

**Change Item: Safe Harbor Services for Sexually Exploited Youth**

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,000	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	2,000	2,000	2,000
<b>FTEs</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**Recommendation:**

Effective July 1, 2015, the Governor recommends an increased appropriation to the Department of Human Services of \$1.6 million in the 2016-2017 biennium for Safe Harbor shelter and housing to provide services for sexually exploited youth. Current base funding for the program is \$2 million over the biennium. This funding increases the base by 80 percent.

The Governor also recommends an increased appropriation to the Department of Health of \$2.4 million in the 2016-2017 biennium for Safe Harbor activities. Current base funding for the MDH Safe Harbor Program is \$3 million over the biennium. This funding increases the base by 80 percent.

**Rationale/Background:**

In response to the devastation of sexual exploitation, including trafficking, the Minnesota Departments of Health, Human Services, and Public Safety work collaboratively to provide regional navigators, comprehensive services, shelter, foster care, and transitional and supportive housing for sexually exploited youth, and to provide protocols and training on the new approach and best practices for working with victims of sexual exploitation.

The Department of Human Services currently funds grants for non-profit organizations to provide a new set of programs specific to sex-trafficked minors through specialized emergency shelter, transitional living, youth supportive housing programs and specialized foster care. Programs are in the start-up phase, developing specialized programming, securing housing sites, having sites licensed through the department, and training staff who provide services.

The Department of Health currently funds grants to eight organizations to provide regional navigators, who serve as the main points of contact for sexually exploited youth and professionals who engage with exploited or at-risk youth. The navigators are responsible for connecting youth with services and serving as regional experts for communities. MDH also has recently funded grants to thirteen organizations to provide trauma-informed, culturally-specific services for exploited youth. These organizations will offer services in a variety of ways, depending on culture, gender and the needs of the region, ensuring that services are easily accessed by youth.

The collaboration among three state agencies to achieve the goals of the Safe Harbor legislation and funding appropriations has been beneficial as this issue touches several disciplines and industries. Sexual exploitation of minors is a public health issue; youth who have been sexually exploited need intensive, trauma-informed services and appropriate housing options. Training needs to be provided to professionals who come into contact with sexually-exploited youth so they know how to properly engage with and refer to appropriate assistance. Safe Harbor legislation is a comprehensive approach to addressing the issue of serving youth who have been sexually exploited, which requires coordination and collaboration between several state and community systems.

**Proposal:**

This proposal increases funding for Safe Harbor Shelter and Housing by \$1.6 million for the 2016-17 biennium for the Department of Human Services. This will allow the department to expand services for shelter and housing for sexually exploited youth to better meet the statewide need.

This proposal also increases Safe Harbor funding by \$2.4 million for the 2016-17 biennium for the Department of Health. This will allow MDH to:

- Increase the availability of regional navigators to twelve (\$1.2 million for grants and \$240,000 for a grant manager and maintenance costs for a database reporting system)

- Provide training for professionals across disciplines who engage with exploited or at-risk youth (\$580,000 for a training coordinator, training event costs, and contracts with trainers and speakers)
- Implement statewide protocols and best practices for effectively identifying, interacting with, and referring sexually exploited youth to appropriate resources (\$380,000 for an implementation coordinator and contracts with trainers and speakers)

### IT Related Proposals:

This proposal includes \$30,000 per year to the Department of Health for the maintenance costs of the centralized intake and multi-program data tracking software program currently being procured for use by Safe Harbor grantees.

### Results:

The Department of Human Services and the Department of Health coordinate their collection of Safe Harbor data. All Safe Harbor grantees are currently required to collect data and submit reports to provide information on a number of data elements. A joint evaluation of Safe Harbor is currently being conducted, and results will be shared through a report to the Legislature by September 1, 2015.

