Title: The Ink Initiative Student Fee

Primary Proponent: Michelle Pitcher

Introductory Statement

The Daily Californian, UC Berkeley's paper of record since 1871, would use funds from the Ink Initiative to sustain its printing and distribution operations as well as continue to grow its digital capacities. The newspaper delivers breaking campus news information to students, faculty and staff at no cost. The Daily Cal would be able to continue training students in journalism, business and technology with the support of the fee. Because the Daily Cal is independent from the ASUC and university (see attachments 1, 2 and 3), there is no sponsoring campus unit.

Background

The Ink Initiative fee would provide the Daily Cal with the financial support necessary to maintain a successful daily print newspaper and continue the full extent of the journalism training it currently gives to UC Berkeley students, until at least 2022.

A $2 per semester fee, passed as the V.O.I.C.E referendum in 2012, already transmits about $93,800 of annual revenue to the Daily Cal. About 60 percent of participating students voted to approve the initiative. The purpose of this fee was to help the Daily Cal in its struggle to stay alive amid rapid shifts in journalism, a struggle that continues to be felt by independent print newspapers across the industry. But V.O.I.C.E will expire in 2017, thus leaving a void in the paper's pool of necessary funding. The proposed Ink fee would begin in 2017 after the expiration of V.O.I.C.E. with the main purpose of filling this void for five more years. As a $2.50 semesterly fee, the Ink Initiative would help us slightly cut down our year-to-year deficit.

Since 2011, the Daily Cal has explored numerous cost-cutting and revenue-boosting efforts as potential alternatives to replacing V.O.I.C.E with the currently proposed fee. Below is a breakdown of the main alternatives the Daily Cal has pursued, including reasons why none is a robust enough financial remedy to save the newspaper from risking fundamental cuts to its services.

1. Cutting personnel costs

Our expenses have declined from $915,853.54 in FY 2011-12 to $787,880.00 in FY 2014-15 primarily because of dramatic reductions in paid professional staff. Since the V.O.I.C.E. Initiative, we let go of our professional publisher and development director. Our remaining paid professional staff have not been cut because they are essential to the paper's operation.

2. Increasing advertising sales

We are beginning to offer new products to advertisers, including native advertising and increased mobile and desktop placement options. But because of industry trends, our cost-cutting measures have not been enough to offset our revenue losses.

3. Eliminating days of print
About 70 percent of the Daily Cal's revenue continues to come from print advertising. Cutting days of print (which we last did in 2008 with the cutting of the Wednesday newspaper) is not currently an option on the table because doing so would take away our main source of revenue, shrink our business, take away a valuable training ground for layout designers and distribution analysts, and make us ineligible for awards granted to daily student publications (defined by most as four days per week or more).

Fee initiatives for student newspapers are relatively common. The New University (UC Irvine), the Daily Nexus (UC Santa Barbara) and the Daily Bruin (UCLA) are just some of the independent student newspapers that receive funding in the form of student fees, which are very similar to that of V.O.I.C.E.

Should the Ink Initiative not be approved, the Daily Cal will need to make dramatic cuts in 2017, which could include scrapping the print edition entirely.

Purpose of the Fee

The money will go toward printing and distribution costs as well as the costs of maintaining and improving our content on dailycal.org. Students can expect a continual growth of our multimedia offerings — which include more data visualizations, videos, interactive infographics and online-only blog content. The fee would secure the Daily Cal's ability to make available to students more than 500,000 free newspapers per semester, in addition to more than 20,000 copies of special issues. The paper's content encompasses arts and sports coverage, student columns, breaking news and investigative news stories. The fee would fund innovations to the newspaper's online content, which is updated on dailycal.org on a 24-hour cycle. Online projects we've put out recently include interactive maps detailing crime and bicycle accident rates near campus, an audio-based examination of the public university and footage from local protests such as the Black Lives Matter demonstrations.

