



SHOW-ME newsletter

2023 ISSUE 1



Real Window Creative/Shutterstock

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

A MESSAGE FROM THE **CHIEF EXECUTIVE OFFICER**



Brenda Talent

It's an exciting time for those of us invested in education reform. As never before, school choice and educational accountability are front and center in the public mind. Events in the last few years have reignited the public's desire for parental options in education, and many states have followed through with significant reforms that have expanded choice.

We have made some progress here in Missouri. Last year, legislation helped level the playing field for charter schools with respect to funding. Recent legislation made it easier for students to enroll in virtual classes via the Missouri Course Access Program. And as of 2021, Missouri finally has an education savings account program with Empowerment Scholarship Accounts.

All of that is significant, but it isn't nearly enough. If you examine the forest instead of the trees, it's hard to escape one conspicuous fact: the vast majority of Missouri students still have no meaningful access to school choice, while other states are throwing open the doors to parental empowerment.

Both Iowa and Utah passed significant, universal education savings account (ESA) bills this year. The bills allow families who decide to leave their assigned district schools to receive most of their state education funding to spend on other education options, such as private schools.

Last year, Kansas passed a bill creating full open enrollment—by 2024, students in Kansas will be able to attend any school in the state, regardless of where they live. West Virginia passed a universal ESA bill last fall, giving students 100% of their state funding to use on whatever educational option they choose. Oklahoma created tax-credit programs that will give significant funding to students who attend private schools or choose other options such as homeschooling.

Arkansas is making significant progress on an ambitious bill that would create credits for students to use for various educational options. Passing legislation that enshrines school choice policies for all Missouri students is important beyond just the benefit of giving families options and providing children a chance at a better education. It's also critical for Missouri to attract and retain residents, employees, and businesses.

Businesses around the country will quickly realize that if they locate in Kansas or Iowa or Florida or Arizona or Arkansas—the list goes on—they can offer their employees the benefit of real choice in where their children go to school. How much will that be worth to their employees, and therefore to those businesses? How many companies won't come here, or won't stay here, because their employees have realized that if they live somewhere else they can find a school that best fits their children's needs?

Missouri is already struggling to grow. In the most recent decennial census, our state population grew 2.8% over the previous decade—which seems like it might be okay until you realize that the national average for states was 7.4%.

In short—and to paraphrase Yogi Berra: it's getting late early for education reform in Missouri. Many of the states I mentioned above are neighbors of Missouri. The gap between those states and Missouri will continue to grow unless our leaders understand that school choice is no longer an untested idea or a luxury item to be doled out to a favored few.

Sooner or later the establishment in Jefferson City will realize the cost of inaction—and we will continue pressing them until they do. The question is how much damage will be done to our families and economy before the legislature understands that the rest of the country is already showing the Show-Me State that the time has come for school choice—for all the parents and students in Missouri.

CRIME AND PUNISHMENT (AND SCOOTERS)

David Stokes

The late, great William Safire wrote in the 1990s during the violence over the breakup of Yugoslavia that it was to be either Bosnia alive or NATO dead. I feel the same way about St. Louis right now. Either the City of St. Louis begins enforcing laws and prosecuting criminals or we ask the last person leaving the city to turn out the lights.

For the past few years, you can barely open your internet browser without seeing a new report ranking St. Louis as one of the most dangerous cities (in some reports, the most dangerous city) in the nation, with Kansas City often close behind. We can acknowledge the statistical anomaly of St. Louis being an independent city, which makes the numbers appear higher than elsewhere, while admitting to ourselves that any way you slice the data, crime in St. Louis is at a crisis point.

That's one of the reasons we at the Show Me Institute have decided to address criminal justice issues as part of our mission. We typically research and write on economic, education, and transparency policy. But no reforms in those areas will work in a community where crime is rampant. Aligning incentives to improve long-term outcomes doesn't mean much when people fundamentally don't feel safe here and now.

For years, St. Louis at least had a functioning and qualified city prosecutor's office. For the past five years, however, the destructive incompetence of Circuit Attorney Kim Gardner has pushed the city to the brink. If you don't live in the City of St. Louis, just talk to someone who does; they will tell you about the carjackings, robberies, and drag racing downtown and in their neighborhoods.

