



Minnesota  
STATE COLLEGES  
& UNIVERSITIES

OFFICE OF THE CHANCELLOR

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## MEMORANDUM

**DATE:** March 15, 2007

**TO:** Presidents and Chief Academic Officers of colleges  
with Electrician Programs

Anoka Technical College  
Dakota County Technical College  
Hibbing Community College  
Lake Superior College  
Minneapolis Community and Technical College  
Minnesota State Community and Technical College  
Minnesota West Community and Technical College  
Northland Community and Technical College  
Northwest Technical College – Bemidji  
Ridgewater College  
Riverland Community College  
Saint Paul College  
St. Cloud Technical College

**FROM:** Manuel M. López  
Associate Vice Chancellor for Continuous Improvement

**SUBJECT:** Electrician Program Enrollment Units

I have been informed that Minnesota colleges are producing substantially more electricians than are needed, given both short- and long-term projections for annual job growth and replacement in the state. For 2006, the difference between available supply and demand is an estimated surplus of 612. A description of how this estimate was determined is provided below.

For our programs, I recognize that student interest has been high, and our related employment rates have been respectable--in the mid 80 percent to lower 90 percent range over the last couple of years. Though this level typically indicates a healthy program, it is a disservice to continue to substantially produce an oversupply of graduates. For this reason, and under the chancellor's authority to review programs (policy 3.10 – Academic Program Review), I am imposing the following requirements for electrician programs:

1. No new programs will be approved; and

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2. Beginning with FY08 and for subsequent years, you must set enrollment targets below the enrollment levels of the preceding fiscal year.

These requirements will remain in effect until the labor supply and demand is projected to be in balance by my office. This change in status will be communicated to you through a subsequent memo. Numerous factors will be used to determine the duration of these requirements and the possibility for adjustments for different regions of the state. I continue to consider how best to approach this determination using both internal and external inputs. The situation will be re-assessed each October.

To the extent practicable, my office will continue to improve the quality and availability of labor market data available for your use in program planning.

### **Supply-Demand Analysis**

In 2006, the Minnesota State Colleges and Universities produced 460 graduates and private institutions produced 119, for a total of 579. Many of these individuals gain employment through an apprenticeship arrangement, registered or informal. The estimated total number of graduates working as apprentice electricians, calculated by multiplying the number of graduates by the latest available related employment rate from the 2005 Graduate Follow-up Survey, equals 526. In addition to this number, there are high school graduates who receive technical training during an apprenticeship without attending a technical college program.

The DEED Labor Market Information Office (DEED-LMI) produces both long-term (2004-2014) and short-term (3<sup>rd</sup> quarter 2006-3<sup>rd</sup> quarter 2007) occupational projections. Their long-range projections for electricians show 360 average annual total new job openings due to growth and replacement. By the 3<sup>rd</sup> quarter of 2007, DEED-LMI is projecting a 1.3 percent decline (-1,948) in construction industry employment from a year earlier as specialty trade contractors slash their workforce. Their short-term projection is for a decrease in electrician employment of 162 or 1.4 percent.

A second measure of the surplus of electricians in the labor market is the number of unemployed individuals. For each of the last three years, average monthly unemployment for electricians has been approximately 1,000. The average number of unemployed electricians for the most recent 12 months ending January 2007 is 943. For the state's 11,200 electricians, this represents an 8.4 percent unemployment rate. Assuming a 4 percent unemployment rate as full employment, there is a net surplus of 495 electricians. Given the projected contraction in the construction industry this year, the number of unemployed electricians is expected to rise during 2007.

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While there is some double-counting if we add the new graduates entering the market (526) to the number of unemployed electricians above the full-employment level (495), the estimated available supply of electricians is 1,021. The estimated current demand is the current estimated number of electrician job vacancies, 49 (based on the Minnesota Job Vacancy Survey, DEED-LMI) plus the 360 projected annual total new job openings, equals 409. The difference between available supply and estimated demand is a surplus of 612.

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