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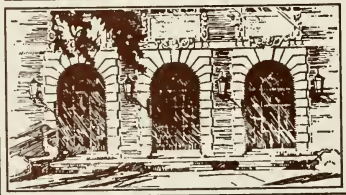
ESTABLISHING A DEPARTMENT OF  
COMMUNITY AFFAIRS IN ILLINOIS

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Illinois Historical Survey







ESTABLISHING A DEPARTMENT  
OF COMMUNITY AFFAIRS  
IN ILLINOIS

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COMMISSION PAPERS OF THE  
INSTITUTE OF GOVERNMENT AND PUBLIC AFFAIRS  
University of Illinois  
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## INTRODUCTION

Against a background of pressing local problems and rising interest in the role of the state in local affairs, it seems appropriate to consider some recent developments in state-local relationships. The urgency of local problems, especially urban deterioration, is forcing state officials to consider new ways of resolving certain issues. The importance of the state's responsibility with respect to local government fully justifies a reexamination of the patterns of relationship.

There are several ways for state government to meet the latest challenges at the local level. One alternative — the creation of a Department of Community<sup>1</sup> Affairs — is the subject of this report.<sup>2</sup>

A department concerned primarily with local affairs might provide a means of directing the full resources of the state to local communities, thereby leading to the solution of local problems and to the revitalization of local governments. The purpose of such a department is to harmonize the responsibility of the state with the needs of local communities.

### THE NEED FOR A DEPARTMENT OF COMMUNITY AFFAIRS

A variety of problems confronts local governments. Consider, for example, five issues cited annually in the reports of the Cities and Villages Municipal Problems Commission. As the first example, the impact of federal programs on local governments has been uneven or at best uncertain. Second, in the area of local finance, budgeting procedures are sometimes confusing, and tax

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<sup>1</sup> The word "community" is intentionally used to comprehend both urban and rural units and to emphasize that attention must be directed to both areas. Moreover, the term "community" embraces not only political subdivisions, i.e., local governments, but also community organizations, i.e., those nonprofit private agencies and groups, established for the benefit of the local community, representative of the community served, and engaged in activities relating to the special problems of a political subdivision or a significant segment of the population of a political subdivision. By this definition a community organization might include a private housing finance agency, a job training institute, or an antipoverty agency. The variety of possibilities emphasizes that the state is concerned about every community in Illinois. It is the writer's view that a title such as Department of Local Government does not indicate this concern.

<sup>2</sup> This report is not intended to present any firm conclusions. It attempts mainly to generate some discussion and to raise some questions. In academic terms it is a think-piece. Given the nature of the subject, its form is purposely general, theoretical, and somewhat preliminary.

restrictions are often contradictory. Next, in the area of municipal annexation, it has been especially difficult to reconcile conflicting boundary claims and thereby encourage orderly expansion and regional development. Fourth, there have been particularly bitter disputes among state, district, and local officials concerning highway construction and maintenance. Finally, in many communities, the scope and intensity of civil disorder has exhausted local resources and energies.<sup>3</sup>

Given the serious and chronic nature of these and other problems, certain changes in state-local relationships have been suggested. Without considering direct federal control over local political subdivisions, there seem to be three basic alternatives: (1) more home rule, or increased delegation of responsibility for local problems to local governments; (2) continuation of the status quo, which appears to be a mixture of state policy direction and a good deal of operating authority retained by the localities; and (3) increased state involvement through the vesting of overall authority for community affairs in a single, state-level agency.

#### **The Home Rule Alternative**

In Illinois, home rule has proven to be an illusory option. There are several reasons for this. First, without some state-level support the difficulties confronting local governments will continue to limit severely their freedom of action. Localities cannot become self-sufficient and autonomous until they solve local problems. Solving such problems, whether eliminating the tax rate limit or coordinating interlocal resources, requires some degree of state-level involvement. Second, although many people advocate home rule, as a popular belief it has such little operational precision that alone it is unlikely to generate any significant local action. The belief in home rule might be the single most important obstacle to creating a Department of Community Affairs. However, the value of home rule is so vague and means so many different things to so many different people that without some implementing structure it has little practical significance. Given the limited resources of local governments plus the operational limits of the local autonomy ideology, home rule hardly represents a workable option.

#### **Continuation of the Status Quo**

This alternative raises questions as to what the current situation is in Illinois. Although the state has always recognized its legal responsibility in local affairs, the present pattern of state-local relationships is marked by shortcomings. Perhaps reflecting the give and take of the political process, the situation might best be characterized as inconsistent. Structurally, there is neither centraliza-

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<sup>3</sup> These five problems were selected because they are recurrent issues, the Commission members are more than familiar with them, and they represent the range from technical to substantive matters.



tion nor decentralization, but deconcentration. Procedurally, there is neither clarity nor regularity in state-local relationships, but rather an *ad hoc* and informal way of adjusting state policies to local problems.

With regard to structures it is apparent that there is no centralized coordinated state mechanism adequate for dealing with many so-called local problems.<sup>4</sup> In certain areas (highways, education, manpower) functional jurisdiction is assigned to particular agencies. However, this functional-categorical approach has hardly encouraged across-the-board, coherent relationships among state agencies, or between the state and its localities. For example, the impact of highway construction on other areas (housing, employment, recreation) is usually uncertain. Who knows to what extent the proposed Chicago beltway will disrupt, or improve, job opportunities on the urban fringe? Likewise the structure dealing with state educational problems in fact has little to do with the special problems of urban education.<sup>5</sup> As we know, it became a cliché. It has become a cliché to observe that environmental pollution respects no legal boundaries. Yet the fact remains that there is no area-wide response to this problem. As a final matter, the relationship between rural migration and the urban crisis, seems too obvious to mention. But again, there is no state level agency established to deal with these related problems.

