

## Issue Brief – Utility Rate Increases

UTAH STATE HOSPITAL

NUMBER DHS-07-10

### UTILITY RATE INCREASES

The Utah State Hospital (USH) has experienced increased costs in natural gas, electric and water over the past several years. USH is requesting an appropriation of \$235,000 with \$169,200 from General Funds, \$18,800 from dedicated credits and \$47,000 from federal Medicaid funds for FY 2007.

### OBJECTIVE

The goal of USH is to provide medical services for their patients in an efficient and effective manner.

### DISCUSSION AND ANALYSIS

The increase in utilities over time has forced the State Hospital to delay purchases or reallocated funding from other programs to cover the natural gas, electric and water expenditures. The following table shows the rate increases for FY 2004 and 2005 and the projected rate increases for FY 2006 and 2007:

Utah State Hospital Utility Expenditures						
	FY 2003 Actuals	FY 2004 Actuals	FY 2005 Actuals	FY 2006 Estimated	FY 2007 Estimated	Change from FY 2006 & 2007 (Rounded)
Natural Gas	\$421,000	\$432,958	\$483,906	\$525,957	\$646,402	\$120,000
Electricity	273,976	312,216	326,260	354,612	435,818	81,000
Water	105,668	126,924	135,673	147,463	181,232	34,000
Total	\$800,644	\$872,098	\$945,839	\$1,028,032	\$1,263,452	\$235,000

### RECOMMENDATION

It is the recommendation of the Analyst that the Utah State Hospital receive an appropriation of \$235,000 with \$169,200 from General Funds, \$18,800 from dedicated credits and \$47,000 from federal Medicaid funds for utility costs for FY 2007.