20 FOR 2020

An Agenda for Missouri

SHOW-ME INSTITUTE

WHERE LIBERTY COMES FIRST

A Game Plan for Missouri

Everyone knows that the University of Missouri is part of the SEC, and because of that its teams are judged by their performance relative to other schools in that conference. Similarly, you could say that Missouri's economy is also part of a "conference" consisting of its eight neighboring states. Those states are Missouri's chief competitors, and measured against them, Missouri is doing very poorly. Over the 18-year period from 1997 to 2014, Missouri was the region's slowest-growing state. It ranked dead last in GDP growth.

What ails Missouri? And what would it take for Missouri to go from worst to first within the conference – and to go from 36th among the 50 states in median household income to a spot in the top 15? Is it even remotely possible?

Our state can make giant strides – but not if we remain mulishly committed (no offense intended here to the official state animal) to a wide array of misguided economic and fiscal policies, including the annual expenditure of hundreds of millions of dollars in targeted state tax credits earmarked for economic development. It is hard to think of a worse way to redistribute money than this combination of government taking and giving.

In the pages that follow, Show-Me Institute policy analysts and scholars have outlined 20 innovative and actionable policy ideas, ranging from education to healthcare and from transportation to breaking the chokehold of government unions on the management (or mismanagement) of public goods and services.

This document does not purport to be all-inclusive. Important free-market policies such as right to work and private property protection are not discussed, because these reforms are a regular part of Missouri policy discussions.

Some of the reforms we propose here would be transformative and would affect a large number of Missourians, while others are targeted to specific activities or needs, such as the use of tolling to fund needed improvements on I-70. All of the proposals share a common objective: the advancement of liberty and prosperity in the Show-Me State.

This is a pro-market, pro-growth agenda: 20 policies designed to take our state to a new level of performance by the year 2020 and give us something to point to with pride during Missouri's 200th birthday celebration in 2021.

A KEY TO OUR LIBERTY BELL RATINGS

This program or reform would be **transformative** and would affect **a large number** of Missouri citizens. These programs or reforms would realize a vision of greater liberty and prosperity for Missouri's citizens.

This program or reform would **greatly improve** existing structures, though the improvement might be limited geographically or to certain groups of citizens. These programs or reforms are significant steps toward a longer-term vision of greater liberty and prosperity.

This program or reform makes a **meaningful improvement**, but is limited in its scope. These programs or reforms are **short-term** goals that advance liberty and prosperity.

ECONOMIC POLICY – CUTTING GOVERNMENT & UNLEASHING THE PRIVATE SECTOR

The Challenge:

Missouri's economic performance over the past decade has been dismal. We can do better – much better.

The Opportunities:

The opportunities for faster growth are all around us – in the form of the chronic but entirely solvable problems of excessive taxes, burdensome regulation, and too much corporate welfare and crony capitalism.

1. **Reduce taxes on business and work**

The more you tax something, the less you get of it. That's true of business; it's true of labor. The more you tax a business and the people working for it, the more you stymie business growth and slow the creation of wealth and jobs.

Kansas City and the City of Saint Louis both place a one percent tax on every dollar that people within their boundaries earn in doing their jobs. The two cities should eliminate the earnings tax in order to keep people, jobs, and businesses from fleeing to nearby suburbs (or other states)

Kansas and other states have been outcompeting Missouri in reducing and eliminating taxes on income. We need to follow suit, but how – without tearing open a big hole in the state budget?

Please proceed to the second of our 20 initiatives.

2. **Reduce or eliminate state economic development tax credit issuances**

Believe it or not, Missouri ranks among the top ten states in the nation in corporate welfare. That's right. This information comes from a recent report from the Mercatus Center at George Mason University.

The State of Missouri takes with one hand (collecting $337million in corporate income taxes alone), while giving with the other – issuing $368 million in economic development tax credits to politically favored businesses.

Tax credits interfere with the operation of a free market and represent an attempt to pick winners and losers through legislation. Not surprisingly, studies suggest these credits are hugely inefficient and wasteful. Missourians can and must do better.

Over the next three years, the Missouri Legislature should drastically reduce how much the state can issue in economic development tax credits. It should plow all of the savings into reducing income taxes.

3. **Stop micro-districts from charging sales taxes.**

Increasingly, local governments are creating small taxing districts such as community improvement districts (CIDs), transportation development districts (TDDs), and neighborhood improvement districts (NIDs). These micro-districts are ad-hoc, specially created taxing districts with idiosyncratic boundaries. Most of these districts opt to collect sales tax dollars instead of property taxes, allowing them to export taxation.

