



MARCH 2015

# SHOW-ME newsletter

## 4TH AND LONG, RAMS' NEW STADIUM

By Michael Rathbone

According to the *L.A. Times*, Rams owner Stan Kroenke plans to build a new football stadium in Inglewood, California, without the use of public dollars. This substantially increases the chances of the Rams leaving Saint Louis. Soon after the announcement, Gov. Nixon's taskforce presented its plan to keep the Rams in Saint Louis.

The plan calls for a new stadium located on the riverfront, north of Lumiere Casino and northeast of the Edward Jones Dome. Estimated costs for the new stadium range between \$860 million and \$985 million. At least half of the costs would be privately financed, but that still leaves hundreds of millions of dollars to be borne by the public.

The mayor's office in Saint Louis maintains that it will not get into a bidding war with Los Angeles over the Rams. That sentiment is encouraging because cities *should*

*not* be spending public money in order to keep or lure professional sports teams.

The attraction of a shiny new stadium is understandable. However, these projects do not produce the economic benefits that should be necessary in order to justify subsidies. Considering that the most recent trend in stadium construction is toward foregoing public financing (the new stadiums in San Francisco and New York being prime examples), why should the public be forced to cough up more money in order to fund construction on a new stadium? The truth is, it shouldn't.

Sports often bind people, families, and communities together. There is no more popular sport in the United States than football. I want Saint Louis to remain an NFL town, but I don't want to spend taxpayer dollars to do it.

ADVANCING LIBERTY WITH RESPONSIBILITY  
BY PROMOTING MARKET SOLUTIONS  
FOR MISSOURI PUBLIC POLICY

## A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Brenda Talent  
Chief Executive Officer

Winston Churchill's famed "Iron Curtain" speech created an indelible connection between Missouri and one of the greatest world leaders of the 20th century.

The speech occurred on March 5, 1946, at Westminster College in Fulton, Missouri, in no small part due to a note from President Harry Truman penned to the formal invitation from the college. The note stated: "This is a wonderful school in my home state. Hope you can do it. I will introduce you."

January 24, 2015, marked the 50th anniversary of Churchill's passing. But as with other prolific, central world figures, his words live on.

Volumes have been devoted to Churchill's wit and wisdom, for good reason. Studying his various quotations can provide insight into his thoughts and opinions of sundry topics. Considering his place in modern history, those thoughts and opinions carry extra weight for many.

Churchill was an ardent believer in free markets. Regarding government regulations, Churchill stated, "If you make 10,000 regulations, you destroy all respect for the law."

Missouri is in the throes of confronting taxi and transportation regulations in the face of the upstart Lyft and Uber ridesharing services.

Saint Louis' Metropolitan Taxicab Commission (MTC) and Kansas City's Regulated Industries Division seem to be doing their best to avoid keeping the public interest in mind.

Government regulations too often punish innovation, reduce consumer choice, and make our cities and state less competitive in the global economy. Show-Me Institute analysts argue for the freedom of customers and entrepreneurs to make their own choices, and against the paternalistic and economically damaging control of government regulators.

Regarding taxes, Churchill stated, "We contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle."

