



# SHOW-ME newsletter

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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*

**H**ope springs eternal, as the saying goes, but from my perspective there are special reasons to be optimistic about the upcoming legislative session in Missouri. The partisan makeup of our state hasn't changed, but the players have, and that could mean good things for Missouri.

Governor-elect Mike Kehoe stated during his campaign that two of the most important items on his agenda were expanding educational choice and eliminating the income tax in Missouri. He has made similar statements since the election. Of course, I know politicians often don't keep their promises; and even if Kehoe does show leadership on those issues, the legislature may not go along. But for now, I'm going to be hopeful that we'll be able to build on past progress and achieve some big breakthroughs next year.

Eliminating the income tax is arguably the oldest goal of Show-Me Institute analysts—the Institute's first paper was about replacing the income tax in Missouri. We've taken some good steps in the right direction; a bill passed in 2022 allows Missouri to gradually reduce its income tax down to 4.5%, based on certain revenue triggers. But this isn't enough. Other states with no income tax, such as Texas and Florida, have flourished economically. It's time for Missouri to join their ranks.

We've seen a similar story in education over the last few years. The MOScholars program provides private school scholarships that families can spend on their educational needs as they see fit. Eligibility for the program was greatly expanded last year. And charter schools can now open in Boone County without the sponsorship of the local school district.

These are solid victories worth celebrating, but they are not enough. Too many Missouri families are trapped in schools that don't work for their kids, while more and more states, including many of Missouri's neighbors, are adopting comprehensive school choice programs. The least that should happen next year in Missouri is open public school enrollment. That's already a reality for many states, and we'll continue falling further behind them until every family in Missouri can send their children to whichever school fits them best.

The last few years have underscored the cost of half-measures. Given what the previous governor and members of the legislature claimed they wanted, we should have seen major reform in Missouri. But instead of bold changes, we got timid incrementalism. Instead of Missouri's elected officials enacting key legislation that would have improved the lives of Missourians, we saw a governor who seemed either reluctant or unable to lead, and a legislature that was perpetually derailed by petty squabbling.

Enough is enough. It's time to insist on the major reforms our state so desperately needs. I believe the governor-elect is sincere. As I said before, I am optimistic that things could be different this time, and I'm eager to see how the next legislative session unfolds. At the Institute, we'll be watching closely and holding our elected officials accountable for their promises. At this point, there's no excuse not to get it done.



# AN OPPORTUNITY SEIZED OR MISSED?

*Susan Pendergrass*

Missouri will start 2025 with a new governor and a relatively new commissioner of education. It could be a great opportunity to improve education accountability, transparency, and choice for Missouri children. Or it could be business as usual—hiding behind the existing weak accountability system and continuing to do nothing for children who find themselves in a school that doesn't fit.

Recent events have given some indication of where the state board of education and the Department of Elementary and Secondary Education (DESE) are headed.

On November 25, 2024, DESE released the newest Annual Performance Report (APR) scores under the state's accountability system—the Missouri School Improvement System (MSIP 6). Each district and school received an APR score based on a variety of factors, including student performance, during the 2023–24 school year. The score is a percentage of the points a school or district received out of the total possible points. In the case of districts, that number is supposed to determine whether a district is accredited by the state, or not.

Unfortunately, DESE isn't using its own accountability system to hold schools accountable. DESE's press release purports to reassure Missouri families that: "The data shows that Missouri schools are meeting the more rigorous requirements and higher expectations set forth in MSIP 6." But then in a bulleted list from the same DESE press release, there's this: "The APR will not be used for classifying LEAs this year." ("LEAs" means local education agency and essentially means school districts.)

In other words, for the tenth year in a row, the accountability system will not be used for district accreditation. It should be noted that accrediting local

school districts is one item on a short list of "major responsibilities" for the state board of education. No information was given as to why DESE and the board are not willing to use the accountability system they created.

