



SHOW-ME newsletter

2022 ISSUE 2



Kenyon Gerbrandt/Shutterstock

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

A MESSAGE FROM THE **CHIEF EXECUTIVE OFFICER**



Brenda Talent

The end of the legislative session is usually one of the most important times of the year for organizations like the Show-Me Institute. We get to see whether the ideas that we've researched, written about, and advocated for become law. We also grade the legislative session, at least in our minds, in terms of its overall progress in key areas.

This year, the legislature gets an "F".

This was a particularly unproductive session, though in fairness we should say that the House did advance many important initiatives. It was in the Senate where the family and freedom agenda was left to die a slow death and where many priorities important to Missourians were simply ignored. The session was defined more by factional infighting than by progress on legislation that would make our state a better place to live.

There were a few pieces of good news. As detailed later in this newsletter, there were some important reforms in education that will make it easier for parents to pick the best education options for their children. We also saw some incremental progress on licensing reform that will remove unnecessary obstacles for people who want to come and work in Missouri. Finally, legislation that will tighten election security in our state also passed.

But the missed opportunities overshadowed the successes in this legislative session. Any movement on school choice is good news, but a huge majority of parents in Missouri still can't choose where their children go to school. Thousands of kids are trapped in schools that are badly underperforming, and there's nothing they can do about it unless they're wealthy enough to pay for private

school or move to a different district. It's frustrating to see smaller changes when we know that wholesale reform is needed.

We also didn't see any follow through on a Missouri Parents' Bill of Rights. This idea was one of the hottest topics heading into the legislative session. At the Institute we created our own version of a Missouri Parents Bill of Rights, and several legislators filed bills during the session with similar proposals. But none passed. It remains unclear why something that was a stated priority of many leaders in the legislature fell by the wayside. What is clear is that the lack of action comes at the expense of Missouri parents.

Missouri also received a massive influx of federal money, which should have been a big opportunity for our state. What did the legislature do with all this extra funding? It passed a \$45 billion dollar budget, which is a massive outlier in terms of total spending for Missouri. The extra money should have been focused on one-time programs that didn't create any ongoing liabilities for the state once the federal funds dried up. But many of the big-ticket items, such as increased teacher pay, are exactly that—permanent spending increases.

We rarely get exactly what we want from a legislative session, and in that sense, this session was no different from many others. And it was gratifying to see some progress on key issues that the Institute has been instrumental in advancing. But most people who want more freedom, empowered families, and better government view this session as a huge missed opportunity.

They're right.

EDUCATION VICTORIES IN THE LEGISLATIVE SESSION

Susan Pendergrass



fongbeerredhot/Shutterstock

The 2022 legislative session in Missouri had a few wins for families and students. Two existing school choice programs were improved, and a new program was added.

The legislature finally “fixed the glitch” regarding charter school funding. The original charter school law in Missouri, passed in 1998, required that local districts “pay” for students who choose a charter school by sending their state and local funding to the charter school of their choice. Once a local district has sent all of its state and local funding to charter schools, there is no more money to send. This essentially caps how many students can be funded.

This isn’t just hypothetical; right now it’s happening in Kansas City. Because “too many” families chose charter schools in Kansas City, charter schools are getting shortchanged on funding. House Bill 1552 will require the state to make up the funding difference if a district runs out of local funding to provide to charter schools. It also ensures that charter school students have access to the same sources of local funding as students who choose their neighborhood school.

We also saw improvements to the Missouri Course Access Program (MOCAP). MOCAP was created in 2018 to give students access to virtual courses to supplement their education. Since then, however, many local school districts have made it difficult or impossible for students to enroll. This was partly because the district

was still on the hook for the student’s state assessment scores and the district had to “pay” for the student’s virtual tuition. While permission for MOCAP is still required, per the new law superintendents must listen to what parents want and grant permission unless there’s a specific reason not to. In addition, full-time MOCAP student test scores are no longer included in the test scores of their local public school district. Rather, the full-time virtual providers are considered to be their own learning centers for purposes of accountability.

Finally, for more than a year, Show-Me Institute researchers have been discussing states that have used a portion of their federal stimulus funding as direct payments to families for addressing learning loss. States such as Oklahoma and South Carolina recognized that students need immediate help in the form of tutoring or other education services to catch up from the difficult conditions created during the pandemic. Missouri has joined this group and has allocated \$50 million in stimulus funds to create Close the Gap scholarships. These scholarships can be worth up to \$1,500 and will first go to low-income students. The money can be used to purchase tutoring, summer programs, or other academic services.

