

## UNITRANS UNDERGRADUATE FEE REFERENDUM

### OVERVIEW

This referendum will provide funding to maintain and improve upon current level of Unitrans bus service and a Return to Aid (funds provided for Financial Aid to offset fees created by this referendum). In addition, this referendum will provide funding to (1) continue unlimited undergraduate student access to Unitrans and to YoloBus regular scheduled bus service; (2), support enhanced driver training in order to expand extra capacity buses during crowded times and comply with Federal regulation requirements on driver training; and (3) upgrade maintenance practices of Unitrans fleet buses to reduce breakdowns that impact services to students.

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:** This 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. 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 will cause a depletion of Unitrans' reserve balance by Fiscal Year 2021. If approved, this new fee will allow Unitrans to comply with the State of California mandatory wage increase law while maintaining and improving upon current Unitrans service levels ensuring unlimited access to Unitrans and YoloBus regular scheduled bus service for all registered UC Davis undergraduate students. This new fee 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 upcoming Federal regulation requirements. Finally, this new fee will permit Unitrans to establish an appropriate budgetary reserve amount to buffer future years from unexpected costs without affecting bus service levels for students.

As indicated by the table below, the initial proposed fee increase of \$20 per quarter to fund the operational deficit created by the State mandatory minimum wage law will begin in Academic

Year 2019-20. The Unitrans graduated fee will increase marginally per quarter per year through Academic Year 2022-23 when the mandatory minimum wage reaches \$15/hour. Beginning Academic Year 2023-24 and beyond, the Unitrans fee will increase only by the consumer price index (CPI) assigned during that academic year.

<b>Fees Per Quarter</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-Beyond</b>
Current Unitrans Fee	\$34.50	\$34.50	\$34.50	\$34.50	\$34.50
Fee Increase	\$15	\$19	\$22	\$25	TBD
Return to Aid	\$5	\$6.33	\$7.33	\$8.33	TBD
Total Fee Increase	\$20	\$25.33	\$29.33	\$33.33	TBD
New Unitrans Fee	\$54.50	\$59.83	\$63.83	\$67.83	+ CPI

**Return to Aid:** The undergraduate fee will provide funding to support those students with the greatest financial need (those who are eligible for support from Pell Grants). The Financial Aid and Scholarships Office will allocate any remaining balance of the return to aid funds based on student need.

### **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.

**Life of Fee –** This fee does not have an “expiration” date after which the fee is void. As such, this fee will continue in perpetuity unless it is altered through a future referendum.

**Adjustment of Fee –** After Academic Year 2022-23, a CPI escalator is included in the fee referendum for subsequent years. Other than the CPI, any adjustment to this fee would require a future referendum.

**Use of Funds Derived from the Fee –** This fee will be collected to maintain and improve upon current Unitrans service levels, ensuring unlimited access to Unitrans and YoloBus regular scheduled bus service for all registered UC Davis undergraduate students. This new fee 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 upcoming Federal regulation requirements. Finally, this new fee will permit Unitrans to establish an appropriate budgetary reserve amount to buffer future years from unexpected costs without impacting bus service levels for students.

**Interest Income** – All interest income earned from fees generated by this referendum will be made available to spend on the projects described in the ballot.

**Return to Aid Funds** – This fee will provide funding available in Academic Year 2019-20 (and thereafter) of twenty five percent (25%) of this fee annually to support first those undergraduate students with the greatest financial need (those who are eligible for support from Pell Grants). Secondly, any balance of the return to aid funds will be allocated by the Financial Aid and Scholarships Office based on undergraduate student need.

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