



SHOW-ME newsletter

2023 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

At the Show-Me Institute, we focus on free-market solutions for Missouri public policy. That means that our analysts rarely, if ever, discuss foreign policy. But I think it's important to say something about the October 7 attacks by Hamas on Israel. I am not going to opine on the geopolitics of the broader conflict; instead, I am interested in the reaction to these events here in the United States.

I think it has great relevance to our work at the Show-Me Institute.

It can be easy, especially with the way social media amplifies isolated incidents, to find fringe elements of your political opposition and inflate their relative size and importance. But that isn't what's happening here. Marches are occurring every day across the country where people not only denounce Israel, but explicitly express support for Hamas. Businesses are facing protests simply because their owners are Jewish, even if they have no real connection to Israel.

Campus activism has sunk to a new low. Mobs are harassing Jewish students and shouting explicitly genocidal slogans, exposing the hypocrisy of campus administrators who do nothing to stop the harassment now after years of telling us how important it is to make their campuses safe and inclusive.

None of this is fringe. It's a mass movement that has penetrated our flagship universities, our biggest businesses, our most prestigious media outlets, and the entertainment companies that produce our movies and publish our books.

It can be tempting to see this movement as stupid or craven and dismiss it on that basis, but I think it's

important to understand why the people behind it believe what they believe.

Part of the explanation is a resurgence of one of the oldest and most dangerous of all human hatreds: anti-semitism. The contradictions underlying anti-semitic bigotry throughout history would be laughable if their effect had not been so terrible. Through the millennia of their wandering, the Jews have been hated because they were too poor; and then when they became successful, because they were too rich. They were hated because they did not assimilate; and then when they assimilated, they were hated for that. They were despised in the past for being stateless, and now they are despised because they have a state that they will not surrender to those who want to kill them.

But there is a broader reason for the reaction we are seeing today. It is driven by a belief that all events and people must be understood through the prism of the oppressor versus the oppressed.

Israel, as one of the richest, most powerful nations in the region, is of course "the oppressor" in this paradigm. As the oppressor, Israel can therefore do nothing right or good, and Hamas, "the oppressed," can do nothing wrong or evil.

This has led movement activists into a carnival-mirror version of reality. Hamas didn't engage in a brutal act of terrorism on October 7—it was simply resisting its colonial occupiers. The sexual violence inflicted on female Israeli hostages never happened—that's just Zionist propaganda. The extensive tunnel network that Hamas built with aid sent to help the people of Gaza—there's no proof that it exists.

These ideas have been relentlessly drilled into the rising elites of the last generation. We are now seeing it expressed in the violence on campus and in our cities, and in the toleration of that violence from institutions at the commanding heights of American culture. According to this paradigm, human beings are to be evaluated

through the filter of skin color, ethnicity, gender, religion, and class, thereby threatening to create a caste system that dehumanizes entire categories of people

And this brings me back to the Show-Me Institute. Our work does not and never will focus on groups or identity. We focus instead on the individual. We advocate for school choice because every single Missouri student, regardless of their identity, deserves the best education possible. We seek lower taxes and less regulation so that our state can become a better place to work and live for every individual, not just favored groups.

We work for policies that advance freedom because we believe every human being has equal and organic worth, and therefore has the right to be free and to pursue the kind of happiness that can be fully realized only in a free society.

The current conflict in Israel and Palestine will eventually fade from the headlines. What should not

fade is the lesson it teaches. There is a great divide in America, but it is not over politics as the term has always been understood. It is over how we view reality, what kind of respect we give the truth, and whether we can see and honor the worth of all our fellow men.

I hope you know on which side of this divide the Show-Me Institute stands. Yes, we stay in our lane. We promote reforms on our issues for our state. That is the best way we can contribute to the renewal it is now clear our country desperately needs. But the last few months have reminded us, if we needed reminding, that behind our policies are the faces of real, individual people—human beings, just like us, who would like a better and fuller life.

If we can help them get it, we ought to. That should always be the reason we do what we do.



PROGRESSIVES RUN AMOK

David Stokes

If we can appreciate anything from the extreme left's demonstrations in support of Hamas, it is that the activists are showing us who they really are. All their tendencies are on display: the contempt for the West's civilizational values, the refusal to engage with those who disagree, and the hardened pursuit of ideological goals regardless of the human cost.

