

## UNITRANS UNDERGRADUATE FEE REFERENDUM

### ISSUE

Effective Fall 2019, do you approve a \$13.33 increase to the quarterly Unitrans Fee of \$6.00, followed by a \$24.00 increase to be implemented gradually over three years, followed by CPI adjustments thereafter, in order to provide continued unlimited ride bus service and maintain current service levels?

YES

NO

### OVERVIEW

This referendum will provide funding to maintain and improve upon current level of Unitrans bus service and for Return to Aid (funds provided for need-based Financial Aid). Fee revenue will provide funding to (1) continue unlimited undergraduate student access to Unitrans bus service and maintain current service levels; (2) comply with California's minimum wage laws and maintain operational staffing levels; (3) support enhanced driver training in order to expand extra capacity buses during crowded times and comply with Federal regulation requirements on driver training; and (4) improve maintenance practices of Unitrans fleet buses to reduce breakdowns that impact services.

The passage of this referendum will require voter turnout equal to at least twenty percent (20%) of the undergraduate student population and at least a sixty percent (60%) affirmative vote for approval.

If approved, the graduated fees outlined in this referendum will be assessed effective Fall Quarter, 2019.

### DESCRIPTION

**Unitrans:** The proposed Unitrans Fee increase will allow Unitrans to compensate student employees in accordance to the State of California mandatory minimum wage increase law (Senate Bill 3; Leno, Chapter 4, Statutes of 2016) that took effect on January 1, 2017. This fee increase will also allow Unitrans to expand extra capacity bus service to improve access, upgrade maintenance practices to reduce breakdowns, and enhance staff training to comply with additional Federal requirements.

The mandatory minimum wage increase, which escalates by \$1 an hour annually effective January 1, 2018, and results in a minimum wage of \$15 dollars an hour by January 1, 2022, has significantly increased Unitrans' operational expenses and is projected to deplete Unitrans' reserve balance by Fiscal Year 2021.

Unitrans receives funding from three separate student fee referenda: the Associated Students of UC Davis (ASUCD), Unitrans, and Campus Expansion Initiative (CEI) Fees. The current quarterly amounts are \$24.50, \$6.00, and \$4.00, respectively. Only the Unitrans Fee of \$6.00 per quarter would be modified under this proposal. The last time funding for Unitrans was increased from campus-based fees was in 2008. As indicated by the table below, the initial proposed Unitrans Fee increase of \$13.33 per quarter will begin in Academic Year 2019-20. The Unitrans Fee will increase each year through Academic Year 2022-23. Beginning Academic Year 2023-24 and beyond, the Unitrans Fee will be adjusted annually by the consumer price index (CPI) escalator used by the Council on Student Affairs and Fees (COSAF).

If approved, increases as specified in the table below will allow Unitrans to comply with the State of California mandatory wage increase law while maintaining and improving upon current Unitrans service levels and ensuring unlimited access to Unitrans bus service for all registered UC Davis undergraduate students.

### Proposed Unitrans Fee Increase

*all amounts are per academic year quarter*

<b>Current Unitrans Fee</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-</b>
Unitrans Operations	\$4.50	\$4.50	\$4.50	\$4.50	+CPI
Return to Aid*	\$1.50	\$1.50	\$1.50	\$1.50	+CPI
	\$6.00	\$6.00	\$6.00	\$6.00	+CPI
<b>Proposed Unitrans Fee Increase</b>					
Unitrans Operations	\$10.00	\$16.00	\$22.00	\$28.00	+CPI
Return to Aid*	\$3.33	\$5.33	\$7.33	\$9.33	+CPI
	\$13.33	\$21.33	\$29.33	\$37.33	+CPI
<b>Total Proposed Unitrans Fee</b>					
Unitrans Operations	\$14.50	\$20.50	\$26.50	\$32.50	+CPI
Return to Aid*	\$4.83	\$6.83	\$8.83	\$10.83	+CPI
Total	\$19.33	\$27.33	\$35.33	\$43.33	+CPI

\*See reference for Return to Aid below

**Summer Fees:** The Unitrans Fee will continue to be charged on a prorated basis to students enrolling in summer sessions. Therefore, summer campus fees will increase to reflect the academic year fee increases proposed above.

### Initiative Provisions – Unitrans Undergraduate Fee Referendum

**Advisory Vote –** The outcome of the vote shall be advisory to the Vice Chancellor for Student Affairs, the Chancellor, and the President of the University of California.

**Voting** – “Minimum voting pools” have been determined in accordance with University regulations. A minimum voter turnout of twenty percent (20%) of the undergraduate student population is required for a valid vote. The exact number of undergraduate students required will be provided by the University Registrar in advance of the election, and will be based on the Winter Quarter 2019 census data. In addition, this referendum requires ratification by at least sixty percent (60%) affirmative vote for approval.

**Oversight** – Currently, Unitrans’ annual budget process includes the following oversight: (1) the Unitrans Advisory Committee, appointed by the City of Davis reporting to the Davis City Council, and comprised of UC Davis undergraduates and community members, reviews the budget, and (2) the ASUCD Senate reviews the budget, with approval requiring a two-thirds vote and approval by the ASUCD President. Further, all Unitrans revenues and expenditures are reviewed and audited by the State of California annually and by the Federal Government every three years. Starting in Academic Year 2023-24, COSAF will review the uses of the Unitrans Fee.

**Life of Fee** – This fee does not have an “expiration” date and will continue to be assessed unless altered through referendum or other permissible action.”

**Adjustment of Fee** – After Academic Year 2022-23, the Unitrans Fee will be adjusted annually by the CPI escalator used by COSAF. Other than the CPI adjustment, any increase to this fee would require a future referendum or other permissible action as specified by University of California and UC Davis policies and procedures.

**Use of Funds Derived from the Fee** – This fee will support wage increases necessary to comply with California minimum wage laws while maintaining and improving upon current Unitrans service levels and ensuring unlimited access to Unitrans bus service for all registered UC Davis undergraduate students. This fee increase will also allow Unitrans to expand extra capacity bus service to improve access, upgrade maintenance practices to reduce breakdowns, and enhance staff training to comply with additional Federal requirements. Finally, this fee increase will permit Unitrans to rebuild an appropriate budgetary reserve to buffer future years from unexpected costs without impacting bus service levels.

**Return to Aid Funds** – Twenty five percent (25%) of this fee will support financial aid for those undergraduate students with the greatest financial need.