 65 years), an area's poverty rate, infant mortality rate, and ratio of primary care physicians per 1,000 population."[60] The state and federal government also classify

medically underserved areas as health professional shortage areas (HPSA). Health professional shortage areas are "determined by the federal government to have a smaller supply of primary care health care professionals than is needed to maintain the health of the area's population."[61] Many undocumented workers reside in these MUAs and HPSAs regions. These undocumented laborers fear deportation back to Mexico because of their illegal status if they choose to receive care from these region's medical facilities. As a consequence, colonia residents tend to live with the symptoms and continue to risk spreading disease just to be able to stay in the United States. These individuals need to work as much as they can to provide for their families and to keep their employers satisfied. Such laborers have neither time nor the money to seek preventive health care.

During the seventy-seventh legislative session (2001), House Bill 2498 created a committee to investigate binational health care, a plan that will be discussed more in depth in later chapters.[62] The Texas legislature looked to California for assistance in possibly instituting in Texas a collaborative partnership with health care insurers from the United States and Mexico. A critical issue that our state leaders are facing today is the situation of uncompensated care. As medical costs continue to rise on a yearly basis, uncompensated care is taking more tax payer money to fund unpaid bills for physicians and hospitals. In 1985, Texas passed the Indigent Health Care and Treatment Act that "specified three ways this responsibility might be met: counties may establish a hospital district, support a public hospital, or a create a county-based indigent health care program."[63] This Act requires that 10% of all revenue from all local services must be spent before the state kicks in its match of 80%. The 20%

continues no matter how high the cost. Costs for uncompensated care are billed back to the county of an individual's residence.[64] Many counties, such as Travis County which in 2005 created the Breckenridge Hospital District, have had to create separate hospital districts to help cover the costs of uncompensated care. While more hospital districts are being set up, proponents of a binational health care system state that medical costs will become lower and will insure more people. However, opponents of the binational health care system believe that the Mexican system is substandard to U.S. medical practices to guarantee adequate treatment.

Peter Ward, a professor at the University of Texas at Austin and a scholar in U.S.-Mexican relations believes, "[t]he primary weakness of the [Mexican] state system lies in its being firmly wedded to curative medicine, and in its reluctance to adopt a strong commitment to preventive medical care, which the World Health Organization views as the most effective way to address the issue of good health."[65]

It is unfortunate that so many communities along the Texas-Mexican border have these ongoing tribulations year after year. However, colonias are not just restricted to the border, and research from the Texas Water Development Council suggests that inner-region colonias are increasing in number as well.[66] The Office of Rural and County Affairs (OCRA) in Texas has been working to fund non-border colonias that reside more than one-hundred and fifty miles from the Texas-Mexico border.[67] For example, in 2005 the OCRA appropriated $250,000 to Bastrop County "to provide 52 first-time sewer service connections in the Stony Point community in coordination with the Aqua Water Supply Corporation."[68] During 2005, non-border colonias received $500,000 in appropriations, which represented .61% of OCRA's

budget.[69] Inner-region colonias are similar to border colonias in that they both lack proper housing infrastructure and utility services. The one primary difference between the two colonias regions is that inner-region colonias are located in the heart of state which statistically show more economic opportunity due to higher educational attainment rates of the population.

Travis County, just west of Bastrop County, has an area known as Kennedy Ridge. This community is between ten and fifteen miles outside Austin, but up until 2005, the residents had no running water. Only three years ago did the community acquire sewer lines. Kennedy Ridge is the home of predominantly low-income families who have lived there for years. Stories of families bringing water in from Austin in the backs of trucks to have clean water for bathing and cooking are not uncommon along the border, but this situation is unique in Travis County.[70] For several decades, residents have been trying to achieve productive changes, and recently, local, state, and national governments have all stepped in to fund projects that would implement a adequate infrastructure. One of the unique aspects of colonia development is the fact that many residents are the labor force putting in the sewage and water systems.[71] The prospects that more Kennedy Ridges might develop have caused additional concern among state leaders. However, as the low-income population of Texas continues to grow, it becomes harder to meet the demand to provide infrastructure because the costs continue to rise, and the tax index remains unchanged.

Senator Juan Hinojosa has long been outspoken against the construction of further colonias due to their "third-world status" and the failure of developers to

provide the necessary infrastructure to colonia residents. There continue to be false promises made to many of the prospective residents who rent property within colonia areas. Senator Hinojosa from McAllen has authored Senate Bill 425 which would end the construction of future colonias to ensure proper housing infrastructure within the State of Texas.[72] Fellow state lawmakers from the Valley are joining Hinojosa's cause to prevent further communities from being established and are hoping to aid existing colonias. Senator Hinojosa is also working to aid Nueces County residents who are having their property repossessed by developers of colonias for falling short on bank payments.[73]

Homero Cabello, Director of the Texas Department of Housing and Community Affairs (THDHC), is working with other state leaders to allocate funding to help colonia residents get out of debt. THDHC also is continuing to work with state agencies to fund more initiatives to increase funding for EDAP to begin new water and wastewater services to the colonias that are already in existence. Although legislation to prevent the growth of further colonias has been in the works for almost twenty years, progress has been very difficult because of the population increase within Texas's colonias. Senator Hinojosa's bill is an ambitious attempt to provide a means to the end. Focusing on solutions for existing colonias and preventing further development is an important start in Texas, but state agencies and leaders must be willing to appropriate more funding to protect residents from contamination that is caused by developers failing to construct a proper infrastructure.

Throughout the entire twentieth century and into the twenty-first century, colonias have been in existence in Texas. The idea that Texas is a state of vast

resources and that all citizens have the opportunity to enjoy them is a fallacy. Over the past twenty years, Texas legislators have been authoring legislation to improve conditions along the border. However, funding these initiatives that provide running water, utility connections, and sewers have taken a long time. EDAP's allocation of over $500,000,000 dollars for Texas colonias will assist in adapting these settlements to modern day living conditions. The Office of the Attorney General has received more power to prosecute developers who disregard the law; however contractors always have been able to find loopholes and vulnerable border residents looking for inexpensive housing. It is disheartening for many individuals to bear witness to another perspective of Texas, one of poverty, based on the more than fourteen hundred substandard communities within our state. The Texas Tourism Bureau uses the motto, "Texas. It's like a whole other country."[74] The phrase contains some truth. Texas consists of two countries. One enjoys the blessings of vast resources; the other is confined to poverty and a third-world status.

CHAPTER 3

THE CRISIS ON THE BORDER

Where has leadership fallen short in improving the conditions for all border residents? During the rise of the Chicano Movement in Texas in the 1960s, Mexican Americans had hoped by electing individuals who understood their conditions, life would change for the better. The United States is the richest, most powerful nation in the world. Yet, America is still unable to provide adequate living conditions, education, and health care for all who live here. As a result of Texas border region's extremely poor demographics, it has been difficult to provide adequate infrastructure and health care services for all those that reside in these undeveloped areas. With large percentages of poverty along the border, the great disparity in income and services only continues to widen.

The Texas Water Development Board has outlined "the counties that are eligible to participate in the Economically Distressed Area Program," which focuses on constructing infrastructure to deliver water into and out of underdeveloped settlements to reduce the spread of viral diseases from contaminated water.[1] As of September 30, 2003, there were "twenty-one counties with projects in progress or completed, twelve counties with no projects in progress, and three previously-eligible

counties with projects in progress" to construct a water transport infrastructure.[76] A majority of the counties that the Texas Water Development Board is focusing on are along the border.