If we review the policy aims of the progressive left around Missouri over the past few years, perhaps we should not be surprised.

There are fringe leftists in positions of power throughout urban areas in Missouri. Sometimes they have been able to impose their dogma on the people, with disastrous results. Former St. Louis Circuit Attorney Kim Gardner, for example, regarded the criminal justice system as inherently oppressive. So she decided not to enforce the law. The crime wave engulfing St. Louis, which is only recently beginning to show signs of abating, is her legacy.

But she is not alone. The more progressive leaders in Missouri have been attempting extremist legislation in our urban areas for several years. It reached its preposterous pinnacle—at least so far—with the “homeless bill of rights” in the City of St. Louis. That bill, filed by members of the board of aldermen, would have made it almost impossible to deal with homeless encampments or prevent aggressive begging, and, most egregiously, legalized public urination and defecation on the streets of St. Louis.

This is hardly the only example of radical legislation. The City of St. Louis recently adopted a pilot program for “guaranteed income” for select city residents. While there is actually a libertarian argument for this, it rests firmly on replacing the current, destructive welfare state with direct cash payments. Rest assured that the City of St. Louis has no interest in removing any programs; the purpose of the pilot program is to correct the “inequity” of capitalism. But inequity of this kind is built into

every society and every economy. Cash welfare must be carefully managed, because it always carries with it the danger of discouraging work and entrenching poverty.

It was precisely consensus on this issue that produced the welfare reforms of the 90s when the federal government imposed work requirements in return for cash welfare payments. Those reforms produced an unprecedented reduction in poverty across people of all backgrounds.

Not to be outdone, Kansas City leaders declared public transit to be akin to a human right in 2019 and made all public transit free within the city. It was the first major city in America to make all transit “free” to everyone but the taxpayers. It looks like this dream of free transit has been mugged by reality. The Kansas City Area Transit Authority has announced it has a projected \$11 million budget shortfall for 2024 and is considering reinstating transit fares. As Margaret Thatcher said, “The problem with socialism is that you eventually run out of other people's money.”

Several cities throughout the state, perplexingly including Clayton, have passed requirements that landlords accept Section 8 housing vouchers, even though that is a voluntary federal program. The better way to expand housing opportunities for everyone would be to reduce local regulations on new building projects. But actually making the government work better is too mundane a goal for progressives.

Cities are not independent entities that can do as they want. They are creatures of the state and can be directed as the state wishes. The legislature needs to understand that the urban areas are part of Missouri, that they are major drivers of the state's economy, and that lunacy in local government will hurt everyone unless it is checked.

