

Analysis

Item 25: Military Department

Lead Dust Abatement

Analyst: Julie Neburka

Request: Increase the Federal Funds expenditure limitation by \$20,708,696 to undertake lead abatement projects at eight armories throughout Oregon.

Recommendation: The Legislative Fiscal Office recommends that the interim Joint Committee on Ways and Means recommend the Oregon Military Department Federal Funds expenditure limitation be increased by \$16,421,308 in a budget reconciliation bill during the 2018 legislative session, for lead dust abatement projects at eight armories throughout Oregon.

Analysis: In December 2014, the Oregon Military Department (OMD) learned that lead dust from the indoor firing range at the Forest Grove Armory had contaminated the facility's HVAC system. Significant amounts of lead dust were discovered throughout the building, which was vacated and closed. Subsequently, eleven other armories were found to be contaminated with lead dust, and were closed for cleaning and lead abatement. Four of those have been abated and their indoor firing ranges converted to other uses. Eight armories remain to be remediated, at an estimated cost of \$20.7 million. Those armories and estimated abatement costs are:

Armory/Location	Cost
Kliever Armory (Portland)	6,279,000
Ontario Armory	294,354
Ashland Armory	2,545,184
Bend Armory	4,161,019
Baker City Armory	326,954
Pendleton Armory	2,788,164
Coos Bay Armory	2,412,655
McMinnville Armory	1,901,366
Total estimated abatement:	20,708,696

Lead dust contamination in National Guard armories is a problem nationwide, and in December 2016 the National Guard Bureau issued guidance to state Adjutants General prohibiting the use of indoor firing ranges and directing that lead-contaminated armories be closed and that lead abatement activities begin immediately. The memorandum also stated that clean-up costs would be fully funded by the federal government. To date, the agency has received \$8 million from the National Guard Bureau in federal fiscal year (FFY) 2017, with an additional \$8.4 million committed in the FFY 2018 budget. This funding will complete the first six of the eight remediation projects shown above. The remaining \$4.3 million is anticipated in FFY 2019, and can be included in the agency's 2019-21 budget request.

The Legislative Fiscal Office recommends that the interim Joint Committee on Ways and Means recommend the Oregon Military Department Federal Funds expenditure limitation be increased by \$16,421,308 in a budget reconciliation bill during the 2018 legislative session.

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Request: The Oregon Military Department (OMD), Operations program is requesting to increase Other Funds expenditure limitation by \$20,708,696 to conduct lead dust abatement at multiple armories.

Recommendation: Approve the request during the 2018 Legislative Session with the following modification: Approve the request for \$16,421,308 Federal Funds expenditure limitation, which matches the National Guard Bureau (NGB) committed funds for the anticipated lead dust abatement costs for the Federal Fiscal Year 2018 (FFY). If NGB approves additional Federal Funds later in the 2017-19 biennium, the agency will have the ability to request additional expenditure limitation at a future Emergency Board.

Discussion: OMD is working to move forward on lead dust abatement in eight armories across Oregon. The table below lists the armories and the estimated costs for the lead abatement work:

Armories	Estimated Costs	Status
Kliever	\$ 6,279,000	closed
Ontario	\$ 294,354	closed
Ashland	\$ 2,545,184	closed
Bend	\$ 4,161,019	closed
Baker City	\$ 326,954	closed
Pendleton	\$ 2,788,164	closed
Coos Bay	\$ 2,412,655	closed
McMinnville	\$ 1,901,366	closed
Total	\$ 20,708,696	

After further discussions, the OMD indicated NGB approved \$16,421,308 Federal Funds to date, which requires no state match of any type. The additional \$4,287,388 Federal Funds in the agency's request will not be considered for approval until federal fiscal year 2019. If approved for 2019, funds would not be made available sooner than October 1, 2018.

The department indicated the current approved funding is expected to address lead dust abatement in the first six facilities in the table listed above. Additionally, the Oregon National Guard Occupational Health section is actively monitoring all previously converted indoor firing range facilities for acceptable specified lead levels. These levels are standards for child occupied facilities and daycares.

