An Absent Space: The Story of the Central Iowa Regional Association of Local Governments (CIRLAG)

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Abstract
Without fanfare, regional planning agencies have played a key role in overseeing the production of many the nation's modern urban infrastructure systems (highways, wastewater, transit) during the last 60 years. At present, Des Moines is the most populous metropolitan area in the United States without a functioning regional planning agency, a condition that has persisted since 1983, when the Central Iowa Regional Association of Local Governments (CIRALG) shut down amid a federal investigation of financial mismanagement and administrative malfeasance. The story of CIRALG's collapse provides a glimpse of some of the problems that have plagued regional decision making in central Iowa for many years, and alludes to larger issues regarding the difficulties of sustaining interjurisdictional collaboration.

Keywords
Regional planning, Associations of government, Interjurisdictional collaboration, Interagency collaboration, CIRALG, Polk County Housing Trust Fund study

Disciplines
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An Absent Space:
The Story of the Central Iowa Regional Association of Local Governments (CIRLAG)

Prepared for the Polk County Housing Trust Fund
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ABSTRACT:
Without fanfare, regional planning agencies have played a key role in overseeing the production of many the nation’s modern urban infrastructure systems (highways, wastewater, transit) during the last 60 years. At present, Des Moines is the most populous metropolitan area in the United States without a functioning regional planning agency, a condition that has persisted since 1983, when the Central Iowa Regional Association of Local Governments (CIRALG) shut down amid a federal investigation of financial mismanagement and administrative malfeasance. The story of CIRALG’s collapse provides a glimpse of some of the problems that have plagued regional decision making in central Iowa for many years, and alludes to larger issues regarding the difficulties of sustaining interjurisdictional collaboration.

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This paper is part of a two-year study funded by the Polk County Trust Fund to improve its methodology for assessing the affordable housing inventory in Polk County, IA. This history of regional planning in the Greater Des Moines Metro Area contributes to the larger study by raising questions about the relationship between coordination at the regional scale and housing markets. In particular, it encourages us to ask how regional interagency coordination shapes housing markets over time, and what the absence of a comprehensive regional planning agency means for present efforts to improve the quantity and accessibility of affordable housing for households across the region.
Regional planning agencies have been a critically important, albeit quiet, form of urban governance in the United States since the 1940s.\(^1\) Without fanfare, these agencies have played a key role in managing the planning processes that have produced most of the nation’s modern urban infrastructure systems (highways, wastewater, transit) in the years since World War II.\(^2\) They exist in virtually every large urban region, but take on a relatively narrow range of forms – councils or associations of governments (COG or AOG), regional development councils (RDC), regional planning commissions (RPC) – which usually include a geographic cross section of local politicians, citizens, and planners.

At present, Des Moines is the most populous metropolitan area in the United States without a functioning regional planning agency. This has been the case since 1983, when the Central Iowa Regional Association of Local Governments (CIRALG) shut down amid a federal investigation of financial mismanagement and administrative malfeasance. The story of CIRALG’s collapse provides a glimpse of some of the problems that have plagued regional decision-making in central Iowa for many years. It also alludes to a set of larger issues related to the difficulties of sustaining interjurisdictional collaboration over time.

CIRALG was not the first regional planning agency founded in metro Des Moines, though the history of its predecessor is not well documented. That distinction belongs to the Central Iowa Regional Planning Commission (CIRPC), When Congress authorized the 1962 Federal Aid Highway Act, all metropolitan areas were required to meet a new requirement to have single-purpose regional planning agencies in place in order to continue to receive federal funds to support the ongoing planning and construction program of the Interstate Highway System. Pushed by federal action, in 1963 the Iowa Legislature voted to permit jointly administered planning commissions in the state (shared by more than one municipality), clearing the path for the creation of a regional planning agency based in Des Moines, but with a footprint that would encompass the eight counties that surround the city (Polk, Dallas, Story, Boone, Warren, Jasper, Madison, Marion). In early 1965, the governing commissions of the eight counties jointly established CIRPC.