> People with low-incomes often buy the lots through a contract for deed, a property financing method whereby developers typically offer a low down payment and low monthly payments but no title to the property until the final payment is made. Houses in colonias are generally constructed in phases by their owners and may lack electricity, plumbing and other basic amenities. Colonia residents build homes as they can afford materials.[77]

In February of 2006, the TWDB outlined a total of "ninety-three projects" within "781 colonias" that have been completed or under construction.[78] These ninety-three projects include 295,183 colonia inhabitants at a cost of $501,149,509 dollars.[79] El Paso County has received the largest construction commitment of $106,874,144 dollars, with Hidalgo County having the second highest number of construction commitments of $68,429,309 dollars being awarded.[80]

These funds will be used to provide proper water and sewage infrastructures to many of these colonias. As previously discussed, poor housing and plumbing result in unhealthy conditions that are related to the development of various diseases. "Dilapidated homes, a lack of potable water and sewer and drainage systems, and floodplain locations make many colonias an ideal place for the proliferation of disease."[81] With disease rates running rampant in these settlements and counties, health care services are falling short on developing an adequate supply of physicians, facilities, and money to pay for many of the uncompensated-care patients. EDAP's projects aim to reduce these reoccurring disease rates.

In 1991, the Texas-Mexico Border Health Coordination Office published a report on the statistics of reported cases of viral diseases. Table 1 provides a review of disease rates in Texas and the border counties.

Table 1: Reported Cases of Selected Viral Diseases, 1991

Disease	Texas	Border Counties
Hepatitis A	15.4	34.9
Hepatitis unspecified	1.5	4.7
Salmonellosis	13.4	21.3
Shigellosis	12.6	18.0
Tuberculosis	14.6	28.1

Source: University of Texas System Texas-Mexico Border Health Coordination Office

A synopsis of the commission's findings produced the following despairing statistics. Per 100,000 people in Texas, the state average of Texans having Hepatitis A is 15.4, whereas in the border counties the number is 34.9 people per 100,000. Tuberculosis accounts for 14.6 people per 100,000 statewide, whereas the border counties have 28.1 people with tuberculosis per 100,000.[82] The Mayo Clinic reports that "approximately 2 billion people – one-third of the human population – are currently infected with TB, with one new infection occurring every second" worldwide.[83] These figures represent the significant differences throughout Texas.

The Secretary of State's Office reports these numbers steadily increasing. "Texas Department of Health data show that hepatitis A, salmonellosis, dysentery, and

cholera and other diseases occur at much higher rates in colonias than in Texas as a whole."[84] Diabetes also is occurring more in the border region at a 25% higher rate than statewide.[85] If preventative care does not become a top priority, underdevelopment in the border counties will continue to produce ideal conditions for epidemics to run wild and cause a significant health care crisis in the years to come. While many colonia residents do receive treatment for these viral diseases, they unfortunately return to the same environment that first caused the problem and become re-infected again.

The biggest issue preventing health care reform in the border counties is lack of money. Financial constraints have prevented building new hospitals, employing more physicians, and insuring more patients due to uncompensated care costs. A report released in 1999 by the Office of Texas Comptroller reported, "[o]nly 40 percent of Texans living in border cities had private insurance based on a 1994 estimate, compared to almost 60 percent of non-border city residents"[86] These constraints have presented a dismal picture of border health care. With uncompensated health care costs on the rise, hospitals are cutting back on many medical services, staff, and benefits to community just to stay open.[87]

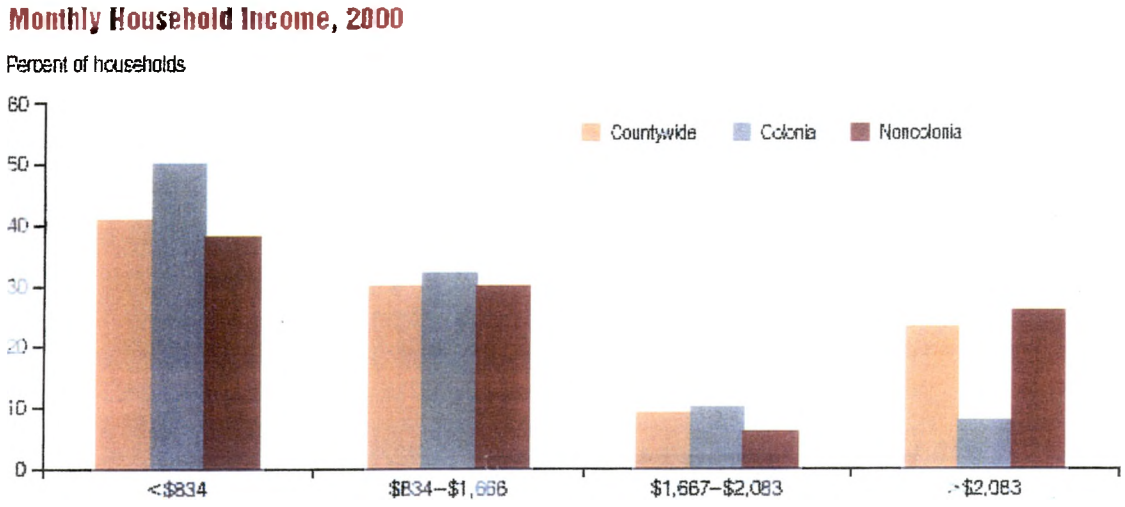
In addition, statistics are showing that it is becoming harder for border families to purchase private health care because employers do not provide it or coverage is too expensive for workers to afford on their low wages. These statistics published in the Binational Health Benefit Plan Report that:

> Average annual wages in the border region in 2000 ranged form $15,213 in Real County to $25,148 in El Paso County. By comparison, the average annual wage in Harris County was $41,229 and in Dallas County it was $43,956. In 2000, the federal poverty level was $8,350

> for one person and $17,050 for a family of four. Thirty-four percent of the border residents had incomes below the federal poverty guidelines, compared to 14% for the remainder of the state.[88]

These numbers are very troubling because from the poorest to richest counties along the border, the average workers still would not be able to afford private insurance on their income.

Table 2: Texas Border Counties Monthly Household Income



Source: Survey of Health and Environment Conditions of the Texas Border Counties and Colonias, Texas Department of Health Office of Border Health and Public Policy.

With escalating costs becoming more prevalent in the health care sectors, premiums are only going to continue to increase every year.

> Premiums for employer-provided insurance now averages $3,060 per year for singles and $7,954 for families. If a worker earns the average wage in Real County, or $15,213 per year, the average cost of coverage of the worker alone would amount to over 20 percent of gross wages. To purchase family coverage would cost more than half of the worker's gross wages.[89]

With prices rising, the research is showing that indigents along the border will be unable to afford health insurance. The adults are making more than the federal poverty cutoff to qualify for Medicaid, but their children are able to be covered under programs such as the Children's Health Insurance Plan and Medicaid. Hidalgo County, which houses the most colonias, has the largest percentage of Medicaid enrollees (168,479) for all ages. From the ages of one to eighteen, there are 119,817 enrollees that make up the majority of Medicaid recipients.[90] All these Medicaid enrollees are making physicians think twice before practicing in this region of Texas. With low reimbursements, health professionals are not able to maintain their practices or hire additional nurses to tend to the patients.

In Hidalgo County, as well as with the whole border region, there are many underserved areas where patients go without care they need. With the U.S. Congress presently discussing immigration reform, low income laborers fear deportation back to Mexico because of their status if they choose to receive care. These laborers tend to live with the symptoms and risk spreading disease to others just to be able to stay in the United States. Table 2 shows the availability of health care providers in Hidalgo County.