MISSOURI'S K-12 CONTINUES TO DECLINE

Susan Pendergrass

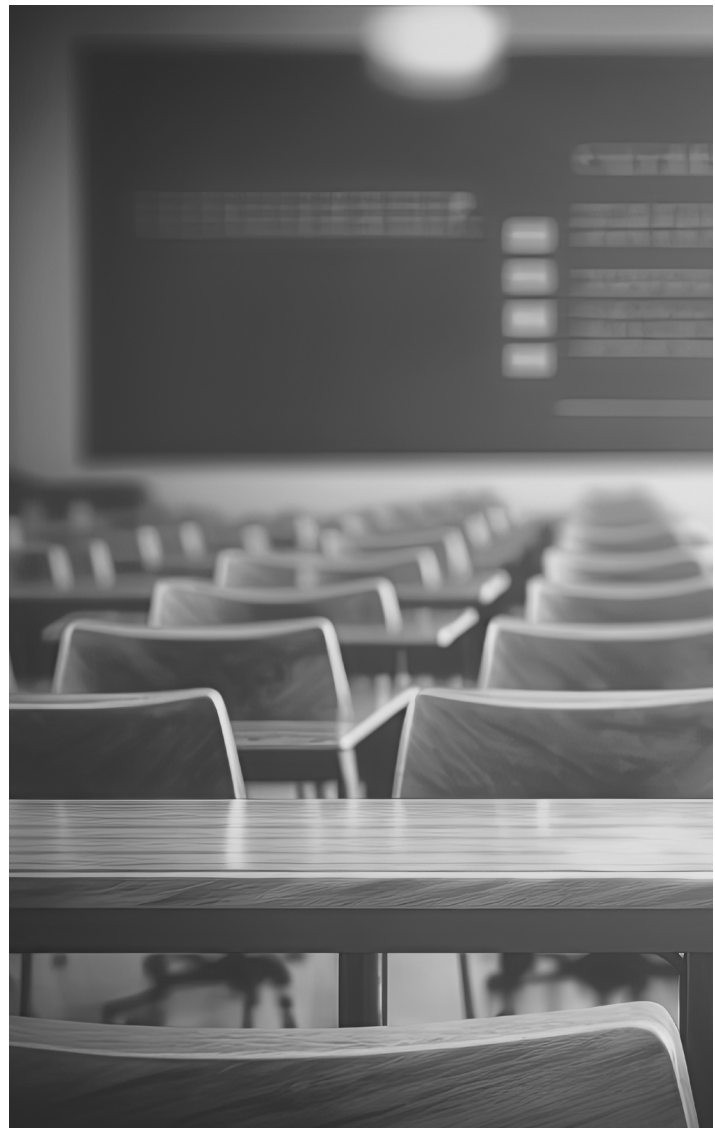
After a period of high growth in the 1990s, Missouri's public school enrollment in kindergarten through 12th grade remained around 880,000 students until the pandemic of 2020. The high point for public school enrollment was in 2007, at nearly 895,000 students, and since then there has been a steady decline. Although the state has recovered some students from the steep pandemic drop-off, enrollment is down over 30,000 students from the high point and is expected to decline further.

The decline can be seen by looking at cohorts of students starting kindergarten. Missouri's trends are very similar to national ones. Birth rates in the United States reached their peak in 2008 (excluding the post-World War II baby boom 80 years ago), took a hit during the Great Recession, and have been declining ever since. Not surprisingly, Missouri's largest kindergarten cohort started school in 2013. Since then, the number of kindergartners has been steadily declining.

These changes in the size of kindergarten classes can be used to project the number of seniors in high school through 2033. After hitting a projected peak of over 67,500 12th graders in 2025, Missouri can expect, based on current information, a decline of 15 percent in that cohort by 2033. Fewer 12th graders means fewer Missourians entering college or career training and, eventually, the workforce. Of course, this is just a measure of the number of people available without regard for their skills, their likelihood of obtaining a postsecondary credential, or trends in labor force participation.

The impact of declining enrollment is already being felt by many St. Louis-area districts. Just a few years ago, Kirkwood was planning to build an additional elementary school to handle expected increases in enrollment. Now, its elementary schools are all at 85 percent capacity. This past year, the Brentwood and Clayton school districts combined their football teams into one due to not having enough players to field their own separate teams.

Declining enrollment will soon lead to declining revenue, which will be exacerbated by the end of federal COVID stimulus funding. As this reality sets in, districts will need to begin adjusting their expenditures, the largest of which is staffing. Given that these changes have been developing over the past decade, they shouldn't come as a surprise. Yet, there is already talk of "fiscal cliffs" and "bloodletting." Don't be fooled by the rhetoric. We've had plenty of time to plan.



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ROYALS FIND THEMSELVES ON A PITCH CLOCK OF THEIR OWN

Patrick Ishmael



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Well, this is a fine mess the Royals have gotten themselves into.

For the past few years, the Kansas City Royals had been hinting heavily that before their lease at Kauffman Stadium ends in 2031, the team wants to be in a brand-new ballpark—or at least well on their way to being in a new one, most likely in or near downtown Kansas City. A beloved stadium, Kauffman Stadium is now one of the oldest major league ballparks in the United States, celebrating its 50th anniversary just this year. Moreover, the ballpark is viewed by many as one of the prettiest stadia in the majors, and while the Royals' motivation to get into new gameday digs isn't shocking, many Royals fans don't see a move as either necessary or desirable.

That debate would be academic if the team were going to pay for a new stadium itself. But that's not how things generally go on funding sports stadiums, or how they are going in Kansas City, or how things will (probably) end up when all is said and done with the Royals. The Royals want local taxpayers to pony up money to move the team somewhere new, and unsurprisingly, that price tag could reach into the billions.

