

# Napa Valley Community College District

## **DRAFT** Tentative Budget 2025-2026

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COMMUNITY BUDGET FORUM  
TUESDAY, MAY 13, 2025

JIM REEVES  
ASSISTANT SUPERINTENDENT/  
VICE PRESIDENT,  
ADMINISTRATIVE SERVICES

# Tentative Budget – Fiscal Year 2025-2026

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Required by California Education Code, the Tentative Budget is prepared for the Board of Trustees review and approval no later than June 30 of each year. The adoption of the Tentative Budget provides continued statutory authorization to sustain financial and operational commitments to advance the mission of the institution.

The Tentative Budget was prepared utilizing a revised planning and resource allocation process in the interest of achieving the following objectives:

- Greater awareness of the annual process
- Increased engagement and participation
- Greater transparency and
- Improved communication during the process.

Additional information about the planning and budget process is available on the Planning and Budget Development page of the NVC website. Source documents for this work include AP 6200, the Budget Development Memorandum, and the Budget Values & Assumptions document.

The Tentative Budget is presented utilizing the best information available and is subject to change as additional information becomes available. Additional information can include, but not limited to realized enrollments, information contained in the adopted budget from the Governor's office, confirmed state and local property tax revenues, finalized contribution rates for PERS and STRS and agreed upon bargaining unit contracts. Any additional information will be reflected in the Final Budget scheduled for review and adoption at the September meeting of the Board of Trustees.

# Budget Development Methodology

## Revenues

- Federal income is projected based upon the average growth rate of the two previous years of realized revenue.
- Increases in State Tax Revenues and other State sources are projected based upon FY24-25 First Principal Apportionment dated February 28, 2025 from the Chancellor's Office website, the estimate for Lottery Funding from State Controller Office, and the Joint Analysis Governor's January Budget dated January 10, 2025
- Property Tax Revenues are forecast based on the three-year average of Unsecured Apportionment Factors, the data from the FY24 Napa County Treasurers Office and the Sonoma County Treasurers Office with 4% increase in projected assessed values
- Other Local Revenue are based upon the average growth rate of the two previous years of realized receipts. The nonresident tuition and fee is calculated based on 60 FTES and FY26 Approved Nonresident fee (\$474 per credit per student).

## Expenditures

- Salaries and Wages are currently being negotiated by the respective bargaining units. A current year "set-aside" has been identified in the Tentative Budget as a placeholder for increased in salary and benefits but should not be considered definitive. FY25 set-aside is moved to FY26 budget to address projected costs for FY25 and made available when bargaining agreements are finalized. Vacancies and step increase are included in the calculation.
- Total Benefit Costs are driven by payroll and anticipated to increase by 3.2% based on the FY25 budget.
- Operating Expenses Increase – At the Tentative Budget stage, a global 4% increase has been included to address increased costs, some of which may be impacted by national and international economic conditions. A portion of operational continuance requests that are considered as "essential/critical" are included in the Tentative Budget.
- Capital Investments have increased based on the available information and changes in funding sources for Library subscriptions, Total Cost of Ownership (TCO) assessments from Facilities and Technology, and Operational Continuance Requests considered as "essential/critical".
- Other Outgo forecast based on the available information (e.g., Printshop, Ash Landfill, Self Insurance, and Legal and Risk Management).
- OPEB includes medical costs for retirees and continues to include annuity costs related to the SERP I and SERP II programs.

# 2025-2026 Tentative Budget Planning Assumptions

Initial enrollment estimates for FY 2025-2026 are anticipated to be comparable to 2024-2025

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## **Enrollments - Full Time Equivalent Students (FTES)**

- 2020-2021 Actual – 4,021 FTES
- 2021-2022 Actual – 3,304 FTES
- 2022-2023 Actual – 3,240 FTES
- 2023-2024 Actual – 3,355 FTES
- 2024-2025 Projected – 3,400 FTES – to be confirmed
- 2025-2026 Projected – 3,400 FTES

## **Revenue – (anticipated material changes)**

- Assumed the FY25 assessed value of the Napa County Treasurer is forecast to increase 4% with similar parcel counts as FY24.
- A slight decrease in state apportionments based upon a review of past revenue and the COLA growth rate.
- Revenue realized from the lease of a portion of the Upper Valley Campus to the City of St. Helena at \$226,056 is included.
- An estimate of non-resident tuition fees is included. Estimated to be 60 FTES. Forecast will be confirmed in the Final Budget.

# 2025-2026 Tentative Budget Planning Assumptions – Changes in Costs

## Employee Associated Salary & Benefits Costs

- ❖ Faculty Salary Increase – To Be Determined
- ❖ Permanent Classified Salary Increase – To Be Determined
- ❖ Administrative/Confidential Salary Increase – To Be Determined
- ❖ Decrease in PERS contribution from 27.05% to 26.81% (from School Services of California)
- ❖ Unchanged rate in STRS contribution at 19.10% (from School Services of California)
- ❖ Estimated changes in health and welfare benefits – 12%
- ❖ Step & Column adjustments included
- ❖ Projected Out-of-Class pay included
- ❖ Set-aside amounts included for FY25 and FY26 in order to address projected salary increases.



