



Breaking the mold:

turning the impossible
into the inevitable in Illinois

2015 Annual Report

Illinois Policy Institute — Illinois Policy Action

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Letter from the CEO

When I left my life as an entrepreneur, my personal goal was to remake the public policy and political arenas by bringing measurement and accountability to the cause of freedom.

I had long been a critic of those who only issued white papers - to no apparent effect - and never spoke to ordinary people in language that makes sense to them. Of course, white papers - the policy work - are critically important. After all, this research is the basis of lawmaking.

However, my theory of political change is that we must engage in a two-front war if we are to win. Our side must fully engage in culture (media, public opinion, influencers) and must also fully engage in the political arena (legislation and elections).

That's because public policy must pass through a political process to become law. And most big policy ideas become ripe in culture first. Thus, turning policy into law requires a two-front strategy.

Thanks to your support, we have the resources to fully engage in both the cultural and legislative arenas as never before. In this 2015 Annual Report we measure our cultural impact, the good laws being passed and the bad laws being defeated. Our experience in 2015 has prepared us well for what lies ahead in 2016 and beyond. Thank you.

In liberty,



John Tillman
CEO



Who we are

Illinois Policy Institute

A nonpartisan, nonprofit research organization, the Illinois Policy Institute's mission is to transform liberty principles into marketable policies that become law. The Institute's vision is for Illinois to be a beacon of prosperity that will shine across the Midwest and the nation. To achieve these goals, the Institute generates marketable policy solutions to unleash Illinois' talent and entrepreneurial ability.

Illinois Policy Action

A nonpartisan, nonprofit advocacy organization, Illinois Policy Action exists to directly engage government officials on a vision of a freer, more prosperous society.

The team

Board of directors

Ed Bachrach

*Former Chairman and CEO,
Bachrach Clothing Inc.;
Founder, Build Cambodia*

Steve Brown

*Partner, Promus Equity
Partners LLC*

Beth Christie

*Former CEO and Founder,
Avent America Inc.*

Craig Manske

*Managing Principal,
Development Solutions
Inc.*

Arthur Margulis

*Founder and Managing
Principal, Cognitive Capital
LLC*

Mark P. Miller

*Partner in the Advisory
Services Practice of Ernst &
Young LLC*

Richard T. Weiss

*Managing Director, Wells
Capital Management*

Leadership

John Tillman

Chief Executive Officer

Kristina Rasmussen

Executive Vice President

Matt Paprocki

Senior Vice President

Marketing

Ryan Green

Vice President of Marketing

Hilary Gowins

Managing Editor

Chris Andriesen

Project Manager

Caleigh Ripp

Community Manager

Austin Berg

Writer

Amy Korte

Editor

Communications

Diana Rickert

*Vice President of
Communications*

Nathaniel Hamilton

Media Relations Manager

Joe Kaiser

News Coordinator

Policy

Ted Dabrowski
*Vice President of Policy and
Spokesman*

Michael Lucci
Vice President of Policy

Mark Adams
*Director of Regulatory
Reform*

John Klingner
Policy Analyst

Bryant Jackson-Green
Criminal Justice Policy Analyst

Melinda Ruckman
Policy Analyst

David Camic
Senior Fellow

Jonathan Ingram
Senior Fellow

Erik Randolph
Senior Fellow

F. Vincent Vernuccio
Senior Fellow

J. Scott Moody
Senior Fellow

Mike Shedlock
Senior Fellow

Operations

Jean Hutton
Director of Operations

Michelle Mathia
Facilities Coordinator

Christina Hibbert
Executive Assistant

Cinda Pensabene
Operations Assistant

Government affairs

Jim Long
*Director of Government
Affairs*

Heather Weiner
*Government Affairs Staff
Attorney*

External relations

Emily Rose
*Vice President of External
Relations*

Sherry Street
External Relations Officer

Pat Hughes
External Relations Officer

Bradley Warren
External Relations Officer

Mark Alan Jones
External Relations Officer

Judi Willard
*External Relations
Coordinator*

Natalie Bezek
*Manager of Donor
Communications*

Zachary Urevig
External Relations Associate

Illinois News Network

Scott Reeder
Executive Editor

Greg Bishop
Radio Reporter

Mark Fitton
News Reporter

Cole Lauterbach
Multimedia Reporter

Kayla Weems
Marketing Director

Brendan Hartsell
Outreach Coordinator



2015 Victories



Chipping away at Madigan's power

The Illinois Policy Institute and Illinois Policy Action protected taxpayers from losing their seat at the negotiating table in talks to determine future pay and benefits for members of the American Federation of State, County and Municipal Employees.

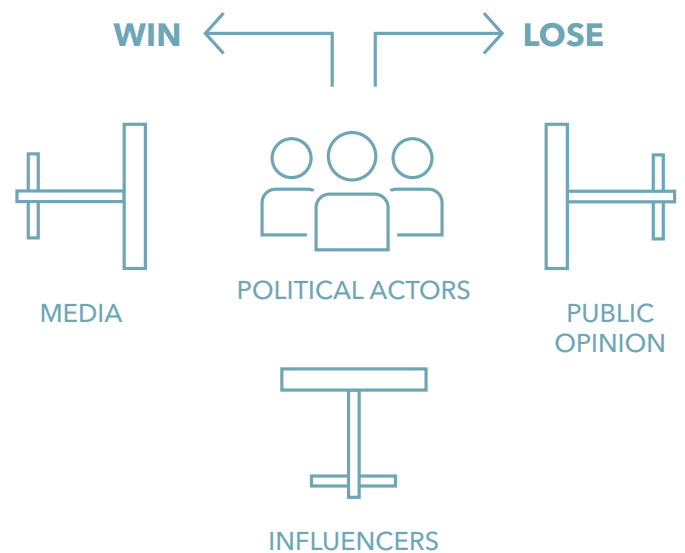
This Sept. 2, 2015, victory was a clear signal that power is shifting in Springfield.

