



SHOW-ME newsletter

2021 ISSUE 4



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

A MESSAGE FROM THE **CHIEF EXECUTIVE OFFICER**



Brenda Talent

It's been a busy year for the Show-Me Institute, and staying busy can make it easy to miss the forest for the trees. When I step back and look at broader themes in our work this year, one stands out above the rest: shifting power and responsibility to the people who ought to have it.

Education may be the issue where this was clearest in our work this year. The people who should wield power in education are the parents of the children being educated—not unelected bureaucrats. The Department of Elementary and Secondary Education has failed in its task of giving parents the information they need about their districts and schools. So the Institute tried to help fill that void with our school rankings website, MoSchoolRankings.org. The site provides easy-to-understand information about how every school and district is performing on a variety of metrics. Having quality information about how schools are doing seems like the very least parents could ask for.

But parents deserve to know more than just how well schools are teaching—they also deserve to know what's being taught in public schools. That's why we launched the Show-Me Curricula Project earlier this year. The project involved sending Sunshine Law requests to schools and districts throughout the state to determine where critical race theory (CRT) was being taught in Missouri. The responses were predictably frustrating, with many schools obfuscating and resisting requests for transparency. But we still got enough responses to demonstrate that CRT is being taught in various schools in Missouri. Educators will always play a role in determining curricula, but parents have a right to know what such curricula include—and to voice their concerns if they object to what is being taught to their children.

The reluctance of school administrators to share this information suggests that the balance of power had swung away from parents, where it belongs. Our project is intended to help fix that problem. We also hope to address the problems in education transparency and accountability with our recently proposed Missouri Parents' Bill of Rights (MPBR). The goal of the MPBR is to mandate transparency and accountability in education. If schools won't voluntarily share critical information about performance and curricula, they ought to be compelled to share it by law. Again, this is about shifting the balance of power to where it ought to be—with parents.

Much of this discussion has been about education, but we've tried to create accountability and put power back in the hands of ordinary Missourians in other areas too. Institute analysts have continued to fight wasteful tax subsidies at both the state and local levels throughout this year. Tax subsidies are another perfect example of misplaced power—politicians and well-connected developers make decisions about people's tax dollars for their own benefit, and rarely with much (if any) input from the people actually supplying the tax dollars.

Accountability and transparency have always been important themes of the Institute's work, but they have been especially prominent this year. We believe people are tired of bureaucrats and administrators making decisions for them. Moreover, we believe that organizations that take and use taxpayer money should be honest and upfront about how they spend it. These don't seem like controversial stances, but as long as these ideas face resistance in Missouri, we'll continue fighting for them.

LADUE (AND OTHER CITIES) SHOULD EMBRACE FOOD TRUCKS

Corianna Baier



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The demand for food trucks has increased significantly across the country in the last decade. The food-truck industry boomed after the Great Recession, when many people were looking for cheaper, on-the-go options and a lot of culinary experts were unemployed. The number of food trucks in the United States doubled from 2013 to 2018, and now this industry reports sales of over a billion dollars annually. In addition, this industry was particularly well equipped to navigate the changing circumstances of the COVID-19 pandemic. As the supply of, and demand for, food trucks has increased in the St. Louis region, cities have had to figure out how to deal with these new, innovative businesses. Ladue, in St. Louis county, is one example.

Currently, food trucks are not allowed to operate as active businesses in Ladue, but lawmakers are considering changing that. The original legislative change submitted to the city council only allowed food trucks to operate at approved special events with a specific vendor license, and it limited special events on private residential property to one food truck. This legislation doesn't do much for food trucks, as it's still extremely restrictive and overly burdensome. And the restriction of one food truck for private events seems

arbitrary. City council members seemed to recognize that this was too small a step, and they sent the legislation back to the Planning and Zoning Commission to be reworked.

One barrier keeping food trucks from operating in new municipalities is the misplaced fear of competition that leads to unnecessary and burdensome regulations. Most who fight to limit opportunities for food trucks are afraid that they will compete with, and potentially harm, existing brick-and-mortar businesses. The reality is that food trucks *will* increase competition, but that isn't something to be afraid of. Competition among businesses should be expected and encouraged. In the same

way that brick-and-mortar businesses compete with one another, food trucks should compete with existing businesses.

