

Napa Valley Community College District

Final Budget 2024-2025

BOARD OF TRUSTEES
SEPTEMBER 12, 2024

JIM REEVES
ASSISTANT SUPERINTENDENT/
VICE PRESIDENT,
ADMINISTRATIVE SERVICES

Final Budget – Fiscal Year 2024-2025

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

The Final 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 Budget Committee reviewed the revenue assumptions and the Final Budget assumptions in advance of a Community Budget Forum convened on September 5th. The Budget Committee was convened on September 5th to consider feedback from the Community Budget Forum and make a recommendation to the Superintendent/ President.

- The Final Budget is presented utilizing the best information available at adoption 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, and agreed upon bargaining unit contracts. Changes considered material to the budget will be presented to the Board of Trustees in the form of a request for a revision of the Final Budget.

Budget Development Methodology

Revenues

- Federal income are based upon the average growth rate of the two previous years of realized receipts.
- Increases in State Tax Revenues and other State sources are projected based upon FY24-25 Advanced Apportionment dated August 26, 2024 from the Chancellor's Office website, the estimate for Lottery Funding from State Controller Office, and the School Services Dartboard.
- Property Tax Revenues are forecast based on the data from the Napa County Treasurers Office and the Sonoma County Treasurers Office.
- Other Local Revenue has been increased by 2% in anticipation of modest growth. The nonresident tuition and fee is forecast to increase by 59%.

Expenditures

- Salaries and wages are currently being negotiated by the respective bargaining units. A "set-aside" has been identified in the Final Budget as a placeholder but should not be considered definitive. Vacancies and step increase are included in the calculation.
- Total benefit costs are driven by payroll and anticipated to increase by 10.02% based on the FY24 actual benefits.
- Operating Expenses have been reviewed and adjusted based upon historical spending and recent experience (a review of 2-3 years of activity).
- An allocation for budget augmentation has been earmarked at \$200K with additional review in progress.
- Capital Investments have increased based on the available data for projects (e.g., Student activities center remodel, security cameras, Facilities Master Plan).
- Other Outgo is forecast based on the available information (e.g., Printshop, Ash Landfill, Wine Education Center).
- OPEB includes medical costs for retirees and continues to include annuity costs related to the SERP I and SERP II programs.

2024-2025 Final Budget Planning Assumptions

Enrollments

- Initial enrollment estimates for FY 2024-2025 are anticipated to be comparable to 2023-2024

2020-2021 Actual – 4,021 FTES

2021-2022 Actual – 3,509 FTES

2022-2023 Actual – 3,240 FTES

2023-2024 Projected – 3,200

2024-2025 Projected – 3,200

Revenue – (anticipated material changes)

- Property Tax Revenue projections from the Napa County Treasurer suggest a 4.59% increase (4.7% projected in the Tentative Budget).
- A slight COLA increase from the Chancellor's office for selected programs.
- Revenue realized from the lease of a portion of the Upper Valley Campus to the City of St. Helena at \$226,056 is included.
- Additional revenue related to non-resident enrollment is included.





2024-2025 Final 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
- Increase in PERS contribution from 26.68% to 27.05% (by School Services of California Inc.)
- Unchanged rate in STRS contribution at 19.10% (by School Services of California Inc.)
- Estimated changes in health and welfare benefits for employee – 12% from January to June 2025
- Step & Column adjustments included
- Out-of-class pay included

Other Expense Assumptions


Strategic Initiatives & Operational Continuance Requests

Strategic Initiatives

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

Operational Continuance Requests

- 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 the additional staff positions are included in the Final Budget
- Facilities Requests have been considered by the District Facilities Committee with a recommendation to the Budget Committee. Approved expenditures re reflected in the Final Budget
- Technology Requests are currently under consideration by the District Technology Committee with prioritized requests funded as the Final Budget will support
- Operating Funds Requests have been considered by the Budget Committee with an earmark of \$200,000 and prioritized by the Budget Committee. Approved expenditures are included in the Final Budget.



2024-2025 Final Budget Changes in Instructional Costs based on Section Offerings

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)
- 2024-2025 – 900 sections (forecast based on FTES enrollment projections)



2024-2026 Board of Trustee Goals

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.



