

# Title Page & Abstract

An Interview with J. Thomas Johnson

Part of the Abraham Lincoln Presidential Library  
*Illinois Statecraft – Pension Crisis in Illinois* Oral History project

Interview # ISC-A-L-2016-009

Tom Johnson, former Illinois Department of Revenue Director, former President of the Taxpayer Federation of IL, and co-author of *Fixing Illinois: Politics and Policy in the Prairie State*, was interviewed on the date listed below as part of the Abraham Lincoln Presidential Library's *Illinois statecraft – Pension Crisis in Illinois* Oral History project.

Interview dates & location:

Date: January 27, 2016    Location: Commercial Club Offices Chicago, Illinois

Interview Format: Digital audio

Interviewer: Philip Pogue, ALPL Volunteer

Transcription by: \_\_\_\_\_

Edited by: \_\_\_\_\_

Transcript  
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Total Pages: \_\_\_\_\_    Total Time: 1:27 / 1.45 hrs.

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The interview is archived at the Abraham Lincoln Presidential Library in Springfield, Illinois.

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# Abstract

J. Thomas Johnson, *Illinois Statecraft*, ISC-A-L-2016-009

**Biographical Information Overview of Interview:** Tom Johnson was born near Malta, Illinois in November, 1946. He started his education at a country school, and graduated high school from DeKalb High School, in 1964. He earned a BA in accounting from Northern Illinois University. After college, Tom worked for Field Enterprises from 1968 to 1971 and as DeKalb County Auditor from 1971-1977. Tom then worked in the Gov. Jim Thompson administration from 1977-1979, first as Deputy of Local Government Affairs and then as acting director. Johnson then moved to the Department of Revenue, becoming a deputy director and in 1980 the Director, stepping down from that position in 1987. Tom then returned to the private sector, working for Grant Thornton LLP from 1987-1999 and KPMG LLP from 1999-2006. During those later years, Tom served on the Board of Directors for the Taxpayer Federation of Illinois. Currently, Tom is President Emeritus of that organization.

This interview covers the history of Illinois pensions. Reasons for the problem were discussed, including the weakness of the State Constitution to require yearly funding of state pensions, actuarial changes due to the increasing longevity of pension holders, pension enhancements stemming from the high inflation rates of the 1980s and early 1990s, the recession of 2001-2002 and the Great Recession of 2008, and the problems that government corruption has caused in Illinois, creating a lack of trust in the business community. Problems with the way the state does its budgeting (on a cash basis) along with the exceptions to the balanced budget requirement (unpaid Medicaid bills), disbanding the Pension Laws Commission and counting borrowing as an asset also contributed to the pension crisis. Johnson suggested possible solutions, including pension cost shifting, increasing and broadening current taxes, eliminating elected officials' pensions and raising their pay to support a 401k program, and requiring more transparent financial reporting. Finally Johnson talks about the objectives of the Taxpayer Federation and its role of helping lawmakers better understand tax policy and legislation.

**Subject Headings/Key Words:** Taxpayer Federation of Illinois; Illinois public sector pension crisis; impact of pension and Medicaid expenses on other state programs; potential solutions for state pension crisis; *Fixing Illinois: Politics and Policy in the Prairie State*; Illinois Department of Revenue and state pensions; Senate Bill 1 of 2013;

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