As these districts proliferate, residents find it increasingly difficult to know how much they are getting taxed and where that money is going. That task is made nearly impossible by the fact that businesses in CIDs do not have to inform shoppers of the increased tax rate. The continual addition of these districts has turned Missouri's municipalities into a mosaic of variable tax rates: there are over 200 CIDs and TDDs in the Saint Louis region alone.

It's time to stop the spread of sales taxes through these little fiefdoms. Because it is unreasonable to assume that the average resident can know of, much less hold accountable, hundreds of different micro-taxing districts, these districts should only be allowed to charge taxes to property owners within the district.

4. **Require property tax rates to be the same for different types of property**

After the passage of SB 5, municipalities can no longer collect a large portion of their revenue from traffic tickets and fines. However, instead of doing the responsible thing and bringing expenditures in line with revenues, these municipalities have discovered other devious ways to shield their residents from having to pay for services.

For example, Edmundson, a small town in North Saint Louis County, raised property taxes, but only on one type of property. Edmundson doubled commercial property taxes, but left residential property taxes unchanged – at ZERO.

Saint Louis County uses different property tax rates for different classes of property. This makes an already-complicated issue (like property taxation) even more confusing. It is also wrong-headed. Commercial properties are already assessed at higher values than residential and agricultural properties. Having commercial properties pay a higher tax rate on top of their higher assessed value is irresponsible and invites abuses like what we see in Edmundson. Action is needed at the state level to ensure that Saint Louis County municipalities and other taxing districts levy a single tax rate on all classes of property. Not only would this simplify property taxation, but it would bring Saint Louis County in line with the rest of the state in how it taxes property.

EDUCATION—PREPARING MISSOURIANS FOR THE FUTURE

The Challenge:

Missouri's education system is underperforming. The facts:

- On the 2015 National Assessment for Educational Progress, only 38 percent of Missouri 4th-graders were found to be proficient in math and only 36 percent were proficient in reading. In 8th grade, only 31 percent were proficient in math and only 36 percent were proficient in reading.
- Only 30 percent of the class of 2015 who took the ACT scored college-ready in all four tested subjects.
- During the 2014–2015 school year, more than half of the state's school districts (285 out of 507 districts) did not have a single student enroll in *any* advanced-placement (AP) class – whether calculus, physics, or chemistry.

If we want a vibrant community, a vibrant democracy, and a vibrant economy, Missouri must improve its education system.

The Opportunities:

5. **Create an education savings account program**

In a world where a student can log onto a computer and get language tutoring in Mandarin from a teacher in Shanghai, or enroll in a university course and get credit for no more than the cost of a professionally administered final exam, creating flexible funding options for schooling is becoming more and more important. Charter schooling, school vouchers, and tuition tax credit scholarships expand the options available to students, but still require them to attend one school for their entire school day.

An *education savings account program* would place a student's funding into a flexible-use spending account (like a health savings account) that a student could spend on qualifying educational purchases. Those could include tuition at a private school, private tutoring (online or in-person), support services for special needs, or practical hands-on apprenticeship training in a trade. Unused funds could be rolled into a 529 college savings account (to encourage families to find cost-effective options), and savvy parents could take a big bite out of college expenses if they spent wisely.

6. **Create a course access program**

It is troubling, but not terribly surprising, that many of Missouri's school districts are small and lack the resources to hire teachers for courses only one or two students might want to take.

Every student in Missouri should have access to the coursework that best fits their needs, whether it is an online AP calculus class or an in-person apprenticeship with a carpenter or pipe fitter. But because students take all of their state funding in one lump sum to their school, districts can struggle to offer a wide variety of classes.

Course access programs allow students to divide up their state funding and spend it with multiple approved educational providers. In the 11 states that offer such programs, thousands of students have been able to find courses that prepare them for college or a career, and dozens of districts have been able to subsidize programs that only a small number of their own students were interested in with enrollment across district boundaries.

7. **Expand charter schooling throughout the state**

Charter schools are autonomous public schools. Enrollment is open, and charter schools take all students who apply. If they are oversubscribed, they must hold a lottery to determine who gets in. They provide educators the freedom to create the schools that best fit the needs of students, and they provide families the freedom to choose the environment that works best for them. Today, charter schools are only allowed within the boundaries of the Kansas City and St. Louis School Districts.