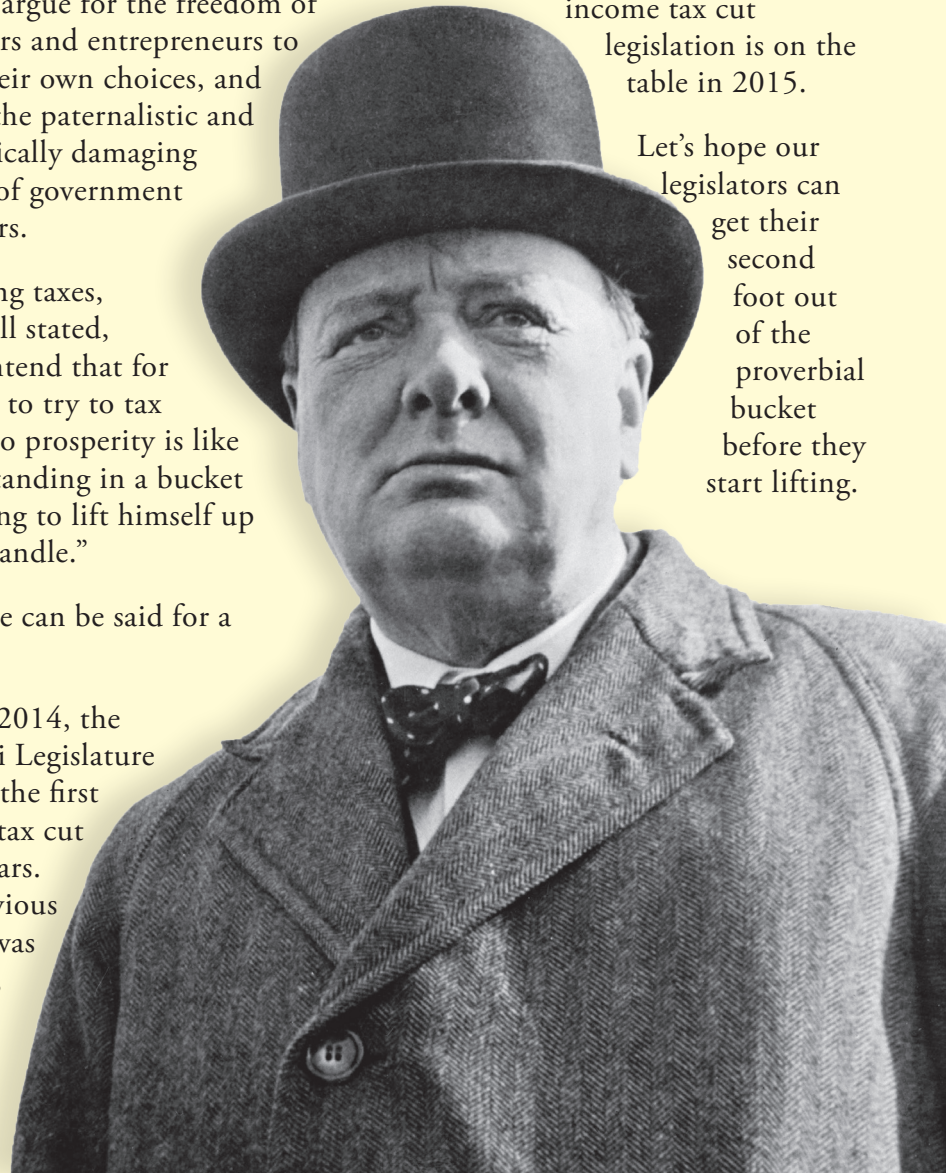
The same can be said for a state.

In May 2014, the Missouri Legislature enacted the first income tax cut in 93 years. The previous tax cut was in 1921, 25 years before

Churchill's famed speech in Fulton.

Although last year's tax cut is modest at best—income taxes will be gradually reduced by half a point over a period of years—additional income tax cut legislation is on the table in 2015.

Let's hope our legislators can get their second foot out of the proverbial bucket before they start lifting.





## HOMESCHOOL: THE HIDDEN GEM OF EDUCATIONAL CHOICE

By Brittany Wagner

“I know what you’re thinking, homeschooled kids are freaks or that we’re weirdly religious or something,” says Lindsay Lohan’s 16-year-old on-screen persona in the opening of the 2004 hit, *Mean Girls*. While the plotline that Lohan’s character was educated by zoologist parents in Africa is far-fetched, the fictional teenager’s concern about homeschooling perceptions is not a Hollywood exaggeration.

According to the U.S. Census, 1.8 million children were homeschooled in 2012, up from the 2007 Census. Some attribute recent increases in the number of homeschoolers to state adoptions of the Common Core Standards. Though parents choose to homeschool for many reasons, such as religious ideals or a lack of quality schools, the decision to homeschool has increasingly come under fire.

In January, the *Kansas City Star* reported that as “home school numbers rise, regulations fall.” For the most part, Missouri does not regulate how parents choose to educate children within a home setting, but there are organizations that worry that without regulations abuse or educational neglect is more likely to occur. The Coalition for Responsible Home Education (CRHE) is one group that seeks to increase regulations across states.

Advocates of homeschooling contend that most parents who homeschool are committed to the task. Thus, homeschooled children are likely to perform just as well or better than if they had attended a traditional public or private school.