One major concern is that when criminal behavior gets too bad, stopping it may require resorting to methods that are in tension with civil liberties. New York City famously went from 2,245 murders in 1990 down to 292 by 2017. There were many reasons for that decline, but the city's controversial "stop and frisk" policy was in

effect for much of that time period. One can appreciate the reduction in violence while being concerned about police randomly frisking people without reason or cause.

This brings us to the issues in downtown St. Louis. Given that its circuit attorney has decided not to vigorously prosecute criminal behavior, residents and businesses are understandably reaching for any means to protect their lives and property. Many residential groups want to ban scooters from downtown streets, install traffic barriers on major roads, limit short-term rentals, and impose additional taxes upon themselves for private security.

In other words, St. Louis is experiencing a slide toward anarchy, which residents cannot and will not allow to continue, even if stopping it means intruding into the lives and liberty of law-abiding people.

Endemic crime has many terrible results. One of them is a willingness to sacrifice freedom for the sake of order, whether the sacrifice is consenting to be frisked while going for a walk in New York City or not being able to ride a scooter to the ballgame in downtown St. Louis. The utter failure of St. Louis government to address the crime issue has placed too many city residents in the terrible position of trying to choose between liberty and security. Nobody should be surprised when people in that position pick the latter.



EVA CARRE/Shutterstock

TAX CREDIT DÉJÀ VU

Elias Tsapelas

Missouri's economy has lagged behind much of the country over the past decade, and the state's economic development policies are a major reason for our poor growth. Despite countless studies, reports, and audits suggesting a course correction, Missouri has remained a national leader in awarding tax credits for private gain in the name of "economic development."

Unfortunately, paring back Missouri's tax credit offerings has proved quite difficult, as taking a stand against the state's well-established tax credit industry requires not only convincing policymakers today to take action, but also convincing future policymakers not to reverse course. Over the past decade, Missouri has seen a few meaningful reforms on the tax-credit front, only to have them undone in short order.

One recent example is Missouri's experience with the low-income housing tax credit (LIHTC) program. After years of lining the pockets of real estate developers instead of improving the affordable housing situation for the state's poorest residents, Missouri's LIHTC program was halted in 2016. But in 2020 the legislature revived the troubled program. While it was gone, did the housing offerings for low-income Missourians plummet, thereby forcing state elected officials to act? No. In fact, the number of new affordable housing developments didn't even decline despite the state's lack of investment in the tax credit program. Nevertheless, the credit returned with promises from politicians of reforming it, though it's now two years later and the program is performing just as poorly as ever.

This year, legislators are considering reviving the state's long-dormant film tax credit program. Policymakers rightfully ended the program back in 2013 because it wasn't working. It wasn't just Show-Me Institute researchers drawing attention to the program's shortcomings. The film tax credit is one of the most

studied tax incentives in the country, and the research is clear that it simply doesn't work.

Film tax credits serve too narrow an industry to grow a state's economy—the credits do not generate sufficient tax revenues to justify the subsidy. Everywhere they've been tried they have failed, but for some reason, in 2023 Missouri's legislature appears convinced this time will be different.

To make matters worse, not only is the legislature considering bringing back an old, bad program, but it's also considering creating a new tax credit that's similar but even worse. The so-called "Entertainment Industry" tax credit would subsidize the music industry by reimbursing rehearsal and touring expenses via tax credits. The tax incentive is modeled off one in Pennsylvania; Pennsylvania's own auditor says the program is a disaster. The auditor's recent report states that the "credit provides substantial benefit to the only Pennsylvania qualified rehearsal facility." And the "return on investment is 15 to 35 cents of state tax revenue for each tax credit dollar." In other words, state taxpayers are losing 65 to 85 cents of their investment to the substantial benefit of one private business. Why would Missouri consider following Pennsylvania down this horrible path?

Turning Missouri's economy around doesn't have to be as difficult as our elected officials are making it seem. Instead of trying to pick winners and losers we should let the market decide. Instead of subsidizing the movie or music industries with the hopes of generating an economic multiplier effect, policymakers should lower the tax burden for all Missourians. At the very least, our elected officials should agree to stop advancing policies that we already know don't work.