Madigan attempted to remove Gov. Bruce Rauner from negotiations with AFSCME, and to replace him with a panel of unelected arbitrators.

Despite his best attempts and his decadeslong run as the most powerful man in Illinois politics, Madigan still lost.

Here's why:

The Illinois Policy Institute and Illinois Policy Action turned up the heat on three key pressure points:
the media, public opinion and other political influencers.



The "political vise" is the three-sided system within which policymakers operate, and which determines all legislative outcomes. Media, public opinion and influencers control the three levers of the vise and apply pressure to policymakers to conform to their demands. The Illinois Policy Institute and Illinois Policy Action engage media, public opinion and influencers on the issues affecting Illinois to garner support for liberty-based policies.

Chipping away at Madigan's power

Media

Because the Illinois Policy Institute communications team has built strong relationships with local and national journalists, news outlets trust the Institute as a reliable source on the state's most pressing economic issues. News outlets relied on the Illinois Policy Institute to offer an informed opinion on the detrimental implications of the proposed policy change. This resulted in coverage of the issue that reflected the harm the bill would inflict on Illinois taxpayers, as well as the victory for Rauner and taxpayers inherent in the bill's defeat. The Wall Street Journal published an editorial Sept. 3 describing the failure of the union arbitration bill:

“On Wednesday the Illinois General Assembly failed to override Mr. Rauner's veto of a bill that would have given a major gift to labor at taxpayer expense. ... His victory this week is evidence, tentative to be sure, that the state may not be doomed to financial perdition.”

Public opinion

Illinois Policy Action identified key lawmakers who could be swayed to vote with their constituents instead of with Madigan.

To turn up the pressure, Illinois Policy Action took out a full-page ad in the Chicago Tribune as well as ads in newspapers in persuadable lawmakers' districts, encouraging residents to contact their representatives on the issue.

Illinois Policy Action then used the same message to launch an aggressive digital campaign targeting key representatives' constituents on social media. The team also conducted a grassroots campaign, handing out flyers to commuters during the morning rush hour at busy Metra stations.



Influencers

Illinois Policy Action worked with influencers around the state – including business and civic leaders – to apply pressure to key representatives on both sides of the aisle.

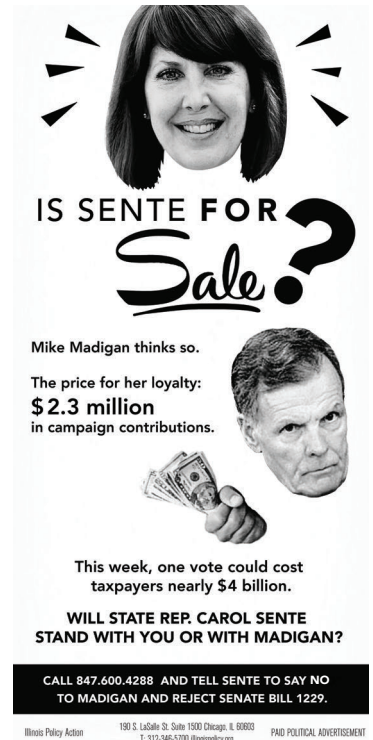
The team made sure that representatives weren't just hearing from constituents, but from people they know and trust.

This victory was a prime example of the Illinois Policy Action strategy at work. The public applied pressure, and politicians responded. Journalists across the state recognized the implications, too.

“ *But ... [Madigan] failed. ... And Madigan, always said to be several moves on the political chess board ahead of his foes, watched the victory that he'd promised fall three votes short. The practical blow and symbolic wallop landed on his noggin. The chess master lost track of one of his supposed pawns. The wizard was exposed as just a man behind the curtain.* ”

[Eric Zorn - Chicago Tribune]

In the end, the bill was defeated, and taxpayers prevailed over the political elite, keeping the taxpayers' seat at the bargaining table.



IS SENTE FOR *Sale*?

Mike Madigan thinks so.

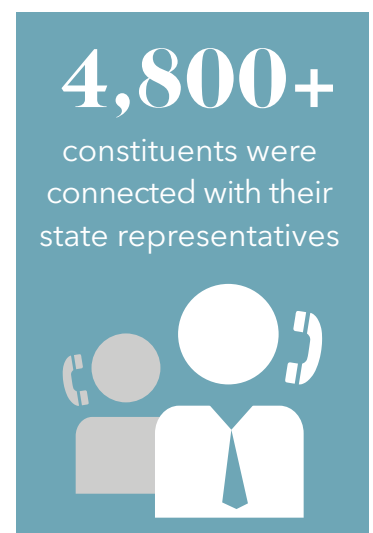
The price for her loyalty:
\$2.3 million
in campaign contributions.

This week, one vote could cost taxpayers nearly \$4 billion.

**WILL STATE REP. CAROL SENTE
STAND WITH YOU OR WITH MADIGAN?**

CALL 847.600.4288 AND TELL SENTE TO SAY NO
TO MADIGAN AND REJECT SENATE BILL 1229.

Illinois Policy Action 1901 S. LaSalle St. Suite 1500 Chicago, IL 60603 312-340-5100 illinoispolicy.org PAID POLITICAL ADVERTISEMENT



4,800+
constituents were
connected with their
state representatives

Icon showing a person in a suit and tie, with a speech bubble and a magnifying glass over it.

Championing taxpayers

The Illinois Policy Institute continued to tell the truth about Illinois' financial woes in 2015 to demonstrate that the state has a spending problem rather than a revenue problem. The Institute's education of taxpayers about the state's spending problem showed it was irresponsible for politicians to raise taxes without first passing significant economic reforms.