Food trucks will only do "harm" if consumers overwhelmingly decide that they prefer the food trucks to the existing businesses. And harm is in quotation marks because creative destruction is how we make progress. If food trucks overtake brick-and-mortar restaurants in the market (which I think is unlikely), it will mean we are moving forward in a direction chosen by consumers.

The process in Ladue is ongoing, but recent proposals would allow for several food trucks at private residential events and would decrease the fee food trucks need to pay to operate within Ladue. While this still isn't the total freedom one may prefer (there is a place for regulations that reasonably deal with traffic and public safety concerns, of course), it's a much larger step toward freedom in the market. When the market is overly regulated, lawmakers rather than consumers are deciding which businesses will thrive. Ladue and other cities should embrace food trucks and market competition as a way to encourage both entrepreneurship and better dining options for consumers.

A BILL OF RIGHTS FOR MISSOURI PARENTS

Patrick Ishmael

The Show-Me Institute recently published its Missouri Parents' Bill of Rights (MPBR), a response to the difficulties we and others have had in finding out what, exactly, Missouri schools and districts are teaching kids. The Show-Me Curricula Project (a transparency project for public schools) demonstrated that critical race theory is being taught in Missouri schools. But establishing how widespread those teachings are and whose children are affected has been extraordinarily difficult, thanks to the obstruction and, in some cases, misleading statements of local education officials.

The MPBR is available to the public and policymakers on the Show-Me Institute website, but there are five main themes in the proposed bill you should know about.

First, parents have the right to see what schools and districts are teaching their kids. Rather than forcing parents to chase after school officials and hope those officials are being forthright, schools and districts will be required to post their curricula and lesson plans online. Instead of asking for transparency, parents and taxpayers will simply get it as a normal practice.

Second, parents have the right to know how their schools and districts are performing. As my colleague Susan Pendergrass has shown, many parents don't know how poorly their schools and districts are doing in preparing kids for future employment, in part because the Department of Secondary and Elementary Education has been asleep at the wheel. Performance metrics, communicated in an easy to understand format that allows parents to compare schools and school districts based on academic performance, would be required to be published regularly so that parents can see if their schools and districts are failing their kids.

Third, parents have the right to know how schools and districts are spending taxpayer money. As the Show-Me Checkbook Project demonstrated, local governments are often highly resistant to producing spending records. The Show-Me Curricula Project



reaffirmed this widespread rejection of real transparency and the importance of mandatory reporting, including information about spending.

Fourth, parents with access to public school choice options have a right to make full use of them. The Show-Me Institute has long supported school choice, and while the MPBR does not expand those options, it reiterates that local interference and foot dragging that prevents parents from fully and easily accessing those options cannot be allowed to continue.

And fifth, parents have a right to control their child's health care, especially in schools. If, for instance, the state does not mandate masking in schools, parents should not be forced to have their children's faces covered all day. The purpose of schools and districts is education, not health care; to the extent that such health decisions are being made by government, they should be made, after rigorous examination, by the state government rather than school districts.

Transparency and accountability are needed in all levels of government, and our K-12 schools are no exception. We hope the MPBR will be a conversation starter for 2022 as the state reassesses how our educational system is, and isn't, serving parents, taxpayers, and students.

ALL HAT, NO CATTLE

Susan Pendergrass

When it comes to school accountability, the Missouri Department of Elementary and Secondary Education (DESE) is all hat and no cattle. DESE claims to support school accountability, but the report cards it issues for each school and district in the state are not only difficult to understand, but they're difficult to find in the first place. The report cards barely distinguish between school districts based on their performance and do nothing to “meaningfully differentiate” between schools, even though they are required by federal law to do so.