Type of Measure	Name of Measure	Current	Dates
Quantity	# of eligible* youth referred to housing	56	May 2014 – January 2015
Quality	# of eligible* youth served in shelter or housing	49	May 2014 – January 2015
Results	# of housing program exits	24	May 2014 – January 2015
Quantity	# of eligible* youth referred to Regional Navigators	113	August 2014 – January 2015
Quality	# of eligible* youth served by Regional Navigators	98	August 2014 – January 2015
Quantity	# of professionals and community members trained by Regional Navigators	3,250	August 2014 – November 2014
Quality	# of partnerships formed by Regional Navigators with system professionals, law enforcement, and service providers	350	August 2014 – November 2014

\*Youth under the age of 18 who have been sexually exploited or trafficked are eligible for Safe Harbor services.

### Statutory Change(s):

None needed.

### Fiscal Impact Detail by Agency

Human Services	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	800	800	800	800
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact =	800	800	800	800
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Health Department	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,200	1,200	1,200	1,200
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact =	1,200	1,200	1,200	1,200
<b>FTEs</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**DHS Fiscal Detail for Budget Tracking**

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				800	800	1,600	800	800	1,600
HCAF									
Federal TANF									
Other Fund									
<b>Total All Funds</b>			\$0	\$800	\$800	\$1,600	\$800	\$800	\$1,600
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	47	Children & Economic Support Grants		800	800	1,600	800	800	1,600
<b>Requested FTE's</b>									

**MDH Fiscal Detail for Budget Tracking**

EXPENDITURES	SFY15	SFY16	SFY17	SFY18	SFY19
Salary and Fringe Benefits	0	232	232	232	232
Other Operating Costs	0	321	321	321	321
Grants	0	600	600	600	600
Administrative Services	0	47	47	47	47
<b>TOTAL EXPENSES</b>	0	1200	1200	1200	1200

## Health

### FY16-17 Biennial Budget Change Item

#### Change Item Title: Vulnerable Adults Act and State Facility Regulation

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,514	1,514	1,514	1,514
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,514	1,514	1,514	1,514
FTEs	0	0	0	0

#### Request:

The Governor recommends investing \$1.514 million each year from the general fund to maintain existing protections for vulnerable adults in health care settings. MDH protects vulnerable adults in settings such as nursing homes, boarding care homes, and supervised living facilities through state licensing and federal certification of the facilities, as well as by investigating complaints under the Vulnerable Adults Act (VAA). Complaints under the VAA have grown tremendously in recent years, requiring additional funds to ensure MDH can continue to investigate all complaints alleging actual harm. This is the first increase in funding for VAA enforcement in 20 years. The proposal also provides \$362,000 for licensing of state-run facilities to ensure continued oversight.

This proposal represents a 28% increase in state funding and a 5.6% increase in all funding - including Medicare, Medicaid and state fees - for the area of the MDH budget that licenses these health care settings and enforces the Vulnerable Adults Act.

#### Rationale/Background:

The Minnesota Department of Health (MDH) enforces state licensing laws, federal certification laws for Medicare and Medicaid, and the Vulnerable Adults Act (VAA) pursuant to Minn. Stat. 626.557. The VAA prohibits maltreatment of vulnerable adults in health facilities in the form of abuse, neglect and financial exploitation. This work covers facilities serving approximately 36,000 vulnerable adults statewide, including:

- Nursing Homes: 374 Facilities with 29,672 beds for persons who require 24/7 skilled nursing care and nursing supervision.
- Boarding Care: 26 Facilities with 1,617 beds for persons who cannot care for themselves and need help with bathing and dressing, and medication supervision.
- Supervised Living: 298 Facilities with 5,032 beds primarily for persons with developmental disabilities, intellectual disabilities, mental illness, and chemical dependence. Services include lodging, meals, health care, and other services that are supervised. Some persons in SLFs are not able to take care of themselves and must be supervised in all activities.