For years, Illinois politicians have passed budgets that rely on financial gimmicks, ultimately kicking the fiscal can down the road. In 2015, for the first time since 2001, the General Assembly did not pass an irresponsible budget for the sake of passing a budget. Illinois' ending the year without a budget is a signal to taxpayers that business as usual in Springfield is over.

- Illinois Policy Action fought politicians' attempts to make the temporary 5 percent income-tax hike permanent, and it partially sunsetted to 3.75 percent on Jan. 1, 2015.
- Illinois Policy Action successfully defeated Madigan & Co.'s attempts to revive the failed "millionaire tax" in 2015, protecting taxpayers and small businesses from another job-killing tax.



The average Illinois family kept an extra

\$1,075

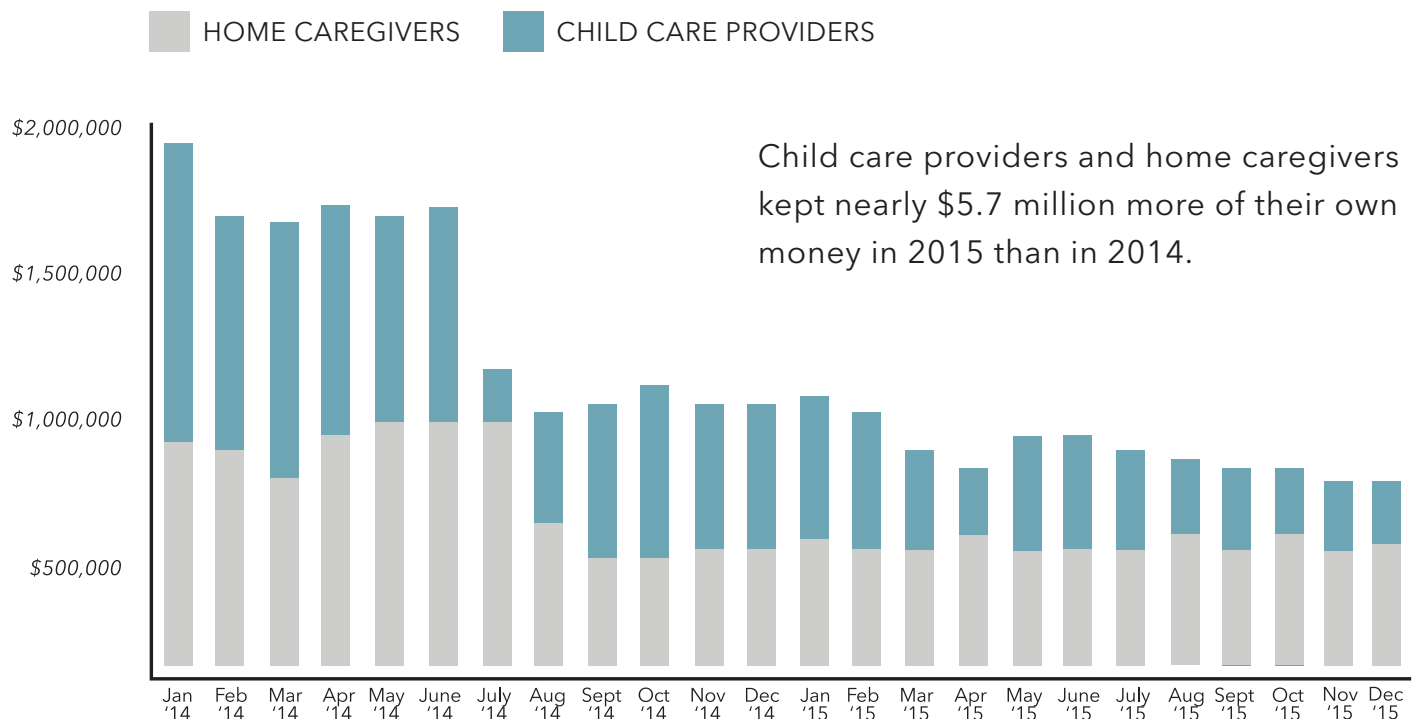
since the 2011 income-tax hike sunsetted.

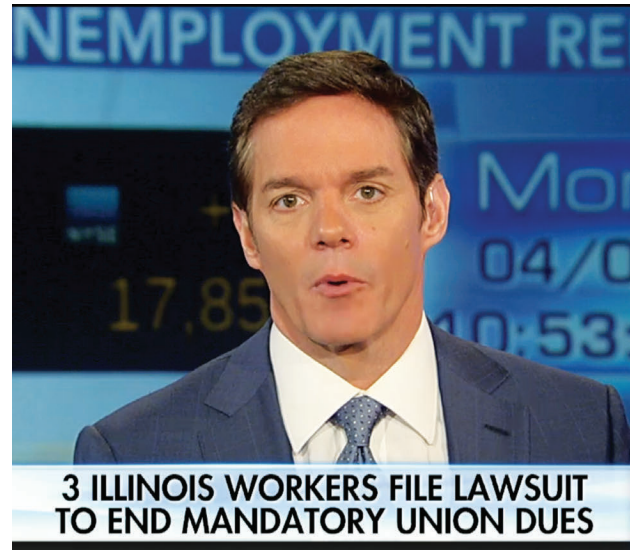
Blazing a trail for worker freedom

Following the groundbreaking 2014 U.S. Supreme Court decision *Harris v. Quinn*, the Illinois Policy Institute fought to extend the ruling to day care providers who had previously been forced to give money to the Service Employees International Union as a condition of receiving state funds.