“LOYALTY OATHS” HAVE NO BUSINESS IN MISSOURI’S PUBLIC UNIVERSITIES

Patrick Ishmael



Matthew Tilley/Shutterstock

In recent years I’ve written at length about the lack of transparency in Missouri’s K-12 educational system, especially as it relates to school and district lesson plans and performance data. This work is a logical extension of the Show-Me Institute’s previous local government transparency initiatives—the Show-Me Checkbook Project; then the Show-Me Collective Bargaining Agreement Project; and now, Show-Me Curricula, Parents’ Bill of Rights, and MoSchoolRankings Projects.

We all understand the enormous importance of our K-12 education system. Children who fail to learn at school usually struggle as adults, and if too many children fail to learn, the economy and the culture will falter as well. Failing to properly educate children in their formative years can have enormous consequences for both the child and the state later in their lives; not only may a poorly educated child grow to be a struggling adult, but the state may suffer all kinds of related negative consequences—from stunted economic growth to added stress on the state’s correctional system.

In other words, a focus on transparency, accountability, and performance in education through adolescence is not only important for policymakers—it’s critical to the future of Missouri.

But while I’ve generally paid limited attention to the state’s post-secondary state institutions, that may have to change. Why? Because it appears that Missouri’s colleges

and universities are letting a variety of woke pabulum seep into their hiring practices. As I wrote on the Institute’s website, at least five Missouri universities have been requiring ideological attestations—woke “loyalty oaths”—as a condition for public employment.

For example, a job listing for a math professor at the University of Missouri notes that a preferred candidate will “employ justice-oriented frameworks (e.g., anti-racist, abolitionist, decolonial, indigenous)” to their instruction. Do Missouri taxpayers think the best math instruction is “decolonized,” whatever that means?

Meanwhile, a job listing for a librarian at the University of Central Missouri suggests that an ideal candidate incorporates “social justice into [their] work, focusing on the James C. Kirkpatrick Libraries’ diversity, equity, inclusion, and anti-racist efforts.” What does so-called “anti-racism” have to do with managing a library?

In response to my initial blog on the subject, University of Missouri President Mun Choi responded directly to the Institute, stating that there are no “loyalty oaths of any kind at the University of Missouri System.” But the president is playing with words here. Why would such loaded language be included in job listings at the University of Missouri and elsewhere if not to affect who applies for positions and who is ultimately hired for them?

Colleges and universities have long had a reputation of being bastions of left wing-ideologies. But state-funded post-secondary schooling should never be a place of groupthink. Pursuing ideological purity in higher education at the expense of finding and employing the best educators is wildly inappropriate. Hopefully, the legislature will take corrective action this year, especially if the state’s university system is committed to ignoring the problem.

MISSOURI STUDENTS ARE FALLING BEHIND

Susan Pendergrass

Publicly funded school choice in Missouri is extremely limited. Charter schools are only available to families in St. Louis, Kansas City, and now, the Normandy school district. Qualifying children in larger communities can apply for one of just a few thousand Empowerment Scholarships, which award some flexible dollars for education needs. The other approximately 95 percent of families in the state have only one publicly funded option when it comes to their children's education—enrolling with a Missouri Course Access Program (MOCAP) virtual provider.



wavebreakmedia/Shutterstock

So the children who find their assigned public school too large, too small, too impersonal, too unmotivating, too far from their parent's job, too liberal, too conservative, or too lacking in whatever they need are simply stuck. Not every family wants to uproot itself for just a few years of schooling for their children. Ideally, this is the year the Missouri Legislature recognizes this problem and creates a strong open enrollment program for families.

Open enrollment allows families to apply to transfer to a school in a district other than the one in which they live. Districts would post the number of available seats in each school and would consider transfer requests on a first-come, first-served basis. Currently 43 states (including Missouri on a very limited basis) offer open enrollment. In 24 of those states, district participation is mandatory. Since Minnesota started the policy in 1989, hundreds of thousands of families have taken advantage of being able to find the right school fit without packing up and moving.

I believe that open enrollment is a missing puzzle piece in Missouri. We have dozens of small rural high schools that can't offer everything that every student needs. But

a group of high schools across a region might be able to. Show-Me Institute researchers have done a deep dive into where these high schools are, and almost no rural high school is more than 30 miles from at least one high school in another district. In fact, over half of rural high schools are within 20 miles of two high school options. In Minnesota, Wisconsin, and Ohio, rural families have the highest participation rates in open enrollment.

