

Napa Valley Community College District  
Budget Guidance Memorandum  
For the Development of the 2026-2027 Budget

## **Introduction**

This memorandum is provided as guidance for the development of the 2026-2027 budget for the Napa Valley Community College District. It is being made available to Budget Center Managers and members of the community to communicate budget assumptions, broad planning parameters, and the procedure for requesting resources for the 2026-2027 academic year.

Budget Center Managers for Categorical, Grant, and Special Program Funding, please refer to the Restricted Funds Budget Guidelines (page 6).

Please refer to following documents and the [Planning & Budget Development](#) website for additional information regarding budget development:

- [2024-2029 Educational Master Plan](#)
- [Budget Development Values & Assumptions](#) (general guidance regarding budget development)
- [Resource Allocation Request Matrix](#)
- [Budget Planning Process Timeline](#)

Additionally, the Planning & Budget Development Presentation will be held at an open campus forum held on **January 27, 2026**, and the Quarterly Budget Center Managers Meeting on **January 28, 2026**.

Budget Requests will be collected for:

- Strategic Initiatives
- Operational Optimization Requests
- Personnel Requests
- Operational Continuance
- Technology Requests
- Facilities and Equipment Requests

## **Current Conditions**

The District has made incremental progress in its financial position as evidenced by the successful filing of the District's annual audit, the timely filing of its annual 311 reports, and successive years of balanced operating budgets.

However, the loss of federal funding including HSI grants, TRIO grants, and reduced revenue projections from state funding and property taxes will result in operational deficits, unless operating costs are reduced and/or additional revenue streams are identified.

The President's Cabinet has assiduously reviewed operating costs and staffing in order to make recommendations to the Board of Trustees to address the necessary structural changes necessitated by changes in funding. Information regarding these changes will be announced early in the spring semester.

### **Meeting the 50% Law Threshold**

While the college did make progress toward meeting the 50% Law, improving 47.13%, additional work remains in order to reach the 50% threshold. The College continues to work with Cambridge West, a consulting group, with experienced former community college finance officers to assist with the assessment of personnel assignments and accounting practices that impact the 50% threshold.

### **Building Adequate Financial Reserves**

Maintaining adequate reserves continues to be a primary metric used by our accreditor (ACCJC), the Chancellor's Office, and credit rating agencies as a measure to the District's financial health. While current reserves meet the minimum threshold established by the Chancellor's Office, the District's five-year projections, utilizing conservative operating revenue assumptions, indicate that *operating reserves* will be negatively impacted (resulting in deficit budgets) unless measures to reduce expenses and/or improve revenues are employed. Measures currently underway to ensure that the College is operating within its means include the following:

- A continued review by the President's Cabinet of requested personnel actions to ascertain if the action is essential and consideration of options for how these services can be rendered.
- Restricting expenditures to those necessary, to support teaching, learning, student support, maintenance, compliance requirements, and efficiency initiatives.
- Continuing efforts to realize additional revenues due to increases in non-resident student enrollments made possible by the availability of student housing.
- A continuing review of opportunities to enhance revenues.

### **Context for Budget Planning**

#### **Educational Master Plan Goals**

The alignment of resource allocation with the stated goals of the institution is a primary goal of NVC's budget development process. Additional information about institutional planning, and the work of the District Planning Committee is available on the website. The following goals from the Educational Master Plan provides guidance for budget managers when considering unit plans and budget requests:

- Enrollment Stabilization
- Equitable Student Outcomes
- Program Alignment with Regional Labor Market
- Infrastructure Improvements and Fiscal Sustainability
- Culture and Climate

#### **Revenue Assumptions**

The Governor's budget proposal was made available in January 2026. Additional updates regarding the state budget will be forthcoming as the May revised budget is published by the State. At the time of this writing, additional revenue from the state for community-supported colleges is not expected.

Local property taxes constitute more than 85% of revenue. While the initial estimate is subject to adjustment, the current projection is that property tax revenues are projected to increase by 3.5% over realized revenue in 2025-2026.

Initial projections from other revenue sources at the time of this writing are projected to be flat.