# Other Expense Assumptions

## Strategic Initiatives & Operational Continuance Requests

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### Strategic Initiatives

The President's Cabinet has reviewed and supports the Strategic Initiatives as noted in the Update on Strategic Initiatives report. Additional initiatives, unless otherwise noted, will be funded to the extent that the Final Budget allows.

Personnel Requests made through the budget process were reviewed by the President's Cabinet with a list of authorized hires provided to the campus community on May 1. The cost of these additional positions are included in the Tentative Budget.

Operational Continuance Requests – Included 4% global increase. A portion of operational continuance requests that are considered as “essential/critical” are included in the Tentative Budget.

Facilities Requests have been considered by the District Facilities Committee and further informed by the Total Cost of Ownership (TCO) assessment tool. Funding has been provided a portion of the Facilities Request. Funded requests will be posted on the Budget webpage.

Technology Requests have been considered by the District Technology Committee and further informed by the TCO and Technology Refresh Plan. Funding has been provided a portion of the Technology Request. Funded requests will be posted on the Budget webpage.

Operational Optimization requests have been considered by President's Cabinet, as noted in the Optimization Report with approved expenditures included in the budget. Funded requests will be posted on the Budget webpage.

# 2025-2026 Tentative Budget

## Changes in Instructional Costs based on Section Offerings

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Changes in section offerings – Fall & Spring Semesters

- ❑ 2020-2021 – 1,052 sections
- ❑ 2021-2022 – 962 sections
- ❑ 2022-2023 – 890 sections
- ❑ 2023-2024 – 901 sections (projected) - to be updated
- ❑ 2024-2025 – 900 sections (forecast based on FTES enrollment projections) - to be updated
- ❑ 2025-2026 - To be updated



# Linking Planning to Budget

## 2025-2026 Board of Trustee Goals

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1. Lead from a framework that advances diversity, equity, inclusion, anti-racism, and accessibility.
2. Prioritize operational effectiveness and efficiency.
3. Ensure financial stability and long-term fiscal health of college.
4. Ensure the district and campus successfully create and maintain a 24/7 student housing community.
5. Provide direction, support, and resources to the Superintendent/President to grow community support for the college and its strategic initiatives.

(adopted 6/13/24)





# Linking Planning to Budget

## Educational Master Plan Goals

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1. Enrollment Stabilization
2. Equitable Student Outcomes
4. Program Alignment with Regional Labor Market
5. Infrastructure Improvements & Fiscal Sustainability
6. Culture & Climate

# 2025-2026 Tentative Budget Planning Priorities

Noted expenditures are reflective of commitments to NVC's Planning Priorities for 2025 -2026

Recommended	Fund 11		Fund 12/41	Educational Master Plan Goal Alignment	Board of Trustees Goal Alignment
Student Equity, Support & Success	\$0	\$2,396,694 (As of February Apportionment)	\$2,396,694	1,2 & 5	1
Instructional Supplies– Laptops & Devices to Expand Internet Access for Students & Faculty	\$0	\$25,000 (Restricted Lottery, expanded definition of Instructional Supplies)	\$25,000	1,2,3 & 5	1, 2
Instructional Supplies	\$0	\$250,000 Restricted Lottery Funding	\$250,000	1, 2 & 3	2
Infrastructure Improvements	\$0	Physical Plant Funds (Carryover)	\$500,000	1, 2,3 & 4	3
Marketing Expenses	\$0	Outreach funding (Carryover) Strong Work Force	\$200,000	1,3 & 4	2, 3 , 4 & 5
Projected Increase (decrease) in Fund Balance	TBD			Board Goal	4

# 2025-2026 Tentative Budget Operational Recommendations

Noted here the Recommended investments to address compliance and operational imperatives

Budget	Fund 11	Fund 12/41/83	Total	Educational Master Plan Goal Alignment	Board of Trustees Goal Alignment
Personnel Hires in response to Student Housing and other Compelling needs	\$61,345	\$277,745	\$339,090	1, 2, & 3	4
Strategic Initiatives	\$5,000	\$86,000	\$91,000	1, 2 & 3	1, 2, 5
Operational Continuance and requests for “essential” for “critical” operations	4% plus \$266,000	Under Review	TBD	1, 2, & 3	2 & 3
Operational Optimization Requests	\$5,000	\$25,750	\$30,750	1, 2 & 3	1, 2, 3 & 5
Basic Needs Food Support – Student Housing		Use of Rollover Lottery Funds – One Time	\$ 250,000 (up to)	1, 2 & 5	1
Total Cost of Ownership – Facilities Requests	\$96,000	Under Review	TBD	3 & 4	2, 3
Total Cost of Ownership/Technology Refresh	\$340,000	\$150,000	\$490,000	1, 2, 3 & 4	1, 2, 3, 4 & 5
Environmental Consultant – Ash Landfill	\$300,000		\$300,000	4	2 & 4