Teresa Keats, a mother of six in Camdenton, Missouri, currently homeschools two of her children. She made the decision to homeschool her 24-year-old son before he reached school age. Because he has both

autism and Down syndrome, she felt that homeschooling was the best choice. She is concerned that increased regulations will prevent families from pursuing the education they believe is best for their children.

According to the Home School Legal Defense Association, families typically spend \$900 per year on homeschooling costs, about \$9,000 less than the average cost to educate a child in a Missouri public school. National Home Education Research founder Dr. Brian Ray reports that homeschoolers save taxpayers \$24 billion annually.

In an effort to provide better access to home education, New Hampshire became the first state to include homeschoolers in its tax credit scholarship program. Homeschoolers can receive up to \$625 for educational expenses. For large families like Teresa’s, this is a helpful contribution.

For many families, homeschooling is the best educational option.

Instead of regulating homeschooling, Missouri should follow New Hampshire’s lead and institute a tax credit scholarship program that includes homeschoolers.

## GOVERNOR BROWNBACK TALKS POLICY AT THE SHOW-ME INSTITUTE

*By David Stokes*

The Show-Me Institute hosted Gov. Sam Brownback of Kansas for a series of events on Wednesday, March 4, and Thursday, March 5. On the evening of March 4, Gov. Brownback was the guest of honor at a fundraising reception in the Central West End to benefit our mission. Senator Jim Talent introduced Gov. Brownback (his former Washington, D.C., roommate).

The governor spoke on the importance of growth-oriented policies and took numerous questions from the attendees. After the reception, the governor joined several Institute supporters at the Saint Louis University Billikens basketball game. The entire night was informative, enjoyable, and helped the Institute build its base of support to continue its work.

The next morning, Gov. Brownback was the featured speaker at an Institute policy breakfast. He

delivered a detailed explanation of the tax cuts Kansas passed and the long-term benefits of those cuts.

While in Saint Louis, Gov. Brownback also made several media appearances to spread the message of lower taxes and more economic growth. He appeared on KTRS radio with McGraw Milhaven and on KDNL Channel 30's *Allman Report*. The *St. Louis Post-Dispatch*, *Kansas City Star*, and *Topeka Capital-Journal* published stories about his presentation.

The Institute's policy talks are free and open to the public. They are an essential part of the Institute's mission of promoting market solutions for Missouri public policy. As the Institute expands, it will host more policy talks throughout Missouri.

Please be sure to sign up for the Institute's regular emails at [www.showmeinstitute.org](http://www.showmeinstitute.org)



so you can stay informed about upcoming lectures, debates, and other events involving the Institute in your community. They are a great way to learn about public policy while advancing the vision of making Missouri a place where liberty comes first.

## STAFF PROMOTIONS



Congratulations to Patrick Ishmael (left) and Joseph Miller (right) on their new positions at the Show-Me Institute. Ishmael is the new director of government accountability, while Miller is now a policy analyst.





## HERE COMES THE SUN

By John Wright



I have spoken to a number of firefighters in Saint Louis County recently, and the stories I'm hearing are not good: cronyism, intimidation, fire district board members using bulletproof vests in their meetings. It appears that something has gone awry.

In response to this strife, the Monarch Fire Protection District is trying something new. Instead of holding collective bargaining meetings behind closed doors, the board has decided to open the process to the public, as Missouri's Sunshine Law requires them to do with most other meetings. The results seem promising.

So why isn't this already standard practice with government collective bargaining? After all, collective bargaining meetings are deliberative

processes where public officials set public policy, including employee compensation, work rules, and grievance procedures.

Missouri's Sunshine Law (a.k.a. Open Meetings and Records Law) provides that public government bodies may close meetings, records, and votes to the extent they relate to a negotiated contract until that contract is executed or all proposals are rejected. Hence, government bodies close collective bargaining sessions with government unions under the theory that collective bargaining is a contract negotiation.

Collective bargaining is a contract negotiation of sorts, but it is not the same as contracting with an outside firm. Collective bargaining is a negotiation between staff and management over internal

operations. Because policy can be set in these bargaining sessions, exempting government collective bargaining from the Sunshine Law is a mistake, especially when the public is concerned about labor relations at a government entity upon which they depend.