Even though semiautonomous local units are serviced by a variety of functional state agencies, the current state-local relationship can hardly be characterized as "decentralized." Decentralization refers to local decision-making responsibility. In Illinois it is difficult to say that local decision-making is existent or even encouraged. The point is that the absence of state-level machinery for dealing with local problems has not advanced home rule. On the contrary, the absence of such a structure has induced a kind of local apathy.

In short, Illinois has not coordinated its local service and community development functions. Indeed, the major structural characteristic of the current situation is extreme deconcentration. A multiplicity of noncoordinated state agencies attempt to deal with a variety of fragmented local problems. Almost every state agency is involved in local affairs in some way. The dimensions of this crazy-quilt pattern can be appreciated by noting that Illinois has approximately twenty-five major departments<sup>6</sup> involved in some way with

<sup>4</sup> To facilitate better communication an Illinois Office of Local Government was created in 1966. However, for a number of reasons its functions have been limited.

<sup>5</sup> See Ann Elder and Tom Kitsos, "The State's Present Involvement in Urban Affairs," in *The State and Its Cities*, Institute of Government and Public Affairs, University of Illinois, Urbana, 1967, p. 22.

<sup>6</sup> This figure includes nineteen code departments which have some dealings in local affairs, five independently elected offices with important local functions, and the office of local government. The figure does not include a number of other state-level boards, commissions, and agencies which also have a distinct and significant involvement in local affairs.

almost 6,500 local government units. Some might argue that the existence of a multiplicity of units at the two levels increases the possibility of public access and democratic control. However, the opposite is more likely under the present system. The existence of an uncoordinated variety of state-level agencies is often confusing to local officials, access is discouraged, and state agencies become remote and unresponsive. Likewise state officials often find it difficult to relate in any coherent, effective way to the multitude of fragmented local governments. The result is that state resources often are not rationally related to local needs.

Perhaps reflecting this structural indeterminacy, procedural relationships between the state and its localities are also inconsistent. First, the process represents neither a regulative nor a permissive approach, but rather an uneven combination of both. In some cases state agencies and the General Assembly attempt to provide services and to facilitate solution of local problems. In other cases administrative restrictions and legislative policies preclude meaningful local control. The result is a mixture with neither clear supervision nor clear autonomy. Administrative lines are irregular and uneven and there is little legislative direction around which state and local units can formulate coherent guidelines. Some might argue that this "flexible" situation encourages state innovation and local initiative. The more likely results, however, are contradictory administrative guidelines and inconsistent legislative policies. Second, communications and relationships between state and local officials are neither regularized nor formalized. Decisions often are made at random and without coordination. Indeed, the current process of adjusting the states' responsibility to local needs is characteristically informal. Although this present system of informal, voluntary cooperation is desirable in the sense that it works (things do get done in Illinois), it should also be noted that there are undesirable features to the system. Informal, voluntary cooperation turns on other factors such as technical skills and political contacts. At the local level this means that getting state cooperation depends upon a good deal of bureaucratic expertise and political savvy. The drawback is obvious: those less sophisticated in the art of voluntary cooperation — often those most needy — fail to get a hearing and fail to get a fair share of state resources. It should be clear that the issue is not whether this pattern of informal relationship has served us in the past. No apologies need be made for a process which has served to some degree. But the fact is that there are new problem conditions, largely interrelated and of different dimensions, and the uneven, informal process of relating state resources to local needs must give way to this reality.

By either measure — structure or process — the present pattern of state-local relationships is marked by inconsistencies. In this context and given the urgency of the problems facing local governments, neither home rule nor continuation of the status quo seems to be an appropriate or adequate alternative.

### Increased State Involvement

The third alternative, increased state involvement through the establishment of a Department of Community Affairs, raises extremely complex and controversial issues. There are many arguments against state involvement in local affairs, but the overriding concerns are that it contradicts the drive for home rule and it threatens to disrupt the status quo. These are the most politically powerful objections to creating a state department. Nonetheless, at least theoretically, these objections can be met.

It is quite possible, for example, that greater state involvement in local affairs will not necessarily interfere with home rule or disrupt the status quo. Indeed, the major argument for establishing a Department of Community Affairs is that it might advance the prospects of home rule in Illinois, and it might help to stabilize a system of state-local relationships. The case for a state department rests squarely on the prospect that it would, by the service it performs, "add new resources to local home rule, strengthen localities and make them a sharper tool of modern government."<sup>7</sup> Moreover, by adding structural and procedural consistency to current relationships, the establishment of such a department might help to preserve the best features of the status quo. Hence, with regard to the major arguments against state involvement, it might be said that because home rule is desirable, and because a viable system of state-local relationships is needed, it is important to consider establishing a Department of Community Affairs. In short, establishing such a department might be one way of achieving these goals.

Regardless of the merits of the above logic, however, there is another equally significant reason for considering the advantages of a Department of Community Affairs. Ultimately, the case for either of the three options — home rule, status quo, state involvement — rests on the nature of the problem and the way each alternative relates to it. And in this regard it is apparent that the problems facing local governments are of such a nature as to require some degree of state level involvement. In brief, the problems are "local" neither in origin nor in effect.

In origin, most problems are interrelated. Consider the close relationship between the urban and the rural crisis, or the connection between central city violence and suburban housing restrictions. However, under the present situation, the state and its communities have been forced to deal with these problems in bits and pieces, as geographically separate matters, and on a limited scale. There is no coordinating statewide structure established to relate one problem to another and to deal with the underlying conditions of associated problems.

In terms of impact there are few matters that can be considered purely

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<sup>7</sup> Richard J. Hughes, Governor of New Jersey, Special Message on Community Affairs to the Legislature, May 31, 1966, p. 6.

local. Consider the fact that the problems of environmental pollution or civil disorder respect no legal boundaries. In view of the scope of certain problems, statutory or constitutional home rule is almost a meaningless option. What is missing in the present system is an institutionalized process for state-wide, but community focused, policy-making.