It is clear that in many parts of the state families need more options. When given the chance, thousands of students fled the Normandy and Riverview Gardens schools after those districts lost accreditation, and there are districts teetering on the brink of losing their accreditation all across the state. But, as SMI research has demonstrated, the transfer program has been financially devastating for the sending districts. Clearly, while the transfers are a necessary stop-gap, they are not a sustainable solution.

Expanding charter schooling throughout the state and allowing students to enroll in charter schools across district boundaries would help break down walls that have sprung up across the state and barred students from attending better schools. This would allow a great school in North St. Louis City, like Northside Community School, to enroll students from Normandy, Jennings, and other nearby districts without requiring students to take lengthy bus rides.

8. **Move Missouri's Public School Retirement System (PSRS) to a defined-contribution system**

Teachers in Missouri outside of Kansas City and St Louis have 29% of their salary put into to the Public School Retirement System each year—14.5% from the district and the other 14.5% from the teacher. By the time they're ready to retire, that makes up a tidy sum for a pension. However, because of the way that pensions are disbursed, not all teachers will see all of those dollars when they retire.

In fact, according to research by the Urban Institute and Bellwether Education Partners, Missouri teachers receive more in pension benefits than they have made in pension contributions only if they stay in the system for *28 years* or more. Any tenure shorter than that results in a net loss. What's worse, only 38% of Missouri teachers stay for 28 years or more, meaning that 62% of Missouri teachers will pay more into the pension system than they will get out of it. And those teachers who remain in the system for fewer than five years and do not "vest" will not see a penny.

Rather than administer a pension system that only benefits those who stay in the longest, the state should follow the lead of the private sector and simply contribute that 14.5% into a retirement account every year. The fund could follow teachers if they change jobs, and would start from a teacher's

first day on the job. Wealth accrual would fall in line with earnings, resulting in a much more fair system.

9. **Create a targeted, market-driven preschool program**

Calls for increasing the number of three- and four-year-olds in preschool programs have been increasing in recent years. According to the U.S. Department of Education, 81 percent of four-year-olds in Missouri are currently not enrolled in a publicly funded preschool program. "Universal preschool" or "preschool for all" is a movement to make public preschool options available to all families. High-quality preschool programs for low-income children can lead to future academic success, but Missouri should not adopt a universal preschool model.

The last thing we want to do is transfer the problems of the public K-12 system onto another grade level. To promote innovation in early learning, the state should look for ways to improve access to private options. Promoting a free alternative for all students may put quality private preschools out of business. Additionally, it will create an expensive, middle-class entitlement as, according to the Brookings Institution, 75 percent of middle-class students arrive at kindergarten ready to learn.

A targeted, market-driven approach to expanding access to preschool for low-income children will allow parents to choose options that best fit each family's unique needs. Minnesota's Early Learning Scholarship Program, which grants low-income students $7,500 scholarships for pre-K education, might be an example to follow. More than 5,700 students are slated to participate in the program this year.

HEALTH CARE—REFORMING A BROKEN SYSTEM

The Challenge:

Medicaid is broken—yet it continues to grow. Roughly one in seven Missourians is now enrolled in Medicaid, and about one-third of the state's budget now goes to pay for it.

Rather than doubling down on Obamacare's mistakes, Missouri must protect vulnerable citizens by implementing market-oriented reforms that improve access to care.

The Opportunities:

10. **Stop the expansion of Medicaid**

Health care in the United States was broken before Obamacare was passed. But rather than decrease cost and increase access to care, the Affordable Care Act has made care more expensive for millions and narrowed care networks for millions more.

Rather than expand Medicaid, policymakers should pursue free-market reforms. Special interest groups want taxpayers to pay for the deals they struck in Washington, DC; rather than give in, policymakers should redouble their efforts put patient and taxpayer needs first. That means, at a minimum, the continued rejection of Obamacare's Medicaid expansion.

11. **Channel existing Medicaid funding into health savings accounts**

Missouri should convert much of its Medicaid program into government-held health savings accounts (HSAs), splitting current Medicaid spending levels among the beneficiaries. After purchasing a basic health care plan to cover (at least) catastrophic injury or illness, beneficiaries could roll over any remaining money from year to year. This type of program would provide the safety net Medicaid was supposed to be while still allowing patients to tailor their spending to their needs. One size does not fit all when it comes to health care. The state should stop acting like it does.