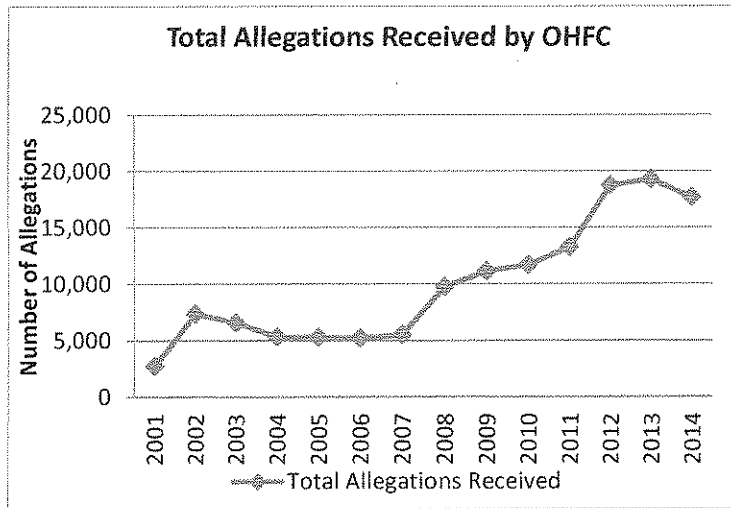
MDH conducts unannounced on-site surveys (inspections) of health facilities to identify issues of concern. Nursing homes and boarding care homes are surveyed every year, along with supervised living facilities that are federally certified. In federal fiscal year 2013, MDH issued 2,338 survey deficiencies to 379 nursing homes. Top violations for both nursing homes and boarding care homes include repeated failure to prevent patient infections, overuse of unnecessary drugs, inadequate pain control, and improper care and services related to accidents or falls. Top violations for supervised living facilities include failing to prevent abuse, failing to report and investigate allegations of abuse, failing to properly administer medications, and failing to provide proper nursing services. MDH regulation of these facilities is supported by Medicare, Medicaid, and state fees. The funding split for licensing and certification is approximately 40% from Medicare, 40% from Medicaid and 20% from state fees paid by providers, with many surveys requiring match among the various funding sources.

MDH also investigates complaints against facilities received by the MDH Office of Health Facility Complaints (OHFC). Examples of violations found include:

- unsafe handling of bandages for open infectious wounds which could spread disease to other residents;
- not supervising a frail resident in a shower, resulting in a fall;
- harmful or aggressive physical contact between residents that leads to injuries and makes injured residents afraid in their own homes;
- failure to monitor appropriate medication use and drug theft by facility personnel;

- inappropriately using a lift to transfer a resident and the resident falls;
- failure to care for persons with dementia so that they leave a facility without notice, which in one case resulted in a resident freezing to death outside and in another case resulted in a resident being severely frostbitten.

Since 2001, the number of allegations reported to OHFC has increased by 544%. At current staffing levels, MDH is only able to investigate allegations that involve actual harm to residents. Allegations involving potential harm and general quality of life issues may not be investigated, depending on volume of complaints and workload. Due to the significant increase in complaints, MDH cannot continue investigating all allegations of actual harm without additional funding.



Currently the state share of licensing and certification costs, as well as VAA enforcement, are funded through fees on nursing homes, boarding care homes, supervised living facilities, hospitals, and other health care facilities. Fees have not been raised for licensing and certification since 2001, and for VAA enforcement since several years earlier. The cost of VAA enforcement has increased significantly as the number and types of providers subject to the VAA has increased and as the number of complaints requiring MDH attention has increased. The department has been able to sustain operations by increasing efficiencies and targeting investigations to allegations involving actual harm. However, this approach is no longer sustainable. Two primary drivers of the rising cost pressures are the significant increase in VAA enforcement costs and the cost of licensing state-run facilities. MDH regulates state-owned facilities such as veterans' homes operated by the Minnesota Department of Veterans Affairs and state hospitals and treatment centers operated by the Department of Human Services, but these state facilities do not pay for their cost of licensing.

**PROPOSAL**

Starting in FY 2016, this proposal provides an additional \$1.152 million to support Vulnerable Adults Act enforcement and \$362,000 for regulation of facilities operated by the Minnesota Department of Veterans Affairs and the Department of Human Services. (\$259,000 for DHS and \$103,000 for MDVA). Providing general fund support for VAA enforcement recognizes the broad public benefit from ensuring nursing homes, boarding care homes, and supervised living facilities are safe and provide effective care to the state's most vulnerable adults. Since the facilities operated by DHS and MDVA receive the majority of their support from the general fund, these departments would not be able to pay the cost of MDH regulation without additional general fund dollars for this purpose.