Table 3: Medical Personal Shortage in Hidalgo County

Primary Care Physicians	**Population per PCP**
338	1748.8
Nurses	**Population per Nurse**
2326	254.1
Dentists	**Population per Dentist**
89	6641.4

Source: Texas Department of Health, figures for Hidalgo County.
http://www.tdh.state.tx.us

The Federal Reserve Bank of Dallas published a report on Texas colonias that details these problems specifically. "[H]aving to travel long distances to health care facilities, fear of losing wages for time spent away from work, inconvenient health care facility hours, lack of awareness of available health care programs and no health insurance" are many of the reasons why preventative health care has become an issue.[91]

With all these problems continuously mounting up, state leaders of Texas are looking for a way to take control. In the 77th Legislature (2001), House Bill 2498 in set up a committee to investigate binational health care. Specifically, a binational health plan can consist of two arrangements:

- A network plan that includes U.S. and Mexican physicians, pharmacies, hospitals or other types of health care providers in its network; reimburses both U.S. and Mexican providers for routine health care services; and could be offered by a health maintenance organization (HMO), preferred provider organization (PPO), or point-of service (POS) plan; or
- An indemnity plan that reimburses for care provided by U.S. and Mexican providers and hospital for routine health care services.[92]

In previous years, the California Legislature, along with both U.S. and Mexican insurance companies, formulated a model to offer insurance to those legal agricultural workers in California while also providing coverage to their dependents that live in Mexico. "...California has developed a method of providing health care coverage for Mexican nationals who are legally-employed by California companies and U.S. citizens who live near the California-Mexico border by licensing HMOs to deliver binational health plans."[93] In this report, binational health plans tend to keep costs lower while insuring more people to reduce the uncompensated health care costs.

Of course, there are some problems. Chart 2 summarizes the two basic Binational Health Care Models.

Table 4: Binational Health Care Model

North-to-South model	• HMO or insurance company based in the U.S. and licensed in the appropriate state • May also need to be licensed in Mexico • Coverage may or may not be limited to Mexican nationals • May be HMO, PPO, indemnity, or POS plan • Regulation primarily performed by the appropriate state agency • Would have the same financial reserve requirements and legal requirements as other health plans of the same type in the appropriate state •
South-to-North model	• HMO or insurance plan based in Mexico and licensed in both Mexico and the appropriate state • May be HMO, PPO, indemnity or POS plan • Regulation primarily performed by Mexico • Would have financial reserve requirements and legal requirements in the appropriate U.S. state, in addition to Mexican requirements • Coverage may or may not be limited to Mexican nationals.

Source: Report of the Interim Committee on Binational Health Benefit Plan Coverage.http://www.senate.state.tx.us/75r/Senate/commit/c1000/downloads/binational.pdf

One particular problem that California physicians, as well as insurance companies, have is that Mexican physicians do not receive the same number of years of medical education. Also, U.S. physicians worry that they will lose money as well, because insurance companies such as "HealthNet and Blue Shield" will be able to insure patients in Mexico. The Mexican insurance company, "Sistemas Medicos Nacionales," will work to do the same in the United States, and U.S. physicians are

pessimistic about their chances of receiving Mexican reimbursements since there has been little government regulation in the past.[94]

In Texas, State Senator Eliot Shapleigh, along with other physicians, spoke of the problems that a binational health care plan could create for Texas doctors, and specifically in El Paso, which is the district he represents. The focus of this argument was that "binational health plans that allow the enrollees to receive medical care in Mexico could present an economic hardship issue for physicians in El Paso."[95] Overall, it could be safe to say that physicians across the whole border region could be concerned about the economic hardships that might occur.

The Texas Legislature is looking at the California/Mexico binational health care plan to find ways to implement changes in our present system. If Texas was able to initiate a health care system for border communities and colonias similar to California's model, there could be a large amount of savings to the state. Texas legislators and policy makers see this plan as a possible way to reduce funding for programs such as the Child Health Insurance Plan (CHIP) that covers both children and adults in Texas.

> Of the estimated 81,153 parents of these children (92,219 children in the 32-county border region are on CHIP), 25% (20,288) have access to private health insurance, but the insurance is unaffordable since it is very difficult for low-income parents to pay the cost of private coverage for their dependent children at today's prices...[t]o the extent that an affordable employer-based health insurance plan such as a binational health plan is made available, it could replace CHIP coverage for a portion of program participants and therefore save both federal and state money.[96]

Another benefit to a binational health plan is the fact that if more people were able to get private insurance, the uncompensated care at hospitals and clinics would

decrease, possibly creating a greater chance of more health care workers wanting to work in the Texas border region. Uncompensated care is going up every year; eventually if things do not turn around, hospital facilities will cease to exist in these parts of Texas.

Valley Baptist Medical Center "[reported] caring for 42,000 patients in their emergency room in 2001, with 20% of the patients being uninsured."[97] The problem is that care that goes to the uninsured is seldom reimbursed, which creates cost shifting to other patients who do have health insurance to try to offset the hospital's loss. Issues such as uncompensated care get worse every year because more people who have private health care coverage along the border are losing it due to higher costs and because the employer is no longer offering coverage.[98]

Health care in the colonias and border counties has become more of an aid-based program. With more and more people needing care, there seems to be less money to provide health care services because of rising costs. Just in recent years, Texas has begun looking for other alternatives in hopes of finding a solution for the future of health care in the border region. Back in 1998, Operation Lone Star began its first test project to give medical care to border and colonia residents free of charge in the Rio Grande Valley. "Operation Lone Star is a two-week medical and dental training exercise made possible by the combined efforts of civilian health professionals and U.S. military medical personnel."[99] The official website lists their "three principal goals":

- Provide meaningful and realistic dental and medical readiness training for members of the Texas National Guard and U.S. Navy Reserve.
- Provide the highest quality dental and medical care available.

- Provide all participants with a safe working and living environment and experience of participating in a joint service training exercise.[100]

Other state agencies, such as the Texas Department of Health and county health officials assisted in the community project. Over the course of the two-week project along the Texas border, thousands of border patients were seen and given medical and dental exams. The medical exams consist of "immunizations, sports physicals, blood pressure screening, eye screening, medical referrals, and preventative health education. On the dental side, exams consist of "cleanings, restorative, extractions, and oral health education." [101] Table 3 shows the amount of medical services provided by Operation Lonestar in 2003.

Table 3: 2003 Operation Lonestar Statistics

	23-Jul-03	24-Jul-03	25-Jul-03	28-Jul-03	29-Jul-03	30-Jul-03	31-Jul-03
Medical:							
Diagnoses:	417	575	478	447	760	786	377
Pharmaceuticals	365	369	261	362	416	364	138
Immunizations	234	275	269	283	240	250	82
Procedures	221	344	253	246	344	212	93
Total:	1 237	1 563	1 261	1760	1812	690	690
Dental:							
Procedures	344	406	395	528	450	563	304
Hygiene	131	71	83	121	108	97	84
Oral Surgeries	82	90	67	92	79	84	39
Total:	557	567	545	537	744	427	427
Total Accumulative Services.				11720	13758	14916	17272
Total Accumulative Patients:				4283	5012	5816	6202

Source: Operation Lone Star, statistics for 2003.
http://www.agd.state.tx.us/operationlonestar2003/Articles/Patient%20Statistics2.pdf

In 2003, the overall value of medical care that was given to patients of Operation Lone Star was almost $1 million dollars.[102] A Program such as Operation Lone Star does a great job in providing care to those who very seldom received medical attention. Although this program does a great service in the border region and colonias, state officials should continue to work on compiling additional resources to find new reforms to help the more than 2 million people along the border, including the 500,000 people living in the colonias.

