

Issue Brief – Utility Rate Increases

NUMBER USHE-14

SUMMARY

Costs for utilities at the institutions of higher education across the State have increased substantially in 2005, compared to 2004, while usage has remained relatively constant. Comparing utility bills for 2004 to bills from 2005, costs have increased by over \$5 million statewide. These increased costs are covered, but are absorbed at the expense of educational programs.

OBJECTIVE

Appropriations for increasing utility costs allow the USHE institutions to provide an environment conducive to the education of students.

DISCUSSION AND ANALYSIS

Although utility usage has not increased on the USHE campuses, costs have increased significantly. These increases were identified by comparing bills (both usage and costs) from 2004 and 2005. The bills in 2005 have increased statewide by \$5 million. These increases are prior to the increases announced in the past few months for the upcoming year. The increases, by institution are shown in the following table.

	<u>Electricity</u>		<u>Fuel</u>		<u>Total</u>	
	<u>% increase 2004 to 2005</u>	<u>Cost</u>	<u>% increase 2004 to 2005</u>	<u>Cost</u>	<u>% increase 2004 to 2005</u>	<u>Cost</u>
University of Utah	12%	\$1,662,500	12%	\$1,295,500	24%	\$2,958,000
Utah State University	30%	1,102,600	11%	0	20%	1,102,600
Weber State University	14%	184,700	16%	166,700	15%	351,400
Southern Utah University	0%	0	30%	180,300	7%	180,300
Snow College	0%	0	0%	0	0%	0
Dixie State College	2%	132,000	0%	0	2%	132,000
College of Eastern Utah	0%	0	19%	53,600	9%	53,600
Utah Valley State College	4%	49,500	2%	67,100	6%	116,600
Salt Lake Community College	6%	81,300	7%	48,300	6%	129,600
Total		<u>\$3,212,600</u>		<u>\$1,811,500</u>		<u>\$5,024,100</u>

There have been requests over the years for funding of past years' utility costs. This request uses 2004 as a beginning point and shows the actual increases incurred by the institutions in 2005 and forward.

The Analyst recommends that the Subcommittee discuss this concern and consider putting this item on its prioritization list for funding for both FY 2007 and as a supplemental for FY 2006.