



# **MINUTES**

## **Legislative Fiscal Committee of the Legislative Council**

**Wednesday, September 19, 2018**

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### **MEMBERS PRESENT**

Senator Michael Breitbach, Co-Chairperson

Senator Joe Bolkcom

Senator Pam Jochum

Senator Tim Kraayenbrink

Representative Pat Grassley, Co-Chairperson

Representative Chris Hall

Representative Dave Jacoby

Representative Guy Vander Linden

Senator Randy Feenstra and Representative Peter Cownie were excused.

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### I. Procedural Business

**Call to Order.** The Legislative Fiscal Committee of the Legislative Council met in Room 118 of the Old Main Building at the Iowa Braille and Sight Saving School in Vinton, Iowa, on September 19, 2018. The meeting was called to order at 10:45 a.m.

**Minutes.** The minutes of the November 2016 meeting were approved. (Motioned by Representative Vander Linden and seconded by Representative Hall.)

**Adjournment.** The committee adjourned at 12:40 p.m.

### II. State Board of Regents, Vacant Property

John Nash, Director of Facilities for the State Board of Regents, discussed current vacant property at the regents institutions. Mr. Nash reported that all vacant property is currently spoken for, has been intentionally left for green space and campus beautification, or is earmarked for future facilities for medium-range and long-range planning through comprehensive master plans at all five regents institutions. The comprehensive plans are routinely reviewed to develop facility management strategies, prioritize capital projects, and vet properties that could become vacant. Over the last five years, Mr. Nash reported that the regents have razed approximately two buildings per year.

Bud Maynard, Mayor of Vinton, thanked the committee for coming to Vinton and introduced Melissa Schwan, the head of the Braille School Committee. Ms. Schwan provided statistics and an update regarding the Iowa Braille and Sight Saving School. The current campus size is 48 acres, 11 buildings, and 200,000 usable square feet. Governance of the campus resides with the State Board of Regents. As of 2011, the school is no longer a residential facility. The majority of the current property is vacant. Administrative functions of the school were moved to Council Bluffs as of July 1, 2018. The current operating deficit is \$400,000. AmeriCorps and Triple C Properties currently lease approximately 100,000 square feet of the facility. AmeriCorps has been in Vinton for 10 years (2008) and serves about 400 students per year. The existing lease expired in June 2018 and due to resource constraints within the state and federal governments, no new leases have been signed to date. In 2016, the State Board of Regents offered the property to the city of Vinton and since then, the city has been working with regional economic developers on ways to acquire it. In May 2018, a credible offer was received from a local developer for a total investment of \$19 million over five years. The group plans to request \$2 million in FY 2020 from the state. Mayor Maynard stated the \$2 million request will be in addition to any historic preservation tax credits and brownfield/grayfield tax credits the property may receive. According to Mayor Maynard, the funding can be received over multiple fiscal years.

### III. State Board of Regents, Institute for Decision Making

James Hoelscher, Program Manager from the University of Northern Iowa Institute for Decision Making, presented on his program's work with the city of Vinton to assume ownership of the property and to put together a strategic plan and visioning for the property. The institute helped recruit a team of approximately 25 people to lead a visioning process in February 2017 and to share best practices. The group came up with 10 possible uses for the property and then asked for public input. In April 2017, approximately 125 community members attended the event. The focus of the group was on housing, tourism, and government services, as well as recreation and parks.



## IV. State Policies on Vacated State-Owned Properties

Janet Phipps, Director of the Department of Administrative Services (DAS), discussed vacated, state-owned property. Each state agency is the owner of its property. For example, the Department of Corrections (DOC) and the Department of Human Services (DHS) own the institutions that they operate. However, the DAS provides assistance to state agencies to whatever extent it can with reviewing plans and options on the closing of facilities. The Capitol Complex is under the DAS purview. A year and one-half ago, the DAS closed the maintenance garage that was located to the north of the Oran Pape Building. The plan is to demolish the property in order to open up green space on the Capitol Complex, but resources are needed and priority must be established.

Michael Savala, General Counsel for the DOC, presented on the current vacant properties under the DOC purview. The DOC has been working with local economic development authorities to utilize the vacant space at the Mental Health Institutes (MHI) at Clarinda and Mount Pleasant. The DOC has partnered with the Henry County Board of Supervisors to build a jail on the Mount Pleasant correctional facility property. The Fort Madison Penitentiary is an ongoing project. A nonprofit board has been established along with local community leaders to do outreach to make developers aware of the property. Three cell houses are on the National Register, but the rest of the facility is not. The DOC has hired a consulting firm that specializes in property on the National Register to review the prison on a building-by-building basis. This includes reviewing the current conditions of each building as well as electrical, plumbing, the cost to retrofit buildings, and some potential mixed use opportunities for some of the property. The DOC anticipates receiving the report in the next few months, hopefully before the legislative session begins. Once the report is received, Mr. Savala said he would provide the report to the committee members.