Reconsider the five major problems noted at the beginning of this report. Note that each of these problems relates in some way to the absence of a coordinated, state-level department concerned with local affairs. First, in terms of federal programs some degree of state-wide coordination is desirable. Second, with respect to local finance it would seem reasonable to integrate the now separate activities of reporting, auditing and assessing. Third, given the difficulties associated with local boundaries and annexation, perhaps some planning agency or extra-territorial authority is needed. With regard to the fourth problem concerning highway construction and maintenance disputes, perhaps there is a need for state-wide coordination as well as multi-level, inter-agency involvement. Fifth, recent civil disturbances have raised new problems in terms of interlocal and state-local cooperation, and have illuminated the interrelationship between other problems such as unemployment, indecent housing, and poor educational facilities.

State-local interdependence is clearly an essential aspect of solving these kinds of problems. Historically, Illinois has always had a role to play in local affairs. Legally, its responsibility in this regard cannot be ignored. In sum, given the broad and interrelated nature of the problems, some degree of state level involvement seems necessary. Although there are political obstacles to consider, it is submitted that a state department concerned primarily with community affairs can best harmonize the resources of the state and the needs of localities.

#### **WHAT A DEPARTMENT OF COMMUNITY AFFAIRS MIGHT LOOK LIKE**

Assuming that a state department is at least theoretically desirable, there are a variety of possibilities. This section will survey developments in other states, recommend some possibilities for a department in Illinois, and discuss the relevance of the proposed department in terms of the five specific problems which concern this Commission.

##### **Examples of Other State Agencies**

###### *Functions*

As of 1969, sixteen states already have established some form of state agency for local affairs while several other states are in the process of creating such structures. Four basic kinds of functions are associated with these agencies, and include technical assistance, planning and planning assistance, financial assistance, and direct operation of programs. (See Table I)

Most agencies generally provide some kind of technical assistance service. The technical assistance may be of a coordinating nature with the agency acting as technical liaison for several different but related functions, or the service may be more direct with the agency aiding localities in federal grant applications or other matters. Some states, such as Tennessee, are limited to providing data and information upon request. New Jersey on the other hand trains local officials to prepare Model Cities grant applications.

Several agencies have planning assistance functions. Some departments, such as New Jersey's, have responsibility for capital improvements planning, and, in conjunction with other state agencies, engage in a comprehensive revision of state-local land use law. Several state agencies assist and cooperate with regional planning commissions; others cooperate with the bureau of planning located in the governor's office. Most state agencies with planning functions administer the popular "701" federal comprehensive planning assistance grants.

Financial assistance programs are conducted by a few state agencies. In 1969 New Jersey expects to allocate some \$9 million of state money in order to maximize the attraction of additional federal and private funds. A few states, such as Wisconsin, seek and reallocate Title VIII (Housing Act) funds for training programs and Title IX (Model Cities) funds to help localities develop community improvement projects. The Wisconsin department also controls a flexible \$1 million to fund development projects in the inner city of Milwaukee. The Connecticut department has \$50 million which it can use to contract with municipalities or redevelopment agencies in order to promote better housing, urban beautification, and a variety of health, recreational, and similar community services. Connecticut has nineteen separate programs providing for financial assistance in the form of state grants.

Only a few states have established agencies with direct operating functions. One of the major program responsibilities of the New Jersey department is in the construction and rehabilitation of moderate-income housing. This is done through a quasi-independent New Jersey Housing Finance Agency which makes long-term, below market interest-rate loans to redevelopment sponsors through the sale of tax exempt revenue bonds.<sup>8</sup> The New Jersey department is also engaged in generating innovative programs in education and employment. When successful these programs are transferred to established state agencies. Several states operate statewide anti-poverty programs. Besides specific economic opportunity activities, the Ohio department also has an Office of Appalachia concerned with social and economic development in the southeastern section of the state. Pennsylvania operates an extensive housing redevelopment function.

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<sup>8</sup> See article by Paul Ylvisaker, "The Growing Role of State Government in Local Affairs," *State Government*, Summer 1968, pp. 150-56.

TABLE I. EXISTING STATE AGENCY FUNCTIONS<sup>a</sup>

State	Name of Agency	Location	Technical	Financial	Planning	Operations
Alaska	Local Affairs Agency	Office of Governor	Boundary Study and Recommendations	None	Local-Regional	Area Redevelopment
California	Council on Intergovernmental Relations	Office of Governor	Research on Intergovernmental Relations	None	Planning Assistance	None
Colorado	Division of Local Government	Executive Department	Assistance to Governor; Coordination of Interlocal Activities	None	None	None
Connecticut	Department of Community Affairs	Independent Administrative Department	Research, Assistance to Governor in Coordination of State-Local Activities	Controls all State Money for Localities	State-Local Coordination	Urban Renewal, Poverty, Housing
Illinois	Office of Local Government	Office of Governor	Research, Assistance to Governor in Coordination of State-Local Activities	None	None	None
Minnesota	Office of Local and Urban Affairs	Office in State Planning Agency	Local and Urban Research	None	Coordination	None
Missouri	Department of Community Affairs	Independent Administrative Department	Fiscal Advice, Research, Training, and Interlocal Coordination	None	State, Local, and Regional Coordination	Urban Renewal Area Redevelopment
New Jersey	Department of Community Affairs	Department in Executive Branch	Urban Research, Engineering, Personnel, and Coordination	Provision of Seed Money for Local Programs	All Planning Functions	Urban Renewal, Poverty, Housing, Area Redevelopment

<sup>a</sup> Adapted from "Summary of Information on Existing State Offices of Local Affairs," Advisory Commission on Intergovernmental Relations, *Congressional Record* (September 26, 1967), pp. H12508-9.