The Illinois Policy Institute informed child care providers and home caregivers of their right to say “no” to paying union fees and to directly opt out through careforillinois.com and leaveseiu.com

SEIU dues collection



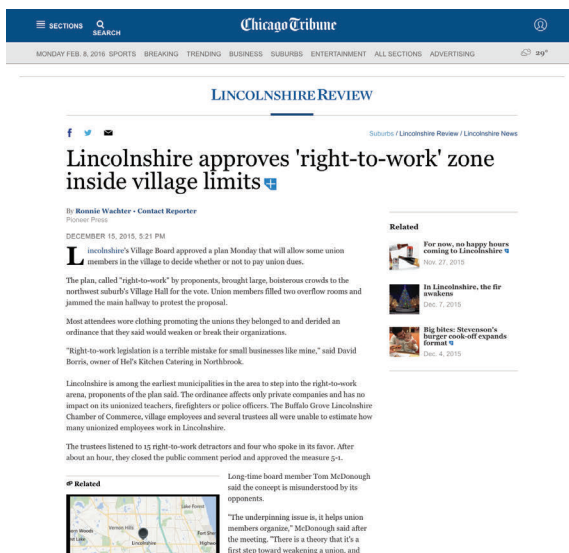


Defending First Amendment rights in court

On behalf of three state employees, the Illinois Policy Institute's litigation partner, the Liberty Justice Center, intervened in Gov. Bruce Rauner's federal lawsuit to end forced "fair share" government-worker union fees. The case garnered national media attention and helped shine a light on the unions' fair-share skimming scheme. Soon thereafter, the U.S. Supreme Court announced it would hear a similar case, *Friedrichs v. California Teachers Association*, in 2016. The Liberty Justice Center filed an amicus brief in support of the *Friedrichs* plaintiffs; the outcome of that case has the potential to topple forced unionization for every public employee in the nation.

Bringing local Right to Work to Illinois

Illinois Policy Action supported the village of Lincolnshire as it passed Illinois' first local Right-to-Work ordinance. Illinois became the second state in the nation to have a local community pass Right-to-Work legislation, and the Lincolnshire victory will help blaze a trail for other communities to adopt worker freedom and turn Illinois around.



Right to Work is one of the main items on Gov. Bruce Rauner's Turnaround Agenda.

Unleashing opportunity for Chicago entrepreneurs

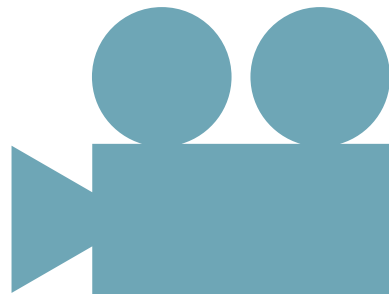
The Illinois Policy Institute helped usher in an era of entrepreneurship in Chicago with the legalization of food-cart street vending. The Institute took an issue few were talking about, brought it to the public's attention through a media campaign, and laws changed. To do this, the Institute:

- Interviewed more than 200 vendors to determine the economic impact food-cart legalization could have on the city of Chicago
- Captured and shared the story of longtime vendor Claudia Perez in the video "Una mujer y su carrito," which garnered over 1 million views
- Launched a holistic marketing campaign, specifically targeting the Latino community

As a result of the Institute's policy-education initiatives, on Sept. 24, the Chicago City Council overturned the ban on food-cart street vending, legalizing an industry that has the potential to create thousands of new jobs and generate \$8.5 million in additional sales-tax revenue in Chicago.

