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Dear Client:

The US, a nation built by immigrants, is obviously diverse. But in this highly mobile society, the balance between ethnic groups is constantly changing. So how does the Austin area's diversity compare to the nation as a whole?

There have been significant population shifts throughout America's history. And those shifts have always resulted in a changing mix of ethnicities. It's even more pronounced in recent times as US residents have become more mobile, more transient.

But another phenomenon has occurred at the same time — the growth of suburbs around major cities. You may remember back in the days of the civil rights struggles, the phrase “**white flight**” was used to describe reports that white people were leaving the cities as minorities moved inside the city limits. So to examine the Austin area's diversity these days, you need to carefully analyze the suburbs as well as the major cities.

Let's look first at foreign-born residents. According to a study of the 100 largest cities and their suburbs, **16.6% of Austin's population is foreign-born, compared to 7.4% in the Austin area suburbs.** Nationally, an average of around 13% of major cities are foreign born, while an average of nearly 10% of suburban populations fall into this category.

In another category, **31.1% of Austin residents speak a language other than English at home (for 24.5%, it's Spanish). And in Austin suburbs, it's 19.8%** who speak a language other than English (Spanish speakers number 16%). Nationally, on average, 22% of city residents and 16% of suburban residents speak a language other than English at home.

Nationwide and locally, the SUNY Downstate Medical Center analysis of census data reports **disparities in income persist across racial and ethnic lines.** In Austin, the per capita income among white residents is \$28,958, followed by Asian residents at \$21,743, African American residents at \$16,633 and Hispanic residents at \$13,252. In the Austin suburbs, the same disparities are seen, but the gaps are slightly smaller: white, \$27,046... Asian, \$22,855... African American, \$18,143 and Hispanic, \$14,257.

To understand the Austin area, you need to understand its population mix. Hope this helps.

Students in suburban Austin school districts generally perform better on tests than those in the Austin school district — at least as far as 3rd grade TAKS tests are concerned.

Look at these recent results of third graders who passed the English version of the new TAKS reading test: Eanes Independent School District, 99% ... Round Rock ISD, 96% ... Leander ISD, 96% ... Lago Vista, 94% and Pflugerville, 93%. Austin ISD scored 89% — still high compared to other major metro school districts. For instance, Houston ISD scored 84% ... San Antonio, 83% ... Fort Worth, 83% and Dallas, 76%. The statewide average was 89%.

Practically all school districts, suburban and metro, are in the midst of one of the biggest financial crises in recent Texas history. At the very bedrock, the method of financing itself is facing a major examination that could result in an overhaul of epic proportions – probably in a special session of the Texas Legislature called for that purpose. In the meantime, **what do the school districts do to try to maintain a high level of teaching** as exhibited by the TAKS test scores? Obviously, many districts have shaved costs where possible. But, since many districts are prevented by law from raising taxes further, they're searching for other funds.

Take the Eanes District for example. It has long been one of the best school districts in Texas, as the 99% score above illustrates. It includes the wealthiest section of the Austin area (West Lake Hills and other pricey neighborhoods) and is taxing property at the maximum allowed. But under the current “Robin Hood” school finance system, **it's required to send \$52 million this year alone to less wealthy school districts.** This is a big hit, even for a wealthy system.

So, after cutting as much as possible, what is Eanes doing? Facing a staggering \$11 million shortfall (23.8% of this year's operating budget), **it is asking all households in the Eanes ISD to contribute at least \$150 to help out.** All donations are tax deductible, are not subject to “Robin Hood” recapture, and qualify for most matching corporate programs.

If Eanes receives \$150 from each household (asking those who can afford it to give more), it will raise more than \$1 million – **enough to pay 20 teachers/coaches, counselors, nurses or campus technology coordinators, plus 14 paraprofessionals.** It is seeking the money by 5/28/03 so the Board of Trustees can make staffing decisions for the next school year.

In a letter to residents, Eanes ISD elected leaders and school volunteers say the school system, “the one that most likely drew you to this area, is facing a financial crisis the likes of which it has never encountered in its 130-year history.” It points out the district has already **increased extracurricular participation fees and football ticket prices**, bought down its fund balance, **increased class sizes** in grades 5-12 and **cut 61 staff positions**, among others. Now it is pleading for funds from those who are already paying the highest school taxes allowed. This is an example of what just one district is doing, in desperation, to try to maintain excellence.