12. **Allow reciprocity for interstate medical licenses**

One of the keys to keeping Missouri patients healthy is making sure there are enough doctors to meet their needs. Unfortunately, over the last few decades a shortage of primary care physicians has developed, particularly for rural patients in underserved areas. The shortage of primary care doctors is threatening the health of thousands of Missourians.

To help bridge these health care access gaps, policymakers should make it easier for licensed physicians, practicing in good standing in another state, to render care in Missouri without additional licensing hurdles. Missouri state law already allows out-of-state doctors to render charitable care to Missourians at charity clinics; however, to help ensure uninterrupted access to care for its most vulnerable citizens, Missouri should make this policy of medical license reciprocity a rule rather than an exception.

GOVERNMENT TRANSPARENCY AND REFORM—BUILDING ACCOUNTABILITY AND TRUST

The Challenge:

Thomas Jefferson said:

> *I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion.*

Citizens can hold the government accountable only when they have the information necessary to make wise choices in the voting booth. Interests from within government and without, including our elected officials and public-sector unions, make it harder for individuals to hold government accountable. The facts:

- Some 88,711 workers in the state of Missouri are covered by public sector unions. That is 23.2 percent of the public sector workforce. In fact, 34 percent of all union members in Missouri are public sector workers, up from just 16 percent in 1984. Public sector unions, as currently organized, are opaque in their operations and unaccountable in their actions, and can be a threat to good government.
- Missourians who want to investigate how lawmakers are spending their tax dollars are limited. The state's accountability portal has fallen behind those of other states in its accessibility and user-friendliness.
- Currently, the government can negotiate with unions behind closed doors. This means policy can be set without an opportunity for public comment.

The Opportunities:

13. **Require government union accountability**

How democratic would our society be if you could vote for the president only one time, and then you were stuck with the result unless he or she were impeached?

For most public employees, including teachers, police, and firefighters, unionization is a one-way trip. Once a workplace elects to have a union represent its interests in negotiations with management, no further elections are scheduled, no term limits are imposed, and the union stays in power indefinitely. Workers are usually stuck with the results of that original election even if their representative fails to provide the services it promised. New employees are forced to accept representation from a union they never had the chance to vote for.

Regular union elections would give public employees the right to vote for a union for a fixed term. When that term ended, the union could choose to run for re-election. Other unions might offer their services and run against the incumbent union. With union election reform, government workers would have the choice of keeping their union, electing a new union, or foregoing a unionized workplace altogether.

This practice would encourage union brass to be more responsive to their members and provide a better, more democratic service. It would allow workers who are unhappy with their union to de-unionize or put a better union in power. Perhaps most importantly, the practice would give public employees a way of stopping the flow of money from their paychecks toward political causes they oppose.

14. **Government union transparency**

Traditional private sector unions disclose basic financial information to the government and to their members in LM filings. LM filings include information on a union's assets, expenditures, and revenues over the course of a year. The federal government makes LM filings freely available and searchable in an online database.

The LM filings that traditional private sector unions make have been instrumental in keeping union executives in check. In fact, recent changes made with the International Brotherhood of Boilermakers and a Service Employees International Union Local in Los Angeles were brought about only after journalists used LM filings to expose the extravagant lifestyle the bosses of these unions led.

In Missouri, the unions for teachers, firefighters, police, and other public sector employees have no equivalent to an LM filing. Government unions should be *at least* as transparent as private sector unions. Missouri needs to close the "transparency gap" between government and non-government union workers by requiring government unions to make public financial filings.

Another way to ensure that government unions operate transparently is by requiring public officials to meet with government union officials in open meetings. Due to a legal loophole in our state's open meeting laws, public officials and government union executives often meet and set policy in closed-door sessions. This practice leads to a situation where public officials, who represent taxpayers, can make backroom deals with government unions.

Open meetings make it more difficult for public officials to make such deals. When citizens and the media have the right to witness policy-setting collective bargaining sessions, it becomes harder for a public official to "give away the house" or "kick the can down the road."

The loophole that allows for closed meetings should be eliminated, and government union negotiations should be held in the open. The next step is to open to the public all government collective bargaining negotiations. This would mean any school district, city government, special district, or state agency that holds negotiations with public employees would now have to conduct these negotiations in the open, which would be a major improvement for both state and local government accountability.