The documentary
"Una mujer y su carrito"
was viewed more than

**1 million
times**



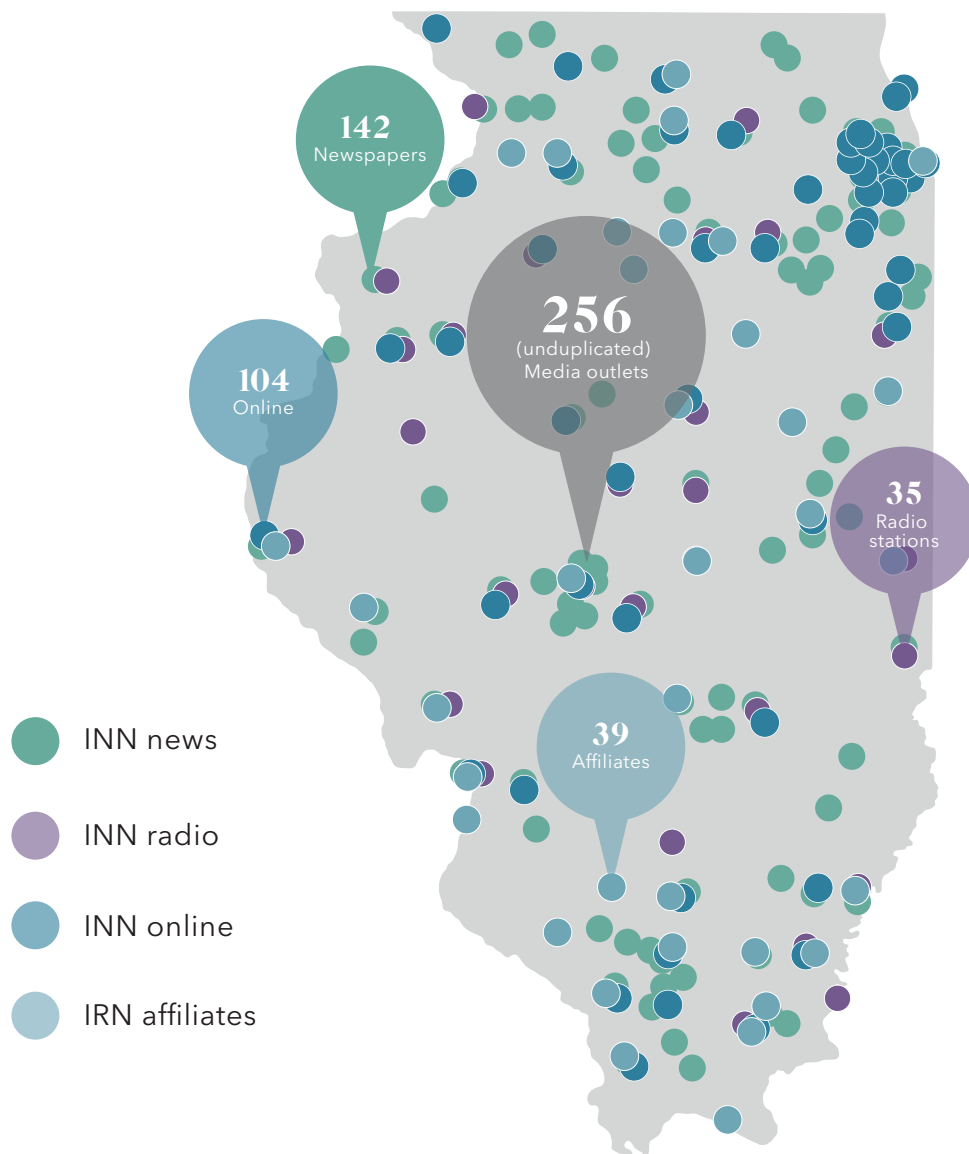


Illinois Policy staff gathered at Chicago City Hall with food-cart vendors and supporters before the City Council's Sept. 24 vote to legalize street vending.



A large, solid teal silhouette of the state of Illinois occupies the left and center portions of the image. The right side of the image is a plain white background.

Illinois News Network



What began as one journalist covering Statehouse happenings in 2012, the Illinois Policy Institute's Illinois News Network, or INN, is now a growing, award-winning news team operating in partnership with more than 250 TV, radio and print legacy media outlets across the state.

In 2015, its biggest year yet, INN broke through the government-information monopoly and forced elected officials to be accountable for their actions.

INN's reporters reached hundreds of thousands of Illinoisans with INN's Statehouse reporting and made sure residents heard both sides of the story.

In December 2015, Illinois Radio Network, or IRN, joined INN's growing news service, continuing its more than 30 years of reliable news reporting.

Illinois Rising radio

The Illinois Policy Institute hit the airwaves in July 2015 with its weekly radio show, Illinois Rising, on AM 560 The Answer, one of Chicago's major talk radio stations.

Illinois Rising is the Land of Lincoln's weekend home for insight, policy analysis and solutions that Illinoisans won't hear anywhere else. Its mission is to break through mainstream radio media with real conversations on the policy issues that affect people in Illinois.

In 2015, Illinois Rising boasted high-profile guests such as Rebecca Friedrichs, the lead plaintiff in *Friedrichs v. California Teachers Association*, and Eric O'Keefe, the Wisconsin Club for Growth director who was at the center of the John Doe investigations case heard by the Wisconsin Supreme Court. Regular guests also include Illinois state lawmakers and well-respected political journalists and commentators. Listeners can tune in live or listen later by downloading Illinois Rising podcasts on iTunes and SoundCloud.



Illinois Rising is now available on iTunes.



Illinois Rising Host Dan Proft and the Illinois Policy Institute's vice president of policy, Ted Dabrowski, discuss tax policy.

Events

June

Links for Liberty golf outing

Friends of liberty came together on June 5 at Mistwood Golf Club for a day on the links in support of freedom.

May



Rand: Unleashing the American Dream

In partnership with Chicago tech hub 1871, on May 27, the Illinois Policy Institute hosted Sen. Rand Paul to discuss how to transform Chicago, the state of Illinois and the U.S. with liberty-based public-policy solutions.

September



Between the Lines

Chicago Tribune editorial board member Kristen McQueary joined the Institute's CEO, John Tillman, at Between the Lines on Sept. 24 for an evening of candid discussion about the changing dynamics of Illinois politics and media.

October

Illinois Justice Forum

The Illinois Policy Institute partnered with the Washington, D.C.-based Coalition for Public Safety and the American Civil Liberties Union in a thoughtful discussion of criminal-justice reform at the Illinois Justice Forum on Oct. 8.

December



Gifts of the Free Market

Once again, the Illinois Policy Institute closed out the year with its annual Gifts of the Free Market party on Dec. 9 in the beautiful Library lounge, just upstairs from the Institute's Chicago office. More than 200 guests celebrated the ordinary heroes who championed liberty and made Illinois a freer place in 2015.

Awards

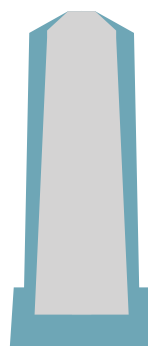


Kristina Rasmussen is awarded the prestigious Overton Award at the State Policy Network annual meeting.



Overton Award

The State Policy Network gave its prestigious Overton Award to Kristina Rasmussen for her exceptional work as the Illinois Policy Institute's executive vice president.



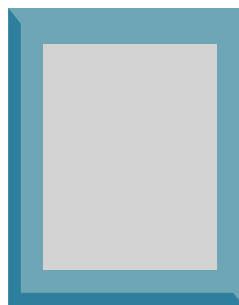
Nonprofit PR Award

Illinois Policy Action won PR News' 2015 Nonprofit PR Award for Illinois Policy Action's successful advocacy campaign to defend Illinois' fair, flat tax system in 2014.



Spark Freedom Trendsetter Award

The Illinois Policy Institute's marketing team won a Spark Freedom Trendsetter Award for its innovative marketing of a traditional news video highlighting Illinois' jobs crisis.



Peter Lisagor Award for exemplary journalism

Jacob Huebert and Bryant Jackson-Green won the Peter Lisagor award for exemplary journalism in the category Online: Best Individual Blog Post, Independent, for their article, "Illinois' General Assembly revives recording ban."

