

Napa Valley Community College District

Proposed Final Budget 2025-2026

MEETING OF THE
BOARD OF TRUSTEES
SEPTEMBER 11, 2025

JIM REEVES
ASSISTANT SUPERINTENDENT/
VICE PRESIDENT,
ADMINISTRATIVE SERVICES

Final Budget – Fiscal Year 2025-2026

- Required by California Education Code, the Final Budget is prepared for the Board of Trustees review and approval no later than September 15 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](#) webpage of the NVC website. Source documents for this work include [AP 6200](#), the [Budget Guidance Memorandum](#), and the [Budget Values & Assumptions](#) document.

The Budget Committee reviewed revenue and expense assumptions and the Final Budget in advance of the Campus Budget Forum scheduled on September 2nd. Following the Campus Budget Forum on September 2nd, the Budget Committee was convened to consider feedback from the Campus Budget Forum. After consideration of this feedback the Committee forwarded their recommendation to the Superintendent/ President.

- The Final Budget is presented utilizing the best information available at the time of adoption and is subject to change as additional information becomes available. Additional information can include, but not limited to additional California state budget information, realized enrollments, confirmed state and local property tax revenues, and agreed upon bargaining unit contracts. After adoption of the Final Budget, any 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

Unrestricted General Fund

Revenues

- Federal Income is projected based upon the average growth rate of the two previous years of realized revenue.
- State Income increases are projected based upon FY 25-26 Advance Apportionment schedule dated August 8, 2025 from the Chancellor's Office website in addition to the estimate for Lottery Funding from State Controller's Office.
- Annually, the District is the recipient of “On-Behalf Payments” (\$1.2M) made by the State of California to CalSTRS for community college educators. Under GAAP, this amount is to be reported as revenues and expenditures in district accounting records. This recognition of revenues and related expenses assists the District to meet the 50% Law. Beginning FY 25, this accounting practice will be reflected in Napa Valley College budget reports and financial statements.
- Property Tax Revenues are forecast to increase by 3.5% as compared to the realized FY25 Property Tax revenue.
- Other Local Revenue are forecast based upon the average growth rate of the two previous years of realized receipts. Nonresident tuition and fees are estimated based on the Fall 2025 enrollment. Revenue realized from the lease of a portion of the Upper Valley Campus to the City of St. Helena at \$226,056 is included.

Budget Development Methodology - Unrestricted General Fund

Expenses

- Salaries and Wages are currently being negotiated by the respective bargaining units. A current year “set-aside” has been identified in the Final Budget as a placeholder for increases in salary and benefits but should not be considered definitive. FY 25 set-aside is moved to the FY 26 budget to address projected costs for FY 25 and made available when bargaining agreements are finalized. An FY26 set-aside has also been added to the Final Budget. Vacancies and step increase are included in the calculation.
- Operating Expenses Increase – have been reviewed and adjusted based upon historical spending and recent experience (a review of 2-3 years of activity). A portion of operational continuance requests that are considered as “essential/critical” are included in the Final Budget.
- Capital Investments have increased based on the available information and changes in funding sources for library subscriptions and Operational Continuance Requests considered as “essential/critical”.
- Other Outgo forecast is based upon spending patterns in recent years (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 obligations.

2025-2026 Final Budget Planning Assumptions

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

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



2025-2026 Final Budget Planning – Personnel Related Costs

Employee Associated Salary & Benefits Costs

- ❖ Faculty Salary Increase (Estimates Are Included as a "set aside")
- ❖ Permanent Classified Salary Increase (Estimates Are Included as a set-aside)
- ❖ Administrative/Confidential Salary Increase (Estimates Are Included)
- ❖ 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 (maximum to increase 10% per year)
- ❖ Step & Column adjustments (Included)
- ❖ Projected 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.

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 and vacant positions since May 1 are included in the Final Budget.

Operational Continuance Requests – A portion of operational continuance requests that are considered as “essential/critical” are included in the Final Budget.

Facilities Requests have been considered by the District Facilities Committee and further informed by the Total Cost of Ownership (TCO) assessment tool. Covid relief funds may be used for one-time funding for Facilities improvements and equipment replacement.

Technology Requests have been considered by the District Technology Committee and further informed by the TCO and Technology Refresh Plan. Covid relief funds may be used for one-time funding for Technology improvements.

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 are posted on the Budget webpage.



2024-2026 Board of Trustees 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.