The school choice movement is gaining real momentum in Missouri. We are celebrating these wins but also looking forward to pushing for more school choice next year.

MISSOURI'S HANCOCK AMENDMENT NEEDS SOME ADJUSTMENTS

David Stokes



RozenskiP / Shutterstock

In 2021, the total value of the property within the Lee's Summit R7 School District increased 9.2%, going from \$2.319 billion to \$2.534 billion in assessed valuation. The school board then increased the property tax rate within the district from \$5.4705 to \$5.4837 per \$100 of assessed valuation.

While that may be a very small increase, there should not have been a tax increase at all. Instead, the rate should have been decreased in response to the assessment increase. That is what our Hancock Amendment is supposed to mandate. Article Ten, Section 22 of the Missouri Constitution states:

If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

So how does a school district see a more than nine-percent increase in assessed valuation and still raise its rate? I am not suggesting the Lee's Summit rate is illegal. I'm suggesting that the exemptions within the original

language along with the passage of time and other statutory changes have so eroded the intent of the amendment that now, in 2022, you have Lee's Summit R7 schools doing something that Hancock was clearly intended to prevent.

It isn't just Lee's Summit schools. A review of 2021 property tax rates in Missouri shows that over 600 taxing districts raised their tax rate ceilings without a vote of the people in 2021. While some of them experienced declines in assessed valuation (mostly in agricultural valuations), most did not.

In St. Louis, the city's library district (an independent entity) kept its tax rate exactly the same (\$0.5439), despite an increase of \$115 million in assessed valuation.

Over time, minor weaknesses in the Hancock Amendment have become larger weaknesses. There have been previous attempts to address these issues, both successful and not. Voters rejected "Hancock Two" in 1994, but the state legislature was successful in tightening the assessment and tax rollback requirements in 2008. While the 2008 changes were positive (especially in St. Louis County), it is time for the legislature to address the issue again. It should simply not be allowable for a school district like Lee's Summit R7 (one of the ten largest school districts in the state) to have a nearly 10 percent increase in assessed valuations while simultaneously raising tax rates. Nor should it be allowed for a library district like St. Louis's to see a revenue increase of \$625,000 simply by keeping its rate the same while assessments rise.

Our state constitution is supposed to require voter approval for tax and revenue increases. Clearly, this isn't the case in practice. The Hancock Amendment needs a fresh coat of paint and some new ink on the quill. Requiring all taxing districts to roll back their tax rates to a completely revenue-neutral level after reassessments would be a great place to start.

A SMALL WIN ON OCCUPATIONAL LICENSING

Corianna Baier

Back in 2020, Missouri became one of the first states to enact universal licensing reciprocity, meaning that occupational licenses issued in other states are now recognized here. This was a huge step forward for consumers because it expanded the number of trained professionals who can offer services in the Show-Me State. In addition, it was good news for licensed professionals from other states who wanted to do business here. Still, there was no way for policymakers in Missouri to ensure that other states would honor licenses issued here.

In the recently ended legislative session, lawmakers gave the governor a chance to begin fixing this problem. House Bill 2149 passed through the Missouri Legislature and makes a number of changes to occupational licensing regulations. Among other things, this bill establishes Missouri as part of a licensure compact, which is an agreement among states that establishes mutual recognition of specific licenses and is overseen by a third-party regulatory group. This specific compact, the Audiology and Speech-Language Pathology Interstate Compact, would establish mutual license recognition for audiologists and speech-language pathologists in the more than 20 states in the compact.

There are two main benefits to joining a compact: licensed workers in other compact states can more easily relocate to your state, and licensed workers in your state can more easily relocate or expand their reach to other compact states. Missouri lawmakers have already provided an expanded version of the first benefit with licensing reciprocity, but some Missourians could profit from the second benefit.

Early language for the establishment of this compact appeared to threaten options for Missouri consumers because it did not specifically preserve licensing reciprocity. On its face, the original language indicated that the license compact would overrule licensing reciprocity, meaning that *only* practitioners from compact states would have their licenses honored in Missouri. Such a change would be harmful to consumers here.