Honorable mentions

Illinois Policy Institute

2015 Nonprofit PR Award for blog post - "Dewonked"

Illinois Policy Institute

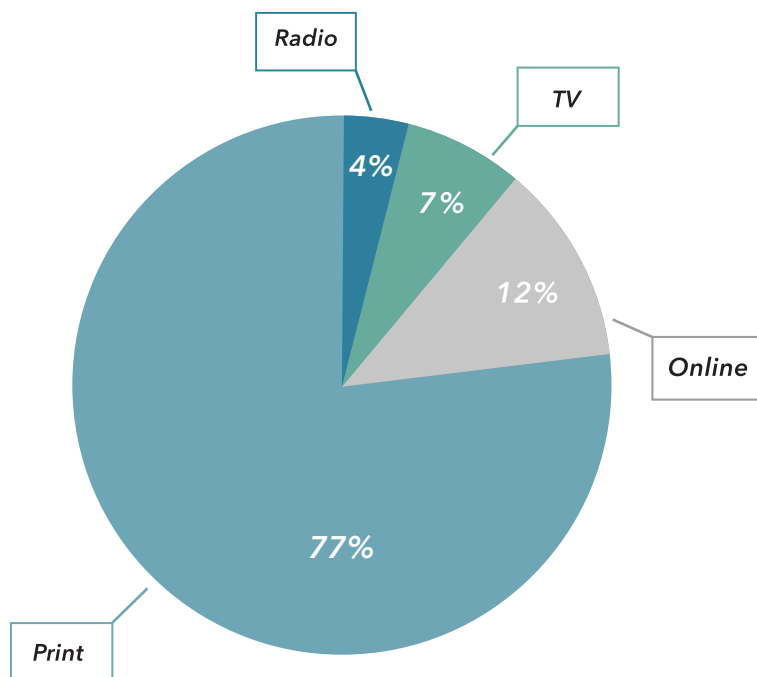
Spark Freedom's 2015 Trendsetter Award for Social and Interactive Media - "Una mujer y su carrito" video

Illinois Policy Institute

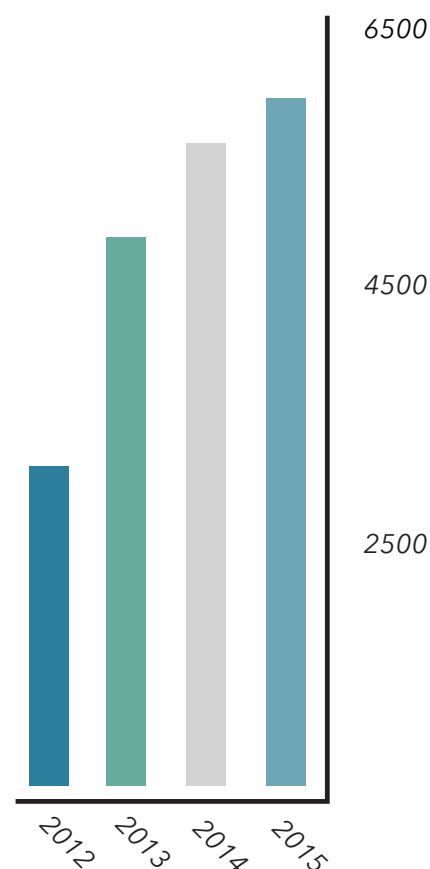
Spark Freedom's 2015 Trendsetter Award for Identity - "Illinois comeback story" brand

A large, solid teal silhouette of a person's head and shoulders, facing right, occupies the left and center of the frame. The silhouette is positioned such that its right edge follows the contour of the person's head and neck, leaving a white space on the right side of the image.

Media and marketing



Earned media



Total media

What distinguishes the Illinois Policy Institute from other public-policy groups is its commitment to excellence in marketing. The Institute's award-winning marketing and communications teams work continually to advance free-market solutions across the broad media spectrum.

The Institute uses data-driven marketing to present policy ideas to an ever-growing audience through the best possible channels.

As displayed above, the Institute is now a significant voice in Illinois, with a greater reach than several well-known legacy media outlets and agencies in Chicago and statewide.

63
op-eds



3 million
website
visits



6X
more video views
than last year



Total social media

	2013	2014	2015	% change 2014-2015
Interactions*	434,000	2,200,000	3,500,000	59.1%
Unique users	275,000	1,500,000	2,700,000	80.0%