U.S. Supreme Court Associate Justice Louis Brandeis famously wrote, "Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman." Expanding the scope of Missouri's transparency laws to cover collective bargaining meetings and records might be one of the best ways to resolve the problems of industrial strife we're seeing in the public sector.

## THE FUTURE OF I-70: MISSOURI'S PHANTOM TOLLBOOTH?

By Joseph Miller

With the failure of Amendment 7, Missouri policymakers have provided no clear way forward for funding Missouri's state highway system. And the clock is ticking. By 2017, the Missouri Department of Transportation (MoDOT) will not have the funds to maintain, much less improve, the state highway system. With leadership in the doldrums, MoDOT is preparing for the

Missouri's infrastructure, including I-70. In principle, using tolls to pay for the improvements of highways is both fair and economically sound. As a direct-user fee, those who benefit most from the highway will pay for it, and in proportion to their benefit. Those who do not use I-70 should not be forced to foot the bill. Whereas a sales tax for transportation would allow trucks passing through the state a free ride, tolling allows all users of

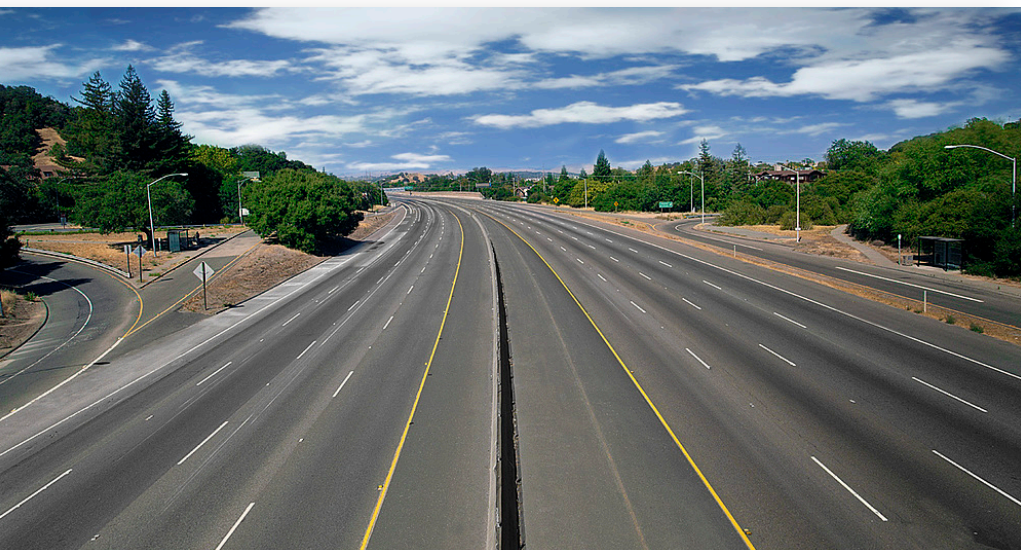
can be used to finance this type of project. It would also free up resources for the rest of Missouri's highways.

In terms of road quality, toll roads tend to have much higher levels of service than comparable public roads due to their reliance on user fees. And with new technology, toll roads no longer need to have expensive, traffic-creating tollbooths that were once common. Dynamic pricing actually can ensure free-flowing traffic and improved travel times, which means Missourians could utilize a rebuilt I-70 and never see a tollbooth.

For these reasons, Missouri public officials have increasingly proposed tolling as part of the solution for MoDOT's growing funding problems. Gov. Jay Nixon, condensing the argument for tolling I-70, stated:

*One option is a toll road on Interstate 70. The Highway Commission's recent report showed that this approach could make I-70 better and safer . . . and free up tens of millions of dollars for other roads around the state. Trucks and out-of-state vehicles that do the most damage to I-70 would have to pay their fair share. That deserves serious consideration.*

Consideration is a start. Moving forward, public officials need to carefully plan tolling major highways in both a fair and fiscally reasonable manner. If they can do so, tolling would make good sense for Missouri.



possibility that no funding solution is found. Its backup proposal, dubbed the 325 Plan, would leave significant parts of state highways to deteriorate. But what if Missourians could pay for new highways through direct-user fees, without having to deal with traffic-creating tollbooths?

That's precisely the idea behind open-road tolling, and it could be used to pay for massive improvements to

I-70, whether Missourian or non-Missourian, commuter or trucker, to jointly invest in a modern highway.