The focus of this chapter was to allow the reader to gain another perspective of medically underserved areas in the Texas. Health care along the border will only continue to get worse if nothing is done to change what is already in place. With the population increasing in all parts of Texas, especially the low-income on the border, a health crisis could be just around the corner. If colonias do not receive the aid to implement new infrastructures such as running water, electricity, and sanitary conditions, diseases such as hepatitis A and tuberculosis could become epidemics. As health care costs continue to rise, fewer people along the border will receive the care they need. Chapter four focuses on the recurring health care issues of Texas' border counties.

CHAPTER 4

THE EPIDEMIC OF UNCOMPENSATED HEALTH CARE ALONG THE BORDER

Over the past several decades, data have shown an increase in illegal immigration coming from Mexico. The Pew Hispanic Center estimates that "4.9% of the current U.S. workforce is undocumented."[I] In Texas alone, the undocumented workforce is presumed to be seven to nine percent.[II] The Greater El Paso Chamber of Commerce stated that "trade through the land ports along the U.S.-Mexico Border represented about 83 percent of the trade between the countries."[III] Yet, illegal aliens from Mexico cannot be the only nationality held accountable for the rise of uncompensated care costs in the United States. In the Immigration Act of 1990, Congress favored Europeans because "[Europeans] have been disadvantaged by the existing system that gave preference to families of recent immigrants, about 85% who came from Asia and Latin America."[IV]

Up until 1986 during immigration reform, it has been a legal requirement in our country's history to only allow immigrants who show attributes that will make them independent and not reliant on government services. That tradition is no longer used to evaluate who stays and who goes. The Immigration Act of 1986, the first immigration reform policy since 1965, "attempt[ed] to control the large flow of illegal

immigration by making it unlawful to employ undocumented aliens.[107] The Immigration Act of 1965 "abolished the national origins quota system and established a new annual limit of 170,000, with preference given to relatives of citizens and persons with special skills."[108] By 1990, Congress voted on a new Act which raised the annual immigrant level to 675,000. In the United States present state of affairs, the Congress is battling among themselves on how to deal with illegal immigration (projected at about 11 million illegal immigrants in the U.S.) and what reforms are needed to secure U.S. borders and not compromise labor markets. However, immigration reform has become a divisive issue in the Congress because it deals with families living and working in the United States. As illegal and legal immigration continues to occur at greater rates, many immigrants are unable to afford health care because they take low pay jobs and rely on the United States' taxpayers to fund the costs. Although uncompensated care is a problem that stretches across all parts of America, this research paper will focus specifically on the complexities of uncompensated health care on the border region.

The United States' Border Patrol has the primary responsibility of securing our borders to prevent drug smugglers, terrorists, and illegal aliens from entering the United States. In May of 2004, the General Accounting Office published a report on undocumented aliens and the costs of medical treatment.[109] This report was assembled by having the GAO send surveys to more than 500 hospitals within ten states to research how many undocumented aliens have received care from these hospitals. Out of the ten states selected to participate in this survey due to their high percentage of

illegal aliens, researchers compiled hospital data to try and come up with a conclusion on the impact that these individuals have on driving up uncompensated care costs.

The four southwest states of Arizona, New Mexico, California, and Texas were among the states chosen because of their long history of propositions dealing with uncompensated care. One of the biggest hindrances with the GAO's research is the fact that most hospitals that were selected do not collect a patient's residency status, so the numbers presented could be skewed. The problem with trying to obtain this information is that some hospitals use unreliable methodology to collect a patient's data to see whether they are a citizen or not.

> For example, possession of a social security number is an imperfect means of differentiating between undocumented aliens and other patients. Before the 1970s, social security cards were issued without requiring evidence of identity, age, or citizenship. In fact, we reported in 1988 that many of the roughly 1 million illegal aliens whom the Immigration and Naturalization Service apprehended annually had either genuine or counterfeit social security cards in their possession.[110]

As of 2004, the GAO's calculations from the Immigration and Naturalization Service estimated roughly more than 7 million illegal aliens are living within the United States.[111] One of the interesting areas that this report focused on is how the Border Patrol reacts to illegal immigrants crossing the border. "Border Patrol officials reported that their first priority when they encounter sick or injured people is to seek medical assistance, generally without first determining immigration status or taking them into custody."[112] If the Border Patrol decides not to take the suspected illegal immigrant into custody and provides transportation for them to a medical facility, the United States' taxpayers pay for the medical treatment that the individual receives. It is unfortunate that the GAO's research is unable to conclude how many incidents there

are of allowing suspected undocumented workers to visit U.S. medical facilities in a year because the Border Patrol does not document such cases. If the individual is taken into custody by the Border Patrol, the Department of Homeland Security pays the medical expenses.[113]

The irony of it all is the fact that if the Border Patrol does not take the individuals into custody, the illegal immigrants are allowed to enter the United States to visit a hospital without supervision. At border crossings, another program is set up to allow aliens to cross into the border legally to seek medical attention. The title of this program is called "humanitarian parole," and the hope is that after the alien visits a medical facility in the United States, they will cross back over to Mexico. "...[A]liens are not placed in custody[,] and Homeland Security is not responsible for medical expenses."[114] Many questions go unanswered as to why the United States is allowing undocumented workers into the country to seek free medical care paid for by the taxpayers. While uncompensated care costs' are rising, and more Americans are becoming uninsured, it is becoming harder to help the illegal on a humanitarian basis when American citizens can no longer be helped.

In 2003, a Los Angeles county supervisor by the name of Michael Antonovich was quoted stating, " [w]e're running an HMO for illegal immigrants[,] and if we keep it up, we're going to bankrupt the country...[w]e have a $350 million debt as a result of these people receiving medical treatment illegally."[115] More statements are being made by other county, state, and federal leaders in regard to this issue of U.S. dollars funding medical care for illegal immigrants. State Representative Debbie Riddle from Texas was quoted as saying the following during the 78th Legislative Session: "Where

did this idea come from that everybody deserves free education, free medical care, free whatever? It comes from Moscow, from Russia...[i]t's cleverly disguised as having a tender heart[;] it's not a tender heart."[116]

One of the biggest issues applying to health insurance is the rising premiums that employers and employees are asked to pay. Premium increases in the double-digit percentile are occurring on an annual basis which is leaving many members of our job force deciding between paying for health care or making a mortgage payment.

> As states cut their health care budgets to try to make ends meet, high rates of immigration are causing a major drain on health care resources and taxpayer funds...[and] [d]ue to a lack of enforcement of federal immigration laws, state taxpayers are being forced to fund health care services for illegal aliens at a time when they can't fund all their services for the general population.[117]

Not only is this crisis causing health insurance premiums to increase, uncompensated care expenses are also causing many hospitals and trauma centers to close their doors because of not being able to make up the lost revenue. Federal law mandates that anyone who needs immediate medical care cannot be turned away from a medical facility under any condition. Although this policy is very humanitarian in nature, the big issue of how hospitals are funded to deliver these services is left untouched. Simply, the government just expects these emergency rooms and trauma centers to make up those lost funds on their own. By having a government health care philosophy very similar to "Social Darwinism," medical practices are practically fighting against public policies and insurance companies to survive. "Between 1992 and 2001, visits to U.S. hospital emergency departments increased by twenty percent, while emergency departments shrank by fifteen percent-resulting in longer waits before patients receive treatment."[118] While the rates of illegal immigration are

increasing, uncompensated care patients are causing extreme demands on the already vulnerable health care system.