\(^1\) See Melvin Moguloff (1975) “A Modest Proposal for the Governance of America’s Metropolitan Areas,” *Journal of the American Institute of Planners* 41:4 (250-257)

\(^2\) Des Moines currently has a metropolitan planning organization (MPO). MPOs are narrowly focused, transportation-only planning agencies that are required by federal law for all cities with more than 50,000 people. They fulfill the requirement established in the Federal Aid Highway Act of 1962. The responsibilities of MPOs do not include land use, aging, public safety, job training, or health, and they do not include local government or citizen representation. In this way, they are different from regional planning agencies, as the term is used here. See Edward Weiner (1999) *Urban Transportation in the United States: An Historical Overview* (Westport, CT: Greenwood Publishing Group)
As conceived, the new agency would be much broader in purpose than federal transportation regulations required. In many ways this decision fit the era, a moment when the idea of comprehensive intergovernmental coordination held a certain cachet among politicians. With seed funds provided by the US Department of Transportation (USDOT) and the Department of Housing and Urban Development (HUD), CIRPC officially opened its doors in 1964 bringing 88 different local governments together to make decisions regarding regional planning issues. Reflecting its origins in federal transportation policy, CIRPC’s initial responsibilities stuck close to transportation planning, specifically planning the growing system of federal highways. To wit, CIRPC oversaw a variety of planning activities surrounding the completion of the urban segments of the Interstate system (including I-235) in greater Des Moines and managed contracts with consultants for on-going regional transportation planning projects and updates. But by 1967, the agency’s capacity and reach had begun to grow. That year, CIRPC began receiving so-called 701 funds from HUD, which were earmarked to cover the cost of reviewing local proposals for federal housing assistance but could also be used to offset the overhead costs of other regional planning functions.

In 1969, CIRPC’s role in the region expanded again. With the passage of the federal Intergovernmental Cooperation Act of 1968, the US Bureau of the Budget (predecessor to the Office of Management and Budget) issued a slim document entitled Circular A-95. This brief outlined a significantly expanded program of regional planning for urban areas, and was intended to strengthen the role of intergovernmental coordination programs within the expanding field of federal urban policy.

On the ground, the A-95 program established a set of steps that local governments were required to follow when they applied for financial support from federal agencies. This included a very wide range of activities, from physical infrastructure to social programming. Practically, the A-95 program meant that local funding applications were required to be reviewed by a designated regional planning agency. In Des Moines, CIRPC filled this role. With the power of Circular A-95 at its back, CIRPC grew significantly in terms of staff and technical capacity. Benefitting from relatively strong and consistent federal support for regional planning, by early 1972 the agency had become a comprehensive planning and development clearinghouse overseeing a large number of planning related activities stretching across the Des Moines region.

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The passage of the federal Clean Water Act in 1972 (CWA) initially promised another step up in power for CIRPC. Though CWA expanded federal oversight of regional wastewater issues and provided significant financial resources to support the planning, design, and reconstruction of the nation’s urban wastewater infrastructure systems, the particularities of the mandates buried in the law became the catalyst for the undoing of CIRPC. According to the requirements of section 208 of the CWA, the governor of every state was required to designate an areawide wastewater coordinating agency for each of their state’s metropolitan areas. Robert Ray, then governor of Iowa, designated CIRPC as the coordinating agency for Des Moines. Once CIRPC had been designated the 208 agency for Des Moines, it was required to complete an areawide wastewater management plan. All of CIRPC’s 80 plus constituent governments would have to agree to the plan’s broad policy prescriptions in order to be eligible to receive federal funding for wastewater system capital projects. Once agreed locally, the plan also had to be approved by the US Environmental Protection Agency (EPA).

Finding common ground among so many jurisdictions for a regional wastewater plan with significant amounts of federal money at stake proved quite difficult. Disagreement over the plan eventually lead a handful of government officials from small suburban cities to file a lawsuit alleging that CIRPC, because of its governing structure, violated federal planning regulations. The crux of the problem outlined in the lawsuit was the composition of CIRPC’s governing board. When the agency was created in 1965, federal stipulations about the structure of regional planning agencies were flexible. The agencies could take on a variety of different forms, though most included a mixture of citizens and local elected officials.