**IT Related Proposals:**

None

**Results:**

The following performance measures will be used to evaluate the success of this initiative:

- Percentage of maltreatment complaints investigated.
- Average time for the completion of a maltreatment investigation.
- Number of substantiated maltreatment findings per year.

**Statutory Change(s):**

None

## Health

### FY16-17 Biennial Budget Change Item

#### Change Item: Operating Adjustment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	298	602	602	602
Revenues	0	0	0	0
Health Care Access Fund				
Expenditures	94	189	189	189
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
<b>FTEs</b>	<b>4.20</b>	<b>8.40</b>	<b>8.40</b>	<b>8.40</b>

#### Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund and Health Care Access Fund compensation costs.

#### Rationale/Background:

Each year, compensation costs rise due to labor contract settlements, and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

#### Proposal:

The Governor recommends increasing agencies' general fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

For non-General Fund direct appropriated funds, the Governor's budget recommendations also include an adjustment of 1.8% per year, where the amount can be supported by the source of revenue.

#### Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

#### Statutory Change(s):

N.A.

## Health

### FY16-17 Biennial Budget Change Item

#### Change Item: Protecting Vulnerable Adults: Supplemental Nursing Services Agencies (SNSA)

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
State Government Special Revenue				
Expenditures	83	83	83	83
Revenues	86	86	86	86
Net Fiscal Impact = (Expenditures – Revenues)	(3)	(3)	(3)	(3)
<b>FTEs</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>

#### Recommendation:

The Governor recommends \$83,000 per year from the state government special revenue fund to protect vulnerable adults in health care settings where staff from Supplemental Nursing Services Agencies (SNSAs) is used. With these funds, MDH will inspect SNSAs annually, investigate more complaints, and undertake more enforcement actions when warranted. Increased fee revenue of \$86,000 per year paid by SNSAs will cover the increased appropriation.

#### Rationale/Background:

Supplemental Nursing Services Agencies (SNSAs) supply nurses and nurse-aides as pool staffing for nursing homes, hospitals, boarding care homes, outpatient surgical centers, home care providers, housing with services establishments, and board and lodging with special services settings. Pool staffing is temporary employment to fill gaps in staffing as needed by the health care provider. SNSAs provide a valuable service to a very vulnerable population in long term and acute care settings. The most frequent users of pool staffing are nursing homes.

MDH regulation aims to protect vulnerable adults in health care settings by ensuring that SNSAs provide staff that is trained, qualified, and have passed a background check. MDH currently registers 75 SNSAs to operate in Minnesota. Current registration requirements are relatively limited, and the current program budget of \$65,000 supports only one inspection every three years and few investigations or enforcement actions. To be registered as an SNSA in Minnesota, the agency must merely be the employer of the nurses and nurse-aides provided, ensure that staff have the requisite criminal background checks, maintain current and valid licenses, provide employer-sponsored insurance coverage, and pay a fee of \$891 per year.

Limited regulatory requirements and infrequent inspections are no longer enough to protect vulnerable adults due to changes in SNSA organizational structures and increased demand for SNSA services. Use of pool staffing by health care providers has increased significantly over the last five years due to workforce shortages. SNSAs are a transient type of agency where a significant number of owners operate outside Minnesota with no formal presence within the state. The SNSAs who operate within Minnesota have been known to change the location of their business without notifying MDH. On several occasions, MDH has gone out to conduct a survey or investigation and found that the SNSA no longer operates a business at that location. Inspections conducted every 3 years are not sufficient to assure that SNSAs are operating at the location designated on their registration and complying with state regulation.

In the past year, MDH initiated a revocation action for one SNSA that failed to have a current background check in place for its employees. In that case, the SNSA sent a staff person who had been disqualified from providing health services because of a 4th degree assault conviction to a nursing home where he allegedly committed sexual abuse on a vulnerable adult by engaging in inappropriate touching. Although this type of situation is very rare, it demonstrates the serious consequences when SNSAs have few requirements and fewer MDH inspections to prevent this type of occurrence. Vulnerable adults who reside in licensed health care facilities should not worry about whether the person providing care has been properly vetted through registered SNSAs. Health care settings have to rely on SNSAs meeting basic requirements, and the patients and residents being cared for should be able to assume that everyone who cares for them will do so safely and competently.