What is a surprise, however, is that while the Kansas City Royals' stadium site search was supposed to end early this fall, at this writing the team appears set to continue its stadium search odyssey well into 2024. While it's no secret that professional sports teams often use the threat of moving a team as a way to shake money out of public

coffers by pitting taxpayers against one another, what's less typical is for a team to add destinations this late in the process—which is exactly what the Royals are doing. A move across the state line is now, apparently, on the table. Or another site near downtown. Really, what the team wants at this point is anyone's guess.

But wherever the team's eventual destination is, the fact is that taxpayer dollars should not follow them. Yes, teams claim their stadium developments are economic drivers, but studies have shown that these projects generally just redirect finite disposable spending from other recreational options in the community. In the big economic scheme of things, these developments are a wash for everyone but the teams and a handful of special interests. That the Royals can't get to "yes" on a new stadium hopefully means the team doesn't believe that taxpayer support is a given, forcing the squad to keep making their pitch longer than they wanted in hopes of a better deal.

Will the Royals end up back at Kauffman after all, or will they end up with reduced taxpayer support for a new stadium someplace else in the region?

Or will the Royals end up getting everything they want and will this lengthy deliberation be forgotten in a few years?

The odds-on favorite is still probably a new stadium for the boys in blue, but time's a wastin', and that's probably good news for taxpayers.

MISSOURI'S HANCOCK AMENDMENT ILLUSION

Elias Tsapelas

A little more than 43 years ago, Missouri voters approved an amendment to the state's constitution that is often referred to as the Hancock Amendment. At the time, it was thought to be one of the strongest taxpayer protections in the country. For years, it seemed like the Hancock Amendment was the only thing protecting Missouri taxpayers from paying higher taxes. But recent developments have raised the question of whether the amendment's limits on government growth were nothing more than an illusion.

One of the Hancock Amendment's biggest selling points was the promise that taxpayers would receive refunds if the government grew by too much. But because the amendment's determination of what qualifies as "too much" still relies on out-of-date definitions and economic figures from 1979, state taxpayers haven't received a refund for more than 20 years, and there's little hope of refunds in the future if the amendment is not reformed.

Another important taxpayer protection is the state tax cap that Missouri voters approved as an addition to the Hancock Amendment in 1996 (a similar cap was placed on local governments in the original amendment). Specifically, the state addition placed a cap on the amount the Missouri Legislature could raise taxes or fees in a single year without seeking voter approval. But once again, after years of this provision seemingly working as intended, flaws in the amendment allowed lawmakers to raise the state's gas tax in 2021 without voter approval, despite indications that it would violate the tax cap.

What lawmakers apparently knew—and what many of us didn't know—was that the 1996 amendment had a fatal flaw. For a tax hike to exceed the cap and force a public vote, the revenues raised by the hike need to be measured, not estimated (meaning the hike must go into effect first). In addition, the amendment says that compliance with the cap cannot be measured until every piece of legislation passed during the same legislative session goes into "full effect." While the specifics may

sound confusing, the main point is that the cap can be avoided if our lawmakers raise taxes or fees over multiple years, which is likely why our state gas taxes are being raised each year for five consecutive years.

Perhaps it shouldn't be surprising that lawmakers have found their way around the Hancock Amendment more than four decades after its enactment. But shouldn't Missouri voters get a say if the protections they thought they enshrined into the state's constitution aren't protecting them anymore?

At the very least, it's clear that two of the Hancock Amendment's primary provisions aren't working. Missouri's government has nearly doubled in size over the past five years, and the state is on track to once again spend more this year than ever before. If this trend continues, there's no getting around the fact that higher taxes will eventually be required to make ends meet. And since our lawmakers have shown us that the protections promised by the Hancock Amendment are nothing more than an illusion, it's time for someone to step up and commit to making them a reality.



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2024
BLUEPRINT
Moving Missouri Forward

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THE 2024 BLUEPRINT *is now available!*

The Blueprint explores 16 policy areas in which common-sense reform could immediately and positively impact everyday life for Missourians. Issues covered range from education and health care to unemployment insurance and budget reform. Each article identifies a problem that affects the citizens of our state, provides background information and analysis, proposes one or more solutions, and then boils the solutions down into actionable recommendations.

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