TABLE I (Continued). EXISTING STATE AGENCY FUNCTIONS

State	Name of Agency	Location	Technical	Financial	Planning	Operations
New York	Office of Local Government	Office in Executive Department	Urban Research, Fiscal Advice, and Coordination	None	Coordination	None
Ohio	Department of Urban Affairs	Independent Administrative Department	Urban Research, Fiscal Advice, and Coordination	None	Office of Appalachia	OEO, Area Redevelopment
Pennsylvania	Department of Community Affairs	Independent Department	Urban Research, Fiscal Advice, Personnel Training Coordination	Supervision of Local Finance	State-Local Coordination	Urban Renewal, Poverty, Housing, Area Redevelopment
Rhode Island	Director of Local and Metropolitan Government	Department of Administration	Research and Coordination	Supervision of Local Finance	None	None
Tennessee	Office of Local Government	Office of Comptroller in Treasury	Research, Assistance to Governor	None	None	None
Vermont	Office of Local Affairs	Office of Governor	Assistance to Governor	None	State-Local	Housing
Washington	Planning and Community Affairs Agency	Office of Governor	Engineering, Research	Direction of State Funds to Localities	Coordination	Legal Authority to Administer Programs
Wisconsin	Department of Local Affairs and Development	Independent Executive Department	All Advisory Functions	Maintenance of Flexible Grant for the Inner City	Local Planning, Coordination	Poverty



In general the above functions might be categorized as advisory or supervisory in nature, and it is possible to view them as such regardless of the specific activity involved. Advisory functions include the provision of expert advice, aid in applying for grants, sponsoring intern programs, proposing charter amendments and ordinance revision, helping with local budgets, and advising on public works plans. Regulatory functions include exercising controls over the finances and bonding power of localities, issuing guidelines in the areas of conservation, health, and housing, requiring coordination among several agencies and several levels of government, and requiring reports regarding certain functions. All state agencies have some form of advisory functions. A few state departments have limited regulatory functions (review of debt issues, local boundary regulation, and so on). Only two states, Pennsylvania and New Jersey, have departments with extensive regulatory authority.

Given these examples and kinds of activities perhaps it is easiest to summarize what these other states are doing according to Ylvisaker's classification of five types of departments:<sup>9</sup>

1. Those acting as staff agency to the governor. Their major responsibility is to help the governor coordinate state-local relations. They consist of advisory boards with local and state agency representation and they deal with a wide range of activities from research to technical assistance. They do little in the way of providing direct services. (New York.)

2. Those agencies which are essentially advisory bodies. They conduct intergovernmental studies but perform neither assisting nor coordinating functions. They resemble those commissions in other states that are not classed as offices of local affairs. (Tennessee and California.)

3. Those small staff arms of the governor's office which are not a focal point for state-local relations. The clearance, technical assistance and coordinating functions are assigned to other agencies. (Colorado and Illinois.)

4. Agencies whose activities are restricted to particular subject areas because of limited funding, narrow statutory authority, or newness. (Alaska, Rhode Island, Vermont.)

5. Agencies with comprehensive authority and multi-functions. Generally created by the transfer of functions or units of other departments into the more comprehensive agency. (Pennsylvania, New Jersey.)

#### *Location*

The organization of any new agency and its location in the governmental structure ultimately will depend on the specific activities to be undertaken. Nonetheless, for our purposes, it is possible to examine some general possibilities.

One method, used in Tennessee, is to attach the agency to the state uni-

<sup>9</sup> *Ibid.*



versity. Reported advantages are that this plan is politically neutral and that the university's wealth of resources and talent is available to support agency projects. The major disadvantage is that campus locations are too remote from the chief executive and the remainder of the state's administrative organizations. The Tennessee Municipal Technical Advisory Service, however, has been limited to providing technical services upon request and in this case its university location is not entirely illogical.

Another possibility is to locate responsibility for localities within the legislative branch as either a permanent or interim public/private commission. Proponents point out that the legislature has the ultimate and legal responsibilities in local affairs. Opponents argue that a more relevant location is nearer the executive agencies. At present no state "office" of local affairs is located within the legislative branch although California has a council on urban growth, concerned primarily with intergovernmental relations.

A third approach is to make the agency a division of the governor's office or of another state department. Apparently such a location is politically popular and thus the agency can get on with useful services. Although location within a department, such as finance, might tend to bury the agency, most states use this method. New York is representative.

The fourth alternative is to establish the agency as a separate, cabinet level, code department as in Pennsylvania and New Jersey. Proponents argue that the urgency and significance of local government affairs should be recognized by the establishment of an agency whose sole or primary concern is with urban and rural local government. Opponents stress that already there is a dangerous tendency to delegate authority to autonomous agencies at the cabinet level.

It might be said that the advantages of the executive-based agency generally outweigh the university or legislative approaches since the responsibilities, whether regulatory or advisory, are facilitative (administrative) in nature. The question, of course, is whether a coordinating agency can be a code department; can it function on a par with operating cabinet level agencies? As a rule of thumb, within the executive branch, if the agency is to be a source of coordination and service it might function best as a division of the governor's office. If it is to have operating authority as well, it might best be given cabinet status equal to the functions it performs.

Although Illinois does have an office of local government (created in 1966 within the executive office), its functions are limited and it represents neither the service nor the regulatory type agency. Nonetheless, the existence of this office is evidence of increasing concern for creation of a Department of Community Affairs. At this point it might be appropriate to consider some proposals for such a department in Illinois.

#### **Ideas for a State Department in Illinois**

Although it is difficult to recommend the specific type of department or

agency most appropriate to the Illinois situation, it is possible to suggest some general guidelines, as well as certain substantive criteria and structural elements.

