

## Issue Brief – USHE Utility Rate Increases

NUMBER USHE-02

### SUMMARY

Costs for utilities at the institutions of higher education across the State have increased substantially in 2006, while usage has remained relatively constant. Comparing utility bills from 2005 to bills from 2006, costs have increased by \$7.5 million statewide. These increased costs have been 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 2005 and 2006. The bills in 2006 have increased statewide by \$7.5 million. The increases, by institution are shown in the following table.

<b>Utah System of Higher Education FY 2008 Utility Cost Increases</b>							
	<u>Electricity</u>		<u>Natural Gas</u>		<u>Total</u>		
	<u>% increase 2005</u>	<u>Cost</u>	<u>% increase 2005</u>	<u>Cost</u>	<u>% increase 2005</u>	<u>Cost</u>	
	<u>to 2006</u>		<u>to 2006</u>		<u>to 2006</u>		
University of Utah	24%	\$801,018	15%	\$2,651,882	19%	\$3,452,900	
Utah State University	12%	515,421	25%	1,018,879	18%	1,534,300	
USU - Uintah Basin	30%	49,400	0%	0	30%	49,400	
Weber State University	7%	100,048	24%	302,752	16%	402,800	
Southern Utah University	23%	189,433	28%	195,167	26%	384,600	
Snow College	4%	27,200	106%	555,500	49%	582,700	
Dixie State College	0%	0	69%	147,500	11%	147,500	
College of Eastern Utah	82%	155,675	8%	22,125	38%	177,800	
CEU - San Juan	0%	0	19%	4,200	6%	4,200	
Utah Valley State College	25%	483,000	0%	0	20%	483,000	
Salt Lake Community College	6%	91,052	19%	183,548	13%	274,600	
<b>Total</b>		<b><u>\$2,412,246</u></b>		<b><u>\$5,081,554</u></b>		<b><u>\$7,493,800</u></b>	

In addition, a shortage of \$1.6 million in the FY 2007 budget for utilities is anticipated. The following table shows the projected shortfall, by institution.

<b>Utility Cost Increases</b>	
<b>FY 2007</b>	
University of Utah	\$229,200
USU - Uintah Basin	70,800
Weber State University	111,500
Southern Utah University	135,300
Snow College	568,700
College of Eastern Utah	86,300
Utah Valley State College	246,900
Salt Lake Community College	154,900
<b>Total</b>	<b><u>\$1,603,600</u></b>

The Analyst recommends funding for utility rate increases at the various USHE institutions in the amount of \$7,493,800 for FY 2008 and \$1,603,600 as a FY 2007 supplemental.