

SNG-Nowlan-Tillman sells small government-6-25-12

Tillman sells small government in Illinois

By Jim Nowlan

The world of Illinois policymaking has a new kid on the block. He is kicking the tires of state government and finding them bloated, but the new kid has solutions that will, he thinks, let out much of the air.

In just five years, John Tillman has built a bustling conservative think tank and made himself a player, though not necessarily a winner yet, in shaping Illinois policies and budgets.

The Illinois Policy Institute is the only group that has presented a line-by-line alternative budget for Illinois, which would cut the \$50+ billion spending plan by \$7 billion and ensure that the recent income tax increases could be ratcheted back in 2015. The institute also works in health care, education, labor law and other policy areas.

With a rapidly growing staff that approaches 30, a \$3 million budget and offices in Chicago and across the street from the capitol in Springfield, the institute testifies regularly on legislation in the capitol and produces policy briefings on many topics. All trumpet small government, market solutions and less regulation.

Staff research by smart young true believers is thorough and their ideas range from the fascinating to the counterproductive. The solutions often point out how big government has failed the poorest of kids in urban schools as well as the poor receiving Medicaid.

On the fascinating side of the ledger is a proposal to turn Medicaid into a program where recipients are allocated an account, amount based on income, from which they can purchase health insurance and use the remainder as a medical savings account.

At present, Medicaid recipients often cannot find specialists who will treat them, and “they walk in to doctor’s office with a scarlet ‘M’ on their forehead,” says Tillman. The institute believes it can save \$1.7 billion in state Medicaid spending with its approach.

Not so clever is the group’s proposal to terminate state sharing of the income tax with cities and counties, at a savings of \$1.6 billion. This would simply put more pressure on the local property tax, the most scorned of taxes.

In his early 50s, Tillman came from a poor, splintered family in Detroit. A political junkie from childhood, Tillman chuckles that he was “probably the only 9-year-old who watched both 1968 national political conventions from gavel to gavel.”

After work as a retail store entrepreneur, Tillman served as president of Americans for Limited Government from 2004-2006, growing it from nothing to a 13-state operation. That gave him the bug to start his own small government think tank in Illinois, which he did in 2007.

A natural salesman, Tillman touts “liberty” (from taxes) as his product, which is attractive to the generally wealthy entrepreneurs who comprise 88 percent of his funding base. He emphasizes that his is not a big business-supported operation, complaining that big business often works too closely with big government.

Tillman is death on taxes and says his goal is to eliminate the income tax completely in Illinois, and make the state as attractive to business as Texas.

[As for the 2011 increase in the state income tax by two percentage points in the rate, Tillman says that we shouldn't think of it as just an additional 2 percent burden on 100 percent of business income. Instead, he says, think of it as 2 percent out of the small percent available to an entrepreneur after 90+ percent is spent on personnel, cost of goods for production and other expenses of doing business. That makes the 2 percent a big deal to business.]

Tillman's forays into politics, as opposed to policy, have been bumpy. Last year a blogger for the institute accused a Democratic state representative of receiving a traffic felony conviction two decades earlier as a young man, which proved to be untrue. This kind of snafu sours those in the lawmaking fraternity in Springfield. Tillman has also created several conservative political action committees, which weakens the "non-partisan" claims of the institute in the eyes of many.

"They do good policy research," says the head of a respected statewide policy group, "but are considered partisan due to their PAC-related activities. Unfortunately, this impacts the perceived credibility of their research."

Tillman has sworn off the political activities and has beefed up his institute research staff. For example, he recently created the Liberty Justice Center, staffed with two attorneys. The center will fight bureaucratic red tape and restraints on small entrepreneurs, who face rules, Tillman says, that often only big business can afford to comply with.

Fresh ideas are prized as governments try to do more with less, regardless of whence they come. John Tillman and the Illinois Policy Institute have the staff to scour the 50 states and other countries for the best practices as well as to shape their own. This should make John's institute useful in Illinois policymaking.