Most of the twenty-four counties directly aligning the United States/Mexican Border are feeling the exacerbating costs of funding such care to illegal or legal immigrants that are unable to provide financially for themselves. If one is to take a greater look at all forty-three border counties[3], "[a]ll but two of the forty-three border counties, including every county on the Rio Grande, are federally designated medically underserved areas."[119] Criticism on how the government selects those who enter into the country has been an ongoing issue since the Immigration Act of 1990.

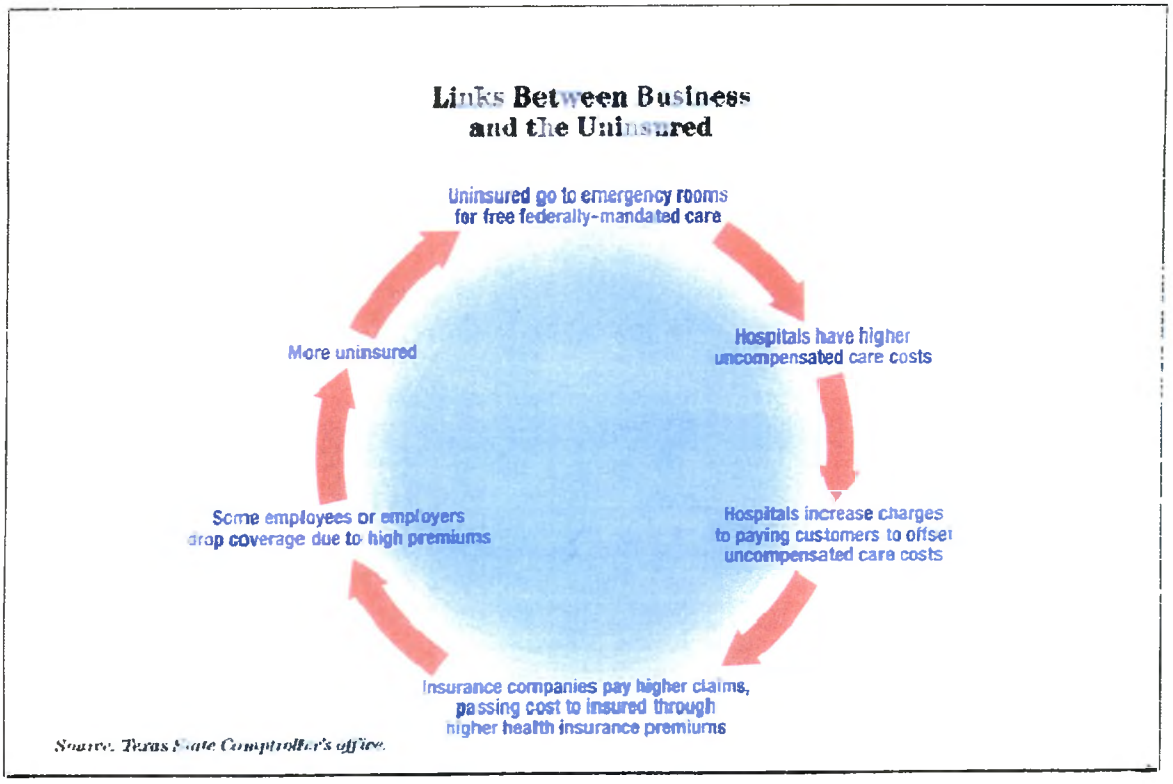
> According to the American Hospital Association annual survey, southwest border hospitals reported uncompensated care totaling nearly $832 million in 2000...almost $190 million or about twenty-five percent of the uncompensated costs these hospitals incurred resulted from emergency medical treatment provided to undocumented immigrants.[120]

As stated previously, immigration policy was once largely dedicated to allowing those individuals to enter the country who could provide for themselves and who did not have to rely on government services. That is no longer the case. "Because of illegal immigration and because of U.S. immigration policy slants toward admitting relatives rather than immigrants with needed workplace skills, our immigration system literally imports poverty."[121] United States hospitals situated along the border have long dealt with this crisis and are now facing their breaking point. "Border hospitals reported losses of almost $190 million in unreimbursed costs for treating illegal aliens in 2000 (about one-fourth of the hospitals' total unreimbursed expenses."[122] Chart 3 provides a review of the link between businesses

[3] Note: Not all forty-three border counties directly align the border.

and the uninsured. The higher the percentage of the population uninsured or underinsured, the greater the chance of the increasing numbers falling into the uncompensated care pool.

Table 6: Links Between Business and the Uninsured



Source: Texas State Comptroller's Office
http://www.window.state.tx.us/specialrpt/uninsured05/

Houston, Texas, located in Harris County, has seen skyrocketing percentages of costs related to uncompensated care of illegal aliens. During the 78th legislative session (2003), Texas was already facing a $10 billion dollar budget deficit for the next two fiscal years. The Harris County Hospital District "...estimates that it spent $330 million, on health care for illegal residents between 1998 and 2000, of which

$105 million was reimbursed with federal funds, leaving the remaining $225 million to be paid by taxpayers."[123]

In our present state of affairs, our state leaders are working to come up with an education plan that would appropriate more funding to school districts and teacher salaries. If education funding is not a big enough problem for Texas to face, just add uncompensated health care costs to the docket. Many Texas counties have increased their fiscal year earmarks for uncompensated health care because the numbers continue to increase. Observe the following two points:

- In El Paso, where nearly forty percent of residents have no health insurance and the illegal alien problem is rampant, Thomason General Hospital is seeking a 1.5 percent property tax increase to help offset its uncompensated care costs. The facility lost $32 million in uncompensated cost in 2001, not including an additional $49.7 million in charity care for patients whom the hospital knew up front could not pay their bills.[124]

- An administrator at Texas's Brownsville Medical Center estimated that his hospital spends $500,000 a month treating illegal aliens.[125]

One of the ways of offsetting these lost costs for hospitals is to balance bill and/or cost shift, which simply means to add an additional cost onto individuals who have Medicaid (not surpassing 115%), or by having insured patients receive the cost shifting for the uncompensated care rendered. Cost shift does not mean that an individual who has insurance directly picks up the uninsured patients care costs. However, it does mean costs are inflated for the insured patient intended for the insurance company to pay more to the provider for the insured's services.[126]

During the seventy-ninth legislative session, Senator Eddie Lucio put forth a piece of legislation, Senate Bill 721, calling for a new medical center to be located in the Rio Grande Valley.[127] This bill failed to pass out of committee and eventually

died. The purpose of this bill was to address the concern of the lack of border medical facilities in Texas. For a majority of the southern region of Texas, the Rio Grande Valley is known as a Medically Underserved Area (MUA) due to its lack of medical facilities and physicians based on the population ratio.[128] Texas has long tried to address this issue of rising uncompensated health care costs and medical shortages, but the state has been unsuccessful because of lack of funding.

