



# SHOW-ME newsletter

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



*Brenda Talent*

## A MESSAGE FROM THE **CHIEF EXECUTIVE OFFICER**

### **NOT GOOD ENOUGH**

**A**t the end of 2024, I was very optimistic about the upcoming legislative session. We had new leadership in Jefferson City that was saying the right things about reducing the income tax and increasing educational choice in Missouri.

So now that the legislative session has ended, how should we view the result?

Here's my verdict: it wasn't good enough—not given the expectations, not given how Missouri is falling behind other states in education and economic growth, and not given the promises and platform on which Governor Kehoe campaigned.

There were some victories. The biggest was that the legislature authorized \$50 million in funding for the MOScholars program, which is the first public funding the program has received. MOScholars is a tax-credit program that gives some students scholarships that can be spent on a variety of educational expenses, such as tuition, transportation, or tutoring. The \$50 million could triple the program's reach.

This still leaves Missouri far behind other states with much larger scholarship programs. In addition, legislation providing for a universal open enrollment program for public schools, which is available in many other states, went nowhere. To make matters worse, the legislature passed a bloated omnibus education bill that contains provisions that take us in the wrong direction.

The omnibus bill made changes to the Missouri Assessment Program (MAP) that will allow schools to say a student tested at grade level even if he or she is not actually ready for the next grade. That could mislead parents about their children's progress and is the opposite of the clear and rigorous standards for promotion that have been effective in raising educational outcomes.

On the economic freedom front, there were small but meaningful victories. A bill was passed that eliminated

the imposition of the state income tax on capital gains income.

But despite Governor Kehoe's explicit support for eliminating the income tax, there was no progress whatsoever on that front. And to add insult to injury, the governor called a special session that led to legislation that provides subsidies for professional sports stadiums in Missouri.

Experience as well as academic research tell us that taxpayer giveaways to sports teams are a bad idea. The promised economic benefits rarely materialize, and taxpayers end up footing the bill for billionaire sports owners to build or renovate stadiums. Even though the governor declared his support for eliminating the state income tax in his State of the State address, this year's legislative action could prevent tax rates from going down.

I don't want to appear too harsh in my judgment. The governor and his staff have been open to new policy ideas. I believe the governor understands the importance of educational and economic freedom. We at the Institute know better than anyone how difficult it is to persuade the legislature to follow the example of other states that have fully embraced effective reform.

But there is too much at stake for me to soft-pedal my disappointment.

Missouri's future is on the line. There is a great tide of freedom sweeping across much of the country; that tide is lifting the boats of educational reform and economic opportunity from Florida to Texas to Arizona to Arkansas. As Americans, we are gratified by that, but as Missourians, we fear that our state is settling for a kind of mediocrity that will deny its citizens good jobs, good schools, and a bright future.

Our leaders gathered in early June to focus on how to "save" the Chiefs and Royals. We understand the sentiment, but their priorities are misplaced. They ought to focus on saving Missouri.



# THE FIRST THING WE DO, LET'S KILL ALL THE LANDLORDS

*David Stokes*

Samuel Johnson famously stated in 1775 that, “Patriotism is the last refuge of the scoundrel.” (Shakespeare wrote the title quote, but about lawyers, so it is actually worth considering.) Dr. Johnson was referring specifically to the British Prime Minister William Pitt, but the saying has been expanded to apply to any case of a national politician or prominent figure who, once exposed as a fraud, quickly wraps themselves in their nation’s flag. At the local political level—where wrapping yourself in the flag is a little trickier—there is a corollary to the last refuge gambit: landlord bashing.

The briefest perusal of Google quickly shows recent instances of local officials in New York City, Hartford, CT, and London, England, (paging Dr Johnson) attacking landlords for political ends. In Kansas City and St. Louis, where progressive mayors have been beholden to left-wing groups like KC Tenants and Arch City Defenders, favoring the priorities of renters over property owners is de rigueur for fashionable political types. (It remains to be seen whether the brand-new mayor of St. Louis will continue down that catwalk.) St. Louis has been spending tax money to hire lawyers for people being evicted, while both cities had passed laws (along with Columbia and several other municipalities) to force landlords to accept housing vouchers from tenants (primarily Section 8 vouchers). Kansas City went even further and passed an ordinance restricting the ability of landlords to reject applicants for things like criminal history or prior evictions. Things that, you know, may matter when deciding whom to rent your house to. Kansas City didn’t outright ban landlords from rejecting applicants, but the city did pass a law to make the entire process so cumbersome for landlords that they would either accept almost anyone or risk being sued by the city or left-wing activist groups like those mentioned above. In other words, progressive utopia.

