



Dave Heineman
Governor

STATE OF NEBRASKA

STATE ELECTRICAL BOARD
Randy Anderson
Executive Director

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January 8, 2010

Sen. Lavon Heidemann
State Capitol
P.O. Box 94604
Lincoln, NE 68509-4604

RE: Impact of LB 1, LB 2, & LB 3 on the Electrical Division

Senator Heidemann,

The FY 2010 across the board appropriation reduction of \$40,430, plus the re-appropriation reduction of \$87,271 has a total impact of \$127,701 on the Electrical Division operating budget.

This will not impact staffing, unless there is a complete downturn in electrical permit and licensing applications. It does however impact the time line of inspections as the inspectors tighten the line even tighter on miles driven for inspections. In the case of many large projects the delays can have an impact on dozens of workers.

It will impact services to permit and license holders greatly, through the cut back of newsletters and educational materials that would be provided to the electrical industry. Inspector education through staff meetings and seminars will also be impacted as we will have to cut out at least half of the staff meetings and may have to cut out attendance of electrical code training completely.

The division was moving forward with our online services to allow electrical contractors to access advanced services online. These services would have made it possible to request electrical inspections through email and the system would also enter this information electronically onto permits for tracking inspector response times to aid in performance evaluations. We were in the middle of a four step process to have this completed in February of 2010. Due to the cuts we have experienced we will have to put a hold on step four of the process indefinitely.

The FY 2011 across the board appropriation reduction will be \$83,396, it is unknown at this time if this will impact staffing or not. We are a completely cash funded division and if permit and license application requests continue to be lower than expected we may have to use furloughs or layoffs to offset expenses.

As in FY10 staff meetings, seminars, and educational material in FY 11 will be cut for the division staff, and the engineers, electricians, and general public that use our system

In July of 2008 the electrical board decided to reduce license fees by approximately 50%, this was done due to a larger than expected revenue and the fact that our cash reserve fund was approximately 90% of our annual budget request and holding strong. Due to the transfer of \$120,000 in FY 10 and \$120,000 in FY 11 the board will have to raise the licensing fees. These fees have a cap on them and at this time it is unknown if the fees will be raised to the maximum or somewhere in between. The board will decide on the amount after review of revenue as of 6/30/10.

The electrical board has been good stewards of the cash fund and had taken steps to get through this downturn in the economy, however when an unexpected transfer of \$160,430 in FY 10 and \$203,396 in FY 11 are thrown into the mix it is very difficult to continue to provide services to the citizens of Nebraska. We hope this begins a turn around in 2010 if it doesn't the total impact on the electrical division and the electrical industry is unknown.

Sincerely,

A handwritten signature in cursive script that reads "Randy Anderson".

Randy Anderson
Executive Director
Nebraska State Electrical Division

Cc: Appropriations Committee