Introduced to the Senate Floor

on January 10, 2019.



ASUCD SENATE BILL #31

Authored by: HACKER

Co-authored by: Gofman

Introduced by: Hacker

Referred to: Internal Affairs Commission, Business and Finance Commission

Recommended by: Internal Affairs Commission Do Pass as Amended, 6-0-0, on

January 14, 2019. Yes: Conjuico, Ganz, Lo, Nibbelin, Sarabia-Gil, Waksman.

An ASUCD Senate Bill to place the following Unitrans Undergraduate Fee Referendum on the Winter 2019 ASUCD Ballot.

Background: Unitrans, the ASUCD operated public transit bus system that serves UC Davis and the Davis community, is experiencing rising operational costs due to State mandated annual minimum wage increases. The State minimum wage is currently $11 per hour and will increase $1 per hour per year until January 2022 when the minimum wage will reach $15 per hour. Unitrans has been operating with an annual operating deficit for two (2) years, relying on reserve funds to maintain current service levels. The deficit is projected to continue to increase and Unitrans’ reserves will be depleted by next academic year, 2019-20. Without additional funding, Unitrans service will need to be reduced by 25-30% in the next two years.

Currently, 90% of Unitrans daily passengers are registered UC Davis undergraduate students. The service is funded approximately half and half between undergraduate students through supportive fee referenda over the last 28 years and through the City of Davis. City of Davis revenues have increased over time however student fee revenue only increases with enrollment and not with rising prices or revenues.

In addition to the proposed undergraduate fee referendum, we are also proposing to add graduate students provide Unitrans support. Graduate students currently do not pay a quarterly fee and as a result cannot board Unitrans without paying a fare or buying a pass. If graduate students place the proposed referendum on their ballot and pass the referendum, then the additional funding needed to support Unitrans per registered student will be reduced.

The proposed fee referendum to support Unitrans service increases the current quarterly fee by $13.33 in fall 2019, followed by a $24.00 increase to be implemented gradually over three years followed by CPI adjustments thereafter in order to provide continued unlimited bus service and maintain current service levels. If the Graduate Student Association (GSA) votes and approves the fee, the current quarterly fee will increase by $8.00 in fall 2019, followed by a $22.00 increase to be implemented gradually over three years followed by CPI adjustments thereafter.

Section 1. The ASUCD Senate hereby places the following Unitrans Undergraduate Fee Referendum on the Winter 2019 ASUCD Ballot:

**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 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*

|  |  |
| --- | --- |
| **Proposed Unitrans Fee Increase** *(all amounts are per academic year quarter)* | |
| **Current Unitrans Fee** | | **2019-20** | | 2020-21 | | | 2021-22 | | 2022-23 | | |  |
| Unitrans Operations | | $4.50 | | $4.50 | | | $4.50 | | $4.50 | | |  |
| Return to Aid\* | | $1.50 | | $1.50 | | | $1.50 | | $1.50 | | |  |
|  | | $6.00 | | $6.00 | | | $6.00 | | $6.00 | | |  |
| **Proposed Unitrans Fee Increases** | | | |  |
| Unitrans Operations | | $10.00 | | $16.00 | | | $22.00 | | $28.00 | | |  |
| Return to Aid\* | | $3.33 | | $5.33 | | | $7.33 | | $9.33 | | |  |
|  | | $13.33 | | $21.33 | | | $29.33 | | $37.33 | | |  |
| **Total Proposed Unitrans Fee** | |  | |
| Unitrans Operations | | $14.50 | | $20.50 | | | $26.50 | | $32.50 | | |  |
| Return to Aid\* | | $4.83 | | $6.83 | | | $8.83 | | $10.83 | | |  |
| Total | | $19.33 | | $27.33 | | | $35.33 | | $43.33 | | |  |
|  |  | |  | | |  | |  | |  |

**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

Section 2. Should the Unitrans Graduate Fee Referendum reach the required threshold for its passage, the ASUCD Senate hereby places the following Unitrans Undergraduate Fee Referendum on the Winter 2019 ASUCD Ballot in lieu of the Unitrans Undergraduate Fee Referendum outlined in Section 1:

**UNITRANS UNDERGRADUATE FEE REFERENDUM**

ISSUE

Effective fall 2019, do you approve a $8.00 increase to the quarterly Unitrans Fee of $6.00, followed by a $22.00 increase to be implemented gradually over three years, followed by CPI adjustments thereafter, in order to provide continued unlimited 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*

|  |  |
| --- | --- |
| **Proposed Unitrans Fee Increase** *(all amounts are per academic year quarter)* | |
| **Current Unitrans Fee** | | **2019-20** | | 2020-21 | | | 2021-22 | | 2022-23 | | |  |
| Unitrans Operations | | $4.50 | | $4.50 | | | $4.50 | | $4.50 | | |  |
| Return to Aid\* | | $1.50 | | $1.50 | | | $1.50 | | $1.50 | | |  |
|  | | $6.00 | | $6.00 | | | $6.00 | | $6.00 | | |  |
| **Proposed Unitrans Fee Increases** | | | |  |
| Unitrans Operations | | $6.00 | | $11.50 | | | $17.00 | | $22.50 | | |  |
| Return to Aid\* | | $2.00 | | $3.83 | | | $5.67 | | $7.50 | | |  |
|  | | $8.00 | | $15.33 | | | $22.67 | | $30.00 | | |  |
| **Total Proposed Unitrans Fee** | |  | |
| Unitrans Operations | | $10.50 | | $16.00 | | | $21.50 | | $27.00 | | |  |
| Return to Aid\* | | $3.50 | | $5.33 | | | $7.17 | | $9.00 | | |  |
| Total | | $14.00 | | $21.33 | | | $28.67 | | $36.00 | | |  |
|  |  | |  | | |  | |  | |  |

**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.

Finance: No Appropriation: None Vote: Majority