

SHOW-ME newsletter

MARCH 2012

SHOW-ME INSTITUTE PROPOSES NEW YEAR'S RESOLUTIONS FOR MISSOURI LAWMAKERS



Andrew Wilson
Fellow and
Senior Writer

Andrew Wilson, resident fellow and senior writer at the Show-Me Institute, proposed some excellent resolutions for legislators to follow as they deal with the state's estimated

\$600 million to \$1 billion budget deficit for 2012.

Here is an abbreviated look at his five New Year's resolutions for Missouri lawmakers, educators and other public servants:

RESOLUTION 1: Adopt a whole new mindset. Tell yourself at the beginning of every day: More spending is not the answer. Repeat: More spending is not the answer. The best and only way to promote faster growth in our state and communities is to cut spending on things that don't matter and learn to do more with less.

RESOLUTION 2: End the sacred cow status of state tax credits. These subsidies to favored builders, developers and others are not "free money." They represent a serious drain on future tax revenues. It is time to rein in historic tax credits, development tax credits and film tax credits, and make these and other tax credit programs subject to ordinary budgetary processes and disciplines.

RESOLUTION 3: Abolish the state income tax. Nothing would do more to promote the growth and competitiveness of our state than the elimination of the state income tax – on both corporations and individuals.

RESOLUTION 4: Root out cronyism and abuse of subsidies at all levels – including local and municipal government.

RESOLUTION 5: Give families real school choice and make sure that all schools (not just private schools and charter schools) are able to fire bad teachers (and bad administrators) and reward good ones.

To read about these resolutions in-depth, visit www.smiinfo.org/resolutions.

A MESSAGE FROM BRENDA TALENT



Brenda Talent
Executive Director

The Show-Me Institute is full of activity and energy as we launch our seventh year of operation. I am proud to report that the staff is hard at work researching and analyzing the issues that are important to you and the state of Missouri.

The Show-Me Institute in 2011 had a significant impact on how state lawmakers view policies that affect each of us.

The highlight of the year was our successful education of lawmakers, the media, and the public regarding the proposed Midwest China hub, or Aerotropolis, at Lambert-St. Louis International Airport. The plan would have channeled more than \$360 million in state tax credits to private businesses. The Show-Me Institute successfully challenged the claims of the plan's proponents, and this damaging piece of legislation died. Lawmakers and the media frequently sought the Show-Me Institute's research and analysis regarding this government handout, which would have diverted our tax dollars to a select group of politically-favored and well-connected businesses. Claims

that the proposal would create tens of thousands of jobs and generate nearly \$34 billion in economic activity were exposed as wishful thinking.

We can claim victory as a result of our hard work pointing out that the free market is better at picking winners and losers in business than the government. However, we are well aware that while the proposal died, there is potential for it to be resurrected. The Missouri General Assembly started its annual session on January 4. As in the past, we will be at the forefront of the main issues that affect you and all Missourians to ensure that individual liberty and free-market values are protected.

The Show-Me Institute continues to expose the flaws of Aerotropolis-type handouts and numerous other state tax credit programs. An across-the-board reform of Missouri's economic tax credit programs is needed now. Broad-based tax cuts for everyone is better public policy than these tax breaks, which only benefit a chosen few.

We also are addressing the issue of outrageous government spending and the concept of freedom vs. fairness. As the Institute's Fellow and Senior Writer Andrew Wilson pointed out in his op-ed, "New Year's Resolutions for a Better Missouri" (www.smiinfo.org/resolutions), the state is facing a significant budget shortfall, with estimates ranging from \$600 million to \$1 billion for the 2012 budget. The solution is to halt out-of-control government spending at all levels and to end state tax credits, which drain future tax revenues and only serve as subsidies for targeted individuals and businesses.

Andrew also wrote an excellent op-ed titled "Freedom vs. Fairness – Will America Succumb to the Politics of Envy?" (www.smiinfo.org/fairness). This piece focused on last year's Occupy movement. To quote his commentary, "The president and others calling for more 'fairness' through bigger government and higher levels of spending seem to have no concern at how their policies and ideas are eroding economic and political freedoms."

Our mission at the Show-Me Institute is to protect freedom and individual liberty for all. Freedom and free-market thinking spur economic growth. But more is at stake than just prosperity, important as that is. A free society is a more just society. Property rights are human rights. We believe it is time to speak out, clearly and unapologetically, for the right of people to do what they wish with their own lives, their own labor, and their own property.