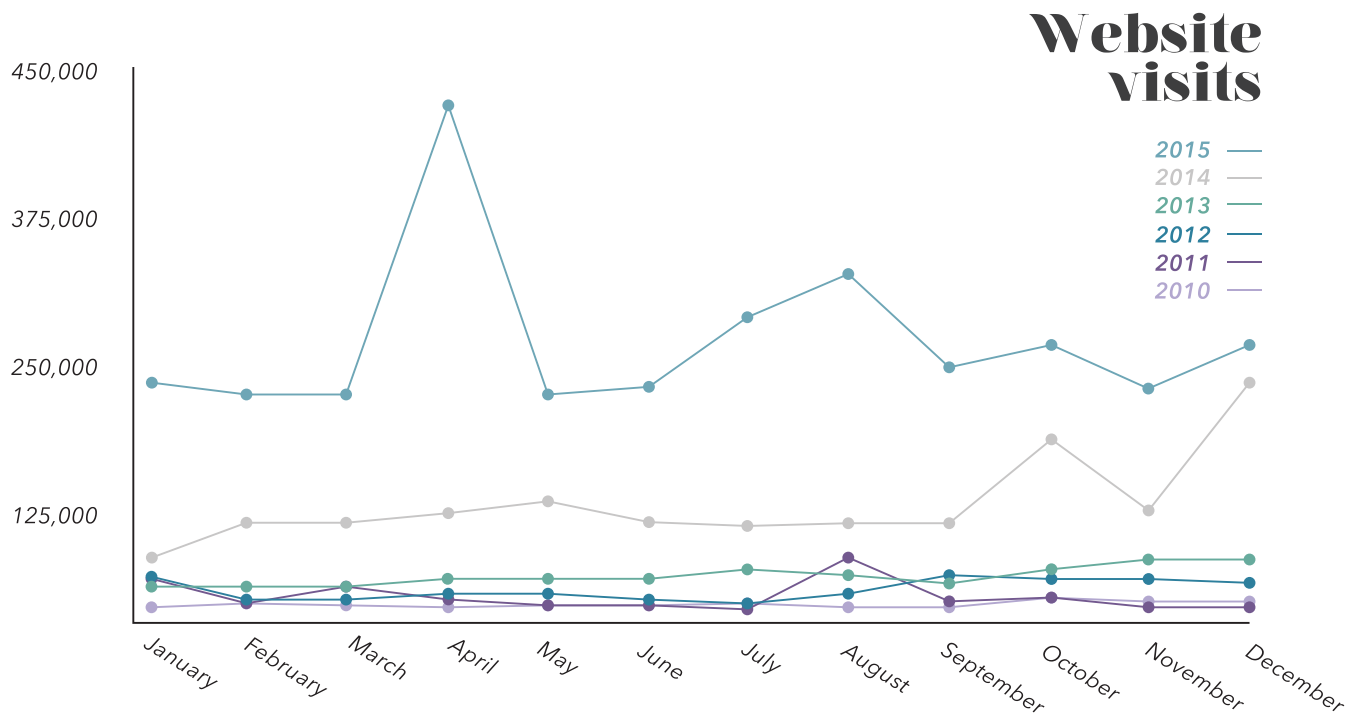
Facebook

	2013	2014	2015	% change 2014-2015
Engaged users	24,003	222,814	475,523	113.4%
Organic reach	260,232	2,521,909	5,007,816	98.6%
Likes	13,662	48,367	107,982	123.3%

Twitter

	2013	2014	2015	% change 2014-2015
Followers	27,284	31,497	33,943	7.8%

* Interaction: Retweet, @mention, like, share or comment



Videos

	2013	2014	2015	% change 2014-2015
Views	64,087	451,313	2,579,956	471.7%

illinoispolicy.org

	2013	2014	2015	% change 2014-2015
Sessions	426,474	1,505,546	3,004,534	99.6%
Users	276,870	1,133,973	2,176,664	92.0%
Page views	810,876	2,101,983	3,903,240	85.7%



Financial report

As our audience and reach grow, so does the number of individuals committed to investing in a freer and more prosperous Illinois. The numbers below show that Illinoisans are more committed than ever to an Illinois comeback.

2015 Income

Annual income

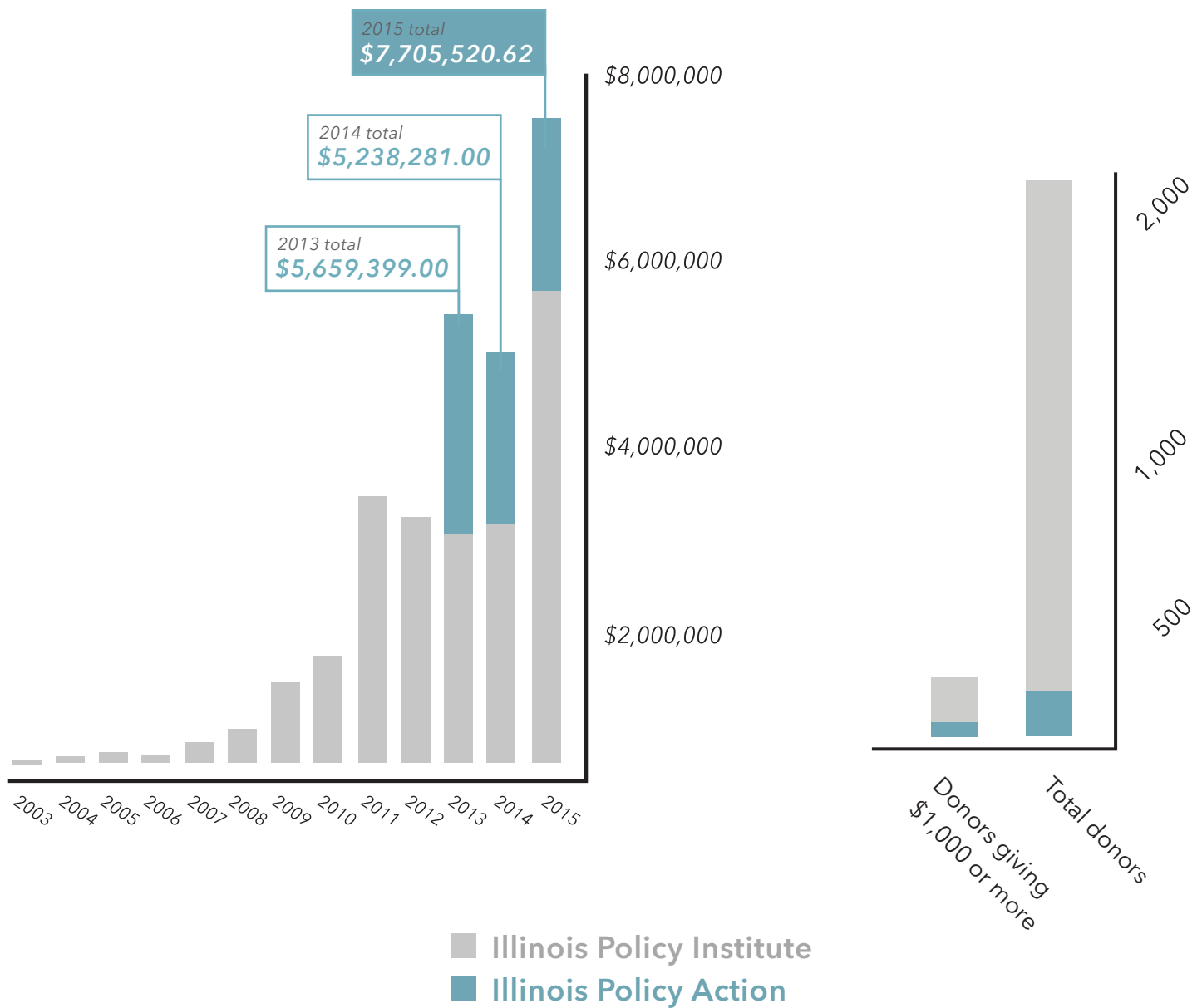
	Illinois Policy Institute	Illinois Policy Action
Individual	\$4,498,072.50	\$1,880,315.00
Foundation	\$638,950.00	
Corporate	\$35,500.00	
In-kind	\$638,207.32	
Other	\$9,695.28	\$4,780.52
Total	\$5,820,425.10	\$1,885,095.52
Total number of donors	1,998	189
Donors giving \$1,000 or more	212	21