### *General Goals and Principles*

It seems that three considerations are of primary importance in Illinois. Given the absence of home rule, the inconsistencies of the present situation, and the need for a Department of Community Affairs, there are three things that must be done in order to harmonize the state's responsibility and local needs. First, state policies must result from the active engagement of localities, and state services must contribute to local autonomy. Second, any relationships must be as coherent and coordinated as politically feasible. Third, the new department must have sufficient authority to implement its decisions.

In terms of these abstract goals three general operating principles must be followed. The agency must feel neither the temptation nor the obligation to do more and more for communities until ultimately it is doing everything; the agency must maximize its coordinating role and minimize its operating function; and the department must develop the support of the communities (its political constituency) and be secure through funding, administrative, legal and other safeguards.

### *Substantive Matters*

Based upon these principles certain substantive components might be built into the department. These criteria are essential to harmonizing the existence of a state department with the desire for home rule:

*Decentralization.* Although a somewhat meaningless concept, if it refers to "localization" (i.e., utilizing local resources and making the community the staging area for operations), then it might be achieved by the systematic division of the central agency into largely autonomous districts, with each district branch run by local personnel. The idea here is to encourage initiative, intelligence and responsibility at different levels, i.e., for "dynamic" as distinct from "defensive" decentralization (which is gimmickry).

*Accountability.* The agency must build into its structure the elements of administrative responsibility by making the directing personnel of the agency accountable to the community they serve.

*Coordination.* Although imprecise, if this term involves relating things to one another it suggests that because problems are interrelated, responses must be integrated. The operating motive then is not primarily to achieve maximum "efficiency" but derives instead from a comprehensive conception of the problem and seeks to better relate resources and programs to needs. It is therefore suggested that the best "coordinator" of departmental services is the local community recipient and not the state level administrator.

*Intra-agency competition.* The idea here is to institutionalize innovation

via parallel divisions, pilot programs, and continuous research so as to devise new standards, test new guidelines, and provide local "consumer" government with some choice, and thus some control, over the administering agency.

*Local government control.* Essential to local autonomy is the creation and utilization of local institutions so as to involve those who have a stake in the community and in the activities of the agency. The localities must have some control over the staffing and services provided, with realistic options to select "types" of services.

*Headquarters.* Not to be viewed as contradictory to localization, the idea that certain resources (computers, secretaries, sophisticated equipment) might be used and stored more efficiently and economically in a central place.

*Planning.* The intent here is to project or view things in perspective. Leonard J. Duhl in HUD defines planning not as a product but as a process. The essence of planning is not to create a grand or master plan which must be implemented, but rather to constantly redefine problems. For a state plan to be effective the plan must change; for the planner to be effective the planner must change. The planning division of the agency must constantly reformulate its solutions and their applications.

*Operations.* Ylvisaker states that state departments are not and cannot be prime operators. The prime operators are those working in the community — the planners, the mayors, and the civic groups. The department must function as a backstopping agency.<sup>10</sup> Operating functions must be reduced to a minimum, and the test of any operation must be local constituent satisfaction.

*Interdepartmental communications.* This refers to permanent, formal liaison with other interested agencies. A variety of means are available for establishing strong interdepartmental relationships. Among these are interdepartmental committees, mandatory referral systems, and routine conferences.

*Clientele representation.* The creation of advisory councils would encourage participation in the formulation and development of agency policies and would facilitate involvement in and legitimation of agency activities. Councils might consist of mayors, executives from various sized units, representatives from selected associations, and members of the public at large. These councils might function at several levels, e.g., local, regional, and state.

#### *Structural Elements: Function and Location*

These substantive criteria have designated certain priorities (service type) and have eliminated other activities (primary operations). Nonetheless, within this framework a range of activities are both possible and appropriate in terms of the particular needs of Illinois localities.

Of particular importance is the need to relate state resources directly to the

<sup>10</sup> Ylvisaker, Paul, "A New Tool for Community Development," in *New Jersey Municipalities*, Vol. XLIV, No. 4, April 1967, 32.

solution of community problems. Hence it is essential that the new department engage in some kind of "community services" function whereby a one-stop service center might provide technical assistance for a variety of problems. Besides having informational, clearinghouse, and casework responsibilities for problems ranging from federal grant applications to issuance of manuals, the central purpose of this activity is to relate directly to communities. This might involve establishing community service centers in various areas of the state so that direct contact can be made not only with local governments but also with local community organizations.

Second, it seems obvious that the problem of adequate housing is of primary importance in Illinois. Hence it is suggested that the new department concern itself with the matter of housing and urban redevelopment. Activities in this area might be limited to the gathering of data or to certain inspection responsibilities. Under the sponsorship of federal programs the department might actively engage in the promotion of decent housing without directly engaging in rehabilitation or construction projects. The point is that the housing problem is so acute and affects so many other matters that it is of primary consideration at the state level.

The question of expanding economic opportunities presents a third major problem in Illinois. Under certain recent changes in antipoverty legislation, the state may legitimately engage in the promotion of better job opportunities. Moreover, given the established local basis of the current antipoverty program, such an interest would not necessarily interfere with local control. The structures for state-local cooperation already exists. The idea here would be to provide certain kinds of coordinating and facilitating functions.

A fourth matter of central importance in Illinois concerns the viability and rationality of local tax and budgetary systems. Given the concerns of such an agency and the direct relationship between local finance problems and local government, there is good reason to argue that the local property tax functions should be assumed by the new department.

Finally, it seems that any agency, especially one limited to advisory functions, should have something to do with research and planning. Although the agency would directly operate no programs, it might provide the researchers and resources to stimulate and seed innovative programs in such areas as manpower, education, local administration, and so on. The planning function, with authority to study and recommend changes in fiscal practices and land development, is vital to the effective maintenance of local units. The point is that the key function of the new agency is to measure the *relative* merits of certain programs and plans; to perform this function there must be a single, integrated, sustained research and planning branch.