We are proud to be the only nonprofit organization in Missouri whose sole function is to fight for the idea of freedom as it relates to public policy. We are nonpartisan — we are not swayed by political parties or special interest groups.

We appreciate your continued support of the Show-Me Institute. You have played an integral role in making us the go-to source in Missouri for policymakers, media, and concerned citizens just like you. As a result, we have been able to demonstrate the power of market-based solutions across a broad range of public policy issues. We look forward to working together in 2012.



Should I-70 be a toll road? Media turns to Show-Me Institute for analysis

That is the big question that has generated immense discussion recently.

When officials for the Missouri Department of Transportation (MoDOT) suggested in December using tolls as an option to reconstruct I-70, media across Missouri quickly remembered that the Show-Me Institute has been talking, researching, and writing about toll roads for years. And ever since, Show-Me Institute Policy Analyst David Stokes has been at the forefront of that discussion.

Stokes discussed the ideas regarding toll roads on seven radio shows, had his op-eds on the subject printed in the *St. Louis Post-Dispatch*, *Columbia Missourian*, *Sedalia Democrat*, and *Illinois Business-Journal*, and has been quoted on the topic by the *Kansas City Star*. Stokes also has been invited to testify on the issue before the state legislature's Joint Committee on Transportation Oversight. Our work on tolling has further been featured in television news stories, Internet debates, and many other venues.

In 2008, the Show-Me Institute directly addressed the issue of public-private partnership and tolling in two papers. One, "Missouri's Changing Transportation Paradigm," by Stokes, discussed a wide variety of ways to provide roads and transit, including toll roads. The other, "Private Provision of Highways: Economic Issues," by Professor Ken Small, focused on the economics of using private funds to construct and operate roads.

Each paper received attention at the time of publication, and Stokes was invited to participate in a series of transportation forums around the state which included the current director of MoDOT.

Whether you are for or against toll roads, the issue presents an excellent opportunity to engage in an economic discussion about something most Missourians can readily relate to and understand. The toll debate gives the Show-Me Institute a chance to discuss economic arguments of public goods and the essential features of

excludability and rivalry in an easy to digest fashion: higher gas taxes or toll roads?

Make no mistake, Stokes and Small support the idea of Missouri making greater use of tolling as part of our transportation infrastructure. But, no matter what the legislature decides, this has been a great opportunity to provide education in free-market economics throughout the state.

To read more about this issue, visit www.smiinfo.org/tollroads.



SUPPORTER OF SHOW-ME INSTITUTE IS DEFENDER OF CONSTITUTIONAL RIGHTS

“After having kids, I really have noticed the size and scope of government, how it’s out of control. I want freedom and prosperity for my children.”



Jennifer Bukowsky places a high value on family, the spirit of entrepreneurship, community involvement, and protecting individuals’ constitutional rights.

She donates to the Show-Me Institute because she believes that the Institute’s principles perfectly align with what she encourages and practices each day in her own law firm, in her community, and within her family.

“I don’t like government interfering with the free market,” Bukowsky said. “It’s not the government’s role. We need to be mindful and watchful of what they are doing.”

Bukowsky originally was a Certified Public Accountant. She then became engaged and the couple moved from Saint Louis to Columbia, Mo., where her husband Brant started a business with his brothers. Bukowsky decided to attend law school at the University

of Missouri-Columbia and was offered a position with the Armstrong Teasdale law firm in Saint Louis.

But her life changed dramatically after a presentation from a “passionate” public defender during her last semester of law school.

“I was so taken by how passionate he (Justin Carver, a public defender in Fulton, Mo.) was about what he did,” Bukowsky said.

So Bukowsky, who did her clerkship with the Missouri Supreme Court, turned down the big law firm job and decided to work for three years in the Missouri Public Defender’s office.

“I had tons of cases, an overwhelming number of cases,” Bukowsky said. “I always had to be in triage mode and couldn’t devote the time needed to properly address my clients’ needs and ensure that their constitutional rights were protected.”

Bukowsky said that despite the workload, she never lost sight of the fact that everyone – whether innocent or guilty – deserves to have their constitutional rights protected.

“Everyone deserves to be treated fairly and their cases need to be resolved appropriately, as protected in the

Constitution,” Bukowsky said.

Bukowsky made the choice to change her own life’s path again a little more than a year ago. With encouragement from her husband, Bukowsky started her own private practice, opening the Bukowsky Law Firm in Columbia. She specializes in criminal defense and said she has handled more than 1,000 criminal cases ranging from littering to murder in the first degree.