2024-2025 Planning Priorities

Linking Planning to Budget

1. Student Performance: Equity-minded initiatives that lead to measurable improvements in student matriculation, on-boarding, access, success, persistence, and overall sense of belonging. Initiatives focusing on specific metrics and objectives described in institutional and program-level planning documents (e.g., Guided Pathways, Student Equity, Strategic Enrollment Management, program review).
2. Student Basic Needs: Investments that improve student access to housing, food, health/mental health services, and transportation. Initiatives with a focus on expanding resources for students and development of community partnerships.
3. Campus Climate: Initiatives that promote and facilitate a safe and inclusive work environment for all employees. Initiatives designed to address findings from recent campus climate surveys and other data.
4. Physical Infrastructure: Investments in the college's aging physical infrastructure, including instructional equipment. Initiatives with a focus on improving and modernizing existing facilities and equipment supporting student learning (including safety and access).
5. River Trail Village: Investments in marketing, onboarding, and support services for students in residence. Initiatives with a focus on providing opportunities and services for campus residents, including new and innovative offerings.

Recommended	Fund 11		Fund 12/41	Planning Priority Alignment	BOT Goal Alignment
Student Equity, Support & Success	\$0	\$ 2,396,694 (As of August Apportionment)	\$2,396,694	1,2 & 3	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 & 4	1,2
Instructional Supplies	\$0	\$250,000 (\$200k historical and \$50k additional for FY25, Restricted Lottery Funding)	\$250,000	1,2 & 4	2
Infrastructure Improvements	\$0	Physical Plant Funds (Carryover) S.A.C. \$100k Security Cameras \$54k	\$500,000	1, 3 & 4	3
Increase (decrease) in Fund Balance A percentage of total expenditures – 16.7%	\$490,186			Board Goal	3

2024-2025 Final Budget Planning Priorities

Noted expenditures are reflective of commitments to NVC's Planning Priorities for 2024 -2025

Budget	Fund 11	Fund 12/41	Total	Strategic Goal Alignment	BOT Goal Alignment
Personnel Hires in response to Student Housing and other Compelling needs	\$303,000		\$303,000	1,2,3 & 5	4
Strategic Initiatives		Under Review		1,2 & 3	1,2,5
Operational Continuance	Up to \$200,000	Under Review		1,2,4 & 5	
Basic Needs Food Support – Student Housing		Use of Rollover Lottery Funds – One Time	\$450,000 (up to)	1,2 & 5	1
Facilities Master Plan & Total Cost of Ownership	\$180,000		\$180,000	3 & 4	2,3
Environmental Consultant – Ash Landfill		\$127,000	\$127,000	4	2,4

2024-2025 Final Budget Operational Recommendations

Noted here are the Recommended investments to address compliance and operational imperatives

2024-2025 Final Budget

Notes to Fund 11 Budget

- (1) The Final Budget includes replacement positions considered necessary for continued operations and considered by the President's Cabinet on a case-by-case basis. Positions authorized for recruitment were announced by the President's Cabinet in a May 1, 2024 memorandum to the community. Positions authorized for recruitment will be initially posted internally with the college reserving the right to reassign existing staff to open positions for which they are qualified.
- (2) The President's Cabinet with finance staff continue to review staffing and expenditures with the objective of meeting the 50% threshold for instructional expenses as defined by the 50% Law.
- (3) Technology investments includes funding for the upgrade and replacement of selected technology and related equipment.
- (4) Any change in the fund balance is a projection dependent on the ending balance for FY 2023-2024, and realized revenues/expenditures for FY 2024-2025.
- (5) The Final Budget includes an earmark, or placeholder amount, in anticipation of negotiated agreements related to compensation for faculty and staff.
- (6) The Final Budget does *not* include any Student Housing revenue projections, or possible expenses related to the Districts subordinated liability. Staff recommends that a set-aside from available reserves, in an amount to be determined, be designated by the Board of Trustees for this purpose.

2024-2025 Final Budget Notes to Fund 12 Budget

- (1) Information from the State Chancellor's office indicates that while selected categorical programs will see a modest COLA increase, some programs will be impacted by decreased revenues. For additional information regarding funding for these programs please see the link on the NVC Business Service website.
- (2) Fund 12 Expenditures and program balances are estimated and subject to change based upon adjustments finalized at audit completion.
- (3) The President's Cabinet with finance staff continue to review staffing and expenditures that can/ should appropriately be reflected as Fund 12 expenditures.

2024-2025 Final Budget

Campus Consultation Process

Present DRAFT Final Budget to District Budget Committee at their August 30th meeting.

Present DRAFT Final Budget at the College Budget Forum September 5th

District Budget Committee reviews comments/ suggestions from the Community Forum and makes a Recommendation to the Superintendent/ President

Superintendent/ President recommends Final Budget to the Board of Trustees at the meeting of September 12nd

Board of Trustees Acts upon Final Budget Recommendation

Material Changes to the Final Budget are reviewed by the Budget Committee with a Recommendation to the Superintendent/ President

2024-2025 Final Budget

Questions / Observations