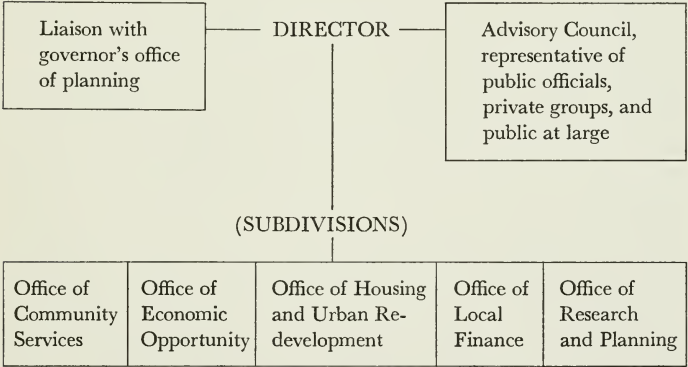
These, of course, are not the only activities with which the agency might be concerned. Note however, that each of these areas comprehends other prospective responsibilities and that the outline is only suggestive. Nonethe-

less, based upon the more general nature of these activities it is possible to suggest an outline of a department which is relevant to the Illinois situation.

As noted above location depends in part upon function. In this sense it seems logical that the new department should assume a position equal to the importance of the functions it serves. Given the need for a department in Illinois, the urgency of local problems, and the suggested activities with which any proposed agency might be concerned, it is submitted that the new structure be established as a cabinet level, independent department, administered by a director, and consisting of an advisory council and several functional subdivisions.

The specific details can be worked out, but in terms of activities and location the department might include the following organizational characteristics.

**ILLINOIS DEPARTMENT OF COMMUNITY AFFAIRS**



Several other proposals for an Illinois department of community or local affairs have been submitted recently. For example, Governor Richard Ogilvie has suggested that a cabinet level agency be established to coordinate and maintain close relationships between Springfield and local government, and to provide the technical advice needed to assist communities in qualifying for grant-in-aid programs, in planning, and in conducting programs relating to economic growth, housing, and other areas. A bill creating a local government affairs department of this type has been drafted by the staff of the Senate Municipal Corporations Committee.

As another example, the Illinois Local Government Commission recently endorsed the creation of a state department but suggested that the agency have certain regulatory functions, such as: (1) arbitrating disputes between local

governments in certain cases, (2) permitting a tax increase without referendum where a tax body can justify its necessity, (3) providing for the early liquidation of specialized districts with the functions to be transferred to counties or municipalities, and (4) overseeing the operations of special districts where the county or municipality has not assumed the job.

Such proposals are not inconsistent with the general character of the model suggested by this paper nor with its comprehensive responsibilities. Moreover, they are indicative of increasing interest in the advantages of such a structure. Given this widespread interest, it might be relevant at this point to reconsider the advantages of the department in terms of the five specific problems raised at the outset of the discussion.

#### **Relevance of the Department to Commission Problems: Some Theoretical Advantages**

In terms of the utilization of federal programs, there are several possibilities. By establishing a central clearinghouse of information and a federal program liaison office, the department might help to reduce the problems of local officials in dealing with remote sources of programs. Through a technical assistance bureau the department might help to minimize some inequities of grantsmanship by providing expert, equal assistance in grant application. By requiring the appropriate notification and state review of applications the department might assure state officials a greater measure of influence in allocating federal resources. More meaningful legislative supervision in this area might encourage more relevant integration of federal programs with state and local needs.

With respect to the problems of local finance and budgeting, the department might serve as technical assistant (with a resident specialist in tax levying procedures) to help localities cope with contradictory and restrictive tax-levying laws. With the requisite authority, the departmental division might issue administrative regulations to help clarify certain vague categories of tax levy ordinances. A major function might involve the integration of the presently fragmented activities of auditing, accounting, reporting, and budgeting. The division of local finance might coordinate its information with the Department of Revenue, thereby encouraging long-term budget projections and planned program evaluations. Or the division's activities might simply involve the training of local finance officials in modern budgeting, accounting, and bookkeeping methods. At any rate the idea would be to pull together and thereby rationalize some of these activities.

With regard to the problems associated with annexation a state department might go so far as to help resolve boundary conflicts through consulting services, negotiating teams, or issuance of uniform standards, i.e., by acting as a kind of quasi-adjudicating authority. The department might assume the role of spokesman for local interests in order to help revise certain unworkable boundary statutes, or the department might encourage interlocal consolidation



and cooperation through the use of existing statutory provisions and through the elimination of restrictive regulations. This last possibility is especially relevant. Under the present situation, with a multiplicity of state agencies, there is a tendency for each agency to generate its own local constituency thus reinforcing the present fragmented structure of local governments. Coordination of state-local activities would not necessarily eliminate local fragmentation, but it might shift state influence from the encouragement of proliferation to the encouragement of local government consolidation.

In the area of highway construction, a state department might help to minimize arbitrary state-level decisions on road classification and construction standards by acting as quasi-judicial arbitrator between the Division of Highways and local units (similar to a highway classification review board). Or the department might help to minimize the possibilities of interagency conflicts in areas such as highway construction and job dislocation by acting as liaison between the Division of Highways and other agencies. In terms of advisory services there are a number of technical aids which could help localities in engineering and construction problems.

There are a number of advantages to having a department concerned with the recent problem of civil unrest. Because this problem is associated with other conditions (housing, employment, education) the new department might best relate to and publicize the fact that civil disturbances have roots in the broader social-economic system. A bureau of the community services division might act as liaison with other agencies (education, employment, human resources) to find solutions to these common problems. The agency might provide indirect aid to local subdivisions by sponsoring conferences between local groups and police personnel, by conducting joint investigations with local police, and by making available specialized facilities. In some cases the agency might provide more direct types of aid to local law enforcement agencies. Equally significant, the new department might establish a more direct relationship with minority groups and any other disaffected local organizations. In this capacity the department might act somewhat as an ombudsman for local groups, especially in cases where they find no relief for legitimate grievances at the local level.