15. **Require clear tax incentive reporting by cities on their financial statements**

Our local leaders recognize the importance of economic growth to Missouri's long term success, but unfortunately they tend to rely heavily on tax incentives in their attempts to achieve that end. Instead of letting the market work, cities often pick winners and losers in the tax code by offering big tax breaks—ultimately paid for with taxes paid by others. Not only does this practice put the burden of funding essential city services on fewer taxpayers, but it also creates municipal liabilities that may only reveal themselves years into the future.

Consistent with recommendations from the Government Accounting Standards Board, Missouri cities should clearly identify in their financial statements the projects that the city is, and will be, subsidizing. Moreover, each city should be required to publish every tax incentive liability that it has incurred, providing this information either as a part of a city's financial statement or as an annually produced and readily available separate document. If local officials want to spend taxpayers' money on other taxpayers, that money should be clearly and regularly disclosed.

16. Improve government transparency by updating the accountability portal

Since December of 2014, Ohio Treasurer Josh Mandel has made every check written by the state available digitally on OhioCheckbook.com. This site makes all state expenses, both large and small, available online in an easily searchable database that includes checks written as far back as 2008. Huge check to a major government contractor? It's on there. Smaller check to reimburse a state employee for travel expenses? It's on there, too. Information can be sorted and exported easily. The site even has a function allowing you to contact accountable government officials and share your findings on social media.

The website gives Ohioans unprecedented access to public information about how their government spends their tax dollars, and Mandel is working on expanding the database to include information from local governments as well.

Missouri has an accountability portal. You can use it to find some of the same kind of information you'd find on OhioCheckbook.com, and it does a fair job at being user-friendly—let's give it a "C".

Missouri should revamp the Missouri Accountability Portal to allow Missourians to search for and view each check paid from state funds, contact officeholders for inquiries about the purpose of each check, and share their findings on social media. Given that Missouri already has a decent website with some information on tax credits, expenditures, grants, bonds, and financial reports, it wouldn't require too much to improve this system to give Missourians a better, more accessible accountability portal.

This new and improved tool would allow citizens and journalists to better understand how their government spends money. It also would give lawmakers a powerful incentive to think twice before wasting taxpayer money.

17. Give real help to the working poor by using the EITC or wage subsidies instead of raising the minimum wage

Calls to raise the minimum wage are widespread across Missouri and America. In 2015, both Saint Louis and Kansas City passed minimum wage increases. Three different ballot initiatives are circulating throughout the state calling for an increase to the minimum wage in 2016.

Proponents believe that raising the minimum wage will raise incomes for the working poor. In reality, raising the minimum wage will cost jobs, so that many low-income earners will lose the income they had.

However, just because the minimum wage is bad policy does not mean that nothing should be done to help low-income families. The Earned Income Tax Credit (EITC) goes to workers whose households are making below a certain amount of money every year. This credit can be used to eliminate the tax liabilities of recipient households, and since it is refundable, the government writes a check to households whose credit exceeds the amount in taxes they owe.

Unlike minimum wage increases, the EITC does not make labor more expensive for businesses, so it does not create an incentive for businesses to cut jobs. It also specifically targets poor families, while the minimum wage applies to workers who come from both low and high income households. For these reasons, economists across the ideological spectrum prefer the EITC to increasing the minimum wage as a means to help the working poor.

INFRASTRUCTURE—TOWARD MARKETS AND INNOVATION

The Challenge:

Transportation is critical to the Missouri economy. Every day, millions of Missourians use the state's roads, bridges, public transportation, airports, and rails.

- According to the latest annual estimates, Missouri's roads cover almost 69 billion miles.
- While the importance of Missouri's transportation system to the state's economy and the lives of its residents is evident, perhaps the most critical element of that system—the state's highway system—is in danger of falling into disrepair. The main problem is that the user funding base originally set up to fund highways has failed to keep pace with the increasing cost of building and maintaining the state's most trafficked roads and bridges.
- The Missouri Department of Transportation (MoDOT) has warned that within the next 5 years the state may no longer have the money necessary to maintain, much less improve, the state highway system without increasing revenue or changing the structure of the state highway system.

The Opportunities:

18. **Implement tolling on I-70**

I-70, Missouri's busiest interstate highway, is reaching the end of its useful life. According to MoDOT, large sections of the highway need to be rebuilt from the ground up. MoDOT hopes to expand the interstate to three lanes in each direction from Wentzville (west of Saint Louis) to Independence (east of Kansas City). The additional lane would allow the road to handle increases in future traffic, as the highway is almost at capacity now. According to MoDOT, rebuilding I-70 and adding an additional lane in each direction will cost at least $2 billion. This type of project would require an increase in either statewide general taxation or user fees beyond what has been politically feasible to date.