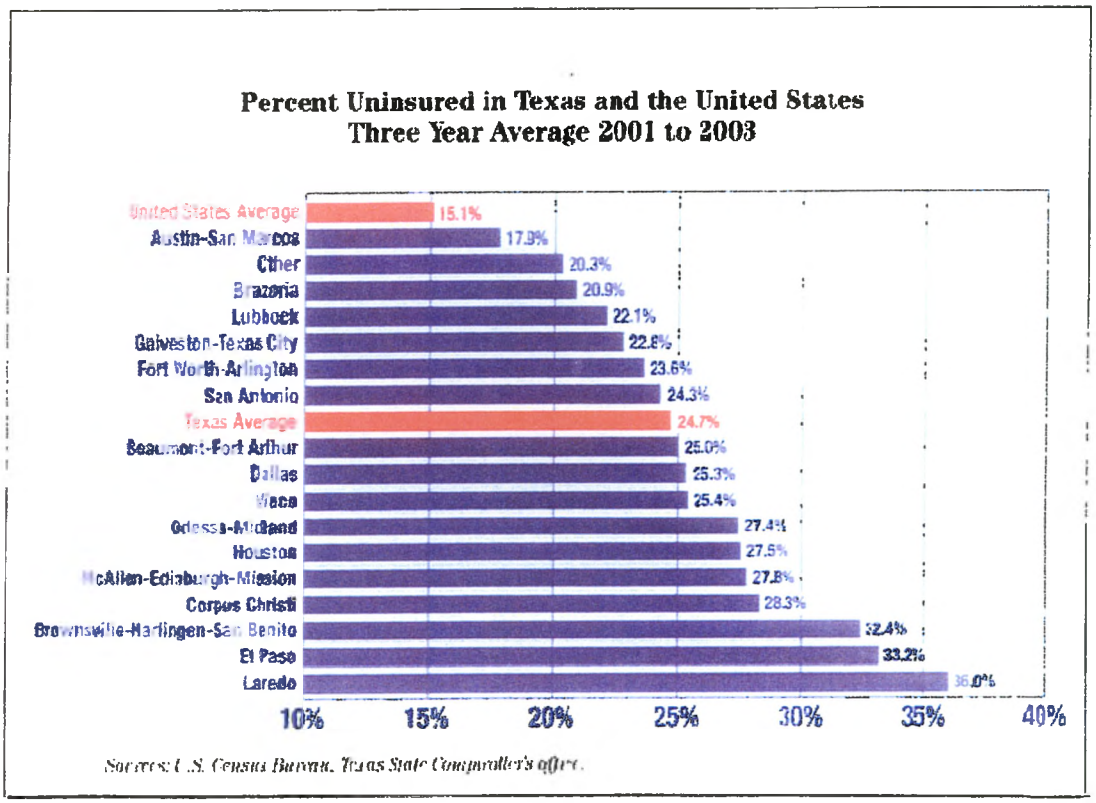
The federal Emergency Medical and Treatment and Active Labor Act mandates that hospitals stabilize patients without requiring the individual to present insurance information at the immediate time of treatment.[129] Though this policy helps to save lives, the federal government fails to sufficiently compensate hospitals for this lost revenue and humanitarian services. Hence, health care costs are rising for Texans, as well as for many other Americans around the country. As of March, 2004, the U.S. Census Bureau estimated that Texas has an "average of 5.4 million Texans, or 24.6 percent of the state's population, [that are] uninsured."[130] Out of the fifty states in our country, Texas ranks dead last insuring its citizens.

One of the most interesting findings from the Texas Comptroller's Office is the percentage of citizens who have health insurance. "Since 1988, the U.S. uninsured rate has hovered around sixteen percent, while Texas's has fluctuated between twenty and twenty-five percent."[131] The research conducted also found that in "Texas, non-citizens are almost three times as likely to be uninsured as native U.S. Citizens."[132]

Although Harris County hospitals are witnessing large budget deficits, the border area hospitals also have the problem of funding uncompensated care. "...[I]n 2000, emergency health care to undocumented immigrants cost border-area hospitals

$79 million in California; $74 million in Texas; $31 million in Arizona; and $6 million in New Mexico."[133] [To compare the border counties of Texas to other regions of the state, the largest percentage of Texans living along the Rio Grande have the highest percentage of uninsured rates.] "Three Texas Metropolitan Statistical Areas (MSA) along the Mexican border- Laredo, El Paso, and Brownsville-Harlingen-San Benito- had the highest rates of uninsured, at 36, 33.2 and 32.4 respectively."[134] In Chart 4, Laredo is shown having the highest percentage of uninsured Texans. At 36%, this percentage is almost 2.5 times higher than the U.S. average of 15.1%.

Table 7: Percent Uninsured in Texas and United States



Source: U.S. Census Bureau, Texas State Comptroller's Office
http://www.window.state.tx.us/specialrpt/uninsured05/

The Austin-San Marcos "MSA has the lowest uninsured rate in Texas, with only 17.9 percent of its population uninsured."[135] These comparisons point to the fact that the border areas in Texas are facing the most troubles when it comes to insuring residents. The border struggles with keeping uncompensated health care costs low and bringing in more physicians and medical facilities due to the lack of government appropriations.

One group commissioned by the Texas Legislature in 2003, The Texas Border Health Foundation [TBHF], is working hard to find more financial resources to fund these medical costs. The mission of TBHF is stated in the following:

> To achieve its mission to improve the health of all Texas-Mexico border residents, the Texas Border Health Foundation will work by focusing strategic grant-making in three critical areas. These issue areas were selected for the substantial need among border residents they represent and the potential for added value with an infusion of private sector involvement and financial support. The program areas include: (1) Public Health Leadership, (2) Children's Health, and (3) Elimination of Health Disparities.[136]

As noble as the TBHF is, the shortcomings of this foundation directly rely on financial support.

The Texas Department of State Health Services has initiated the Health Border 2010 proposal. This program's main objective is to "...create ten year objectives for health promotion and disease prevention in the border region." The goals are to provide:

- Access to Health Care
- Access to Cancer Screening
- Access to Diabetes Screening
- Study Environmental Health
- Promote HIV/AIDS Prevention

- Access to Immunization and Infectious Diseases Screening
- Promote Injury Prevention
- Access to Maternal, Infant and Child Health Care
- Provide Mental Health Services
- Provide Oral Health Services
- Prevention of Respiratory Diseases

All of these goals are warranted, but Texas lacks state and federal funds to make all these goals obtainable.[137] The state is working hard to find matching funds from the federal government, but competition is tough because other border states are dealing with the same issues.

In recent years, uncompensated care has been funded by Medicaid and the Balanced Budget Act of 1997, which distributed up to $25 million dollars a year through 2001 to states that needed the most assistance in covering the costs of uncompensated care. These governmental appropriations also was increased by the Medicare Prescription Drug Improvement Act and the U.S. Modernization Act of 2003. This new Medicare program appropriates over $250 million a year, totaling $1 billion by 2008, to hospitals and physicians rendering services to the uninsured.[138] Although this funding is needed, it falls extremely short of the necessary funding that would succeed in keeping hospitals and trauma centers open to care for the general public.

It is critical that Texas and federal authorities continue to discuss proactive solutions and initiatives to resolve the huge medical crisis along the border that is affecting statewide resources and health care issues. However, more than forty years ago, border residents were fighting for equality and more community input on policy issues facing their communities. The Mexican American Chicano Movement in South Texas in the 1960s worked to bring many of the issues discussed throughout this thesis

to the forefront of state and federal public policy. The Chicano Movement in Texas began in Crystal City, a small town near the border with Mexico. These Mexican American residents worked to address and reform critical political and socio issues, but over the past forty years have been unable to improve poverty rates and economic opportunity for their Hispanic culture. The symbolism of the Chicano Movement in the 1960s was the catalyst to the present discussion state and federal lawmakers are having to try and resolve continuing border issues. Chapter five is an overview of the role the Chicano Movement had in Texas. It is important to note that although the Chicano Movement did not solve the disparities that face many Mexican Americans along the Texas border, it was the catalyst in revolutionizing the Hispanic culture into becoming informed and involved citizens within local, state, and federal government.