2025-2026 Planning Priorities Linking Planning to Budget

Recommended by Planning Committee, October 18, 2024

Goals from the Educational Master Plan:

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

2025-2026 Final 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 Advance 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 & 4	1, 2
Instructional Supplies	\$0	\$200,000 Restricted Lottery Funding	\$200,000	1, 2 & 4	2
Infrastructure Improvements	\$0	Physical Plant Funds (Carryover)	\$500,000	1, 2, 3, 4 & 5	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	16.82%			Board Goal	4

2025-2026 Final Budget

Operational Recommendations

Noted 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
Positions authorized for hiring FY25-26	\$132,000	\$360,000	\$492,000	1, 2, & 3	4
Strategic Initiatives	\$5,000	\$86,000	\$91,000	1, 2 & 3	1, 2, 5
Operational Continuance requests considered essential and critical.	\$500K	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 – Covid funds available	TBD		TBD	3 & 4	2, 3
Total Cost of Ownership/Technology Refresh – Covid funds available	TBD	\$150,000	TBD	1, 2, 3 & 4	1, 2, 3, 4 & 5
Environmental Consultant – Ash Landfill	\$300,000		\$300,000	4	2 & 4

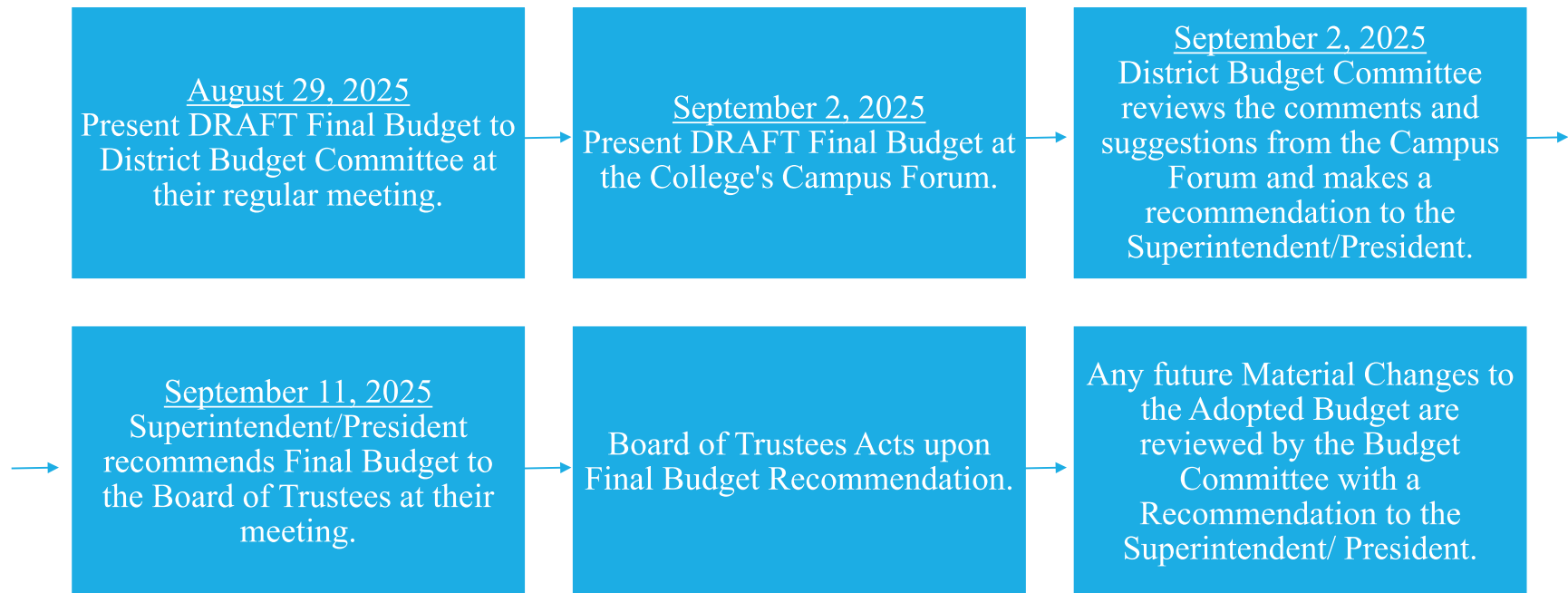
Notes to Unrestricted General Fund Budget (Fund 11)

1. The Final 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 Final 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 compliance with the 50% Law threshold. Recent guidance provided by consulting services has provided assistance in updating the District's coding practices which is anticipated to improve this metric.
4. Technology planning has been informed by the Total Cost of Ownership (TCO) assessment and campus refresh plan. Funding for technology investment is pending consideration of Covid relief fund use.
5. Facilities investments have been informed by the TCO assessment for facilities. Funding for facilities investment and replacement is pending consideration of Covid relief fund use.
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 extent of Federal funding reductions are not known at this time. Fund 11 may experience a significant shift of resources from Fund 12 to Fund 11.
8. The District's subordinated liability for the River Trail Village is not anticipated to make demands on college resources in FY 26.
9. A minimum reserve balance of 16.67% of annual expenditures is a requirement of the Chancellor's Office and the recommendation from the Government Finance Officers Association.

Notes to the Restricted General Fund Budget (Fund 12)

- (1) Based on the Advance Apportionment report dated August 8, several programs have realized revenue decreases for FY 25-26 (e.g., DSPS and State Financial Aid supported programs).
- (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 classroom audio/visual equipment investments will be funded with restricted funds in FY26.
- (5) The College is experiencing the reduction in Federal funding, including SSS TRIO program. The District continues to monitor other Federal programs. The District is reviewing alternative restricted funding to support the programs at risk.
- (6) The District and the Chancellor's Office continue to advocate to the State for more funding.

2025-2026 Final Budget Next Steps



2025-2026
Final Budget

Questions / Observations