The schedule for cleaning the first six facilities in the table above has not been finalized. Once the facilities have been decontaminated, they will be open to the public and actively monitored, as were the previously cleaned facilities.

Legal Reference: Increase the Federal Funds expenditure limitation established by chapter 566, section 3(1), Oregon Laws 2017, for the Oregon Military Department, Operations, by \$16,421,308 for the 2017-19 biennium.



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December 4, 2017

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Nancy Nathanson, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Request

The Oregon Military Department (OMD) requests an increase in Operations Federal Funds limitation of \$20,708,696 to conduct lead dust abatement projects at multiple armories.

This Federal Fund limitation will allow lead dust abatement at 8 armories throughout the state. Upon completion of the abatement, these armories will again be reopened for community and public use. The Federal Funds are provided through the Army National Guard Facilities Program Cooperative Agreement with the National Guard Bureau (NGB). To date, NGB has committed \$16,421,308 of the anticipated abatement cost. No state match is required.

Agency Action

OMD had 12 active and 17 inactive (previously converted) Indoor Firing Ranges (IFRs). A decision in 2014 to close IFRs prompted holistic assessments of these armories. The first assessment was received in December 2014 for the Forest Grove Amory. The report indicated that significant levels of lead dust had migrated throughout the armory. The Forest Grove Amory was subsequently vacated due to the widespread contamination. Additional assessments indicate varying levels of lead dust contamination found in several other Oregon armories. Of the 12 IFRs that were active, 4 have been abated and converted for other National Guard unit uses (Forest Grove, Roseburg, Salem Anderson Readiness Center and Springfield). All 8 of the remaining IFR armories require abatement and conversion. Those sites and the estimated costs of abatement are listed below.

In addition to the 8 IFR Armories, the Oregon Army National Guard Occupational Health section is actively monitoring the other 17 armories with previously converted IFRs. NGB issued specific guidance restricting public access to buildings having lead levels of 40 ug/ft² (micrograms per square foot) or greater. 40 ug/ft² is the standard for child occupied facilities and daycares. As OMD finds results higher than 40ug/ft², we are cleaning and retesting. Some armories have had multiple iterations of cleaning and testing to keep them safe for soldiers and ultimately, the public.

Following regulatory agency and NGB guidance, the OMD is unable to rent or allow the public to access the 8 armories requiring abatement. OMD relies heavily on rental revenue which, combined with General Fund, provides the 50% state share for most armory operational costs. The loss of armory rental revenue puts at risk OMD's ability to meet state match requirements. Rental revenues decreased by 15% from the 2011-13 biennium compared to the 2015-17 biennium.

The project estimates listed below are derived from contracted consultants (AECOM Technical Services). There is no correlation between the size of the armory (square footage listed) and the cost estimates. The level of contamination, type of construction, installed mechanical equipment requiring abatement and spaces above ceilings that require demolition and cleaning affect the project estimates. NGB guidance indicates that 100% of the abatement/remediation costs are federally supportable.

Armory Information:

Kliever Armory (Portland): 66,138 SF
Ontario Armory: 36,600 SF
Ashland Armory: 22,982 SF
Bend Armory: 40,460 SF
Baker City Armory: 28,755 SF
Pendleton Armory: 33,400 SF
Coos Bay Armory: 22,047 SF
McMinnville Armory: 18,553 SF

Estimated Costs:

\$6,279,000
\$294,354
\$2,545,184
\$4,161,019
\$326,954
\$2,788,164
\$2,412,655
\$1,901,366
\$20,708,696

Total Estimated Abatement/Remediation Costs:

Action Requested

Increase Operations Federal Funds limitation by \$20,708,696 for lead dust abatement projects.

Legislation Affected

Operations Program Federal Funds - Section 3 (1), Chapter 566, Oregon Laws 2017

Thank you for your consideration of this request.

Sincerely,



David A. Stuckey
Deputy Director
Oregon Military Department