Expenditures

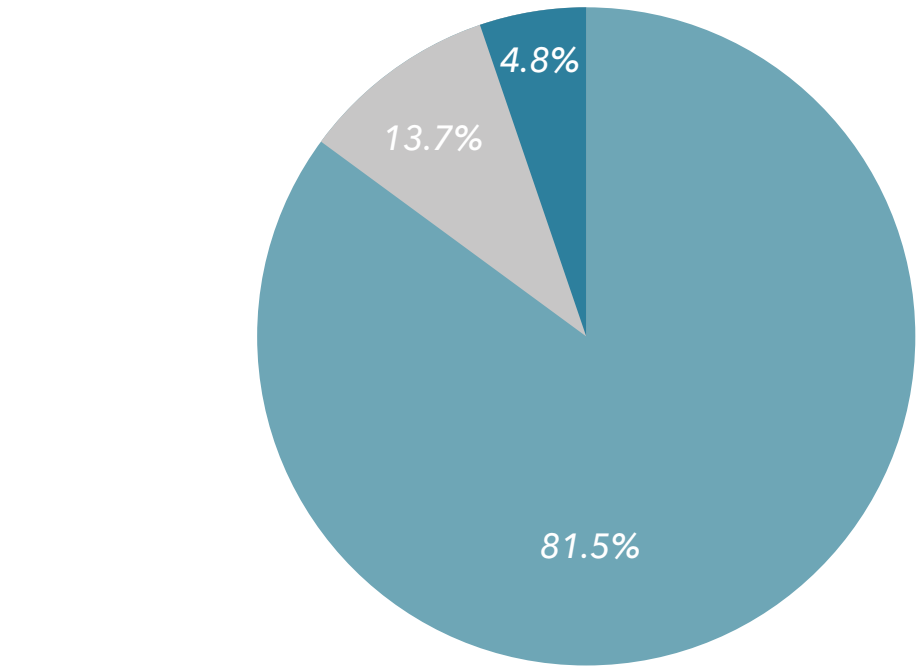
	Illinois Policy Institute	Illinois Policy Action
Program	\$4,052,179.26	\$1,660,130.66
Development	\$680,195.12	\$121,313.11
Administration	\$239,451.91	\$83,127.86
Total	\$4,971,826.29	\$1,864,571.63

Annual income 2003-2015

Donors 2015

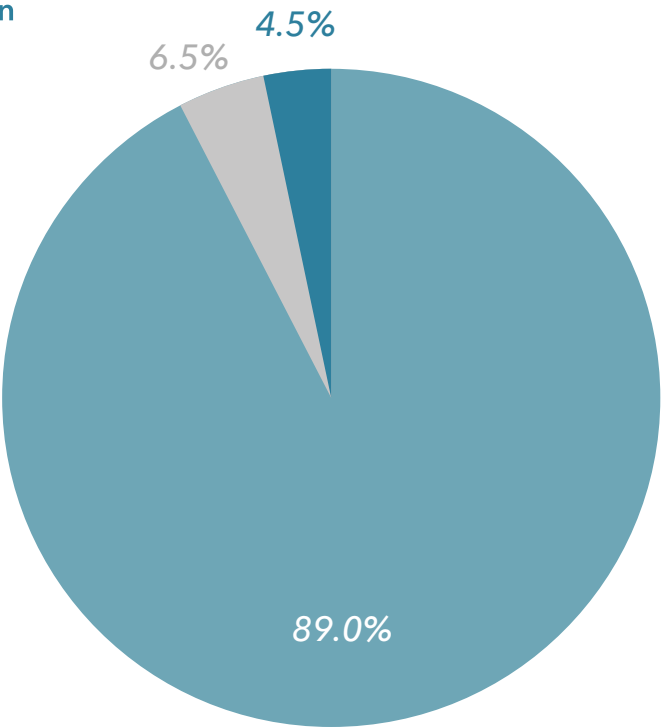


Expenditures 2015



- Program
- Development
- Administration

Illinois Policy Institute



Illinois Policy Action

Looking ahead

2016 is a pivotal year for our nation and our state.

The American people will choose a new president. In Illinois, competitive legislative races could shift the balance of power in Springfield.

2016 will be a key year in the unfolding of the Liberty Campaign, which John Tillman first outlined back in 2007. Its purpose is very simple: Transform liberty principles into marketable policies that become law, and thus help Illinois become a beacon of prosperity.

Illinois Policy Institute provides policy research and thought leadership that seizes the moral high ground and changes hearts and minds.

Illinois Policy Action turns good ideas into law through direct advocacy and grass-roots action.

You've seen how we've defended taxpayers and have begun to turn the tide. Stay with us as we go on offense to make progress on behalf of all the Illinoisans who need and deserve it.

Thank you for making all of this possible.



Kristina Rasmussen
Executive Vice President





Illinois Policy

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