To raise the funds to rebuild this critical piece of infrastructure, Missouri should consider rebuilding I-70 as Missouri's first modern tolled highway. A $2 billion project to rebuild and expand I-70 could be undertaken for a toll rate between 5 and 20 cents per mile for passenger vehicles and between 16 and 46 cents per mile for trucks, depending on how tolls were collected. Missouri might also consider following the example of the Indiana Toll Road and lease I-70 to private operators under a public–private partnership (P3) agreement. Under the Indiana Toll Road lease, a private consortium agreed to pay the state nearly $3.8 billion to operate the toll road. The consortium also agreed to spend nearly one-half billion dollars on upgrades to the road, to the advantage of highway users. Missouri should follow the example of Indiana and dozens of other states by funding modern highways with tolls.

19. **Right-size the state highway system**

The Missouri state highway system contains over 33,000 miles of road and more than 10,000 bridges, giving Missouri the 7th largest state highway system in terms of both miles and bridges. However, these numbers can be somewhat misleading, because Missouri's system includes many lesser-used routes that are considered county or local roads in other states. In Missouri, only 16% of the state's total highway miles are major roads (principal arterials or larger), much lower than the national median (37%). Almost two-thirds of the state highway system's bridges are on lesser-used roadways.

Most of Missouri's state highways are in rural areas on lightly used roads. Average daily traffic per lane is less than 1,000 vehicles; on urban highways the average is around 7,000 vehicles per lane per day. That is why, with less than 20% of the state highway system by lane mile, 60% of daily traffic on Missouri's highways occurs in urban areas. Heavy traffic in Missouri's rural areas is confined to interstates and major U.S. Routes. With a system that covers virtually every major road in the state, MoDOT inevitably encounters criticism from all

sides for the way it prioritizes different regions for construction and maintenance spending. With rural areas feeling like they are ignored and urban areas arguing that too much of their money goes to rural areas, the public at large often is not confident that MoDOT works effectively for them or should receive more money.

Missouri should turn over responsibility for roads that are mainly local in character to local levels of government. This could save MoDOT more than $400 million dollars a year. The best place to begin would be the Missouri State Routes (letter routes), many of which carry fewer than a hundred vehicles a day on any given section. Local governments will be more capable of deciding what their needs are and will prioritize projects with a more rigorous cost-benefit analysis. This policy would also allow the state to focus its resources on maintaining the state's largest and most important highways. By statute, the state cannot simply force counties and municipalities to take over what are now state highways. However, the state and localities can come to voluntary agreements for transfer of control, which may be preferable to the deterioration of local roads.

20. **Adopt statewide ridesharing regulations**

The introduction of ridesharing companies (or transportation network companies, TNCs) presents opportunities for Missouri and its major cities. The national expansion of Uber and Lyft is evidence of significant latent demand, both as an opportunity for transportation and as a source of employment. TNCs take advantage of automobile-oriented environments and provide on-demand service, which may allow them to more effectively compete with personal cars and complement urban transit systems. Such an advantage can be critical for urban entertainment districts, because customers may only choose to visit those areas if a convenient and cheap alternative to personal vehicles exists. Furthermore, with increased non-personal vehicle mobility, dense urban environments may become a more appealing place to live or set up a business.

Missourians have not been able to enjoy the full benefits of TNCs. A major, if not deciding, reason for this is outdated and restrictive local for-hire vehicle regulation. While the most prominent example of these regulatory fights has occurred in Saint Louis, regulations in municipalities and counties across the state have limited the entry of TNCs. Common barriers have included pricing restrictions, license and vehicle inspection fees, and requirements for 24-hour local dispatches. Because of large potential benefits of TNCs for Missouri and the regional and statewide impact of local for-hire vehicle regulation, the state should set a statewide standard for TNCs. Twenty-seven states, including Missouri's neighbors Illinois, Nebraska, Kansas, Oklahoma, Arkansas, Tennessee, and Kentucky, have adopted simplified statewide TNC regulation, allowing their metropolitan areas to benefit from TNCs.