#### **SOME POLITICAL CONSIDERATIONS IN ESTABLISHING THE DEPARTMENT**

Clearly there is some basis for greater state involvement in local affairs, and apparently there are certain theoretical advantages to establishing a department of community affairs. Nonetheless, it is necessary to reconsider these arguments within the framework of the political process. Despite shortcomings in the present system of relationships, there are political reasons for the way things are now. Regardless of the theoretical advantages of the proposed department, any recommendations must be considered in terms of the political process upon which their feasibility ultimately depends. Not only will there

be opposition to the *decision* to involve the state in local affairs, but there will be conflicts over the particular *type* of involvement. In a word, many of the issues are "political."

For example, despite the obvious advantages with regard to the five problem areas mentioned above, greater state involvement would generate opposition in each of these areas. Large and middle-sized city officials, with established channels of communication to Washington, might well dispute the "rationality" of establishing intermediate — or interfering — channels for dispensing federal programs. With respect to proposals for uniform budgeting procedures and tax standards it is precisely the control over such details which the localities want. There are also spokesmen ready to support the fragmented government units which they serve, even though fragmentation raises problems in terms of utilizing local resources and promoting local government responsibility. With respect to highway conflicts, one need look no further than the major protagonist — the Division of Highways — in such disputes to find the source of potential opposition to a "liaison" or adjudicating body. In none of these areas, however, is the opposition likely to be more vociferous or more compelling than minority group opposition to the creation of a state "riot squad" to deal with civil disorders.

These are only a few of the specific objections which the creation of the department might generate. As a general proposition, however, the establishment of such a department raises a number of broader and perhaps more deeply-seated considerations. And at this point it might be pertinent to discuss the politics of creating such an agency in terms of these general inhibiting and facilitating considerations.

Aside from the arguments favoring home rule and the status quo, certain other factors might *delay or prevent* the establishment of such a department. As a first consideration, note that the increasing federal involvement in local affairs has been effected at the expense of the states. Until very recently the federal government has not encouraged state-local coordination and has been more interested in developing its own direct relationships with particular agencies and with localities.

Second, although local problems in Illinois are largely urban, and theoretically the new agency's concerns would reflect this fact, it is unlikely that the state legislature will respond differently to such urban needs than it has in the past. At least one authority has concluded that even reapportionment has had little affect in directing legislative attention to urban problems.<sup>11</sup> If this is so (although the need for a state agency would therefore seem to increase) it is wishful thinking to expect a rural-oriented legislature to empower an urban-oriented department with meaningful authority.

Third, the problem of establishing new state structures to deal with local

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<sup>11</sup> Gove, Samuel K., *Reapportionment and the Cities*, Center for Research in Urban Government, Loyola University, Chicago, June 1968, p. 33.



needs raises the perplexing question of institutional change. In our system consensus is a prerequisite to governmental activity and controversy is generally avoided at all possible costs. Thus, public officials tend to deal only with the superficial aspects of immediate problems rather than with the most fundamental causes of the problems.<sup>12</sup> Under these conditions the problems of structural change are likely to be evaded.

The above is especially likely if plans for program spin-offs or agency transfers threaten established state administrators and their clients. Possessiveness is thus another obstacle, emerging from internal and external sources; that is, from the natural tendency of state officials to protect their respective jurisdictions and from the efforts of outside interest groups with a stake in the present system to maintain their connections. Thus reorganizing schemes must deal with a whole class of administrators and lobbyists who might feel threatened. The potential losses are "political."

Fifth, it has been noted that functioning mechanisms of informal coordination and consolidation already exist. Internally, they exist among the loyal network of civil servants, and externally (as in Illinois) they exist where a dominant city acts as autonomous coordinator/consolidator of its own inter-governmental relationships. To restructure or redirect these channels of communication would be politically disruptive.

Sixth, in Illinois the presence of one dominant city is associated with a whole set of inhibiting factors. Chicago has been fairly successful at resolving its difficulties through existing governmental systems (the Mayor's informal consensus building devices), hence why change? Further, any legislative attempts to interfere in Chicago affairs will encounter a long tradition of downstate-Cook County hostility nurtured by partisan cleavages between Chicago Democrats and rural and urban Republicans. Indeed, the existence of this dominant city is probably the major obstacle to creating a viable department of local affairs.

Finally, there are certain inhibiting conditions which are related to philosophical hostility to state intervention, but which evolve from structural conditions.<sup>13</sup> Among these is the separatism in metropolitan areas whereby hundreds of local governments each go their own ways. This leads officials to think of problems as specialized, i.e., as something less than state or even urban problems. Another element is parochialism, or the fact that local officials organize as city, county, township, or otherwise parochial units with interest primarily in their own problems. Diversity, or the difference in size between localities (dominant city, several middle range cities, farm communities) further adds to the problems of determining appropriate state level involvement in local affairs.

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<sup>12</sup> Banovetz, James M., *Perspectives on the Future of Government in Metropolitan Area*, Center for Research on Urban Government, Loyola University, Chicago, April 1968, p. 15.

<sup>13</sup> Gove, p. 14-15.

Despite these formidable obstacles, however, there are certain factors and trends which might tend to support the establishment and implementation of a state agency for local affairs. Consider first that the current decentralization of federal powers through revenue sharing and bloc grants could make the role of state executives more meaningful and thus enhance the position of state government *vis a vis* the federal government.

Second, some have argued that the full impact of reapportionment is not yet measureable and that in time state legislators will reflect the concerns of their communities. Hence there is some reason to think that even an urban-oriented local government agency would be acceptable. Moreover, the fact that the intensity of local-urban problems, from traffic congestion to racial violence, seems to be increasing raises the likelihood of greater attention to these areas.