In response to these clear abuses of property rights, the Missouri Legislature passed a law this year preventing these atrocious laws by municipalities. This has been a priority of Institute policy analysts for several years.

The existing law banning cities from enacting rent control has been expanded to include these “source of income” laws as well as restrictions on how landlords consider applicants. This new law is one of the biggest accomplishments of the 2025 legislative session, and I remain optimistic that the governor will sign it.



*Jessica Gatewood*

The horrible St. Louis tornado of May 16 has made the need for this state law even greater. With thousands of homes and apartment buildings damaged or destroyed by the tornado, St. Louis is going to need people willing to invest in rebuilding damaged homes and apartments or constructing new ones as quickly as possible. Public employees and charitable groups have been doing a wonderful job dealing with the deadly emergency at hand. But it isn’t the public sector that will address the new housing needs in St. Louis in the long term. It’s the private sector: current and future landlords.

The last thing landlords need as they work to provide housing to people who now need it is a set of ridiculous regulations on how they manage their property and what government programs they need to participate in. The state legislation banning source of income laws was great before May 16. It’s even more vital now.

# THE HARD TRUTH ABOUT MISSOURI SCHOOLS

*Cory Koedel*

The National Assessment of Educational Progress (NAEP), often called the Nation's Report Card, is the gold standard for measuring academic performance in the United States. Unlike state exams, which can vary in rigor, NAEP provides a consistent, reliable benchmark for comparing student outcomes over time and across states. The NAEP data paint an uncomfortable but very clear picture: Missouri children can't read or do math as well as children in most other states.

The 2024 NAEP results tell a bleak story for the nation as a whole. Scores in both reading and math declined, continuing a decade-long trend. The pandemic made things worse, but scores were already declining prior to the pandemic.

This is bad news for America, but the news is especially bad for Missouri. Across the four key NAEP categories—4th-grade reading and math, and 8th-grade reading and math—Missouri ranks, on average, 40th out of 50 states after adjusting for demographics and poverty. Our best ranking is 35th in 8th-grade reading, not quite high enough to lift us out of the bottom third of states. There is no way to sugarcoat it: the academic performance of Missouri's students is abysmal.

To give further context, Missouri ranks below all eight of our neighboring states on NAEP. That's right—we're dead last. Moreover, if we zoom out geographically, other states in the broader southeast region are excelling. States such as Mississippi and Louisiana have shot up the rankings over the last decade, leaving us in the dust. Florida and Texas, which were among the highest-ranked states a decade ago, remain highly ranked today.

So to what should we attribute our terrible performance on NAEP? If our children are not inherently less intelligent than children in other states, it leaves only one plausible alternative: our school system is failing them.

The good news is that we know what needs to be done. States that excel on NAEP are a varied group, but most have strong school choice and accountability policies. The best evidence indicates these policies—choice and accountability—are the best tools we have to improve school performance. Importantly, this is *not* about money—many of the highest-performing states on NAEP spend less on education than we spend in Missouri.

I was encouraged by some policy wins during the most recent legislative session, most notably the \$50 million in funding for MOScholars in the state's final budget. These sorely needed funds will give more Missouri families real school choice. But we still have a lot to do. While the funding for MOScholars is a good start, it will help only a small fraction of Missouri families. Many of our neighboring states have similar programs that are much larger. We also lack statewide interdistrict open enrollment, a policy that allows children to cross district lines to attend public schools. This policy already exists in most other states. Charter schools—shown in national studies to be especially effective in Missouri—are highly restricted in terms of where they can operate within our state. And while in principle we have policies to hold districts accountable for student performance, in practice the Department of Elementary and Secondary Education has failed to implement them of late.

Thanks to NAEP, we know where we stand academically. And thanks to several exemplary states, we know which policies we need to enact to improve our position. I'm hopeful we can continue to make progress toward a policy environment in Missouri that puts the best interests of our children front and center.