Like many of its peers, CIRPC’s board included a contingent of citizen volunteers, drawn from residents who lived within the agency’s service area, as well as a collection of local politicians. But in CIRPC’s case the citizen members outnumbered the elected officials, giving them a clear majority of votes on the board. But in order to qualify for CWA funds as stipulated in section 208, the regional agencies designated to oversee the wastewater planning process had to have a balance of power between elected officials and citizens tilted in favor of the politicians. In late 1972, a Polk County federal judge ruled in favor of the local governments who had brought the suit, agreeing that CIRPC was ineligible to serve as Des Moines’s 208 regional planning agency due to lack of local government representation on its governing board.

In the wake of the ruling, CIRPC was effectively mothballed. Yet for Des Moines metro communities to ever become eligible to receive CWA funds, a new regional agency had to be created to take its place. Thus came the Central Iowa Regional Association of Local Governments (CIRALG). While CIRALG took over the same responsibilities and retained the same staff as CIRPC, the critical difference was the composition of its governing board: elected officials filled two-thirds of the board positions, citizens one third. Representation on the board,
for citizens and elected officials, was allocated according to jurisdictional population, at a rate of 1 representative per 25,000 people. Under this formula, the City of Des Moines was able to appoint an absolute majority of the board members.

From 1974 to 1977, the scope of CIRALG’s operations expanded as it took over CIRPC’s functions and added new responsibilities overseeing the administration of a set of new federal urban initiatives: the Community Development Block Grant (CDBG) program, Comprehensive Employment and Training Act (CETA) programs, the Urban Development Action Grant (UDAG) program, and several different aging programs. With a growing number of tasks, agency staff continued to increase. By the end of 1977, CIRALG reached its peak size, employing more than 80 people managing a very wide range of planning activities.

Perhaps CIRALG appeared healthy, as least measured by its scope and staff size, but 1978 brought the first of a series of challenges to the agency’s power and position. Over the next five years a progression of battles between the agency, its constituent jurisdictions, and its federal overseers, slowly chipped away CIRALG’s legitimacy.

In mid-1978, a small fight erupted over a plan to examine ways to reduce air pollution in downtown Des Moines. Disagreement among CIRALG’s member governments over who should bear responsibility for pollution enforcement measures revealed rather stark differences of opinion between the city of Des Moines and some of its suburban neighbors. Later that fall, the Iowa Water Quality Control commission, the state agency responsible for overseeing enforcement of the CWA, fed up with CIRALG’s seeming inability to put an end to the “Polk County Sewer War,” threatened to “de-certify” CIRALG as the 208 regional wastewater management agency. This was the same dispute, between the city of Des Moines and its suburbs over a plan to construct a new regional wastewater system to address pollution of the Des Moines River, that had contributed to CIRPC’s demise six years earlier. In early 1979, the Iowa chapter of the US Commission on Civil Rights accused the Mayor of Des Moines of failing “to change the all white complexion” of CIRALG’s governing board, and for refusing to acknowledge previous complaints about the lack of non-whites and women on CIRALG’s board.

As the end of 1979 approached, CIRALG found itself locked in a struggle with one of its primary funding agencies. In November, one of the non-profits (Iowa Comprehensive Manpower Services – ICMS) that CIRALG subcontracted to provide job training services in support of the CETA program filed a complaint with William Hood, the grants officer based in the Kansas City

5 “State, local officials scrap on city pollution contract,” Des Moines Register, July 19, 1978
6 “CIRALG given deadline on area sewage problem” Des Moines Register, December 7, 1978.
7 “Add minorities to CIRALG board, says rights unit,” Des Moines Register, January 13, 1979.
office of the US Department of Labor (DOL), alleging that CIRALG was orchestrating a “conspiracy to take over Manpower Services, and is illegally spending federal monies to plan and implement a takeover of ICMS staff.” Though CIRALG accused ICMS of its own “financial mismanagement,” the complaint brought the issue of CIRALG’s internal problems into the public light and attracted the (unwanted) scrutiny of the DOL, which had only recently become one of the agency’s largest sources of operating funds.