When 50+ Texas House Democrats made national news last week by “hiding out” in Oklahoma for four days to kill a Republican-backed Congressional Texas redistricting bill, they left behind an interesting question.

During the weeks preceding the walkout by enough Democrats to prevent the Texas House from conducting business, you heard Travis County State Senator **Gonzalo Barrientos**, a Democrat, claim over and over again he had **enough votes in the Senate to block the redistricting bill** if it ever passed the House.

In every session of the Legislature, you have bills pass either the House or the Senate, only to be killed in the other body. Most Senators and House members usually know when that is going to happen. In fact, some **reluctant legislators vote for a bill** – just to be on the record for later campaign purposes – **knowing full well the measure will never see the light of day** when it makes it across the rotunda. This is not an uncommon practice.

So if there were enough Senate votes to kill the controversial bill, as their partisan colleague Senator Barrientos claimed, **why then did Democratic House members take the risky step of endangering many other bills** (some they supported) and shut down the legislative process for four days as the session drew to a close? Interesting question.

The City of Austin’s policy for the past few years, Smart Growth, “is an environmental policy and nothing else.” Who said that? Austin’s newly-elected mayor, that’s who.

It’s significant that **Will Wynn** made the comment to the *Austin Business Journal* just weeks before he begins a three-year term as Mayor of Austin. But that’s not all he said about the policy that has directed economic growth for so long. He further told the *ABJ*: “We’ve learned some lessons and now I think we’re going to actually **take those environmental blinders off a little bit and broaden the perspective to allow job creation to be the overarching factor.**”

Wynn even comes down on the side of **offering incentives to businesses** relocating and growing in Austin, as long as the controversial process is done “deliberatively and predictably.” You may remember Wynn, as a City Council member, has been heading up a Task Force on the Economy. His group’s report should surface soon after he becomes mayor in June. The report is expected to recommend **streamlining the city’s development review policies**, as well as include suggestions for incentives for businesses.

Wynn, who has courted both environmental and business backing in his three years on the City Council, should have the normal “honeymoon” period when he’s sworn in. **It’ll be interesting to see if he couples this “honeymoon” time with the current economic uncertainty to make some bold moves** — to start to achieve his stated goal of creating 10,000 new jobs in Austin.

When the colossus Krispy Kreme national donut chain came to the Austin area, it created quite a stir among those who savored the sugary treat in other cities. But the move did more than that. It triggered a shootout between hometown favorite, Round Rock Donuts, and the interlopers from out of town. The winner: your sweet tooth.

Those who savor Round Rock Donuts know they are on to something special. The oddly-shaped, yellow (or are they orange?) delectable donuts have gained almost cult-like status since they were first fried and glazed 77 years ago in tiny Round Rock. Now the local donut makers are getting some national notoriety as they battle Krispy Kreme for the donut dollar.

Round Rock Donut owner **Dale Cohrs** says “Not much has changed in the 77 years since our business started. Every donut is made from scratch. We never use artificial flavorings or preservatives and we shape each donut by hand. **I don’t think you can make a donut this good with a machine.**” Take that, KK!

The RR Donut recipe is a well-guarded secret. But we do know hundreds of gallons of batter are mixed, yards of dough rolled and up to 2,000 donuts are individually cut by hand before they’re served hot each day. A new RR shop has opened in Pflugerville and stores are planned for South Austin and Cedar Park.

That’s not all. RR is now **delivering fresh donuts** to many convenience stores, schools, churches and businesses in the Austin metro area on a daily basis. When KK came to town, it also started putting donuts in other locations such as convenience stores.

While Round Rock Donuts is not as well known nationally as Krispy Kreme, the “little donut shop that could” is making moves in that direction. The tasty treats are featured in a cable TV show on The Travel Channel and will be in the August 2003 issue of *Southern Living* magazine.

Speaking of food, **Dr. Louis Overholster** claims “Sushi, as we all know, is Japan’s revenge for losing the war!”

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