

Case Study: Air Travel Mitigation Fund

Nurit Katz, Renee Fortier, October, 2019

UNIVERSITY OF CALIFORNIA LOS ANGELES

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Synopsis The University of California, Los Angeles (UCLA) is piloting an Air Travel Mitigation Fund to reduce the impact of greenhouse gas (GHG) emissions from business-related air travel. The pilot began in January 2018 and will run through December 2020. Here's how it works: UCLA charges a carbon mitigation fee for every flight itinerary purchased for university business travel. The fees, which are mandatory, are \$9 per domestic trip and \$25 per international trip. A traveler's university department pays the fee during the travel reimbursement process and the monies go into the Air Travel Mitigation Fund (ATMF). UCLA will use the ATMF to invest in on-campus energy-efficiency projects and renewable energy installations that reduce GHG emissions. All UCLA schools and divisions are eligible to apply for ATMF funding to support these projects.

The University of California (UC) system committed to achieving carbon neutrality for all building and vehicle fleet emissions by 2025, and all mobile source emissions (such as air travel and commuting) by 2050. The projects funded through the ATMF will help UCLA meet these commitments.

Primary stakeholders involved A team of MBA students from the Presidio Graduate School conducted the initial baseline research, with consultation from the University of California Office of the President (UCOP) Office of Sustainability, the UCLA Sustainability Committee, and the UCLA Council of Deans. Once the idea was formalized and had support, the UCLA Events & Transportation Department collaborated with Corporate Financial Services to develop the ATMF program. The UCLA Sustainability Office will administer and manage the three-year pilot.

Timeline

Concept development: UCLA undertook the initial study in 2015.

Pilot program implementation: January 2018–December 2020.

In 2020 UCLA will evaluate the pilot and make a decision about a permanent program.

Scope The carbon mitigation fees apply to all air travel undertaken for university business, with the exceptions of student travel for study abroad programs and student travel on UCLA Athletics charter flights. UCLA chose to exclude student trips in order to simplify the program and facilitate its launch. Grant-funded travel is also excluded, as the federal government currently prohibits federal contracts and grant accounts from being charged a carbon fee. UCLA provides an option for travelers to designate another account to which the fee may be charged if the travel occurs on an ineligible account. Thus far, the voluntary option has yielded very few contributions.

The pilot program garnered approximately \$185,000 for the ATMF during 2018, the first year of operation. Approximately \$67,000 is from international trips and \$118,000 is from domestic trips.

Carbon price UCLA staff considered tying carbon fees to exact air miles traveled, but opted for a simpler approach for administrative ease: \$9 per domestic round trip and \$25 per international round trip. The ATMF development team conducted a review of practices across the country and found the burden of computing GHG emissions by miles traveled had slowed, and sometimes stalled, similar programs at other universities. Emissions related to takeoff and landing complicate this method, as do unexpected variables like flight changes due to weather. Additionally, the two-tiered flat fee fit readily within the

existing administrative infrastructure: the university travel reimbursement system already differentiated between domestic and international travel.

The team selected fees of \$9 and \$25 based on the projected cost of purchasing offsets for domestic and international flight GHG emissions through the California cap-and-trade program.

Development process The core ATMF development team included the UCLA Transportation Office, the student team from the Presidio Graduate School, and the UCLA Corporate Financial Services/Travel Office. During the development process, which took place in 2015, the ATMF team also consulted with university senior leadership, Deans, the Office of Contract and Grant Administration, the UCLA Sustainability Committee, and the UCOP Office of Sustainability.

The team analyzed data showing the university's GHG emissions from air travel—which annually surpassed emissions from the campus' fleet of over 1,000 vehicles—and what it would cost to offset those emissions. They used the Clean Air/Cool Planet calculator (now called [SIMAP](#)) to calculate these emissions and the California cap-and-trade program's projected cost of carbon to determine costs for offsetting. The team also used data from a graduate student survey of programs around the country that found voluntary programs garnered very few offsets. Based on this, the ATMF team suggested making the air travel mitigation program mandatory.

Once the data was collected, UCLA Transportation presented the proposed air travel mitigation program to the UCLA Sustainability Committee. After a robust discussion, the Sustainability Committee endorsed the concept, with one caveat. In order to keep funds and benefits within the UC system and maintain oversight, the Committee required all funds to be used for emissions-reducing projects on the UCLA campus rather than for the purchase of verified offsets from different locales and organizations.

The team then took the proposal to the executive level. The Executive Vice Chancellor supported the concept and advised that the next step would be to present to the Council of Deans, which the team did—twice, to accommodate all their questions. The team then met separately with the administrative departments that would be the most impacted by the proposed fees, such as Intercollegiate Athletics. (While student athlete travel is exempt from the program, flights for employees of the Athletics Department are not.) These meetings, which took place in 2016, helped achieve greater understanding of, and buy-in for, the program.

UCLA Transportation then worked with Corporate Financial Services during the following year to design a process for collecting carbon mitigation fees through the travel reimbursement system. This required programming the system to include the fee on all travel charged to eligible account numbers. UCLA chose this method of collecting fees because all employees who pay for travel already go through this travel reimbursement system.

A few months before launch date, the team presented the ATMF program at the quarterly CFO meeting, which included CFOs from all UCLA departments. The CFOs, greatly impressed with the concept, applauded the presentation.

Collection and use of funds UCLA collects carbon mitigation fees through the university's travel reimbursement process. The fees (of \$9 or \$25) are levied on the university department in which the traveler is housed, not to the individual traveler. Each itinerary is billed one fee, regardless of layovers. The UCLA Sustainability Office administers the ATMF program.

UCLA will invest all funds collected from carbon mitigation fees in on-campus projects that result in lasting and measurable GHG emissions reduction. Funds collected during the initial three-year pilot will be used specifically for energy efficiency and renewable energy projects. UCLA schools and divisions are

eligible to apply for ATMF funding to implement emissions-reduction projects. A subcommittee of the UCLA Sustainability Committee, the ATMF Project Review Committee, will consider each proposal. Proposed projects must include demonstrable, achievable GHG emissions reduction. The UCLA Sustainability Committee will review projects recommended by the Project Review Committee, and then projects will be submitted for final review to the Executive Sustainability Committee. The UC Office of the President also has the authority to review projects and audit ATMF management.

Key implementation notes The ATMF development team notes that sufficient political will among university staff was crucial in order to successfully implement the program. This included having at least one executive-level champion, and a high-level staff member to organize and promote the effort.