Additionally, any UC Berkeley student (graduate or undergraduate) can apply to join the Daily Cal, meaning that the fee money would also bolster a training ground in reporting, graphic design, marketing, web development and a variety of other skills.

Breakdown of the Fee

This $2.50 per student per semester fee will apply to both undergraduates and graduates. Summer students will not pay this fee. It will be first collected the fall semester of 2017 and be last collected the spring semester of 2022. It will replace the $2 V.O.I.C.E fee, which began in fall of 2012 and will end in spring of 2017.

One third — i.e., $0.83 per student, per semester — of the fee will go toward financial aid. This translates into about $32,000 out of the total $95,500 of semesterly revenue the fee is estimated to bring in, assuming a student population of 38,204. No portion of the fee will go to campus units or third-party service providers; all of it will go to the Independent Berkeley

Student Publishing Company, which licenses the name "the Daily Californian" from the UC Regents and which is a registered student organization (RSO) with the LEAD Center.

Inflation Adjustment

The Ink Initiative Student Fee will be adjusted for inflation annually using the following procedure starting in academic year 2017-2018. The fee will not increase over the fee lifetime except for the annual inflation adjustment.

The annual rate of inflation will be based on the monthly San Francisco Area Consumer Price Index (SF-CPI), released by the Bureau of Labor Statistics. The annual rate of inflation will be calculated by comparing the percentage difference of the SF-CPI of January (or the nearest month, if none is published for January) directly preceding the academic year with the SF-CPI of January (or the nearest month, if none is published for January) of the previous year. For example, the inflation rate for the academic year 2017-2018 will be calculated by comparing the SF-CPI of January 2017 to the SF-CPI of January 2016.

If there is negative inflation (deflation) in a certain year, the fee shall not be adjusted. The fee shall not be adjusted in subsequent years until the SF-CPI recovers to above its previously highest level.

The University Registrar, based on the guidelines described above, will propose the annual Ink Initiative Student Fee adjustment for approval by the Chancellor's Advisory Committee on Student Services and Fees.

Oversight of the Fee

The reallocation of the fee money from the ASUC will be decided solely by The Independent Berkeley Student Publishing Company Inc. Board of Directors.

An oversight committee will meet at least two times a year to examine the fee money's allocation and to produce an annual report to the Chancellor, ASUC, and public. The oversight committee will have no decision making power in how the fee money is spent. Meetings of this committee will be open to the public and be publicly noticed in *The Daily Californian*. The committee shall consist of:

- All members of The Independent Berkeley Student Publishing Company Inc. Board of Directors. This board is composed of The Daily Cal Editor in Chief, Daily Cal alumni, UC Berkeley faculty, and working news media professionals
- One UC Berkeley student selected by the Committee on Student Fees
- One UC Berkeley student selected by the ASUC Senate
- One UC Berkeley student selected by the Graduate Assembly

The Independent Berkeley Student Publishing Company Inc. will release any external or internal audits and all tax filings to the public on at least an annual basis. The Independent Berkeley Student Publishing Company Inc. will release any financial reports regarding the use of the fee money to the public on at least an annual basis.

Ballot Language

The following language will be placed on the spring 2016 ASUC ballot for a vote of the student body:

"The Ink Initiative Fee, a $2.50 per semester fee assessed to all students in the spring and fall semesters, would provide The Daily Californian, Berkeley's independent newspaper, with the financial support necessary to (1) continue printing and distributing free newspapers across the campus and surrounding areas and (2) expand its online capacities (3) maintain itself as a training ground for UC Berkeley students in reporting, graphic and web design, and business operations. The Ink Initiative, subject to an annual inflation adjustment based on the San Francisco Area Consumer Price Index, would last for five years — beginning in fall 2017 and ending in spring 2022 — with 33 percent returning to financial aid for all students. It would not apply to students during the Summer Session. Do you approve this $2.50 semesterly fee?"