# 2025-2026 Tentative Budget

## Notes to Fund 11 Budget

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- (1) The Tentative Budget includes a carryover of funds from the 2024-2025 budget earmarked for staff compensation. This amount is reflected in the 2025-2026 budget in addition to an earmark set-aside for 2025-2026.
- (2) The Tentative Budget includes additional positions considered necessary for continued operations and / or to meet critical needs as determined by the President's Cabinet. Positions authorized for recruitment were announced by the President's Cabinet in a May 1, 2025 memorandum to the community.
- (3) The President's Cabinet with finance staff continue to review staffing and expenditures with the objective of making progress towards the 50% Law threshold.
- (4) Technology investments have been informed by the TCO assessment and campus refresh plan.
- (5) Facilities investments have been informed by the TCO assessment for facilities.
- (6) Any change in the fund balance is a projection dependent on the ending balance for FY 2024-2025 and realized revenues/expenditures for FY 2024-2025. Because the salary set-aside for the FY 2024-2025 was not expensed, the projected unrestricted fund balance will realize a temporary increase.
- (7) The likelihood of Federal funding reductions is unknown at this time. Fund 11 may experience a significant shift of resources from Fund 12 on to Fund 11.
- (8) The District's subordinated liability is currently funded as of FY26.

# 2025-2026 Tentative Budget

## Notes to Fund 12 Budget

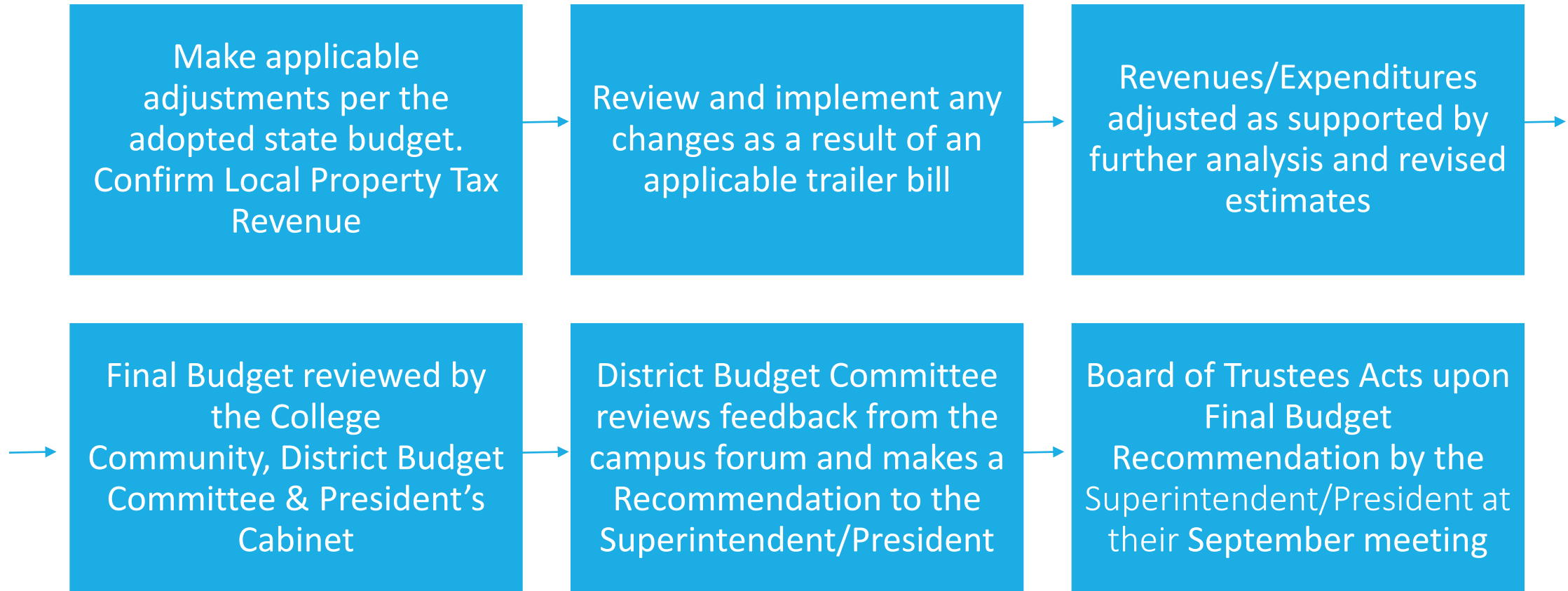
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- (1) Information from the State Chancellor's Office indicates that while selected categorical programs will see a modest COLA increase, some programs will see no revenue increase over FY 25-26.
- (2) Fund 12 expenditures and program balances are estimated and subject to change based upon confirmed funding.
- (3) The President's Cabinet with finance staff continue to review staffing and expenditures that can/should appropriately be reflected as Fund 12 expenditures.
- (4) Significant technology investments will be funded with restricted funds in FY26.
- (5) The likelihood of federal funding reductions is unknown at this time. Fund 11 may experience a significant shift of resources from Fund 12 on to Fund 11.

# 2025-2026 Tentative Budget

## Next steps - Developing Final Budget

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# 2025-2026 Tentative Budget

Questions / Observations