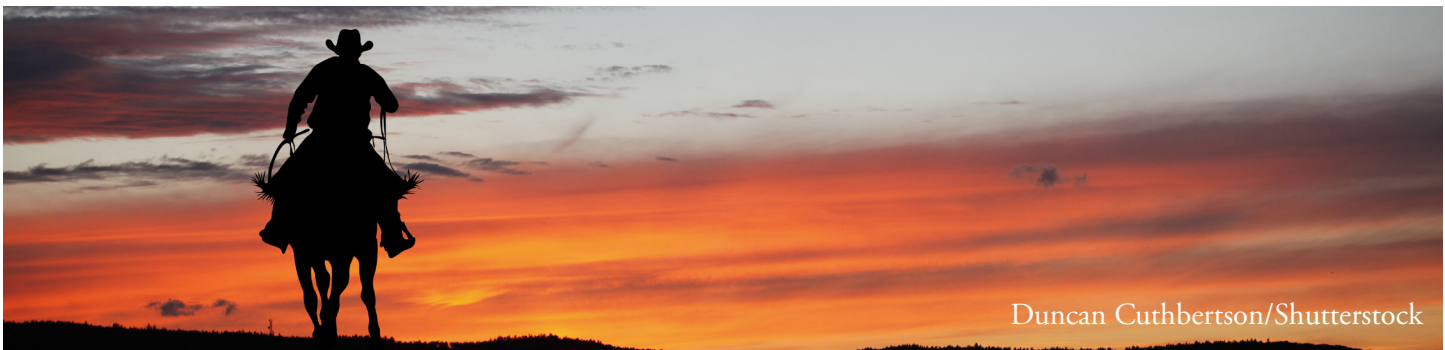
Now DESE is preparing to launch yet another version of its school accountability system, the Missouri School Improvement Plan (MSIP). In the new one, less than half of one page of the 22-page document discusses academic achievement in English/language arts and math. As in the earlier versions, districts will be labeled as unaccredited, provisionally accredited, accredited, and accredited with distinction. There is no reason to expect that any fewer than 99 percent of districts will continue to be fully accredited. Individual schools will continue to receive no labels.

Show-Me Institute analysts have been talking about the deficiencies in DESE's accountability systems and data reporting for some time. We have written papers, produced podcasts, and blogged about the need for easy-to-understand information on the performance of each school in Missouri. Parents, legislators, and citizens need this information. Unfortunately, the new MSIP will likely be more opaque than the earlier one and the school report cards have not improved.

In response, the Show-Me Institute, in conjunction with Show-Me Opportunity, has created a website to provide data on school and district performance. We launched the website in October. The Missouri School Rankings website, which can be found at MoSchoolRankings.org, provides school-level and district-level performance information. This information is used to rank all schools and districts in the state so that users can see how each school or district compares to the others. We also assigned grades across 10 academic indicators, eight of which are based on English/language arts or math scores. The other two are high school average ACT scores and graduation rates. The grades for each school or district were combined into a grade point average (GPA).

In the first two months, MoSchoolRankings.org got over 20,000 views. There have been dozens of media stories written about it and a Show-Me Institute op-ed was placed in four different newspapers across the state. We've had superintendents contact us to find out more about their own data, and we've had comments from the public about what should be added to, or removed from, the site.

Of course, not everyone is going to love seeing these grades. Some will say that we're kicking low-performing schools when they're already down from COVID. Some will claim that it's mean spirited. We believe that information is the key to improvement. We welcome any discussion of what a better report card format for Missouri schools might be. We do not, however, support keeping Missouri families in the dark any longer. You shouldn't wear the hat if you don't have the cattle.



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ALL I WANT FOR CHRISTMAS IS RETAIL ELECTRIC COMPETITION

Jakob Puckett

Missouri's electricity prices have been moving in the wrong direction over the last decade. While our overall prices are currently in the middle of the pack compared to those in the rest of the country, our average retail electric rates have risen 17 percent from 2008 to 2020 after adjusting for inflation—the fourth-highest increase in the country. Fortunately, there's something we can do to change this.

Fourteen other states have been able to decrease their electricity prices during the same period with a simple policy fix. States that allow residents to choose from competing electric service providers have seen their electric prices decrease by an average of 17 percent since 2008—the mirror image of Missouri. We don't have customer choice or competition in Missouri—we still have our century-old monopoly utility model, and it's not serving us well.

Envy may not be in keeping with the Christmas spirit, but our neighbors in Illinois have electric competition and their prices have fallen by 12 percent since 2008. Even the 34 other monopolized states have only seen their electric prices increase by an average of one percent. It's not as good as competitive states, but it's certainly better than Missouri.