APPENDIX: Show-Me Institute Resources (Grouped by Reform)

1. **Reduce taxes on business and work**

"Cutting the Ties that Bind: End Missouri's Corporate Income Tax" http://showmeinstitute.org/publication/taxes-income-earnings/cutting-ties-bind-end-missouri%E2%80%99s-corporate-income-tax.

"Missouri's Taxing Environment: Some Ideas for Reform". http://showmeinstitute.org/publication/taxes-income-earnings/testimony-missouri%E2%80%99s-taxing-environment-some-ideas-reform

2. **Reduce or eliminate state economic development tax credit issuances**

"Passing through Missouri: Left Behind on Taxes?"

http://showmeinstitute.org/publication/taxes-income-earnings/passing-through-missouri-left-behind-taxes

3. **Stop micro-districts from charging sales taxes**

"Special Taxing Districts in Nixa, Missouri"

http://showmeinstitute.org/sites/default/files/20110705_DS_Taxing_Nixa_MO_0.pdf

"Oops! Columbia Taxing District Likely To Be Decided by One Voter" http://showmeinstitute.org/blog/taxes-income-earnings/oops-columbia-taxing-district-likely-be-decided-one-voter

"Group Pushes for Higher Downtown Taxes" http://showmeinstitute.org/blog/local-government/group-pushes-higher-downtown-taxes

4. **Require property tax rates to be the same for different types of property**

"The Egregious Antics of Edmundson" http://showmeinstitute.org/blog/taxes-income-earnings/egregious-antics-edmundson

"Further Remonstrances on Clayton Tax Increases" http://showmeinstitute.org/blog/local-government/further-remonstrances-clayton-tax-increases

"David Stokes on Farmland Tax Assessments" http://showmeinstitute.org/blog/taxes-income-earnings/david-stokes-farmland-tax-assessments

5. **Create an education savings account program**

"ESAs Empower Families in Arizona" http://showmeinstitute.org/blog/school-choice/esas-empower-families-arizona

"Education Savings Accounts Are Good for Kids" http://showmeinstitute.org/blog/school-choice/education-savings-accounts-are-good-kids

"Flood of ESA Applications Demonstrates Demand for Choice" http://showmeinstitute.org/blog/school-choice/flood-esa-applications-demonstrates-demand-choice

6. **Create a course access program**

"Course Access Brings the Classroom to the Student" http://showmeinstitute.org/blog/school-choice/course-access-brings-classroom-student

"Course Access in Rural Texas" http://showmeinstitute.org/blog/school-choice/course-access-rural-texas

7. **Expand charter schooling throughout the state**

"Charter Schools Do Serve Students with Special Needs" http://showmeinstitute.org/blog/school-choice/charter-schools-do-serve-students-special-needs

"New Superintendent Gives Kansas City Opportunity to Rethink School Organization" http://showmeinstitute.org/blog/local-control/new-superintendent-gives-kansas-city-opportunity-rethink-school-organization

"Entrepreneurship in the Charter School Sector" http://showmeinstitute.org/blog/school-choice/entrepreneurship-charter-school-sector

8. **Move Missouri's Public School Retirement System (PSRS) to a defined-contribution system**

"For Most Teachers in Missouri, Pensions Are a Raw Deal" http://showmeinstitute.org/blog/accountability/most-teachers-missouri-pensions-are-raw-deal

"Betting on Big Returns: How Missouri Teacher Pension Plans Have Shifted to Riskier Assets" http://showmeinstitute.org/publication/public-pensions/betting-big-returns-how-missouri-teacher-pension-plans-have-shifted

9. **Create a targeted, market-driven preschool program**

"If You Like Your Preschool, You'll Be Able to Keep—Not Again!" http://showmeinstitute.org/blog/accountability/if-you-your-preschool-you%E2%80%99ll-be-able-keep%E2%80%94not-again

"It Just Ain't So" http://showmeinstitute.org/blog/taxes-income-earnings/it-just-ain%E2%80%99t-so

10. **Stop the expansion of Medicaid**

"Move Missouri's Medicaid Program Forward, Not Backward" http://showmeinstitute.org/publication/health-care/move-missouri%E2%80%99s-medicaid-program-forward-not-backward#sthash.8XHLinvZ.dpuf

11. **Channel existing Medicaid funding into health savings accounts**

"Expansion Is Wrong Move for Medicaid" http://www.columbiatribune.com/opinion/oped/expansion-is-wrong-move-for-medicaid/article_bee9b5aa-b6e2-11e3-b2ca-10604b9f6eda.html