Under Missouri's current licensing reciprocity law, Missouri consumers have access to professionals from 50 states and Missouri licensees have access to 1 state (Missouri). (Of course, they may have access to other states with reciprocity, but that is not controlled by Missouri lawmakers.) If Missouri were had entered the Audiology and Speech-Pathology Interstate Compact as it was initially written, then Missouri licensees would have gained access to customers in compact states (20 at time of writing), but Missouri consumers would have lost access to practitioners who weren't from compact states.

Fortunately, a positive change was made and remains part of the final text. Language was added that establishes the compact while keeping reciprocity in place. Missourians benefit from reciprocity in many ways—it creates more options for various services, breeds more competition (which lowers prices), and encourages businesses and entrepreneurs to move to Missouri, which makes the Show-Me State more prosperous. By solidifying reciprocity, the establishment of this compact has gone from a step backward for consumers to a step forward for workers.

If the current bill is signed by the governor, Missourians will be able to benefit both from licensing reciprocity and from this license compact, expanding options for consumers and workers. Though occupational licensing often creates arbitrary barriers for workers and raises prices for consumers, it's encouraging to see the legislature working toward reducing these negative effects. Perhaps next year we will see even greater reforms such as requiring that all occupational licenses be evaluated and approved by lawmakers every five years.

VOTER ID PASSES IN A LARGELY DISAPPOINTING SESSION

Patrick Ishmael

As Missouri's legislative session wound down in May, there was great concern that very little would get done by elected officials this year, and what would get done would mainly be spending—and a lot of it. The legislature had already passed a gargantuan \$45-billion budget laden with federal recovery dollars, and it was starting to look as if any proposal that required something other than a giant check with a bunch of zeros on it wouldn't get done this year.

But from the ashes, at least one significant reform proposal got across the finish line: a photo identification requirement for voting. Readers may recall that Missouri had already enacted photo ID requirements in the middle of the last decade, only for the requirements to get tied up in the courts and partially invalidated in the years that followed. The bill passed by the legislature this year also includes two weeks of no-excuse in person absentee voting and a prohibition on so-called “Zucker bucks,” named for Facebook founder Mark Zuckerberg's targeted donations to a handful of local election authorities in the 2020 presidential election. Overall, the bill passed by the legislature was a good one.

Secure elections are essential to promoting a healthy civil society and reinforcing confidence in our democracy. Every legal ballot should be counted, and the rights of every voter must be protected by ensuring not only that casting a ballot is easy, but also that the voices of voters are not diluted by votes cast illegally.

Voter identification is an issue close to my heart, thanks to my first-hand experience with vote integrity issues during the 2008 election, before I came to the

Show-Me Institute. But as I wrote for the Institute in May 2012:

Voter fraud can swing elections, especially close ones. If voter fraud constitutes 2 percent, or 1 percent, or even 1/2 percent of the vote total, how many races does that affect? How many statewide and local races have you seen decided by a point or less, and how likely is it that none of those races turned on fraudulent votes?

Election results in which the public has little or no confidence undermine our institutions, and for any democracy to thrive, the process by which the public will is enacted must be bulletproof. It's unfortunate that a common-sense measure like requiring photo voter identification in Missouri was delayed until now, but especially in these days of legislative gridlock, better that reform came late than never.



Roibu/Shutterstock

LEGISLATURE SQUANDERS HEALTH CARE MOMENTUM

Elias Tsapelas

Missouri's 2022 legislative session was defined by a series of missed opportunities, and in my opinion, the biggest one was the legislature's failure to capitalize on the momentum for health care reform. The past two-plus years of dealing with COVID-19 has shined a bright light on Missouri's health care system and the role our government plays in it. For too long, Missourians struggled to access health care services because of unnecessary government restrictions, but emergency waivers issued to fight the coronavirus offered patients a much-needed reprieve.

Show-Me Institute researchers have written for years about the insufficient supply of health care providers in Missouri and have put forth a bevy of reforms that would reduce government interference in the market and improve the health system overall. In the spring of 2020, when COVID-19 first arrived, Governor Parson recognized the need to address the potential shortage of health care professionals and acted quickly to waive a variety of laws and regulations that inhibited health care professionals from practicing in our state. While this was a positive step, waivers by their very nature can only offer temporary solutions to a permanent problem.

