

**Schedule 9: Expenditures Associated with Utility Operations**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

District Code: **991**

District Name: **Vernon College**

Assuming fuel costs have risen over the reporting period (FY06, FY07, FY08), are there any additional factors on your district that have affected energy expenditures? For example: Several new buildings came online; utility contracts expired, had to be renegotiated under less favorable terms?

Electric energy rate renegotiated by bids went up by \$. 03 per kWh from 2005-06 through 2007-08. Utilization of kWhs went down each year of this report. Natural gas rates have remained relatively constant although usage has dropped each year during this reporting period. More classes have been taught off the original campus in Vernon and therefore more vehicle travel has occurred increasing those costs over the reporting period for both instructor and administrative vehicle travel.

Assuming fuel costs have risen over the reporting period (FY06, FY07, FY08) and expenditures have increased, what effect has this had on your district? For example: New fees and increased tuition; increasing Maintenance and Operations *ad valorem* tax rates; fewer courses offered.

Fuel costs have risen for electricity and gasoline, but the natural gas costs per unit has remained fairly constant. The units consumed have decreased in both the electric and natural gas areas. Local tax revenue was not increased over the reporting period but a reallocation of expenditures in the physical plant area was made and the additional expenditures reduced the amount of funds allocated for utilization for deferred maintenance plans.

Any additional comments?

A performance contract for improvements in the physical plant area was signed with Johnson Controls, Inc in October 2002. The scope of the contract involved lighting equipment upgrades, HVAC equipment upgrades, HVAC controls upgrades, and water conservation. During the base year 3,696,681 kWhs were reported for the electric energy and 8,874 MCF for natural gas. The kWhs reported for the 2007-08 year represents a reduction of over 23% and natural gas MCFs were reduced by over 32% from the 2002-03 base year.