# A BIG CHANGE IS COMING TO MISSOURI'S PUBLIC SCHOOLS

*Avery Frank*

Every Wednesday afternoon, I lead about a dozen middle school boys at my church's youth program. We discuss the Bible, how school is going, and other important events in their life. Recently, I told them about Missouri's new cellphone ban in public schools—and honestly, their reaction was not what I expected.

Naturally, many groaned and were frustrated with the new rule (I would have been too at their age), but a surprising number of them were actually relieved. One said, "It is difficult to listen in math when everyone is playing on their phones."

This is just one anecdote, but surveys bear it out. In fact, 97% of students report using their phones during the school day, with a median use time of 43 minutes. This disruption is one reason why 72% of U.S. high school teachers say that smartphone usage is a "major distraction."

Studies show that receiving notifications (or even the potential of receiving them) can disrupt learning and lead to lower academic performance in math, reading, and science.

Recognizing these issues, the Missouri General Assembly recently passed Senate Bill (SB) 68, an education omnibus that includes a statewide restriction of cellphones and other devices in school. While this bill was expanded to include some misguided policies, the cellphone ban is still a good idea.

Starting in the 2025–2026 school year, every school board and charter school must:

- Adopt a written policy governing a student's possession or use of an electronic personal communications device (EPCD).
  - SB 68 provides a broad definition of an EPCD: "A portable device that is used to initiate, receive, store, or view communication, information, images, or data electronically."
- Prohibit, at a minimum, student use or display of EPCDs from the start of a school day to the end (bell to bell).
  - Includes, but is not limited to, instructional time, mealtimes, breaks, time between classes, and study halls.
- Allow exceptions for emergencies, educational instruction (directed by teachers), and compliance with federal laws protecting students' health, disabilities, and language needs.

Missouri's academic performance has been particularly alarming in the post-pandemic era. In 2017, Missouri achieved the 22nd-highest score on the National Assessment of Educational Progress (NAEP) for 4th-grade reading. On the 2024 NAEP test, Missouri's 4th-grade reading scores fell to 38th. Cell phones are a clear (and controllable) source of distraction, and this policy could help to reclaim some focused learning time. Instructional time matters, but so does the quality of that time.

While SB 68 requires a "written policy," success still depends on effective enforcement and consistency in the schools. Absent this, schools could develop an unwritten rule to ignore the restrictions.

This new policy has the potential to improve learning in our schools. It will be fascinating to see how different schools implement this policy and what results follow. Governor Kehoe said: "It's simple—cell phones have no place in Missouri's classrooms." Next year, they won't be there.

# ANOTHER YEAR IN THE WRONG DIRECTION

*Elias Tsapelas*

Despite a lot of big promises about cutting spending, this year's legislative session ended last month with more of the same. Prior to heading to Jefferson City, many of Missouri's elected officials were talking optimistically about finally making the transformative changes needed to get our state's economy back on track. There were bills filed that would have helped rein in out-of-control spending and eliminate the state's income tax. But as has happened far too often in recent years, lawmakers left town with the state's finances in the same place—or worse—than when they arrived.

In the coming weeks, Governor Kehoe is expected to sign into law one of the largest budgets in state history. This continues the troubling spending trend of the past half-decade, but this year it felt like things might be different. Back in January, both the Missouri House and Senate established committees on government efficiency in their respective chambers. During his first State of the State Address, Governor Kehoe similarly announced his plans to create a "Show-Me DOGE." In the months that followed, neither legislative body was able to accomplish much in the way of finding government efficiencies or budgetary savings, and the governor has not even rolled out his vision for creating greater government accountability.

Movement on the income tax front wasn't much better. Within the first few weeks of the session, there were bills filed in both chambers that would have put Missouri on a concrete path toward eliminating the income tax. In fact, the governor even voiced support for the idea. Nevertheless, the bills stalled out almost immediately. When all was said and done, the only actions taken by Missouri's general assembly this year in the way of tax policy might actually make eliminating the income tax more difficult.