Until DESE actually uses the data it is collecting on student performance to report on the progress of Missouri's schools, its assurances that those schools are providing better education is essentially meaningless.

As far as giving Missouri parents more options, the jury is still out. There is real hope for progress this year as new leaders take over in Jefferson City. The existing education scholarship account program—MOScholars—has more scholarship applications than the six scholarship organizations authorized to participate can fund. Of course, this is due to the requirement that these organizations solicit private donations for the scholarships. To date, 12 states have created programs just like MOScholars but have chosen to publicly fund them. Three of Missouri's neighbors—Iowa, Arkansas, and Oklahoma—are among these 12 states. Missouri could join the list by either funding the students on the waiting list or matching the donations raised by the scholarship organizations.

The new governor will have a lot on his plate when he takes office in January; I trust he understands that nothing is more important than reversing the decline in the quality of Missouri education. The way to achieve that may not be easy, but it is simple: follow the successful examples of other states, hold public schools accountable, and empower parents to choose the educational option that they think is best for their kids.

# MISSOURI COULD DECK THE HALLS WITH NUCLEAR POWER

Avery Frank

The U.S. Department of Energy recently forecasted that electricity demand will jump 15% to 20% in the next decade and double by 2050.

Along with electric cars and artificial intelligence, electricity-intensive data centers will be a major driver of the increased demand. In April 2024, Goldman Sachs forecasted that data centers will rise from 2.5% to 8% of all United States electricity usage by 2030. A few months later, McKinsey & Company predicted that data centers would capture 11% to 12% of total U.S. power demand by 2030.

Unfortunately, at the same time demand is going up, the traditional sources of electricity are being phased out. Here in the Show Me State, Ameren Missouri—the state’s largest electric utility—is planning to eliminate coal as a source of electricity by 2045.

Assuming the decision to phase out coal isn’t reversed, there is one energy source that is particularly well-suited to generate additional power, and Missouri is well placed to take advantage of it.

We can revive nuclear energy in our state. In fact, Missouri can lead the country in a nuclear resurgence. Consider the following:

- The Callaway Energy Center, a nuclear power plant that has operated reliably since 1984, generates 10 percent of our state’s electricity.
- In 2022, Missouri University of Science and Technology in Rolla awarded the ninth-most nuclear engineering degrees in the country.
- The Show-Me State is also home to world-class nuclear research, including at the University of Missouri’s Research Reactor (MURR), one of the world’s best. It is the highest-powered university research reactor in the United States, and is currently the country’s only producer of certain medical radioisotopes.

- Missouri has multiple retired or retiring coal plants that have been identified as suitable sites to be retrofitted for an advanced nuclear reactor. The Department of Energy (DOE) has reported coal-to-nuclear transitions can save up to 35% on construction costs.

In other words, Missouri has both the infrastructure and human capital to be a leader in nuclear power. With the proper policies in place, Missouri could not only enjoy a state-of-the-art power grid providing clean, reliable, and affordable energy to residents, but it could also attract talent and investment in a field that is likely to be critical to the national economy in the coming years.

The question is, how do we seize the moment?

To capitalize on this opportunity, Missouri should first form a nuclear advisory council to weigh best strategies for financing (such as DOE grants), coalition building (public–private partnerships), workforce development (partnerships with universities or technical training programs), and legislative action.

A few years ago, Tennessee created a nuclear advisory council, and it has helped to attract nuclear development to the state. Recently, the council vetted and recommended a newly announced project with Orano USA to construct a state-of-the-art centrifuge and uranium enrichment facility. The nuclear industry is complex and often requires collaboration with international partners, such as South Korea and France, making coordination vital. Forming a similar council in Missouri could help identify partners and provide a clear point of contact for nuclear projects.

But the first step is to recognize that an American nuclear renaissance may be on the horizon, and that Missouri can and should be at the forefront of it. With vigorous leadership and the right policies, Missouri can enjoy both a secure supply of affordable energy and the economic benefits that accompany a new and growing sector of industry.