"What Would a Free-Market Medicaid Reform Look Like?" http://showmeinstitute.org/blog/health-care/what-would-free-market-medicaid-reform-look

12. **Allow reciprocity for interstate medical licenses**

"Missouri Should Lower Barriers for Out-of-state Charitable Medical Missions" http://showmeinstitute.org/blog/misc-miscellaneous/missouri-should-lower-barriers-out-state-charitable-medical-missions#sthash.dkaeqgPl.dpuf

13. **Require government union accountability**

"Bill Would Give Workers a Vote" http://www.showmedaily.org/blog/health-care/bill-would-give-workers-vote

"Missouri Could Save Millions by Looking to Wisconsin" http://www.showmedaily.org/blog/transparency/missouri-could-save-millions-looking-wisconsin

"Would Union Elections Help SLU Nurses?" http://www.showmedaily.org/blog/health-care/would-union-elections-help-slu-nurses

"Why Labor Reform Is a Low-cost Improvement to Missouri Government" http://www.showmedaily.org/blog/government-unions/why-labor-reform-low-cost-improvement-missouri-government

"Employee Freedom Week" http://www.showmedaily.orgblog/government-unions/employee-freedom-week

14. **Government union transparency**

"Bill Addresses Government Union Transparency" http://www.showmedaily.org/blog/local-government/bill-addresses-government-union-transparency-gap

"New Study Shows Benefits of Union Transparency" http://www.showmedaily.org/blog/transparency/new-study-shows-benefits-union-transparency

"Closing Loopholes in the Sunshine Law" http://www.showmedaily.org/blog/local-government/closing-loopholes-sunshine-law

"Open Collective Bargaining at Monarch" http://www.showmedaily.org/blog/transparency/open-collective-bargaining-monarch

"Veil Lifted from Teacher Collective Bargaining Negotiations in Colorado" http://www.showmedaily.org/blog/transparency/veil-lifted-teacher-collective-bargaining-negotiations-colorado

15. **Require clear tax incentive reporting by cities on their financial statements**

"Big News: Accounting Board Beefs Up Tax Abatement Disclosure Requirements" http://showmeinstitute.org/blog/subsidies/big-news-accounting-board-beefs-tax-abatement-disclosure-requirements#sthash.8k7cIHKH.dpuf

16. **Improve government transparency by updating the accountability portal**

Missouri Accountability Portal Financial Reports http://mapyourtaxes.mo.gov/MAP/Reports/

OhioCheckbook.com http://ohiotreasurer.gov/Transparency/Ohios-Online-Checkbook

17. **Give real help to the working poor by using the EITC or wage subsidies instead of raising the minimum wage**

"A Good Idea from the Post-Dispatch" http://showmeinstitute.org/blog/employment-jobs/good-idea-post-dispatch

"On Increasing the Minimum Wage in Saint Louis" http://showmeinstitute.org/publication/misc-miscellaneous/increasing-minimum-wage-saint-louis

"The Minimum Wage: How it Harms the Workers It's Meant to Help" http://showmeinstitute.org/blog/employment-jobs/minimum-wage-how-it-harms-workers-its-meant-help

18. **Implement tolling on I-70**

"Tolls On I-70 Could Be Solution To MoDOT's Funding Problems" http://showmeinstitute.org/blog/taxes-income-earnings/tolls-i-70-could-be-solution-modots-funding-problems

"Who Pays When a Private Toll Road Goes Bankrupt?" http://showmeinstitute.org/blog/transportation/who-pays-when-private-toll-road-goes-bankrupt

"Transportation Funding: I-70, Tolling, and the Road to Tomorrow" http://showmeinstitute.org/blog/transportation/transportation-funding-i-70-tolling-and-road-tomorrow

19. **Right-size the state highway system**

"Video: Funding the Missouri Highway System" http://showmeinstitute.org/blog/transportation/video-funding-missouri-highway-system

"A Greater Gravois May Be a Local Gravois" http://showmeinstitute.org/blog/local-government/greater-gravois-may-be-local-gravois

20. **Adopt statewide ridesharing regulations**

"Useless Taxi Regulation in Saint Louis" http://showmeinstitute.org/blog/regulation/useless-taxi-regulation-saint-louis

"It's Time to Disband the Metropolitan Taxicab Commission" http://showmeinstitute.org/blog/regulation/it%E2%80%99s-time-disband-metropolitan-taxicab-commission

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