In the months that followed the waiver's issuance, the benefits of reducing unnecessary burdens had an immediate effect on the state's health care supply. Thousands of Missourians tried telemedicine for the first time—that is, they had a remote visit with a health provider. Advanced practice registered nurses (APRNs) were allowed to navigate freely across the state to serve patients who needed care. And licensed health care providers from other states were allowed to come to Missouri and easily begin providing care.

While the services described above may not sound out of the ordinary, none of them were allowable under Missouri law prior to 2020. Telemedicine was largely restricted to patients and providers who had met previously in person. APRNs were

only allowed to practice medicine within 75 miles of a collaborating physician. And finally, state professional registration boards were not required to recognize licensure of many practitioners from other states, or at least not without first requiring them to clear too many unnecessary hurdles. Fortunately, Missouri's legislature acted on that last item and approved interstate license reciprocity in 2020, which drastically improved the licensing process for out-of-state professionals interested in working in Missouri. Unfortunately, easy access to telemedicine and APRNs remained reliant on emergency waivers.

Going into the 2022 legislative session, I was optimistic reform was on the way. Missouri was finally turning the corner on COVID-19, and the state's emergency declaration for the virus was allowed to expire. With the expiration, so too went the remaining health care waivers. But the legislature failed to pass any laws to create permanent reform for telemedicine or APRNs.

It's not often an opportunity for legislative action is so apparent and uncontroversial; the legislature simply needed to enshrine the popular status quo from the past two years into law. Instead, health care reform was another victim of this year's legislative dysfunction, leaving any hope for action once again to the future.



Christian Delbert/Shutterstock



5297 Washington Place
Saint Louis, MO 63108
314-454-0647

1520 Clay Street, Suite B-6
North Kansas City, MO 64116
816-561-1777

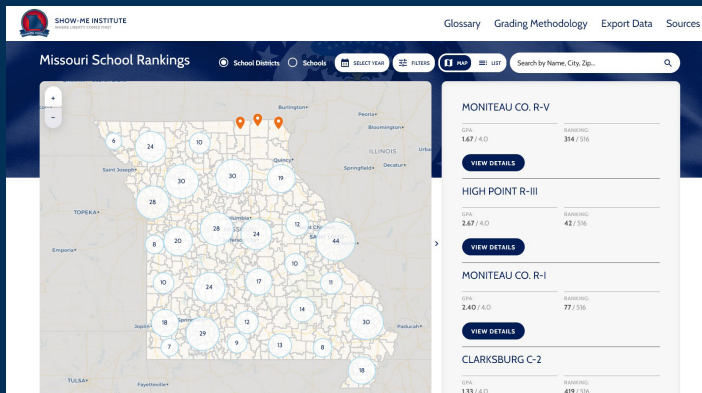
Visit us at:
showmeinstitute.org

Find us on Facebook:
Show-Me Institute

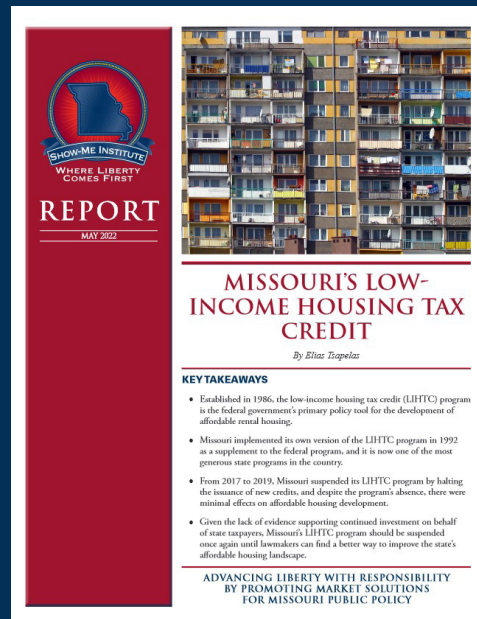
Follow us on Twitter:
@showme

Watch us on YouTube:
Show-Me Institute

USE THESE QR CODES TO CHECK OUT SOME OF OUR RECENT PROJECTS



moschoolrankings.org



**LIHTC
Report**



SUPPORT THE SHOW-ME INSTITUTE AT SHOWMEINSTITUTE.ORG/DONATE