**Proposal:**

This proposal enhances existing oversight of SNSAs in several ways:

- Increases inspection frequency to once a year from once every three years, and allows MDH to conduct more investigations. By adding investigation time and matching the annual inspection schedule for nursing homes, MDH can proactively identify issues with SNSA staffing in nursing homes before the issues become serious incidents. These changes require an additional 0.5 FTE Nursing Evaluator, with half of his or her time devoted to inspections and half to investigations.
- Supports more enforcement actions when inspections and investigations indicate SNSAs have failed to comply with state standards. The proposal includes \$12,000 per year for legal fees, enough to support two enforcement actions per year. It also provides greater enforcement authority for MDH, including immediate suspension of registration.
- Requires SNSAs to allow immediate access to records at all times, not just during a scheduled inspection. Currently, inspections can stretch out for several months because SNSAs—particularly large, out-of-state corporations—fail to provide records on a timely basis. Similarly, investigations are hampered by the inability to access records. Without timely access to records, MDH cannot conduct inspections and investigations efficiently, or act quickly to protect vulnerable adults when SNSAs do not meet state standards. Under this proposal, failure of an SNSA to comply within established time frames will result in the immediate suspension of the registration process.

Increased inspection and enforcement would be supported by increasing the fee for SNSA registration from \$891 to \$2,035 per year.

Partners for this proposal include provider organizations such as Aging Services of Minnesota, MN Home Care Association, Care Providers of MN, DHS, and the Ombudsman’s Office for Long Term Care.

**IT Related Proposals:**

No IT impact.

**Results:**

This proposal improves protection and safety of vulnerable adults who reside in health facilities receiving direct care services from SNSA staff by:

- Inspecting SNSAs annually, which will allow for timely actions/sanctions against SNSAs that fail to comply with state regulations.
- Requiring SNSAs to promptly provide records for inspection, which will decrease the risk of tampering with records and shorten the time required to complete an inspection.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current</i>	<i>Target</i>	<i>Dates</i>
Quantity	Frequency of inspections	3+ years	Annual	August 2017
Quantity	Time to complete inspections	3-4 months	30 days	January 2016

**Statutory Change(s):**

- Sec. 144A.70, et seq
- Sec. 144A.43, et seq
- Ch. 144D
- Ch. 144G
- Ch. 144 and 144A



## Health

### FY16-17 Biennial Budget Change Item

#### Change Item: Protection from Lead and Radon Hazards

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
State Government Special Revenue				
Expenditures	249	321	632	610
Revenues	0	331	624	691
Net Fiscal Impact = (Expenditures – Revenues)	249	(10)	8	(81)
<b>FTEs</b>	<b>.35</b>	<b>2.1</b>	<b>5.0</b>	<b>5.0</b>

#### Recommendation:

The Governor recommends an appropriation of \$570,000 in FY 2016-17 and \$1,242,000 in FY 2018-19 from the state government special revenue fund to protect Minnesotans from the harmful effects of lead and radon. Under this proposal, MDH will begin regulating the radon industry to ensure that radon-related work meets best practice standards, is of high quality, and effectively reduces the risk of lung cancer by minimizing radon exposures. The proposal will also improve and expand the state's lead safety program to ensure building contractors do not expose children and their families to lead. Fees paid by the radon and lead mitigation industries will be increased to cover the appropriation.

#### Rationale/Background:

Lead: While lead-based paints were banned in 1978, approximately 550,000 Minnesota homes built before that year still contain lead hazards from paint. Renovating or repairing homes containing lead-based paint can expose children and their families to toxic amounts of lead. According to the federal Centers for Disease Control, lead poisoning can cause learning disabilities, behavioral problems, and at very high levels, seizures and even death. Lead poisoning frequently goes unrecognized because it occurs with no obvious symptoms and children are at greatest risk for lead poisoning. To prevent the harmful effects of lead, renovation work conducted in pre-1978 housing and child-occupied facilities must be completed using lead-safe methods known to prevent lead poisoning.

