NAPA VALLEY COMMUNITY COLLEGE DISTRICT
BUDGET DEVELOPMENT VALUES & ASSUMPTIONS

Revised February 2024

This Budget Development Values & Assumptions is endorsed by Napa Valley College's Budget Committee and Board of Trustees consistent with the institution's Mission, Vision, and Values.

I. Integration with Planning

The NVCCD annual budget process strives to align the institution's annual allocation considerations with the Educational Master Plan, Strategic Plan, Technology Plan, Program Reviews and related assessment and planning activities in support of the District's academic and student service goals. Annual Tentative and Final Budgets will be developed consistent with AP 6200 and the Annual Planning and Budget Process that has been approved through the institution's shared governance processes. To the extent possible, NVCCD funding priorities will be consistent with priorities outlined in area plans.

II. Fiscal Stability

The Board of Trustees is committed to ensuring that financial resources are sufficient to support and sustain student learning programs and services, college operations, and institutional effectiveness. Fiscal stability and integrity will be ensured through AP 6200 Budget Preparation, compliance with the State Chancellor's fiscal monitoring requirements, and Title 5 regulations related to principles for sound fiscal management.

The annual budget, including all sources and uses of funds (including philanthropic donations), should be developed on the basis of realistic revenue and expenditure projections, in order to avoid deficit spending. Further, projections should indicate revenue sources as one-time or ongoing in nature and, to the extent possible, NVCCD will utilize ongoing revenues to support ongoing expenses.

In keeping with the Chancellor's Office directive regarding maintenance of reserves and in accordance

with BP 6200 “Unrestricted general reserves consistent with the Chancellor’s recommendation of 2-months of total expenditures, or no less than 17%”. NVCCD has historically maintained at least a 5% reserve. To ensure NVCCD’s ability to avoid cash flow shortages consistent w/ guidance with the State Chancellor’s Office, the Planning and Budget Committee recommends budget and planning practices that address unfunded liabilities and maintain an unrestricted fund balance that ensures the financial health of the institution.

III. Personnel

NVCCD is committed to the concept that all employee groups (Administrative, Faculty, and Classified staff) play a vital role in educating and serving students. All employees will be respected and valued for their contributions to the success of students.

NVCCD will use actual costs for current employees and mid-range estimates for vacant positions when developing the baseline budget for salaries and benefits. Increases for continuing employees will be added based on contractual obligations for wages and estimated escalation assumptions for benefits.

NVCCD values its employees and is committed to providing competitive salary and benefits while maintaining a three-year average not to exceed 85% of the unrestricted general fund devoted to salaries and benefits and instructional service agreements.* The use of temporary, hourly employees will be limited to short term assignments during peak periods, or in the absence of permanent staff essential to maintain educational programs and basic services.

IV. Facility and Technology Maintenance and Capital Improvements

NVCCD will ensure that appropriate resources are directed to the proper operation and maintenance of the campus physical plant and to provide a reliable and secure technology infrastructure. Upgrades to facilities and technology will be funded based upon available resources and as reflected in the Facilities Master Plan and Technology Plan.

NVCCD acknowledges the current critical need to upgrade technology and will prioritize the allocation of the necessary resources to meet the identified and immediate needs. The Tentative and Final budgets shall provide information regarding how these needs are addressed in those budgets. To the extent possible NVCCD will budget sufficient funds to support the total cost of ownership of NVCCD facilities and sites.

V. Legal Mandates

NVCCD will meet all legally mandated (state and federal) obligations, including ADA accessibility consistent with Title 5, section 14030. NVCCD will meet the legal requirements of the 50 percent law and faculty obligation number (FON), recognizing that NVCCD is currently out of compliance with the 50 percent law (currently at 45.28%) and must take actions to come into compliance.

VI. Contractual Requirements

NVCCD will honor all financial commitments resulting from any negotiated collective bargaining agreements and ongoing contractual obligations.

VII. Grants, Donations and Categorical Funding

Grant applications and philanthropic donations will be carefully reviewed to ensure that the required deliverables are consistent with the mission and strategic plan of the college. Whenever possible, these funding sources should include funding to reimburse NVCCD for overhead expenses and should not obligate NVCCD to ongoing expenses after expiration of the funding period. Match or effort considerations must also be considered when considering the funding period. Categorical funding will be spent consistent with the purpose of the programs.

All funding sources will be considered as a component of the planning and budget process.

VIII. Operational Efficiency

NVCCD is committed to a continuous review of operations to ensure that resources are allocated to efficiently deliver services to students, faculty, staff, and the community. This includes the regular review of enrollment management practices, and institutional operational practices and expenditures to ensure their continued necessity and cost. It further includes a regular review of staffing to ensure that the number of personnel aligns with the size of NVCCD.

When staffing levels are not in alignment with the size of NVCCD, it is possible that restructuring positions and/or programs, transfers of existing staff, and delays in hiring will be considered to bring staffing into alignment with the size of NVCCD. Every vacancy will be analyzed to determine the extent to which the position is essential to college operations.

* Metric taken from Fiscal Health Risk Analysis Report (FCMAT) April 2022

Updated 11/16/23

Reviewed by Planning & Budget Committee 11/16/23
Edits in red recommended by the Audit and Finance Committee of the Board 12/11/23
Approved by Board of Trustees 12/16/23
Reviewed by Budget Committee 2/15/24