Rick Shults, DHS Mental Health and Disability Services Division Administrator, presented on the current vacant properties under the DHS purview. Mr. Shults stated that the DHS does not have many unused, vacant properties. If the DHS has any property available for agriculture, the DHS turns the property over to the DOC to handle the agricultural leases. Some land at the Glenwood Resource Center has archeological interest and is under the Department of Natural Resources (DNR) purview for preservation. If the DHS has buildings that are vacant and usable at its facilities, the department will rent space out for various uses as long as they are compatible with the existing purposes at the facilities. There are administrative rules in place that help guide this process. There are existing leases in place at the Glenwood facility, Woodward Academy, and at Cherokee and Independence. Mr. Shults provided a list of buildings that are vacant. There is one vacant facility that has been closed for some time: the Iowa Juvenile Home in Toledo. The department has the authority to sell the facility and to use any proceeds to buy other land or for capital improvements at other facilities. The DHS has not been able to find a buyer interested in the facility but there continues to be a large amount of interest in the property. The cost to maintain the property in FY 2018 was \$270,000. Of that amount, \$55,000 was for a water leak in the fire suppression system and was covered by an Executive Council funding allocation under Iowa Code chapter [29C](#). Most of the expenses are utilities, including heating and cooling, mowing, snow removal, and security.

Director Phipps added that the DAS has been more involved on the Toledo project than with most projects and reported that there has been a large amount of interest, including a bible college, nursing facilities, additional housing in the area, and from the Sauk and Fox tribes. The property has a geothermal system and for security purposes, the department wants to keep up the appearance of the property. During the 2018 Legislative Session, the Toledo property was discussed before the Transportation Infrastructure Committee as to whether the city of Toledo would want the property, but the city was hesitant. In addition, there was a viable developer, but the developer wanted both



seed money and for the city to be involved. Director Phipps stated it will take more conversations to determine the future of the property. Co-chairperson Grassley asked Director Phipps about any other larger projects. Director Phipps discussed Clarinda and Hope Hall. The Clarinda Economic Development Group completed a housing study of the area and learned the community does not have enough housing for the economy. There are discussions of ways to reuse Hope Hall and provide for single family housing, but this is all taking place at the grassroots level. The group met with DAS several months ago.

### **V. Update on Major Maintenance Projects and Funding**

Director Phipps discussed the Major Maintenance Project Request List. Co-chairperson Grassley asked if facilities that need to be removed are on the major maintenance list and Director Phipps stated that they are included further down on the list. However, there is no annual breakdown of costs to maintain vs. costs to remove. The DAS meets annually with all agencies to discuss needs and to prioritize the list based on life, health, and safety issues. The list constantly changes, depending on agency needs. The major maintenance list for this year is laid out differently than in past years. Director Phipps thanked the General Assembly for the major maintenance money appropriated — \$24.5 million in FY 2019 and \$20 million for each of the following four fiscal years.

### **VI. Capitol Building Maintenance Update**

Mark Willemsen, Senior Facilities Manager, provided an update via phone on the Capitol Complex Dome project. The project was 99 percent complete by the end of June with some sod and seeding work currently being wrapped up, along with some electrical work up to the dome to run heaters to help reduce moisture. The project was completed six months ahead of schedule and \$2.5 million under budget. The original estimate had 12,000 bricks being replaced, but the actual number was closer to 18,000. The Capitol Planning Commission has sold approximately 800 bricks to raise money for monument maintenance. In addition to replacing the bricks, maintenance work around the exterior of the Capitol was also completed including tuckpointing, resealing windows, sheet metal along the walkway, roof repair, and installing the new exterior lighting donated by Musco Lighting.

### **VII. Family First Prevention Services**

Nina William-Mbengue, Program Director from the National Conference of State Legislatures (NCSL) Children and Families Program, provided a brief overview on the new Family First Prevention Services Act (FFPSA). Two major provisions include changes in funding and structure for prevention services and congregate, residential, and group care. Title IV-E is the funding stream for foster care. Prior to the Act, Title IV-E funds could only be spent on foster care services but now can be used for optional prevention services reimbursement beginning October 1, 2019. The secretary of the Department of Health and Human Services (HHS) will be responsible for creating, by October 1, 2018, a pre-approved list of services that will qualify. In addition, the Act contained changes to group care policies beginning October 1, 2019, for Title IV-E reimbursement and those changes are not optional for states. These programs have to be licensed by the state and have to be accredited by one of three listed accredited facilities. States may delay the implementation of the congregate, residential, and group care changes for two years, until September 29, 2021, but if they choose to do so, the funding for the prevention services will be delayed for the same length of time. States must notify HHS by November 9, 2018, if they want to delay for planning purposes.

Janee Harvey, DHS, provided an update on Iowa's progress. Iowa will not be ready by October 1, 2019, but rather plans to be ready by July 1, 2020. The funding will only be in place until September 2026.



### **VIII. Tour**

Committee members took an optional tour of the Iowa Braille and Sight Saving School after the meeting adjourned.

### **IX. Meeting Materials**

The following link to the Legislative Fiscal Committee website includes the meeting materials:  
[www.legis.iowa.gov/committees/meetings/documents?committee=704&ga=ALL](http://www.legis.iowa.gov/committees/meetings/documents?committee=704&ga=ALL)