Oversight of renovation contractors in Minnesota is currently provided by the federal Environmental Protection Agency (EPA). Due to limited resources, the EPA program cannot provide sufficient outreach and enforcement to ensure contractors are protecting the public from lead exposure. The EPA acknowledges their limited resources and recommends that oversight be moved to the state level in order to improve effectiveness. A state-run program would fill in major gaps by providing direct outreach and education, evaluation of work practices, and additional credentialing of lead professionals. Transferring the program to the state will also provide for more local control and use of Minnesota-specific strategies to reduce lead exposure.

Radon: Radon is a colorless, odorless radioactive gas that seeps up from the earth. When inhaled, it gives off radioactive particles that can damage the cells that line the lung. Radon is the number one cause of lung cancer in non-smokers and the second leading cause of lung cancer in smokers. In Minnesota, 2 in 5 homes have radon levels that pose a significant health risk, and nearly 80% of counties are rated high radon zones. Homes can have elevated radon levels whether they are old or new, well-sealed or drafty, and with or without a basement. Schools and other buildings can also have high levels of radon. There is no known, safe level and the greatest risk for exposure is where radon gas can concentrate--indoors. To prevent lung cancer from radon, it is necessary to have qualified contractors install radon-reduction systems in homes with high radon levels.

Enacted in 2013, the Minnesota Radon Awareness Act requires home buyers be provided disclosure and education about radon risks during real estate transactions. It has been successful, more than doubling radon mitigations to about 3,000 homes in 2014. Most of this increase is because of increased mitigation during real estate transactions. However, the Radon Awareness Act is only effective in reducing the harmful effects of radon exposure when qualified contractors install systems that work properly to reduce radon levels.

Regulating the radon industry will ensure that those completing the work on homes have the level of education and expertise needed to effectively reduce the level of cancer-causing radon gas in homes. It takes highly skilled contractors to evaluate homes and fix the

radon problem without harming homes or putting residents in jeopardy. Concerns from citizens continue to surface when companies complete substandard radon work in homes. Problems may include dangerous conditions that arise from unqualified contractors that include: not checking the radon system air flow causing a deadly carbon monoxide level, not properly installing flashing penetrations through walls or a roof, not re-connecting sump systems leading to leaks or floods, and not using fire-rated materials or completing improper electrical work causing or increasing the spread of a fire. Families have also been charged for contracted work that did not reduce the level of radon in the home. Regulating the radon industry would ensure radon-related work meets best practices standards, is of high quality, and effectively reduces the risk of lung cancer by minimizing radon exposures. Ten other states have started regulating radon contractors for these reasons. Kansas, which recently began regulating radon contractors, found one contractor with over 100 violations.

**Proposal:**

Lead: To transfer the federal lead safety program to Minnesota, MDH must first adopt rules that are consistent with federal lead safety standards. M.S. 144.9508 already directs the Commissioner of Health to create rules for oversight of lead work, but that rule-making authority has expired and must be reauthorized. Under this proposal, MDH would develop rules during FY 2016 and seek federal authority to operate the lead safety program starting in FY 2017.

The program would be supported by a certification fee of \$100 paid every two years by firms doing lead work. The proposed fee is lower than the current federal fee of \$300 paid every five years. This proposal would also establish a training permit fee for lead training providers to ensure they properly train lead contractors to protect the public from lead poisoning. Initial training permits would cost \$500 for lead safety trainers and \$250 for refresher training, with renewals every two years costing half those amounts. Overall, the proposed fees would raise \$326,000 per year when fully phased-in.

Program fees would support the 2.5 FTE staff needed to operate the state lead program, including 1.65 FTE industrial hygienist to conduct inspections and provide educational outreach; 0.5 FTE planner principal to provide educational outreach, stakeholder engagement, and manage regulatory updates; and 0.35 FTE supervisory and administrative support to manage the program. The budget also includes funds to update the IT system for processing applications, and other overhead costs. Although MDH will not start certifying lead firms and issuing training permits until FY 2017, the program will incur \$127,000 in costs for 0.35 FTE to develop rules and build the program during FY 2016. These costs will be offset by fees collected in FY 2017 and beyond.

