State Propositions 12 and 13

By Bill Hobby

Texans can make a difference. That's what two constitutional amendments on the ballot November 5 are about. The amendments allow each citizen to cast his or her own vote concerning issues that will decide the future of our state. Two of those issues are whether we will help eliminate substandard living conditions in the colonias (Proposition 12) and whether we will ensure Texans access to higher education regardless of their economic status (Proposition 13).

The colonias are impoverished communities located along the Texas-Mexico border. Over 200,000 Texans live without the basic water and sewer service most of us take for granted. Texans in the colonias are living in conditions worse than those in most Third World countries. They are plagued with hepatitis, dysentery, encephalitis, and cholera. Raw sewage stands in the streets and, of the scarce water available, most of it is contaminated and must be boiled before drinking.

Legislation passed in May, 1989 and approved by voters now requires developers of colonias to provide drinking water and sanitary sewer service for all lots of 5 acres or less. Voters also approved $100 million in Texas Water Development Bonds to help residents in existing colonias finance the necessary sewer lines and plants. But more money is needed to provide grants to municipalities so that every resident can have clean water and sewer services.

Proposition 12 represents government work at its best--helping Texans help themselves. It would direct an additional $250 million in previously sold bonds to the colonias to provide adequate services to all residents. The money would pay for low-interest loans and grants to municipalities undertaking water and sewer projects.

This is not a give-away program. In all cases, the people receiving the help are paying back as much as they can. And by law, at least 25 percent of the funds to install water and sewer services will be re-paid.

Taking responsibility for these impoverished communities is not only humane, but practical. Water and sewer will go a long way towards helping these families become more productive citizens and taxpayers.

Access to education also helps Texas residents become more productive citizens and contribute to economic advancement in our state. But for far too many Texans, education could stop with high school if it were not for our loan programs funded by general obligation bonds.

Proposition 13 would allow the sale of general revenue bonds in order to fund loans for students from low-income families, loans for low-income students in graduate programs, health education loans, and the college access program aiding students from middle-class families who do not meet federal eligibility standards for other loans.

As with Proposition 12, Proposition 13 is not a give-away program. It is not a bailout for students who default on their college loans. It is about providing loans to help Texans of any income to attend college.

Since the creation of these programs in 1965, over 200,000 Texans have taken advantage of these loans. While the loans are funded by bonds, they have never required tax dollars to back that obligation. The students have repaid the loans and, as a result, the program has generated $75 million more in revenue than was needed to retire the bond debt.

These loans are only made to Texas students attending accredited Texas institutions. The default rate is less than 6%, a full 10% below the national average for student loans. Defaults are covered by interest earnings, not by taxpayers.

The cost of higher education is rising, and more and more students and their families are requiring loans. These loans can make college affordable. For the average undergraduate student receiving a loan, the saving is $1,184 over the life of the loan. Medical students receiving a loan save an average of $15,223.

Passage of Proposition 13 would enable Texas to continue the tradition of providing the lowest cost loans available to help our young people obtain a higher education--at no cost to the state.

Written in 1991.