# CHECKING IN ON MEDICAID EXPANSION

Elias Tsapelas

It's been a little more than three years since Missouri voters approved Medicaid expansion by referendum, so it's time to check in on how the program is doing. Until now, analyzing the effect of the expansion has been nearly impossible due to the COVID-19 pandemic and all the federal chicanery associated with it. Unfortunately, several of my worst fears about expanding the program have already come true.

The supporters of expansion made two claims that undoubtedly influenced voters to support it. First, they estimated that fewer than 250,000 people would enroll in the program, despite the experience of every other expansion state suggesting that number was too low. Second, they argued that Medicaid expansion wouldn't cost state taxpayers any money. In fact, some claimed it would *save* money.

Let's see how those claims have fared in the intervening years.

Before the COVID-19 pandemic, Missouri's Medicaid enrollment sat at around 850,000, with about 520,000 of those being children. By 2023, total enrollment had nearly doubled to 1.5 million, with approximately 740,000 kids and 350,000 newly enrolled adults in the program. Some of that expansion was due to the government's policies in response to the pandemic. Many businesses were ordered to shutter, and the state Medicaid agencies were told by their federal counterparts to stop verifying whether program enrollees were still eligible to receive benefits. Nevertheless, as we near the end of 2024 and COVID-19 is far in the rearview mirror, there's no reason to believe the current program's cost or enrollment are anything but the new normal.

Today, Missouri's enrollment is almost 1.3 million people, and there are still 340,000 adults receiving expansion benefits on the rolls. Enrollment has expanded by more than 400,000 since 2019. In terms of cost,

the program's growth has far exceeded predictions as well. In 2019, the program cost around \$10.4 billion in total, with less than \$2.2 billion coming from Missouri taxpayers through state income and sales taxes. In this year's FY 2025 budget, Medicaid's total cost has ballooned to an expected \$18.2 billion, with \$3.8 billion coming from state taxpayers.

That means the total cost of the program has increased by 75%, and Missouri's share has increased by 74%. It turns out that expanding eligibility for subsidized healthcare causes many people to sign up, and it also leads to vastly increased costs to the government.

Who could have predicted that?

The harsh truth is that Missouri voters were sold a bill of goods. Today's program is a bloated, unwieldy mess that does not improve healthcare outcomes for its recipients and will continue devouring more and more of the state's budget at tremendous expense to taxpayers.

I, along with other scholars at the Show-Me Institute, have argued for years that what Medicaid needs is thorough reform based on free-market principles that will enable the program to provide good healthcare to those who need it at an affordable cost. The new leaders who were elected in November have the chance to pursue those reforms. We'll see if they take it.



# MUNICIPALITIES IN ST. LOUIS COUNTY RUNNING AMOK, OR NOT RUNNING AT ALL

David Stokes



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I never get tired of telling people that “small” government, “good” government, or, dare to dream, “limited” government, are not the same thing. There are plenty of small governments in Missouri—tiny ones, even—that act without any notion of how to function effectively and within the proper limits of their powers. There is a reason the expression is “you can’t fight city hall,” and not “you can’t fight Washington, D.C.”

In St. Louis County, the suburb of Town & Country is raising property taxes on its residents. That isn’t the main problem. The main problem is that it is doing it without the vote of the people by claiming a legally dubious exemption from the Hanock Amendment. Even if Town & Country is correct on the legal loophole (no guarantee there), it is a blatant violation of Missouri’s good government practices to institute a new tax—the first property tax in that town in 27 years—without asking for voter approval.