CHAPTER 5

THE CHICANO MOVEMENT IN CRYSTAL CITY, TEXAS

The Civil Rights Movement was well underway in America during the period of a similiar movement in South Texas. Crystal City, Texas, a town located roughly one-hundred and twenty miles southwest of San Antonio, was beginning to experience a city shakeup in terms of a political transformation.[i] "Two land developers, Carl F. Groos and E. J. Buckingham, had developed the town in the early 1900s...[and] [i]n 1905 they purchased the 10,000-acre Cross S Ranch, sold off most of the land as farms, and platted the townsite of Crystal City, named for the clear artesian water of the area."[ii] In Armando Navarro's book, *The Cristal Experiment*, the author focuses on the coalition of nearly eighty percent of the ninety-one hundred people built by the dominant Mexican American residents. Yet, it would take a property dispute among a white Crystal City Texan by the name of Andrew Dickens to begin the revolt in this small Texas town. From the first failed Mexican-American campaign of E.C. Munoz for the school board in 1960 to our present date of 2006, the Chicano population has had to endure numerous obstacles from the white minority in Crystal City and the internal troubles between the Chicano people.

A property dispute between Dickens and the all white City Council in Crystal City led to the shakeup of the political establishment. This political shakeup forty years ago publicized all the inequities dealing with health issues, educational attainment and economic opportunities that continue to plague Texas border residents. Not knowing how effective the Chicano Movement would be, Juan Cornejo, who led the newly formed Political Association of Spanish-Speaking Organizations (PASSO) in Crystal City, Texas, worked closely with Andrew Dickens to alleviate the poll tax of $1.75. [141] Although alleviating the poll tax was one of the first initiatives to assist Mexican Americans, it gave confidence to Chicanos to fight against improprieties applied towards them due to their ethnicity. Their goals were set on the 1963 city council election, which gained the name "Los Cincos" because five Chicanos ran and won the election to defeat five white established city leaders who had held their post for more than thirty years.[142] Both Dickens and Cornejo received assistance from an external group of teamsters in San Antonio to help in the organization of this political movement. Although the 1963 election would prove successful, the citizen's committee would encounter problems.

In the city council election, there was the big issue of finding five Chicanos to run for these council spots. The reality of finding five Mexican Americans to run was difficult because fear was used against these potential candidates. Although the white minority was small in size, they owned the businesses which provided jobs to these Chicanos. There were disagreements between Chicano leaders over their purposes of running. Was the purpose to shakeup city council to bring only a Mexican-American perspective, or was it simply to communicate Chicano issues to the white leaders? In

many cases, it was both. Two separate Mexican-Americans who were running for the school board during the 1963 revolt believed in the latter purpose, simply communicating the needs of the Mexican-American population to the white leaders. However, in 1963, some of the instrumental leaders felt it was time to stand up and represent their peoples' issues. These leaders felt it was time for Chicanos to be in those positions that made decisions on political, socio and economic policy. As the 1963 election concluded, the Chicanos would win all five spots, but their victory would be short lived.

Before the 1963 election took place, law enforcement in Crystal City was perceived as unfair in their practices and falsifying charges against the Mexican Americans.[143] If there were rallies being held, the Texas Rangers and the local police department would work hard to break them up, as well as taking people into custody without charging them with a criminal act. Although law enforcement was actively a part of preventing this takeover of political power, there were others involved. PASSO had called the Justice Department to ask for help in making sure voters were safe. However, no reply was received. On the day of the election, white business owners told their employees that they would offer double pay on Election Day if they did not vote.[144] White voters set up phone banks to call all registered white voters to make sure they went out and voted. Whether it was fear, racism or threats, the Mexican American community stood up against all of the political obstacles to call the 1963 election a success. However, post election proved more difficult.

Although the white political establishment had been beaten, whites worked to enforce financial repercussions against the newly-elected Chicano leadership. The

new council members saw their pay cut or jobs lost. Even though Chicanos were now in charge of governing Crystal City, they did not drive the local economy. Power still rested predominantly with the whites. As further elections would come and go, unrest between Mexican Americans would become a focal point of trying to separate the successes accomplished in 1963.

Not all Mexican Americans were supportive of PASSO, and those middle income Chicanos had disagreements with the elected leadership. In 1964, whites united with other middle income Chicanos by forming the "Citizens Association Serving All Americans," otherwise known as CASAA.[145] In the years to follow, whites realized their political power would no longer go unchecked, and Chicano leadership went through different periods of time experiencing internal conflict among themselves. In 1970, the second revolt of the Mexican Americans occurred, and the ethnic composition of the city's governance changed.

By the late 1970s, Crystal City's political movements again faced internal battles for control. Personal agendas and vendettas, along with several prominent Chicano leaders holding simultaneous posts within the city, county, and school board caused the destruction of the unity amongst several leading factions. Mexican Americans still held the majority of elected positions after these movements, though, a unified message no longer existed. In Navarro's epilogue, he summed up perfectly what Crystal City experienced during the "electoral revolts of 1963-1965 and 1970-1975":

> In both cases Mexicanos, tired of their powerlessness, infused with a passion for change, and impelled by rising expectations, successfully revolted against what they perceived as the tyranny of the white minority. Although the experiment in community control brought

> about numerous changes, it ultimately failed. At the crux of its failure was its inability to overcome the insurmountable omnipresence of internal colonialism in south Texas and the workings of the liberal capitalist system.[146]

Although there is so much more that Navarro focused on during this historical period of time throughout his book, one should examine the present day political makeup of Crystal City, Texas.

By 2006, the demographics of Crystal City has changed. In 1963 the Mexican American population was 80%; by 2006 the Mexican American population was 95%, with whites only making up roughly 4.1%.[147] The economic conditions have not improved much since the founding years of the Chicano Movement in Crystal City which is a dilemma for the entire Valley Region. In 2006, political unrest among the dominant Hispanic culture along the Texas border has continued to lack cohesiveness in initiating economic opportunities for border residents since the early founding of the Chicano Movement. However, poverty fueled by high school drop out rates and low wages have failed to produce economic prosperity along the border.

Crystal City's state senator and state representative are not Mexican American. Just because a region of a state is strongly one ethnicity does not guarantee a member of that group always will be elected. Crystal City is located in Zavala County, which is very similar in demographics to surrounding Texas border counties. The County Judge, three out of the four County Commissioners, both District Judges, the District Attorney, the District Clerk, the County Clerk, the Sheriff, the Tax Assessor, the Treasurer, the four Justices of the Peace, two out of the three Constables, and the County Auditor are Mexican Americans.[148] Even though there is an overwhelming

majority of Mexican Americans who control the politics of Crystal City, they still do not control the economics.

The most recent demographic data on Texas House District 80 came from the 2000 census. The data show a dismal picture for this region which includes Crystal City and Zavala County. The per capita income was $11,933 compared to the state per capita income of $19,617. The population that lives in poverty is 28.5%, compared to the state average of 15.4%.[149] Education is another critical area hitting District 80 hard. Roughly 44.3% of those individuals twenty-five years and older did not graduate from high school, whereas the state average is 24.3%.

Higher education is a critical component for workforce development, but only 10.4% of those twenty-five years and older in Zavala County hold a bachelor's degree, whereas the state average is 23.2%.[150] In a 1997 interview between Navarro and Benito Perez, assistant superintendent of schools for Crystal City, Perez stated, "[w]hat most people don't understand is that the basic problem is that that while we control the politics, we don't control the economics...[w]e are not the owners of the area's wealth...[w]e are not the powerful."[151]

Although Chicanos control the majority of local political positions amongst Texas border counties, they still lack sufficient influence and representation at the state and federal levels which are predominantly controlled by Anglos. Crystal City is a perfect example to show when and how the Mexican American population began to voice their concerns and needs of the crisis on the border to the entire state of Texas. Although the Chicano Movement faced many obstacles and turmoil among their own

people, what they stood for in regard to equality in socio and economic opportunities remains to be discussed by future lawmakers and citizens to improve the Texas border region.