In addition to filing a complaint with the Labor Department, ICMS also requested an injunction in Polk County District Court to prevent CIRALG from taking any action to “terminate its contracts” with ICMS. The judge agreed, and granted the injunction to give the DOL time to “act on [the] complaint” filed against CIRALG, and to prevent CIRALG from “moving... [ICMS] program equipment...to CIRALG-operated offices” in the meantime. As the DOL investigated, the damaging allegations continued to emerge. In August 1980, a group of former CIRALG employees filed a complaint with the Labor Department alleging a pattern of consistent ethnic and gender discrimination on the part of agency administrators. This brought additional scrutiny of CIRALG’s personnel policies and practices.

By early 1981, CIRALG’s situation further deteriorated. The previous spring, 1980, the agency had signed a contract for new office space, supposedly moving locations because of “cramped working conditions.” The new space had been put under contract and rent payments had come due before the agency’s old space had been subleased, putting CIRALG in the position of paying rent on two buildings at the same time, including “$6,000 a month in rent for a two-story office building it [wasn’t] using.” To make the problem worse, the size of CIRALG’s staff had declined significantly (from 80+ employees to around 60) in the time since the decision was made to lease the new space, which meant that “a third of the space at the new address [was] unused.” The agency effectively was paying for thousands of square feet more space than it needed.

In April, the Polk County Board of Supervisors accused CIRALG of “[breaking] a 1975 agreement” and threatened to “file a suit to recover $199,000” the county had paid the agency for a “data information system” that was never delivered. The executive director of CIRALG claimed, “no one was to blame for apparent misunderstandings regarding the contract.” Later that month, Polk administrators clashed again with CIRALG, this time in a dispute over “who should administer [federal] programs to help the elderly” in the county. Then in May the

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8 “Complaint filed on manpower program here,” Des Moines Register, November 29, 1979.
9 “Injunction forces CIRALG to honor pact,” Des Moines Register, December 1, 1979.
10 “Judge continues CIRALG order,” Des Moines Register, December 5, 1979.
11 “Bias claims to be probed,” Des Moines Register, August 8, 1980.
12 “CIRALG says its stuck with double rent,” Des Moines Register, March 30, 1981.
13 “Supervisors say they’ll sue CIRALG,” Des Moines Register, April 8, 1981.
14 “Polk, CIRALG fight over funds,” Des Moines Register, April 29, 1981.
Department of Labor proposed major cuts to CETA programs, which provided CIRALG with nearly $1.5 million in operating expenses each year, of which more than a third was used to directly pay staff salaries. Within days of the revelations of the cuts, the Register quoted the Des Moines mayor predicting that “[t]he demise of CIRALG may be a year or two away.”

CIRALG’s fortunes continued to lag through the remainder of 1981, and in 1982 took another bad turn. In early April, William Hood, the regional DOL administrator revealed that his investigation of CIRALG, first sparked by the ICMS allegations and the discrimination complaints from former employees, had indeed uncovered evidence of significant misuse of federal funds. As a result of the investigation, Hood warned CIRALG and its partner organizations that they would be expected to “repay as much as $1.1 million in federal funds that...were misused.”

Hood asserted that federal funds specifically earmarked for CETA programs were “being spent on other CIRALG activities, including programs for the elderly, transportation and general administrative costs, such as salaries and special programs.” Moreover, Hood reminded CIRALG that “deficient management practices” had been uncovered in previous audits. Repeating their earlier defense, CIRALG’s administrators claimed to have no knowledge of misspent funds or bad management, and defended the behavior of CIRALG staff, explaining the fact that the “problem went undetected” and was simply “a bookkeeping error that apparently had gone undetected” for a number of years.