“If you had told me during my first year of law school that I’d ever be a criminal attorney, I would have laughed,” Bukowsky said. “But I’ve totally changed my perspective. I believe strongly in the rights of individuals versus the government and trying to protect our Constitution. People need someone to make sure that someone’s rights are not taken away without due process and within parameters of the Constitution. I believe in protecting liberty for everyone.”

Bukowsky has been appointed to the Missouri Bar Criminal Code Revision Subcommittee, which is working to revise all of Missouri’s criminal statutes for consistency and cohesiveness. She also is a member of the Rotary Club of Columbia-Northwest and serves as chair of the Criminal Law Committee



for the Boone County Bar Association as well as on the boards of the Heart of Missouri United Way and Columbia Chamber of Commerce.

Bukowsky calls her husband a “serial entrepreneur,” opening a variety of businesses throughout the years. The couple has two young sons, 4-year-old Blake and 2-year-old August. While Bukowsky said it is a “juggling act,” she is glad to have the opportunities provided in a free country.

Her children’s future is what led Bukowsky to support the mission of the Show-Me Institute.

“After having kids, I really have noticed the size and scope of government, how it’s out of control,” Bukowsky said. “I want freedom and prosperity for my children. The problem I see is that people are looking to government for solutions. But the government is growing out of control and overreaching into our lives. We can’t afford to have government solve every problem for us. They take our tax money and there is no accountability. There is nothing we can do about the government being wasteful with our money.”

That is why Bukowsky turned to the Show-Me Institute.

“I am pleased about the unique ways the Show-Me Institute looks for solutions that are non-government,” Bukowsky said. “There are areas that the government needs to get out of and it will take the sophistication of people analyzing the problems and issues, like they do at the Show-Me Institute. We need to figure out creative, new ways to address our state’s problems. The more resources and money the government has from us, the more they redistribute our money and we have less control.”

Bukowsky said she is concerned about government interference in all aspects of our lives.

“I don’t like government picking winners and losers,” Bukowsky said. “The government bureaucrats keep trying to scare us and create more burdens. We don’t need to rely solely on the government to solve our problems. The Show-Me Institute is an alternative resource, seeking solutions to those problems. We need to encourage individual, quality thinking to figure out smart, reasonable, workable solutions.”

Jennifer Bukowsky donates to the Show-Me Institute because she believes that the Institute’s principles perfectly align with what she encourages and practices each day in her own law firm, in her community, and within her family.

JOIN THE FIGHT FOR LIBERTY IN OUR STATE.

SHOW-ME EVENTS

Be a part of a discussion with the world's top scholars and entrepreneurs regarding the latest free-market ideas and solutions in today's public policy arena. For more information on our events, visit showmeinstitute.org/events or contact Elizabeth Lanier-Shipp at (314) 454-0647 or Elizabeth.Lanier@showmeinstitute.org.

October 18, 2011 - **ECONOMIC POLICY SPEAKER SERIES**

Guest Speaker: Andrew F. Puzder, CEO, CKE Restaurants, Inc.

Reception and an economic policy presentation at Saint Louis University John Cook School of Business.



December 6, 2011 - **POLICY BREAKFAST: Education Issues for 2012**

Guest Speakers: Dr. Kelvin Adams, Superintendent of Schools, St. Louis Public School District, and Dr. Michael Podgursky, professor of economics at the University of Missouri-Columbia, discussed education issues for 2012.



February 6, 2012 - **SHOW-ME FORUM: State of the State: A Legislator's Perspective**

Guest Speakers: Missouri Senator Kurt Schaefer and Missouri Representative Chris Kelly. Show-Me Forum is a regularly sponsored event in Columbia, Mo., at the Hy-Vee.



The Show-Me Institute sponsors book clubs in both Saint Louis and Columbia for those who are interested in exploring and discussing the ideas of liberty.

For more information, visit: tinyurl.com/showmebooks

Show-Me Institute Book Club — **SAINT LOUIS**

The Saint Louis club meets the **SECOND** Wednesday of every month from 7:00 – 8:30 p.m.

Some books we've read and discussed:

Frederic Bastiat, *The Law*

Alexander Hamilton, John Jay, James Madison, *The Federalist Papers*

James Tooley, *The Beautiful Tree: A Personal Journey Into How the World's Poorest People Are Educating Themselves*

Mark Skousen, *The Making of Modern Economics: The Lives and Ideas of the Great Thinkers*

Questions: Contact Greg at bookclub@showmeinstitute.org

Show-Me Institute Book Club — **COLUMBIA**

The Columbia club meets the **FIRST** Wednesday of every month from 6:00 – 7:00 p.m.