Currently, there are open enrollment bills moving through both the Missouri House and Senate. These bills are far from perfect. For example, they allow districts to choose not to accept transfer students. However, they are a step in the right direction. Institute analysts have provided testimony at the hearings for these bills, and we will continue to closely monitor their progress as they hopefully make their way to the governor's desk.

Families need to have options available when their neighborhood school isn't a good fit. In states with strong open enrollment programs, most children continue to go to their neighborhood schools. Public education hasn't been dismantled or destroyed. These states just put a little more trust in parents. It's time for Missouri to do the same.

SO ROAD HOUSE CAN RELATE TO EVERYTHING IN MISSOURI?

Avery Frank

I recently watched the movie *Road House*, where James Dalton (Patrick Swayze) has to move from out of state (New York) to clean up the meanest, loudest, and rowdiest bar in Missouri. Although this is a sign that I may be thinking about my job too much, I could not help but wonder what his licensure looked like. Did New York require a license to become a “cooler” (someone who breaks up fights and protects the bar’s clientele)? Under current Missouri law, if Missouri required a license and New York did not, our hero would have had to pay fees, undergo training, and pass exams to become a licensed cooler in our state. The beginning

the country. For example, Missouri is one of 22 states that requires a license to work as a sign-language interpreter—and earning that license entails \$442 in fees, 60 credit hours of education, and two exams. Under current statute, if a sign-language interpreter with three years of experience from Kansas, Tennessee, Texas, Oklahoma, Florida, or Ohio (all states that don’t require a license) wanted to move to Missouri, they would have to spend the time and money to acquire a license before they could work here. The same would be true for an experienced veterinary technician from one of the 15 states that doesn’t require a license.



fizkes/Shutterstock

of the movie shows Dalton’s internal conflict about leaving his job to take a new opportunity in Missouri. If he wouldn’t have been able to work for weeks to months, he may have decided against moving to the little town of Jasper, and the story would have ended there.

This story is relatable for numerous families who would potentially move to Missouri. The Institute for Justice has identified nine occupations that Missouri licenses but are not licensed by at least 15 states throughout

Occupational licensing increases costs to consumers, limits competition, and by its nature involves government in the free market. Policymakers should limit the burden of licensing to cases in which it is absolutely necessary.

SB 88 could help make our state more attractive to established workers who want to move to Missouri. Let’s take a lesson from *Road House* and roundhouse kick unnecessary regulations out of our state.

A bill introduced in the Missouri Legislature, Senate Bill (SB) 88, would build on improving past successes in occupational licensing by removing barriers that could prevent the next James Dalton from moving to our great state. This bill would make it possible for Missouri licensing requirements to be waived for out-of-state workers provided they have at least three years of applicable experience. It would also strengthen prior licensing reciprocity legislation by reducing the maximum wait time for oversight bodies to waive requirements from six months to 45 days.



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:

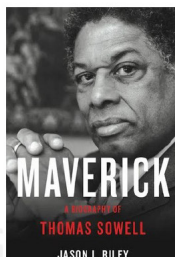
@showme

Watch us on YouTube:

Show-Me Institute

Join us on Wednesday, April 19, at the Saint Louis University Richard A. Chaifetz School of Business for a special event with Jason L. Riley, senior fellow at the Manhattan Institute and columnist for the *Wall Street Journal*. Riley will discuss his book *Maverick: A Biography of Thomas Sowell*.

Mr. Riley will be signing books prior to the program from 5:00 pm – 5:45 pm. Copies of *Maverick: A Biography of Thomas Sowell* will be available for purchase.



“MAVERICK: THE LIFE OF THOMAS SOWELL”

Special Guest Speaker:

JASON RILEY

Senior Fellow at the Manhattan Institute
and columnist for the *Wall Street Journal*

SAINT LOUIS UNIVERSITY
RICHARD A. CHAIFETZ SCHOOL OF BUSINESS
ANHEUSER-BUSCH AUDITORIUM
3674 Lindell Blvd. Saint Louis, MO 63108

April 19, 2023
6:00 p.m.

Brought to you by:



SINQUEFIELD
Charitable Foundation

BLU RESEARCH
Sinquefeld Center
for Applied Economic Research



Program at 6:00 p.m. in the Anheuser-Busch Auditorium

Reserve Your Spot for This Free Event