Unfortunately, in recent years, Missouri's lawmakers have repeatedly avoided the admittedly tough task of reckoning with the trade-offs that accompanied past policy decisions. Instead of fixing unsustainable spending, it's been much easier to increase the state's reliance on the federal government. This doesn't solve the issue but merely kicks the can a little further down the road. Instead of taking action on their stated goal of eliminating the state's individual income tax, they've found it much easier to give tax breaks to chosen entities or exempt items from taxation rather than lower the tax burden for all Missourians.

There's no magic trick for getting rid of the income tax or fixing Missouri's budgetary woes. It will require a concerted effort over time from Missouri's elected officials to spend within our state's means and to stop diverting tax dollars to their favored causes. It should go without saying that Missouri's budget cannot continue doubling every five years if we want meaningful tax reform.

There's a very real chance the coming year's economic reality will be much more difficult to deal with than Missouri's elected officials have grown accustomed to, and it's fair to wonder whether they'll be up to the task given what we've seen in recent years. It's long past time for our lawmakers to stop looking for an easy way out and start taking ownership of the mess that's been created under their watch. It's time for the actions of Missouri's elected officials to start matching their words.



# WHAT CRIME PERCEPTIONS MEAN FOR MISSOURI'S FUTURE

Patrick Tuohey

It's no secret that crime remains a central concern for many Missourians. But recent research suggests the issue extends beyond police data or policy effectiveness—it's about perception. How safe a city *feels* can be as important as how safe it actually is.

This point is driven home by recent work from Kaitlyn DeGhetto and Zachary Russell, published in the *Journal of Business Venturing Insights*. Their survey of over 500 entrepreneurs and prospective employees across the country asked respondents to rank U.S. cities not just on economic conditions or taxes, but on safety, social stability, and governance. What they found should give Missouri policymakers pause: Perceptions of crime and government competence carry significant weight when businesses and individuals decide where to locate.

In recent columns for *The Kansas City Star* and the *St. Louis Post-Dispatch*, I explored how these perceptions play out locally. St. Louis landed 10th out of 25 cities in perceived safety risk. That measure reflected not only crime data, but a sense that safety has become a persistent concern—something normalized rather than addressed. The city also struggled on perceived social and political risk metrics, a reflection of its fractured politics and inconsistent governance. These rankings don't just reflect local sentiment; they shape outside interest in living, working, and investing in these communities.

While Kansas City was not featured in the study, crime headlines have drawn negative international attention, including a British tabloid comparing the city to a "Mad Max-style hellhole." Local business owners voice frustrations, and even a downtown business group has considered hiring private armed security. The city is preparing to host the World Cup in 2026, but international coverage may undermine efforts to present Kansas City as a safe, vibrant destination.

What's striking in DeGhetto and Russell's research is the role political identity plays. Conservative respondents emphasized safety and political dysfunction, while liberal

ones focused more on inclusion and equity. Both sides, though, weighed risk perception above more traditional concerns like taxes or regulatory burden. That suggests a broader trend: urban reputation—once tied mostly to cost of living or public amenities—is now a function of trust, transparency, and competence.

This creates a dilemma for city leaders. Fixing crime rates or improving services is no longer enough. Cities must also manage how those improvements are understood by residents and outsiders alike. That's not an invitation for PR campaigns or rebranding slogans. As I argued in the *Post-Dispatch*, "Perception isn't everything. But for a city trying to reverse decades of loss, it's not enough to make progress—it has to look like progress, too."

In Kansas City, that means more than budget debates over policing or splashy promises about "community-based" safety. It means serious engagement with what business owners, residents, and tourists actually experience. In St. Louis, it means building public confidence not with soccer stadiums or entertainment districts, but with reliable services and visible competence.

To help move that conversation forward, researchers at the Show-Me Institute are embarking on a study of crime in St. Louis. The study is not just about looking at crime stats, though we are doing that too. We're interviewing stakeholders in public safety, local governance, nonprofits, and the business community to better understand not only the numbers, but the perceptions and struggles that shape life in the city. Our aim is to identify gaps in research and public policy so we can help develop practicable paths forward.

After all, a safer Missouri begins not just with numbers, but with trust.



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# THE SHOW-ME INSTITUTE

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Each episode is a free-flowing conversation focused on free-market solutions to issues that affect Missourians. Topics include: expanding educational freedom, increasing government transparency, and uncovering the hidden taxes that line the pockets of private developers.

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