

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Special Revenue	10,240	10,990	11,046	11,046	22,092
Total	10,240	10,990	11,046	11,046	22,092
<u>Expenditures by Category</u>					
Total Compensation	1,923	1,531	1,531	1,531	3,062
Other Operating Expenses	8,317	9,459	9,515	9,515	19,030
Total	10,240	10,990	11,046	11,046	22,092
<u>Expenditures by Program</u>					
Board Of Electricity	10,240	10,990	11,046	11,046	22,092
Total	10,240	10,990	11,046	11,046	22,092
Full-Time Equivalent (FTE)	28.9	31.3	31.3	31.3	

ELECTRICITY BOARD

Change Item: Transfer to General Fund

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Transfer In	4,000	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	(\$4,000)	\$0	\$0	\$0

Recommendation

The Governor recommends a one-time transfer of \$4 million from the Electricity Boards special revenue fund account to the General Fund.

Background

The board has accumulated a \$5.2 million balance over the past 10 years in excess of actual costs. The Governor is aware that the deposits for electrical inspections represent a future obligation of the board. He also recognizes that the board has been able to pay for these inspections out of the current year receipts in most years, and he expects that will continue.

Relationship to Base Budget

This transfer is equivalent to 18% of the board's biennial operating budget.

Agency Purpose

The Board exists to protect life and property from the hazards arising from the use of electricity. This is accomplished by ensuring that electricians are qualified, and by conducting electrical inspections of wiring and equipment. The board receives its authority under M.S. 326.241.

Core Functions

- ⇒ License individuals through an experience and examination process.
- ⇒ License businesses that perform electrical work.
- ⇒ Inspect installed electrical wiring.

Operations

License approximately 3,500 businesses that perform electrical wiring for others.

Issue approximately 25,000 personal licenses across 11 different classifications. Approximately 2,000 persons are licensed in more than one category.

Examine approximately 2,000 persons for personal licensure each fiscal year. However, in FY 2003, the board administered approximately 12,000 examinations, mainly for the new license category created by the 2002 legislature. Additionally, the board has a reciprocal licensing agreement with 10 other states that allows individuals to become licensed in participating states without additional examination.

During the biennium ending 6-30-03, the board received approximately 330,000 separate requests for electrical inspection and completed a similar number of inspections requiring approximately 800,000 separate inspection trips, an average of approximately 1,600 each business day.

Budget

The board collects revenues for electrical examinations and licensing, inspection charges, handling fees, civil penalties, and miscellaneous charges. These revenues are deposited in a special revenue account in the state treasury.

Electrical inspection fees are held in escrow and are used to pay inspection service expenses as individual inspections are completed. In FY 2003, 86% of the collected inspection fee was used to pay for inspection service with the remaining 14% used to offset associated operating costs.

Electrical examination and licensing fees are collected at the time of the application, initial licensure, and renewal. All license types are based on a two-year term.

Revenue from inspection accounted for 87%, licensing fees for 11%, and sale of request for inspection certificate forms and other sources the remaining 2% of the board's total revenue for the FY 2002-03 biennium.

At A Glance

The board's level of activity is based on demand for service by its clientele, including citizens, license applicants, and licensees. Although the demand for license related service was relatively constant over the previous 10 years, the creation of a new personal license category by the 2002 legislature has resulted in a 50% increase in the total number of personal license holders. The demand for electrical inspection service has increased 50% over the same 10-year period and is directly related to the level of construction.

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Additional information is available on the board's web site at www.electricity.state.mn.us.

ELECTRICITY BOARD

Agency Revenue Summary

Dollars in Thousands

	Actual FY2004	Budgeted FY2005	Governor's Recomm. FY2006 FY2007		Biennium 2006-07
<u>Non Dedicated Revenue:</u>					
Taxes:					
General	0	1	1	1	2
Total Non-Dedicated Receipts	0	1	1	1	2
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Special Revenue	10,044	11,044	11,044	11,044	22,088
Other Revenues:					
Special Revenue	0	1	1	1	2
Other Sources:					
Special Revenue	0	1	1	1	2
Total Dedicated Receipts	10,044	11,046	11,046	11,046	22,092
Agency Total Revenue	10,044	11,047	11,047	11,047	22,094