

CONCISE EXPLANATORY STATEMENT (CES)

Electrical Fee Increase (FY 22)

WAC 296-46B-906, Inspection Fees.

WAC 296-46B-909, Electrical/telecommunications contractor's license, administrator certificate and examination, master electrician certificate and examination, electrician certificate and examination, copy, and miscellaneous fees.

WAC 296-46B-911, Electrical testing laboratory and engineer accreditation fees.

The date of adoption for this rule: May 18, 2021

The effective date for this rule: July 1, 2021

I. Purpose of rulemaking:

The purpose of this rulemaking is to adopt changes to the state's electrical rules that increase fees by 5.79% for electrical inspections and other Electrical program public safety activities. This is the Office of Financial Management's maximum allowable fiscal growth factor rate for fiscal year 2022.

A fee increase by the fiscal growth factor is necessary to cover increased costs for the program.

2. Differences between the rule as adopted and the proposed rule:

There are no differences between the rules as adopted and proposed.

3. Comments on proposed rule:

The public comment period for this rulemaking began on April 6, 2021, and ended on May 11, 2021. There was one written comment received for this rulemaking.

A public hearing was held on May 11, 2021, at 9:00 a.m. by virtual and telephonic means (Microsoft Teams). No members of the public attended the public hearing.

Below is a summary of the comments received and L&I's responses.

General Comments	L&I Responses
Comment #1:	Response #1:
The proposed fee increase is based on the fiscal growth factor projections, which is the upper limit before Legislative action is required, not based on the L&I actual cost projections and budget. There is no evidence presented that the fiscal growth	Thank you for your comments. Electrical program staff work closely with staff from the agency budget manager's office to monitor and project program revenue, expenditures, and electrical license fund balance.

<p>factor projections are directly connected to L&I cost structure.</p> <p>There is reason to believe that L&I cost structure is not as high as the fiscal growth factor projections. Evidence of this is from the periodic “sweep” of the L&I Electrical funding accounts of “surplus” or un-spent funds into the General Fund, as has happened in the past, making the fees charged by the Electrical Department in part a tax.</p> <p>I would submit the increase in Electrical Fees be delayed until the Electrical Department has both completed and publicized their cost/service budgets and projections.</p> <p>More should be done to match actual and projected costs directly to fees charged.</p>	<p>In September 2020, the decision was made to pursue a fiscal growth factor increase. The decision was based on projections at that time indicating long-term concerns regarding future fund balance and the ability of the electrical program to maintain the level of service to our customers. Projected revenue for the 2021-2023 biennium was estimated to fall short of the \$56.7M budget authorized by the legislature by approximately \$5.6M or almost ten percent.</p> <p>Due to concerns of potential revenue shortfall and the decrease in electrical fund balance since October 2019, we have held back from filling selected vacant staff positions. L&I and the electrical board feel it is prudent at this time to pursue a fee increase to prevent further depletion of the fund balance, cuts in services by leaving positions vacant, or worse yet, layoffs of staff resulting in reduced levels of service to our customers.</p>
---	--