Opening electric markets to competition could greatly benefit Missouri. Competitive pressures help make the electric service industry more efficient and open to innovation. Market forces prevent competitive suppliers from simply passing costs along to captive customers, so providers have found ways to increase plant operations and fuel efficiency, with customers reaping the benefits. For instance, when the fracking boom lowered natural gas prices, competitive customers saw the savings passed on to them more promptly than did monopolized customers.

Competitive markets also enable both service providers and customers to take advantage of technological innovation, such as the recent trend of customers generating their own electricity through rooftop solar panels. Under a monopoly this practice creates

headaches for regulators, as commissions and utilities sort through challenges like whether solar-panel owners should be reimbursed for their electricity, or even whether they are unlawfully infringing on the power company's monopoly. Competitive markets simply face fewer regulatory barriers and encourage more efficient electricity-generation practices.

Moreover, there are benefits to the electric system as a whole. Competitive providers are more likely to offer programs that vary electric prices throughout the day and incentivize customers to reduce electricity usage during times of high demand. These programs can save customers money, lower peak electric demand, and reduce harmful pollutants from seldom-used generators than only run during times of high electric demand.

This is just for today. A flexible operating environment will also make it easier to adapt to future innovations, whether in battery storage or the adoption of small modular nuclear reactors. If Santa really wanted to help Missourians out this year, retail electric competition would be a worthy gift.



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BREAKING BREAD TOGETHER YET BOWLING ALONE

David Stokes

As Missouri emerges from the pandemic, the Show-Me Institute is once again enthusiastically participating in as many in-person events as we can. We are hosting lectures, such as the well-attended talk by Douglas Murray on November 10th in St. Louis. The Institute's policy team is also back at it, traveling Missouri at the invitation of civic groups and service clubs to address their members. As a frequent guest speaker at such events, I can tell you that talking about the Institute's work to a civic club such as the Gravois Elks or the Joplin Kiwanis is my favorite part of this job.

Everybody should have a club. Humans are social beings. The tradition of sharing food, telling stories, and conversing is as old as recorded history. As our world changed in fairly recent history to one of individual homes and private meals, it was, I'm sure, nice to get a break from all of that social interaction. But the new world of knowing your friends from social media, having your food delivered by strangers, watching your movies at home, and conversing over video game chat rooms is one that has gone too far in the other direction.

The changes to our culture in this respect were famously documented in the book *Bowling Alone* by Robert Putnam. He tells the story of the decline of social interaction (also known as social capital) through the lens of bowling leagues, which not long ago were a ubiquitous pastime for American men and have now gone the way of the flip phone. Unfortunately, I can personally attest to the points raised by Putnam. My own service-type club has moved to a monthly night



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meeting instead of weekly lunch meetings because of low attendance. The dart club I have played in has far fewer participants than it did 20 years ago. The younger generations simply have limited desire to join an organization like the Rotary Club. When I speak at lunch groups, I—age 49—am usually the youngest person there.

So why should anyone care how or if people choose to interact? We should care because it matters for our society. According to Brookings Institution economist Isabel Sawhill, “many researchers have found that [greater] social capital is associated with higher economic growth rates, better health outcomes, and more stable democracies.”

The absence of social capital has serious consequences. One of those harms for people who don't have community to rely upon in difficult times is dependency on government. The Obama Administration had Julia, and the Biden Administration has Linda. They are the fictional characters used in cartoon storylines to joyfully describe how liberal policies such as free preschool, free community college, Medicaid, Medicare, and scores of other programs will take care of these women and their children (men are never around) from cradle to grave. This sort of propaganda would make Trotsky blush.

Churches, neighborhoods, and social groups used to be the charitable foundations of our country. But with so many people choosing to limit outside interactions (COVID included), the government has become the only option for aid when it is needed. As any political-machine hack will tell you, as bad as the service may be, at least it's something. Too many people are willing to give up too much in exchange for that governmental “something.”

So join a club. Meet your friends for dinner. Read a book or make a quilt in a group. Revisit the sorority house or bowl in a league with your chums. Those social connections are healthy for you and for our society. In the long run, preserving a democracy based on limited government may depend on it.

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Now more than ever, we hope you will stand with us as we work to build a more prosperous future for all Missourians. With support from individuals like you, the Show-Me Institute is able to advance liberty with individual responsibility by promoting market solutions for Missouri public policy.

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