

FEE REFERENDUM

PROPOSED Associated Students of UC Davis (ASUCD) BASE FEE REFERENDUM

ISSUE

Effective Fall 2020, do you approve of a \$18.00 increase (25 percent of which will be used for Return to Aid) to the quarterly ASUCD base fee of \$8.00, for a total of \$26.00 per quarter plus CPI, followed by a \$7.50 annual increase beginning Fall 2021 and ending Spring 2031, with CPI adjustments throughout this period and thereafter in order to provide for: continued ASUCD operations, services, and events, and opportunities for expansion of services?

YES NO

DESCRIPTION

This fee referendum will be imposed upon all members of ASUCD in order to maintain and effectively expand the ability of ASUCD to properly provide services to its students. This fee increase would be able to (1) keep up with minimum wage increases and 12.5% annual increases to salaries and stipends, which together account for more than a quarter-million dollar increase to ASUCD's operational expenses annually (2) restore some of the cuts/deletions that were made this 2019-2020 fiscal year, (3) expand current programs and services of ASUCD units and committees (including but not limited to: the Mental Health Initiative, ASUCD D.R.E.A.M. Committee, the Entertainment Council, Campus Center for the Environment), and (4) provide a 25% Return to Aid that will provide financial aid for those undergraduate students with the greatest financial need.

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 fee increases outlined in this referendum will be assessed effective Fall Quarter, 2020.

ASUCD UNDERGRADUATE FEE REFERENDUM

OVERVIEW

ASUCD had incurred over a \$500,000 deficit this year. ASUCD's income is stagnant due to a standard \$8.00 fee per undergraduate student that has remained unchanged since 1979. Factors such as inflation, the increased cost of goods sold, and higher state minimum wage and stipend pay have significantly increased ASUCD's operational expenses. In the past, campus population growth prevented ASUCD from needing to make these increases, however for the past several years and for the foreseeable future, the undergraduate population has not and is not expected to grow fast enough for ASUCD to continue its operations. This referendum will provide funding towards: (1) increased costs for the salaries and stipends of the more than 1,000 students employed by ASUCD, (2) advocacy units to improve basic needs services like mental health and food insecurity, (3) entertainment services such as Entertainment Council which provide an essential aspect of student life at UC Davis, (4) a 25% return to aid fund that would provide for students with need-based financial aid.

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 fee increases outlined in this referendum will be assessed effective Fall Quarter, 2020.

DESCRIPTION

ASUCD currently oversees the operations of twenty (20) units and nineteen (19) committees. As a 501(c)(3) non-profit organization, ASUCD is structured to provide services, leadership opportunities, and essential basic needs to the UC Davis campus, as well as the City of Davis.

ASUCD receives funding through two (2) main sources: (1) income from commercial activities e.g. Coffee House, Picnic Day, Refrigerator Services, Sunset Fest by Entertainment Council, and the Whole Earth Festival, (2) the ASUCD base fee of \$8.00 per undergraduate student per quarter. These two sources of income are collected into ASUCD's general fund, and then distributed to the units and committees during Budget Hearings each Spring Quarter.

Only the ASUCD base fee will be modified under this proposal. The ASUCD base fee has not increased since 1979 when it increased from \$7.00 to \$8.00 per quarter. The initial proposed ASUCD fee increase of \$18.00 per quarter will begin in Academic Year 2020-2021. As indicated in Table 1 and Table 2 below, beginning Academic Year 2021-2022 and ending spring quarter of Academic Year 2030-2031, the ASUCD fee will increase by \$7.50 annually. Beginning in Academic Year 2020-2021 and thereafter the ASUCD fee will be adjusted annually by the San Francisco Bay Area Consumer Price Index (CPI) escalator used by the Council on Student Affairs and Fees (COSAF).

Table 1: Fee Increase Projections (Per Quarter)

Year	Base Fee Increase	Total*	Return to Aid
Current Base Fee	\$0.00	\$8.00	\$0.00
Year 2020-2021	\$18.00	\$26.70	\$6.68
Year 2021-2022	\$7.50	\$35.13	\$8.78
Year 2022-2023	\$7.50	\$43.78	\$10.94
Year 2023-2024	\$7.50	\$52.66	\$13.17
Year 2024-2025	\$7.50	\$61.79	\$15.45
Year 2025-2026	\$7.50	\$71.16	\$17.79
Year 2026-2027	\$7.50	\$80.78	\$20.19
Year 2027-2028	\$7.50	\$90.66	\$22.67
Year 2028-2029	\$7.50	\$100.81	\$25.20
Year 2029-2030	\$7.50	\$111.24	\$27.81
Year 2030-2031	\$7.50	\$121.94	\$30.49
Year 2031-2032	\$0.00	\$125.24	\$31.31
Year 2032-2033	\$0.00	\$128.62	\$32.15

* = Assumed constant CPI of 2.7% (Average CPI 2009-2019)

Table 2: Fee Increase Projections (Total)

Gross Income (GI)/Year	GI (SS1+SS2)	Net Revenue Increase	Return to Aid
\$742,896.00	\$46,004.00	\$0.00	\$0.00
\$2,479,601.12	\$153,549.85	\$1,014,338.04	\$253,584.51
\$3,261,819.91	\$201,988.92	\$1,471,199.86	\$367,799.96
\$4,065,158.60	\$251,735.85	\$1,940,396.95	\$485,099.24
\$4,890,187.44	\$302,825.94	\$2,422,262.36	\$605,565.59
\$5,737,492.06	\$355,295.47	\$2,917,138.14	\$729,284.53
\$6,607,673.90	\$409,181.68	\$3,425,375.56	\$856,343.89
\$7,501,350.65	\$464,522.81	\$3,947,335.40	\$986,833.85
\$8,419,156.67	\$521,358.15	\$4,483,388.15	\$1,120,847.04
\$9,361,743.45	\$579,728.05	\$5,033,914.32	\$1,258,478.58
\$10,329,780.08	\$639,673.93	\$5,599,304.71	\$1,399,826.18
\$11,323,953.70	\$701,238.35	\$6,179,960.63	\$1,544,990.16
\$11,629,700.45	\$720,171.79	\$6,358,534.73	\$1,589,633.68
\$11,943,702.36	\$739,616.42	\$6,541,930.33	\$1,635,482.58

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, ASUCD’s annual budget process includes the following oversight: (1) the ASUCD Management Team (consisting of the President, the Internal Vice President, the Controller, the Vice Controller, and the ASUCD Business Manager), (2) the unit and committee directors, who, along with their adopted ASUCD Senators, determine estimates of income and expense each year and prepare budgets for their units or committees respectively with the ASUCD Management Team, (3) for all media units, budgetary oversight is performed by Media Board which derives its authority from the Vice Chancellor of Student Affairs, and (4) the ASUCD Senate reviews the budget, with approval requiring a two-thirds vote and approval by the ASUCD President.

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 2021-2022, the ASUCD fee will be adjusted annually by the CPI escalator derived by BIA and used by COSAF. Other than the CPI adjustment, any additional increases not previously stated 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 maintain compliance with California minimum wage laws while maintaining current ASUCD services that are essential to student life on the

UC Davis campus. This fee would also expand upon current ASUCD operations, and further fund units that were negatively impacted this 2019-2020 fiscal year. Lastly, this fee would allow ASUCD to expand its regular contribution towards the Net Revenue Fund, Capital Reserves, and Technology Reserves, will permit ASUCD to rebuild an appropriate budgetary reserve to buffer future years from unexpected costs without impacting student employment and services.

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