



Written by [Bob Adelman](#) on December 28, 2016

LOL Illinois: Corporate Group Works to Keep State From Becoming a Laughingstock

The name of the group LOL Illinois can be taken two ways: Land of Lincoln, or Laughing Out Loud. As Scott Santi, chairman of Illinois Tool Works, which employs 48,000 workers around the world, noted:

There's a crisis of confidence in terms of a plan to address some pretty significant structural problems in the state. It's challenging for Illinois to be competitive given the uncertainty around the fiscal crisis.



“Crisis of confidence”? “Challenging”? “Uncertainty”? Illinois was headed into oblivion until Bruce Rauner, the first Republican governor in 12 years, faced reality. Within days of being sworn in as governor in January 2015 he signed an executive order halting state hiring and discretionary spending, and calling for state agencies to sell surplus property. Within a month he stopped “fair share” union fees from being taken from state employees’ paychecks while presenting the legislature with a budget that included \$4.1 billion in cuts in higher education, Medicaid, state employee pension benefits, public transportation, and support of local governments around the state.

In other words, the new sheriff in town managed to tick off every major constituency responsible for the state’s ghastly financial condition.

His budget proposal went nowhere, nor did any of the others Rauner proposed, thanks to the veto-proof Democratic majorities enjoyed in both legislative branches.

“Challenges”? Try state pension plans that are \$113 billion underfunded. Try \$11 billion in past due bills. Try the state having the lowest credit rating among the 50 states. Try Democratic House Leader Michael Madigan’s insistence that any new budget contain tax increases: no tax increases, no budget, have a nice day.

Rauner reminds those who will listen that the last time taxes were raised (in January 2011, when the personal income tax rate went from 3 percent to 5 percent and the corporate income tax rate went from 7.3 percent to 9.5 percent), the exodus of taxpayers from the state began in earnest. For the 16 years prior to the tax increases, out-migration from the state averaged 66,800 people a year. From July 2011 to July 2012 it jumped to 73,500 and continued to increase annually in almost a straight line to 114,000 this year. Further, those who were leaving were taking their high-paying jobs with them — the very people the Democrats were counting on to close the budget gap.

Various strategies have been tried to force the recalcitrant Democrats to the table to deal with reality. In April State Comptroller Leslie Munger delayed their paychecks, claiming that she didn’t have the funds to cover them. She violated Rule Number One in Illinois: Legislators get paid first. Her strategy failed.



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In August George Will tried sarcasm in his article published by the *National Review*, hoping to embarrass those responsible into condescending to do the job for which they were elected: to create a sustainable budget. The present stalemate has forced the state to operate without any budget at all for nearly two years. Wrote Will:

What is misleadingly called the state's constitution requires balanced budgets, of which there have been none for 25 years. This year, revenues are projected to be \$32.5 billion, with spending of \$38 billion.

Illinois Democrats are, however, selective constitutionalists: They will die in the last ditch defending the constitution's provision that says no government pension can be "diminished or impaired."

LOL Illinois is trying a different approach: stirring up voter anger. The group has started a lobbying, social media, and letter-writing campaign directed at recalcitrant Democrats gumming up the works. Some 15,000 letters have already been sent to their offices, and the campaign is just getting off the ground.

This campaign just might have an impact. In November the Democrats lost their veto-proof legislative majorities.

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