In addition, new open-road tolling can provide a stable funding source and increased quality to the state's highways. The latest MoDOT study stated that rebuilding I-70 could cost \$2 billion, far beyond the current resources of the department. But tolling creates a revenue stream that



## SHOW-ME THE MEDICAID REFORM

By Patrick Ishmael

Supporters of Obamacare are back, and this year they're once again pushing for state legislators to implement the law's Medicaid expansion. This is no small matter. Missouri already spends billions of dollars on Medicaid—a program that policymakers on both the right and the left recognize is broken. From access problems and fraud to outright failures of care, Medicaid is widely understood to be America's worst health care program. An expansion would exacerbate these problems while adding billions of dollars in new spending to the program's tab.

To a certain extent, Missourians should be thankful that a Medicaid expansion debate is even happening. When Congress passed Obamacare in 2010, the law actually required states to enact the expansion and pay the billions in associated costs, or else risk losing practically all of their existing Medicaid funding. In 2012, the U.S. Supreme Court struck down that provision, calling it an unconstitutional gun to the head of the states.

Indeed, under the law that was negotiated with hospital groups, states would have had no choice but to expand this broken welfare program. Thanks to the Supreme Court, Obamacare's expansion at the state level is optional.

It's no wonder, then, that many of the hospital groups that negotiated the law with the federal government

are now telling the state that an Obamacare expansion is a "good deal." But let's get real here: What sort of a "good deal" has to be forced on someone? What sort of a "good deal" would cost the state billions of dollars in new spending and force the federal government to borrow money to fund benefits for able-bodied childless adults today? Worse yet, Missouri's children will have to pay off this debt.

It might be a "good deal" for the hospitals, but for the rest of us? Not so much.

It doesn't stop there. Hospitals say that Missouri is paying for the Medicaid expansions in other states by not expanding its own program, but that isn't true either. For one, Missouri is already a net taker of federal funds, meaning we actually spend the tax dollars of other states in Missouri today. For another, the Medicaid program isn't just a giant pot that's divvied up among participating states. If money isn't spent by Missouri on a Medicaid expansion, it simply doesn't get spent—or perhaps more accurately, that debt is not taken out against the next generation of Missourians.

A better deal, one that protects Missourians' tax dollars, is a plan that reforms, rather than expands, Medicaid. And now that the state has a say, it should make its voice heard—rather than act as an accessory to bad public policy.



### Two Lectures by Michael Cannon

Michael Cannon is the director of Health Policy Studies at the Cato Institute. He will discuss "King v. Burwell: Can the President Rewrite the ACA Without Congress?" in Kansas City on March 25, and again in Saint Louis on March 26. Both events are free and open to the public.

#### Kansas City Speakers Series

*Wednesday, March 25*

6:00 p.m. Lecture

Kansas City Club

918 Baltimore Ave.

Kansas City, MO 64105

#### Speakers Series on Economic Policy

*Thursday, March 26*

5:30 p.m. Reception

6:00 p.m. Lecture

Saint Louis University John Cook School of Business

Anheuser-Busch Auditorium

3674 Lindell Blvd. at Spring Ave.

Saint Louis, MO 63103



5297 Washington Place  
Saint Louis, MO 63108

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## RECENT PUBLICATIONS

The Show-Me Institute has been busy producing accessible, informative studies on a variety of topics. These and other publications can be found on our website at [www.showmeinstitute.org](http://www.showmeinstitute.org).

Recent essays include:



“Is There a Link Between Economic Freedom and State Economic Growth?” by R.W. Hafer

“Urban Neglect: Kansas City’s Misuse of Tax Increment Financing,” by Patrick Tuohey and Michael Rathbone

“Crush Capacity or Nearly Empty: Demographics and MetroBus Utilization,” by Joseph Miller

“Movin’ On Out: Missouri’s Migration Process,” by R.W. Hafer and Michael Rathbone

The Show-Me Institute’s Patrick Tuohey and Michael Rathbone have a feature article titled “TIF (Tax Increment Financing) Gone Wrong” in the Urban League of Kansas City’s book *2015 State of Black Kansas City: Picture of Health*. The article discusses how TIF in Kansas City is not being used to address legitimate blight or pervasive economic need.