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MEMORANDUM

DATE: February 12, 2014

TO: Budget Advisory Committee

FROM: Dorothy Leland, Chancellor

RE: Budget Advisory Committee Charge & Structure

Pursuant to Standing Order 100.6, the Board of Regents has designated the Chancellor to be the chief campus officer and executive head of campus activities. The Standing Order also provides that “decisions made by the Chancellor in accordance with the provisions of the budget and with policies established by the Board or the President of the University shall be final.” The authority to provide allocations of funds from all campus resources is therefore vested in the Chancellor.

The campus has established various committees to advise me on different aspects of the budget. Existing campus committees include:

- The Budget Advisory Committee
- Committee on Academic Planning and Resource Allocation (CAPRA)
- Student Fee Advisory Committee (SFAC)
- Recharge Committee
- Course and Miscellaneous Fees Advisory Committee

Historically, the campus budget office has managed the process for the establishment of budgets for general funds of the State of California and University of California, as well as tuition and fees. Accounting Services has managed the process for the establishment and implementation of the budget for gift and endowment, auxiliary, sales and services, and miscellaneous income. Research Accounting Services has managed the process for the establishment and implementation of the budget for all restricted contract and grant funds.

In order to enhance administrative efficiencies and evaluate opportunities to gain from economies of scale, the campus must streamline our advisory committee structure and budget process management.

Committee Advisory Structure. Over the next several years, campus financial planning will need to focus on the implementation of the campus long-range enrollment plan. This includes continued focus on the development of our undergraduate, graduate and research programs, consistent with the Strategic Academic Focusing Initiative currently underway. In addition, we must plan for the development and financing of the capital facilities necessary to accommodate continued growth of the campus to 10,000 students by 2020.

The Budget Advisory Committee is charged with providing advice to the Chancellor with respect to near-term and long-term financial planning issues across all fund sources. The Budget Advisory Committee facilitates a consultative and transparent approach to the allocation of University resources. The Committee includes broad campus representation, so as to provide me with recommendations based on input from leaders within the campus community. Members will be asked to examine issues from a University-wide perspective and to offer informed and thoughtful deliberations for full discussion.

The Budget Advisory Committee will be asked to periodically review and make recommendations for revisions to the charges for all administrative campus budget-related committees. While certain existing committees report directly to the Chancellor, all committees should participate in the Budget Advisory Committee. In addition to these existing committees, the co-chairs of the Budget Advisory Committee may establish additional sub-committees from time-to-time.

Members of the Budget Advisory Committee

Provost / Executive Vice Chancellor (Co-Chair)
Vice Chancellor, Planning and Budget (Co-Chair)
Vice Chancellor, Business and Administrative Services
Vice Chancellor, Development and Alumni Relations
Vice Chancellor, Research and Economic Development
Vice Chancellor, Student Affairs
Dean, School of Engineering
Dean, School of Natural Sciences
Dean, School of Social Sciences, Humanities and the Arts
Chair, Academic Senate Division Council (or representative)
Chair, Committee on Academic Planning and Resource Allocation (CAPRA)
Chair, Student Fee Advisory Committee
Student Representative¹
President, UC Merced Staff Assembly (or representative)

Process Management. In my update to the campus community in December 2012, I shared the two-year goals I submitted to the President. One of the goals I established was to create and implement integrated budgeting and planning processes aligned with the University's strategic priorities.

¹In the event that the Chair of the Student Fee Advisory Committee is a graduate, the Student Representative will represent the undergraduate class, and visa versa.

The establishment of the Division of Planning and Budget was a first step towards creating and implementing a resource allocation model that reflects and supports institutional academic, strategic and capital-planning priorities. In December 2013, the Division of Planning and Budget established the Finance Department. The Finance Department will be responsible for managing the process for the development and recommendation of the campus operating budget to the Chancellor. In addition, this department will be responsible for a process for the development and recommendation of a campus capital budget.

The Assistant Vice Chancellor, Finance will serve as the lead executive staff for the Budget Advisory Committee and in this individual's absence, the Director, Campus Budget Office will serve this capacity.

The campus has launched a nationwide search for a new Assistant Vice Chancellor, Finance, who will report to the Vice Chancellor, Planning and Budget. The Vice Chancellor for Business and Administrative Services serves as the chair of a search committee, which includes representatives from our campus, the Office of the President, and subject matter experts from the Los Angeles, Riverside and Davis campuses.

While this search remains ongoing, the Finance Department will begin to identify business intelligence and corporate performance management tools that will enable the campus to consolidate its budget process. These tools should enable the campus to enhance its revenue planning, budgeting and forecasting processes. They should enable a consolidated budget development and approval process across all campus fund sources.

The Finance Department will consult with Accounting Services, Research Accounting Services, Information Technology, and units across campus. They will make recommendations regarding the selection of new campus budget software and the process for the development of the campus budget.

Strong collaboration between our accounting offices and the Finance Department will be essential for strong financial planning in the years ahead. In the past year, these groups have begun to work more closely together and have made progress to enhance the strong relationship necessary for effective financial management. I encourage the partnerships to continue to grow as we move forward.