In response to Hood’s findings, CIRALG administrators claimed to be initiating a “series of management and bookkeeping changes”, but facing the very real prospect of a more heavy-handed DOL crackdown, CIRALG’s director finally acknowledged that being forced to repay Labor the amount of money it claims was misspent “would create cash-flow problems that could cripple the association.” On April 16, after a hastily scheduled meeting, CIRALG’s “executive board agreed to a repayment plan, that if approved, would allow central Iowa programs to continue.”

Hoping to stretch the repayments out over a much longer time frame than Hood had originally suggested would be acceptable, CIRALG’s plan hinged on convincing Hood that a more aggressive payment schedule would undercut CIRALG’s entire financial foundation. On April 20, the Register reported that Hood had rejected CIRALG’s proposed timetable and dubbed the projected revenue that would be used to pay back the missing money “unrealistic.” Noting that his confidence in CIRALG’s administrators had slumped to “about zero,” Hood suggested that he was preparing to “take legal action” against the agency if

15 “CIRALG’s demise seen; funding cuts cited,” Des Moines Register, May 28, 1981
16 “U.S. says two Iowa agencies misused funds,” Des Moines Register, April 2, 1982
17 “U.S. says two Iowa agencies misused funds,” Des Moines Register, April 2, 1982
18 “CIRALG sets changes to avoid misuse of funds,” Des Moines Register, April 3, 1981; “Financial bind threatens CIRALG, director says,” Des Moines Register, April 9, 1982
19 “Area officials fashion plan to reply U.S.,” Des Moines Register, April 16, 1982
administrators could not come up with a much shorter timeline.\textsuperscript{20} The Register also reported that the Polk County Board of Supervisors was mulling submitting a request to the US General Accounting Office to investigate CIRALG’s operations. Desperate to find a way to save the agency, on April 22 CIRALG’s board asked the Labor Department for a “wide ranging audit of the agency’s entire operation.”\textsuperscript{21} CIRALG’s administrators hoped that a top to bottom audit would reveal that its expenditures were well within the bounds of the law, and the extended repayment timeline that had been requested was in fact warranted.

As the wrangling over the legality of CIRALG’s accounting practices drug on, the Polk County Board of Supervisors moved to begin peeling away the agency’s responsibilities, signaling their loss of confidence in the agency. On April 28\textsuperscript{th}, the Polk supervisors officially asked the state of Iowa’s Commission on Aging to allow county staff to take over the administration of CIRALG’s age related programs, fearing that the agency no longer had the capacity to “competently administer” the programs under its control.\textsuperscript{22} At this point, CIRALG leaders had no choice but to acknowledge their agency’s likely collapse. With Hood at DOL continuing to press the agency to come up with an aggressive repayment schedule, CIRALG’s board was finally forced to take a stand. They did so by voting to suspend all negotiations with Hood until all of CIRALG’s “financial records are put in order.”\textsuperscript{23} Deciding that repaying the Labor Department would be impossible otherwise, CIRALG’s board appeared to set itself on a path to destruction.

By May 1982, the last days of CIRALG were within view. On May 12, the board agreed to relinquish control of all federal aging programs (as the Polk supervisors had requested) as well as all transportation planning activities in the eight county Des Moines region. As the Register reported, the decision to remove both aging and transportation planning, two of the largest and most lucrative programs the agency administered, effectively “sound[ed] the death knell for” CIRALG.\textsuperscript{24} With the decision to end CIRALG’s oversight of those programs, most of the agency’s staff, including the executive director, were laid off in early summer, most of its office equipment was sold, and subleases were actively sought for its office space.