Elsewhere in St. Louis County, several cities are competing to see who can be the first to trigger a disincorporation vote for failure to meet the minimum municipal accounting and budgetary standards set by RSMO 67.287. Bellefontaine Neighbors closed all of its city offices after city employees walked out over a budget and salary impasse between the mayor and city council. Similarly, Jennings has devolved into a series of lawsuits between various officials, contractors, and former employees over disputed payments, Sunshine

Law violations, and ethical concerns. Finally, Pine Lawn has also been sued for failure to follow the Sunshine Law and failure to provide financial information *to its own elected officials*.

Such municipal problems are by no means limited to St. Louis County. In Sedalia—home of the state fair—a group of residents is organizing over concerns of heavy-handed city code enforcement and a lack of government transparency. Sedalia is currently in a lawsuit with Pettis County over code and tax disputes between the two political entities. Speaking of counties, Jackson County continues to astound with its inability (again) to perform the basic act of reassessment. A court hearing is scheduled for early 2025 regarding the decision by the Missouri State Tax Commission to throw out the 2023 reassessment in Jackson, Missouri’s second-largest county. Tax bills are in the mail, and nobody knows what baseline assessed values it is supposed to use to establish the property taxes in Kansas City, Independence, and the rest of the county since the 2023 numbers have not been resolved.

Whether it is doing things local governments should not do, like raising taxes without public votes or overly aggressive code enforcement, or just a total failure to perform the basic functions of local governments, like setting budgets in North St. Louis County’s cities or reassessing property in Jackson County, small government is far too often neither good nor limited.

# FREE SPEECH MEANS TOLERATING BAD IDEAS

Patrick Tuohey

(The following is based on a recent weekly opinion column appearing in the *Kansas City Star*)

Free speech is having a moment in America, with recent court rulings reaffirming this democratic cornerstone. But cultural leaders seem less committed to defending it.

In 2023, the Supreme Court ruled in favor of a web designer who challenged Colorado's anti-discrimination law, which would have compelled her to create websites conflicting with her beliefs. The ruling underscored that government cannot force people to speak or endorse messages against their will. It is one of a long line of court cases, dating back many decades, that have established robust protections for the right of Americans to free speech.

While the First Amendment deals with government restrictions on speech, we should still be concerned about speech in the private sector. Many in our cultural elite tell us that some views are too offensive to be allowed a platform. They say such views should be shunned from social media and even holiday gatherings. Of course, these new censors never believe that *their* opinions should be outside the boundaries of decent society. They purport to apply neutral standards when regulating speech, but they hold their opponents to a higher and more arbitrary standard than their friends.

Consider the common claim that the First Amendment doesn't protect "hate speech." The whole reason for the First Amendment is to protect unpopular or minority views, or opinions that strike some as hateful or offensive.

Nobody needs constitutional protection to express ideas that the government approves of. Those who enter the public square to express culturally dominant opinions don't have to worry about being shamed or cancelled because of their speech.

That's why the Supreme Court has repeatedly and correctly said that there is no First Amendment

exception for "hate speech." In 1989, the court held that "Government may not prohibit the expression of an idea simply because society finds the idea offensive or disagreeable." And in 2016, the court held unanimously that government cannot censor or punish speech because it offends racial or ethnic groups. Justice Samuel Alito wrote: "Speech that demeans on the basis of race, ethnicity, gender, religion . . . is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express 'the thought that we hate.'"

Still, there is reason for concern that support for free speech may be declining among Americans. A 2022 New York Times/Siena College poll found that 30% of Americans believe it's sometimes necessary to shut down speech deemed anti-democratic or bigoted. A 2024 Vanderbilt survey confirmed that while most Americans endorse free speech in theory, support wanes when offensive topics arise. Younger Americans, in particular, favor inclusivity over unrestricted speech. While they may view such an objective as noble, censorship of this nature risks creating dangerous precedents.

Free speech isn't a static right—it's an ongoing struggle that demands vigilance. The answer to bad ideas isn't suppression—it's more speech. Courts seem committed to holding that line. Are the rest of us?



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**Show-Me Institute's 2025  
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ideas for school choice, tax reform,  
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