

# FY2021-22 Divisional Budget Narrative

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The budget narrative is an opportunity for the divisions to provide context and additional detail about their FY2021-22 operating budget. At a high-level, the narrative will allow divisions to:

- highlight any significant changes to the division's revenue and expenses,
- describe how the changes will impact the division's operations, and
- outline how they are planning to address the central funding reduction.

The budget narrative, along with the other templates submitted as part of the budget process, will provide leadership with a better understanding of a division's financial picture and will serve as the basis for discussion at the budget meetings in September.

**Please note that each narrative box fits about 300 words so responses should be kept brief and to the point.** To help ensure you remain within the word limit, you can simply activate the word count functionality. To do so, go to the Tools tab, click on word count, display word count, and select OK. Please do not provide extensive, additional information. With over 40 divisions on campus, it will not be possible for campus leadership to review lengthy submissions. If helpful, you can think of this narrative as an executive summary.

Update this narrative template in your division folder and email the Financial Planning & Analysis team at [dfi\\_concierge@berkeley.edu](mailto:dfi_concierge@berkeley.edu) to let them know it is ready by **August 20th, 2021**.

## **FY2021-22 Budget Narrative Questions**

The questions below are intended to provide guidance in framing each narrative section. Some questions may not apply to all divisions, and there may be other issues of importance - not included among the questions - that you may want to share. Therefore, strictly responding to each question is not expected.

### Revenue and Transfers

- To what extent will the division experience significant shifts in revenue over the next three years (e.g., SSGPDP, PDST, sales & services, auxiliary revenue)?
- What are the reasons for those shifts and to what extent will they impact operations and/or progress toward goals (either positively or negatively)?

### Expenses

- How will the central funding reduction and changes in revenue (positive or negative) affect your expenses over the next two years?
- To what extent will COVID-19 or other factors require increased operating expenses, and what is the strategy for covering these expenses?
- In light of these changes, what is your plan for reducing other expenses (e.g., personnel actions, operations) or using reserves/other funding sources (e.g., gifts, FFE withdrawals, loans) to mitigate the financial challenges in your division?

### Strategic Use of Reserves

- If you are planning to use reserves for strategic purposes over the three-year period (e.g., capital, revenue generation, other strategic), please provide a brief description of each project, the total amount of reserves to be invested, and the years in which the investments will be made (e.g., a total of \$X million will be invested from

FY2021-22 to FY2023-24).

Request for Extraordinary Relief

- While the budget process has been set up to ensure the greatest degree of equity across the campus, not all divisions are the same in terms of the impact COVID-19 will have on them or their ability to address these challenges. Therefore, an extraordinary relief pool of up to \$15M has been established to provide supplemental support. If you have a compelling case for relief, please provide a brief description and the amount of funding requested. This could include a substantial increase in the amount of the cost recovery assessment charged to your division in FY 2021-22 versus FY 2020-21, or a general inability to pay for the assessment without extraordinary hardship to your operations. This should not be viewed as an opportunity to request resources for a common unmet need or to fund a new initiative, as would have been the case in previous years.

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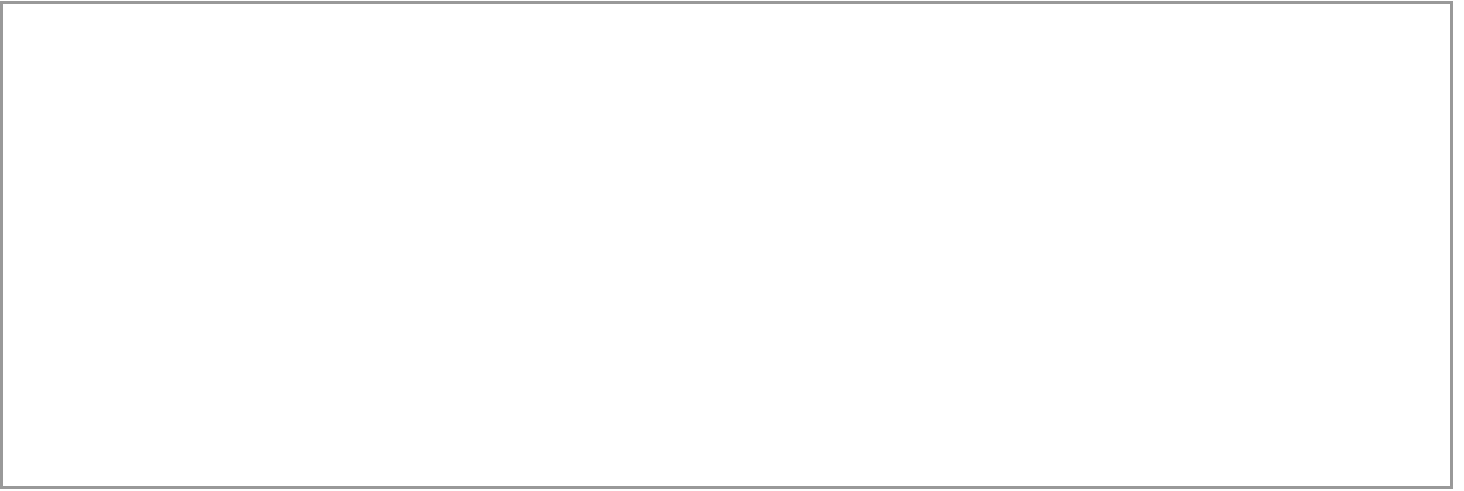
**Division:**

[Revenue & Transfers](#)

[Expenses](#)

[Strategic Use of Reserves](#)

[Request for Extraordinary Relief](#)

A large, empty rectangular box with a thin black border, occupying the upper half of the page. It is intended for the user to enter their request for extraordinary relief.