Third, although our political system prefers coping with problems by modifying basic governmental structures rather than replacing them, certain crisis conditions increase the likelihood of substantial change.<sup>14</sup> Banovetz writes that crisis conditions might be caused externally by war or internally by the accumulated weight of problems. Can we afford to say that the problems associated with racial warfare, rural poverty, and urban blight have not reached crisis proportions? The question is not whether there is need for change, but whether there is precedent for the magnitude of change necessary.

Moreover, despite the tendency of bureaucracies and their clients to resist change, there seems to be a good deal of both internal and external support for a state agency of local affairs. In order to implement sweeping home rule legislation, Governor Ogilvie has proposed the establishment of a department of local government affairs to assist municipal governments in planning and technical advancement. Legislative support for such a department is evident in the recent research of the Illinois Senate Municipal Corporations Committee. External support comes from the U.S. Conference of Mayors, the Council of State Governments, the National League of Cities, the U.S. Governor's Conference, and the Advisory Commission on Intergovernmental Relations. The federal government has come around to supporting the concept through Model Cities legislation which authorizes financial support to modernize state-local relationships in meeting urban problems.

Fifth, although informal coordinating mechanisms have developed in the past, there are serious doubts that they can be adapted to the current rampant proliferation of local government units. This is especially true with reference to metropolitan regions which demand large-scale, area-wide provision of certain basic services.

Sixth, although Chicago area politicians might initially oppose the creation of a department of local government, this opposition is not insurmountable. In fact, it might be suggested that the process of urban deterioration, the shift

<sup>14</sup> Banovetz, p. 16-17.

of power to the suburbs, and modifications in the system of government in Chicago are forcing Chicago officials to reconsider the merits of state assistance in local (i.e., city) problems.

Finally, it is probably impossible and undesirable to attempt to eliminate the conditions of separatism, parochialism, and diversity in local government. Nonetheless, a state level agency might deal more effectively with some of the problems associated with these fragmenting conditions.

#### **Aids in Implementing the Proposal**

In the last analysis a report such as this is merely a proposal and a guide for change; only as its recommendations are implemented does it have any value. As a general matter, implementation raises a number of difficult issues. However, for our purposes, it is possible to focus on one central implementing goal, from which it is possible to derive other implementing guidelines. The overall objective in implementing the department is that there must be some guarantee that state involvement will accompany and support the drive for local autonomy rather than hinder it. To achieve this goal it might be helpful to follow a general strategy of implementation, one which proceeds simultaneously from the "top down and the bottom up." That is, any state level coordination must be accompanied by the creation of local communities capable of making the political decisions which are necessary for solving local problems. As an idea, this is the central concept behind this study; as a strategy, however, it is hardly a precise, operational device. Therefore, given the limits of the strategy and given the sharp disruptions which the department might cause, it might be helpful to suggest certain other implementing devices. That is, it might be helpful to outline more specific approaches and policies which are based upon the basic implementing strategy.

For example, given the likely opposition from interest groups it will be necessary at the outset to stress that there is room in local affairs both for existent service organizations and for a state agency.

In terms of transferring agencies or personnel to the new department, it is useful to follow a selective approach which minimizes the disruption of the ongoing functions of line divisions. Pretransfer policy might be that the new agency will not interrupt or preempt any activities by agencies not directly involved in local government. Posttransfer policy might be that the new agency will not detract from or usurp the powers and functions legally assigned to any other agency of the state.

With respect to local communities it is essential that the new agency create a sense of community and political control. To this end the new agency must seek to effect a qualitative change in the local government's competence to deal with problems. Because local problems are political problems it is crucial that the basis for local political decision-making be established. Hence, to the degree that professional interference by the state agency depoliticizes the

community, this hinders the creation of viable local political communities and must be minimized.

In establishing the preconditions requisite to structural change, or even to reorganization, it is helpful to solve the technological problems of transfers and relocations, to encourage new sources of support among administrators who desire policy change and to establish communications between groups and individuals likely to be affected.

In achieving agency "take off" it might be helpful to start with a pilot project on a reduced scale. The idea is to begin a project and work on real problems rather than waiting to work out theories of what the agency will do. Equally important, examples of agency successes need to be publicized.

#### **Limits on the Proposal**

Despite these aids in implementation the political constraints on any changes or innovations are of utmost importance. To repeat, there are reasons for the current disjointed and, to a theoretician, irrational pattern of state-local relationships. Although the apparent inconsistent relations between the state and its localities prompts one to consider other alternatives, the feasibilities of any such proposal must ultimately be considered in terms of the political interests which will change it and upon which it depends. This is to say that the theoretical desirability of establishing such a department rests upon its effect on these underlying political interests. Obviously, to make changes, however rational, might be the less desirable alternative.

By implication, if not explicitly, this report has urged the creation of a state Department of Community Affairs. In conclusion, however, there are a number of serious reservations which must at least be raised at this point. For example, consolidated functions and rational lines of authority might be desirable in terms of the organization's needs, but they are not necessarily relevant to the local client's needs. Such superstructures might seriously limit public involvement and democratic control by minimizing the points of access. Moreover, some minority groups (especially in the cities) might view state involvement as a subtle form of "state rights," coming at a point in history when these groups are gaining local control. In this context the agency might be viewed as interfering with their hard-won coalitions and power bases. Others might be equally skeptical that the projected reorganization or restructuring is nothing more than a gimmick, a delay tactic to avoid the pressure for immediate response. Finally, the functional approach traditional in our thinking and in our institutions (and reflected in the categorical approach of this report) does little to encourage statewide responses to interrelated problems.

Despite these very serious apprehensions it is likely that proposals for a state Department of Community Affairs will increase. The important thing is that the proposals be made with these questions in mind.



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