In June, Hood revealed that his investigation of CIRALG had uncovered yet more evidence that the agency had “intentionally misused federal money on ‘administrative niceties’ for its staff.” Those “niceties” included cars, “plush” office space, and other “personal perks,” obtained with money that was supposed to have been spent directly on job training programs.\textsuperscript{25} The few remaining CIRALG staff continued to claim that Hood overstated the magnitude of the misspent

\textsuperscript{20} “Labor department may act against two Iowa agencies,” Des Moines Register, April 20, 1982
\textsuperscript{21} “CIRALG asks for audit to clear questions,” Des Moines Register, April 23, 1982
\textsuperscript{22} “Polk takeover of services to aging sought,” Des Moines Register, April 28, 1982
\textsuperscript{23} “CIRALG needs time to find what it owes,” Des Moines Register, April 29, 1982
\textsuperscript{24} “Officials vow to continue work of CIRALG,” Des Moines Register, May 13, 1982
\textsuperscript{25} “Plush offices and fancy cars cited in misuse of U.S. funds,” Des Moines Register, June 15, 1982
money and had “exaggerate[ed] how the misspent money was used.” Deciding to turn over his latest findings to the Inspector General of the DOL, Hood signaled his intention to continue pursuing repayment of the money CIRALG allegedly misallocated, even as the agency was in the process of winding down its operations.

In July, as the audit of CIRALG neared completion, two of CIRALG’s partners, the city of Des Moines and the Central Iowa Employment and Training Consortium, proposed a new, shorter timeline to begin repaying the Labor Department money that CIRALG allegedly misspent. Hood rejected the new plan as untenable because it assumed that “interest on the amount of money [CIRALG] owed” would be waived. Officials in Des Moines bristled at having their repayment plan rejected again, claimed to be “prepared to fight – in court, if necessary,” and retained an attorney to prepare for a likely hearing before an administrative judge.

The idea that Hood had overstated his case got a small boost in August, when an accountant hired to audit the agency’s financial records reported that it actually owed “about half [the] amount” the Labor department had claimed. This finding, though encouraging, did little to save CIRALG from demise. In October, two of the agency’s constituent governments pulled out of the agency, the city of Indianola and the Central Iowa Regional Housing Authority, expressing dismay with CIRALG’s “financial troubles” and fearful that its deteriorator reputation was harming their ability to receive federal funds.

The agency continued to limp through the first half of 1983, but by mid-summer had shut down, the last remaining employees laid off. As CIRALG ended, a second audit of the organization, carried out at the behest of the Department of Labor, showed that the agency still owed the federal government nearly $600,000. That debt was bequeathed to the 80 plus government units that were formerly members of CIRALG, though many of them still contended that the “amount of misappropriated money” was significantly less. The last employees to leave CIRALG continued to blame the agency’s demise on “sloppy bookkeeping and ‘lack of administrative oversight.’” As the outgoing administrator put it, “[t]hey just simply lost control of their record keeping system.” Three months after the agency had been shuttered, the misspent funds were still the object of back and forth between the Labor Department and CIRALG’s former constituent governments. In the final Register report on the

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26 “Iowa officials deny funds spent on extravagances,” Des Moines Register, June 16, 1982
27 “Groups agree on plan to repay misspent funds,” Des Moines Register, July 9, 1982
28 “U.S. rejects payment plan for job funds,” Des Moines Register, July 22, 1982
29 “Iowa agency seen owing half of what U.S. says,” Des Moines Register, August 20, 1982
30 “Two governing units sever CIRALG ties,” Des Moines Register, October 14, 1982
31 “As CIRALG closes doors, audit shows agency misspent $567,209,” Des Moines Register, September 16, 1983
doomed agency, in December 1983, Labor still was pressing its case, claiming $700,000 was still owed it by the government entities that had inherited the debt that CIRALG left behind.

With the collapse of CIRALG, the local governments in Des Moines saw the end of a nearly twenty-year effort to foster some form of comprehensive regional planning. Though the individual functions that CIRALG managed persisted, they were redistributed among a wide variety of other agencies, most with missions that were only tangentially related to regional governance. Since 1983, metro Des Moines has been without a comprehensive regional planning agency. This fragmentation of function, coupled with the absence of a central coordinating agency, means that the local governments in central Iowa do not possess a reserved space for intergovernmental coordination, decision-making, or even convening the region’s political leaders. The absence of this space is reflected in the region’s continuing struggles to foster regional coordination.