CHAPTER 6

A LOOK AT THE FUTURE FOR THE TEXAS BORDER COUNTIES

The Mexican American population has had a long history of poverty and lack of opportunity in the United States. The leaders of the Chicano Movement in Crystal City made great attempts over the twentieth and into the twenty-first century to publicize and improve the conditions that face a significant portion of the Mexican American border population in Texas. The persistence of having very little economic development to attract companies to relocate and invest in the border communities, failure to improve educational attainment, inability to reverse the trend of substantial rises in uncompensated health care costs associated with rampant infectious diseases, and the ongoing efforts to end colonia development have resulted from a lack of financial means to bring a positive trend to the region.

The facts are that the crisis on the border is directly related to local political leaders not being the stakeholders of a community's or state's wealth, the epidemic poverty rates and high infectious disease rates along the border. Elected leaders can only govern to the extent they have some stake in the economic vitality of a community and want to improve socio-economic conditions. Crystal City, Texas, is

just one example of many border communities still facing a stagnant economy and the lack of opportunity for their people. As strong as the Chicano Movement was, it failed to solve the large disparity between wealth and poverty.

Although the Chicano Movement in South Texas initiated greater Mexican American involvement in the Texas political system in hopes of improving life for border residents, it has failed to provide sustainable economic vitality to this region. The 1980s looked to be a catalyst for change among Texas legislators as public officials began to author border legislation that aimed to have a direct effect on progressively working to alleviate years of failed development. Although legislators initiated steps to bring the border crisis to the attention of all Texans, the movement to reverse the daunting statistics of health care needs, economic prosperity, living conditions and educational attainment have all grown into greater problems because lawmakers have not made the border a top priority financially.

Because of the conditions of the border counties and the growing statewide impact of unresolved socio-economic problems, Texas and U.S. federal lawmakers should work bilaterally with their Mexican counterparts to build a proactive relationship that advances initiatives for the dominant Mexican ethnicity along the border. A particular problem in Texas lies in the inadequacy to properly fund multiple social and economic services due to a historic taxing system under the Texas Constitution which limits welfare spending to 1% of the state's general revenue. One can conclude based on the evidence, that legislation to improve economic conditions is only as powerful as the available funding for the implementation of solutions.

Over two decades have passed since the Texas legislature began to focus on border issues, and in 2006, the border continues to lie stagnant on producing better paying jobs and providing sufficient social services in comparison to the other parts of the state. The research has noted the direct relationship between socio economic issues, regional health status, and health policy results along the Texas border. The data presented on the growing health care crisis have shown the severity of the problem and how those Texas residents not living along the border are affected. The ratio of health care providers to population along the border, infectious disease rates, high proportions of the border population below the federal poverty level, lack of education (public and higher education) and the costs of uncompensated health care are all problems associated with not having the financial means locally to bring about change. Even though a majority of the local political leaders along the border are Mexican American, their power is limited because they still do not have sufficient representation at the state and federal levels. The great disparity between prosperity and poverty along the border continues to have an adverse effect on the lives of all Texans.

A major obstacle that faces state lawmakers is the need to end colonias and provide economic opportunity to border residents. Local and state legislators will need to continue to work together with their federal counterparts in order to secure more funding to successfully complete infrastructure projects. The financial stakeholders who own the property should reevaluate their missions within their own communities. It is hard to expand economic development while relying on an improperly developed infrastructure. The economy of Texas will only become

stronger if local, state and federal legislators, along with business leaders, decide to invest in the border region for the twenty first century. The Chicano Movement in South Texas has formally concluded, but the mission to improve the border communities for all residents should continue.

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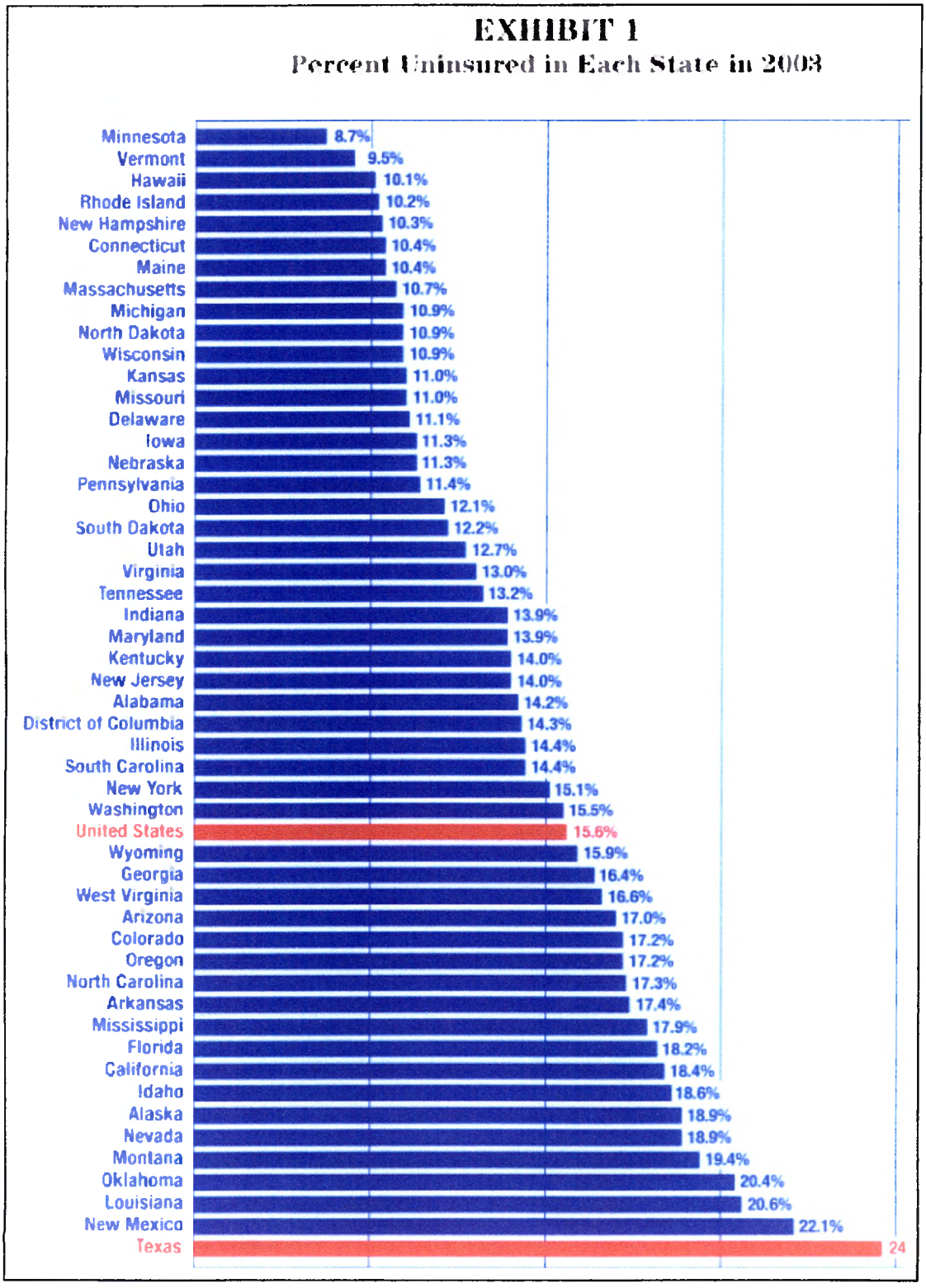
APPENDIX

Source: Texas Comptroller's Office



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