Partners for this proposal include local public health, medical professionals, assessing agencies (Minneapolis, St. Paul/Ramsey County, Hennepin County, Dakota County, City of Bloomington, St. Louis County Public Health), the Small Cities Development Program, various housing rehabilitation programs throughout Minnesota, the Department of Labor and Industry, the Builders Association of Minnesota (BAM) and 14 local builders associations who are affiliated with BAM, the Minnesota Environmental Contractors Association and the federal Environmental Protection Agency.

Radon: This is a new program that will meet the increasing public demand for qualified radon professionals. To implement a sustainable radon program, MDH must first develop rules that address radon safety standards. Under this proposal, MDH would develop rules during FY 2016 and FY 2017. The requirement for licensing and tags will begin three months into FY 2018, to allow for exams to be taken, license applications and tag requests be submitted, associated fees submitted, and licenses and tags processed and issued by MDH. MDH will operate a full radon health, safety, and education program which includes radon contractor licensing partway into FY 2018.

The program will have a defined yearly licensing and fee structure that mirrors fees assessed in other states: Measurement Professionals \$300 per year, Mitigation Professionals \$500 per year, Mitigation Companies \$500 per year, Testing Labs \$500 per year. In addition, a fee of \$75 for each mitigation system installed will be assessed. No fees will be assigned to training providers or exams.

Program fees would support the 2.5 FTE staff needed to operate the state radon program, including 1.0 FTE Industrial Hygienist 2 to engage in inspections and enforcement activities and assist in educational and outreach; 1.0 FTE Environmental Research Scientist to conduct research, implement rules and educate regulated parties, promote stakeholder engagement, and manage enforcement and inspection activities; and 0.50 FTE for administrative support for internal and external activities. The budget also includes funds to update the IT system for processing applications, and other overhead costs. MDH will begin licensing radon contractors in FY 2018 and the costs associated with the program's startup expenses will be offset through revenue generation in the following years.

Partners for this proposal include radon professionals, builders, local health departments, the University of Minnesota, local and state housing officials, housing organizations, and respiratory health advocates such as the American Lung Association and the Cancer Society.

### **IT Related Proposals:**

The current data system processes certified firm applications for renovation contractors. It is an outdated and inefficient system which is prone to error and has high maintenance costs. Since the radon program is new, there is currently no system to track licensing, permits, inspection and enforcement. Efficient data systems will be required for the lead safety and radon programs.

### **Results:**

Lead: MDH will measure the success of the lead safety program by:

- *Quantity:* Measuring the number of complaints received, number permits issued by local municipalities, number of inspections of renovation sites, auditing of permitted training course providers, and accurate tracking of blood lead cases related to renovation work.
- *Quality:* Measuring the number of violations observed per each inspection, enforcement actions taken, and the number of lead poisonings, most notably in children.
- *Result:* Tracking compliance rates for certified renovation firms and non-certified firms, as well as cases of high levels of lead in an individual, using the Blood Lead Information System (BLIS).
- Collecting data from certified firms as a requirement of their certification,
- Collecting data from building officials and local municipalities that require contractors to get project permits.
- Collecting compliance through inspections, compliance reviews, and follow-up surveys.
- Reporting results in mid-year and end of year reports to EPA, periodic newsletters for stakeholders, and during annual stakeholder meetings.

Radon: MDH will measure the success of the radon mitigation program by:

- *Quantity:* Measuring the number of licensees, permitted mitigations, records for the quality of testing equipment, teaching courses completed, and active inspections of contractors doing mitigations.
- *Quality:* Evaluating number of violations observed per inspection to evaluate compliance and MDH will actively inspect the quality of work in process.
- *Result:* Tracking radon levels pre- and post- radon mitigation to demonstrate that fewer Minnesotans are exposed to lung cancer-causing radon and diagnosed with radon-related lung cancer.
- Collecting data from licensees as a requirement of their license or through inspections, and publishing results public in annual reports.

### **Statutory Change(s):**

Lead: Reauthorize rule-making authority in M.S. 144.9508; modify M.S. 144.9505 to include training permits in addition to existing certification fee for lead firms.

Radon: New statute.