

SNG-Need to call out the IPI-7-24-17

Someone needs to call out the IPI

By Jim Nowlan

This past week, Gov. Bruce Rauner stunned observers when he unceremoniously booted his veteran top staff out the door and turned management of state government over to an inexperienced team of policy wonks from the Illinois Policy Institute (IPI).

The IPI is a decade-old, very conservative advocacy group; othing wrong with that, of course.

Yet it's about time the IPI was called out for its hard-edged promotion of great sounding but wholly impracticable proposals, which is to my mind harmful to the policymaking process.

The IPI was started a decade ago by John Tillman, an entrepreneurial builder of non-profit advocacy organizations. Tillman raises \$3+ million a year in funding from old money conservatives like the Koch Brothers as well as from successful Chicago business folks like Bruce Rauner.

True believer ideologue and IPI president Kristina Rasmussen is as of this past week Rauner's new chief of staff. And top policy and management slots are also now filled with a half dozen young IPI folks. From my knowledge of several IPI staff, they are smart, lacking in government experience, and highly ideological.

By ideological, I mean the IPI believes, really believes, in *very* small government, which I suppose we all do except, of course, for Social Security, Medicare, defense, education, highways, good water and sanitation, public safety and effective local government.

The IPI employs about two dozen policy “analysts,” as well as lawyers who do good work in fighting oppressive regulations on small business. The IPI also has a stable of newspaper op-ed writers and a statewide radio network to push the IPI agenda across the state.

I put “analyst” in quotes because, like many advocacy groups of both the Right and Left, the IPI approach is conclusion driven. By that I mean the IPI first establishes its ideological conclusion, to wit: Illinois could have enacted its recent budget without a tax increase. Then, the so-called analysts go out in search of narrative to buck up the conclusion.

For example, IPI put out a no-tax increase “Budget Solutions 2018” document that is basically nonsense. Oh, it sounds good, and in the future we should adopt some of its suggestions, but via a transition period over several years.

The IPI “budget solution” is not to save or cut huge amounts, but simply to shift, massively, state responsibilities onto the backs of its local governments.

Their proposal would, for example, shift at least \$2.5 billion in teacher and professor pension responsibilities off the state ledger books and onto local school districts and universities.

The IPI would also “save” \$1.7 billion by simply not distributing a slice of the income tax revenue that has always gone to local governments. This sharing was part of the original income tax enactment in 1969, and it has the effect of keeping property taxes lower than they might be otherwise.

The irony is that the IPI is right on principle in these illustrations. Local schools and universities, not the state, should pay for their own pension obligations. And local government officials would

probably sharpen their budget-drafting pencils a bit if all their revenue came from their own sources.

But you simply can't make such big changes in one year.

Of course, next door to my office at Connie's Country Kitchen, all this IPI propaganda sounds eminently reasonable. And to be fair, my coffee drinking buddies shouldn't be expected to understand the nuances of state budgets any more than I understand GPS, "row crop shut-off," and gene splicing.

But to folks who study this stuff closely, like leading business organizations such as the Civic Committee of the Commercial Club and the Civic Federation of Chicago, the IPI budget proposal is all claptrap, though they would be too polite to say so.

These organizations concluded that, painful as it will be to their own members, the only way out of our deep budget hole is with a tax increase. Indeed, the groups proposed bigger tax increases than those enacted recently.

So, with people who are trying to solve the state's problems, the IPI's credibility is zip.

This is too bad, because IPI employs bright folks, and some of their ideas have merit.

So, now that they are inside and running Illinois state government, I hope the IPI management team takes a problem-solving approach to its work.

But I am not optimistic. Ideology thrives on rigidity; it is not good at governance.