Some books we've read and discussed:

Barry Goldwater, *The Conscience of a Conservative*

Ludwig von Mises, *Bureaucracy*

Murray N Rothbard, *What Has Government Done to Our Money?*

Norman Stephan Kinsella, *Against Intellectual Property*

Questions: Contact Katie Sinuefield at Katie.Sinuefield@showmeinstitute.org

SHOW-ME INSTITUTE IS GO-TO RESOURCE FOR MISSOURI MEDIA

On any given day, no matter where you are in the state of Missouri, if you listen, watch, or link to the media, the chances are good you will encounter comments about public policy from Show-Me Institute staff members.

As we set our sights on a busy 2012, the Show-Me Institute continues to be a go-to resource for Missouri media.

December was a good example of what was a banner year in 2011. We recorded 25 major “hits” among media outlets, with commentaries appearing across the state in the *Kansas City Star*, the *Columbia Daily Tribune*, the *Springfield Business Journal*, the *St. Louis Business Journal*, the *St. Louis Post-Dispatch*, the *Missouri Record* (Kansas City), the *Southeast Missourian*, and the *Sedalia Democrat*.

The Show-Me Institute has maintained that brisk pace in early 2012, with 25 major hits in January and 12 in the beginning of February.

Senior Writer Andrew Wilson’s op-ed “Freedom vs. Fairness” received national attention, running in the *American Spectator* and the *Daily Caller*.

SHOW-ME MINUTES DEBUTS ON KMOX

The Show-Me Institute kicked off a new feature at the beginning of February.

Called the “Show-Me Minute,” these 60-second radio spots take a look at public policy issues in the state of Missouri. The first one touched on tax credits and how lawmakers have the

In addition, Policy Analyst David Stokes and Communications Director Rick Edlund appeared on several Saint Louis radio programs, while Policy Analyst Audrey Spalding made a return appearance on the popular Saint Louis television program “Donnybrook.”



Not content to just let the media carry the ball, the Show-Me Institute has beefed up our own video department. We produced 46 videos last year, far exceeding the 21 videos from the previous year.

Visit our website at www.showmeinstitute.org to view the videos, and be sure to check out one of our latest: “Gasoline, Cigarettes, Alcohol, and Taxes...What Chicago Blackhawks Fans Have To Say.” It is a perfect example about free markets.

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LOOKING AHEAD: 2012

The Show-Me Institute's vigorous fight for individual liberty and free markets in Missouri continues in 2012.

Last year, Policy Analyst Audrey Spalding's research into the Saint Louis Land Reutilization Authority (LRA) revealed how the LRA, through its years of existence, has steadily accumulated a vast number of properties. It now is the city's single-largest landholder. Research revealed that the LRA was turning down private bids on properties from small-time developers in the hopes that hoarding property would produce large-scale development miracles.

This year, lawmakers filed legislation to create a land bank in Kansas City. This land bank would have powers similar to those the LRA enjoys, and some that go beyond even the LRA's authority. We are working to inform Kansas City legislators and the public about the failures

of the Saint Louis land bank. We hope that awareness of those failures will help lawmakers determine that the creation of a land bank will undermine economic development in Kansas City.

The Show-Me Institute continues to promote the expansion of charter schools to all areas of the state. We also need to allow school districts to reward the best teachers while encouraging the worst to find another job. Tenure reform is needed today. Given the Missouri Supreme Court's recent decision in *Turner v. School District of Clayton*, we also hope that it will be a banner year for expanded school choice.

We will continue to advocate for tax credit reforms. State officials continue trying to pick winners and losers, despite their track record of failures. We were the first to oppose the Aerotropolis legislation, a \$360 million tax credit deal which would have opened the door to crony capitalism and wasted tax dollars. Our detailed studies,

informative op-eds, and numerous media appearances were instrumental in halting this flawed and rushed legislation. We stand ready to challenge any version of the Aerotropolis legislation that may be resurrected.

We have long stood against wasteful economic tax credits. The Institute recently published a policy study ("Tax Credits as a Tool of State Economic Development Policy"), which breaks down many of the arguments for such tax credits, pointing out their flaws and factual inaccuracies.

Vague, unsubstantiated promises of economic growth are not a sufficient justification for gambling with Missourians' hard-earned dollars. Real reform of the state's tax credit system is needed. We will be highlighting the excesses of this system in 2012.

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