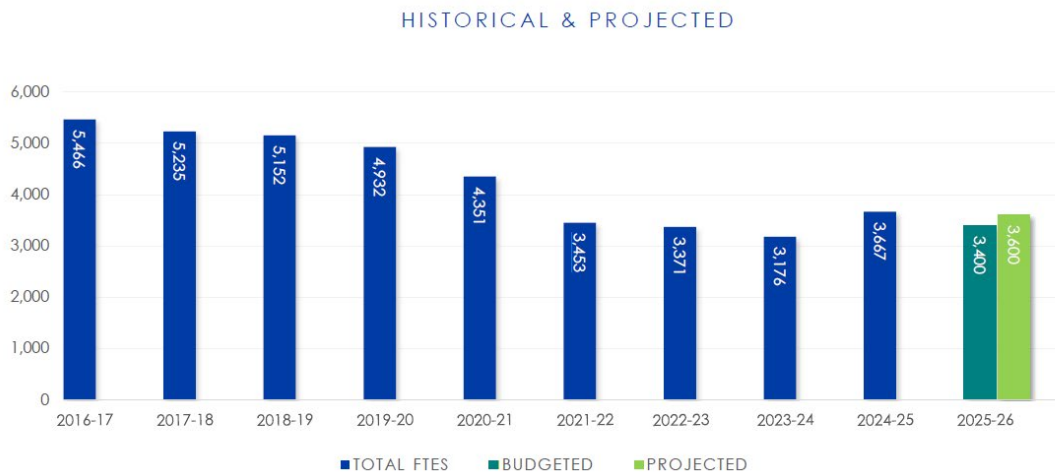
## Expenses

The following include the significant budget planning implications for the 2026–2027 budget.

- Salary schedules for faculty, classified, and administration/confidential employees will increase by 3%.
- Employee benefits, including the costs for employee medical coverage, are projected to increase by an amount of 6%.
- Mitigation measures associated with the final closure plan for Ash Landfill will require additional funding.
- Anticipated increases in utility and energy costs.
- Costs associated with the development of a Facilities Master Plan for the campus.
- An additional set-aside of funds may be necessary based on occupancy levels at River Trail Village.

## Enrollments

There is evidence of nominal improvements in enrollments in recent years; however significant enrollment growth is not expected in the near term. While campus housing (RTV) is anticipated to stimulate interest in attending the institution, the actual impact has not yet been realized. Therefore, college budgets for instruction and categorical programs should plan to serve enrollments similar to 2025-2026, or approximately 3,600 FTES.



## Budget Development Guidelines and Process

The budget development process will be similar to the 2025-2026 process with some minor improvements, including the use of the budget development module in Self Service. It is important to note that the impact of reduced revenues of both the unrestricted general fund and restricted funding severely limits discretionary funding. Operating budgets will be held at their 2025-2026 funding levels. Exceptions to this flat funding approach include the following:

- Increases in costs associated with collective bargaining agreements
- Utility costs
- Increases in existing contracts/agreements as required by the terms of the agreement
- Increases in costs for insurance and risk management

### **Budget Tools**

The Self-Service Query and Budget Development tools are now active in Colleague - Detailed budget and expenditure information is available to Budget Center Managers through Self Service. Training in the use of these tools is noted in the 2026-2027 Budget Development Process Timeline. Access to the Budget Development module will be available throughout February 2026.

Facilities and Technology Workbook – This excel document is used to submit requests for Facilities (Capital Improvements), Equipment (new and replacement), Technology (new/renewal contracts, hardware). Classroom, Office, or any other operating equipment should be included in the Facilities requests.

Each Budget Center Manager will be assigned a submission folder via the FY 27 Budget Development Microsoft TEAMS account. Budget Center Managers will receive a link to their TEAMS folder on **January 30, 2026**, and will need to complete all budget submissions to their **TEAMS submission folder, no later than March 2, 2026**.

### **Types of Budget Requests**

#### ***Requesting Additional or Replacement Personnel (Non-faculty positions)***

In support of a continuing need to carefully monitor staffing costs, and the prospect of limited additional resources, requests for additional personnel will be carefully reviewed by the President's Cabinet and held to a minimum.

The process for 2026-2027 personnel proposals will utilize the [FT Staff and Management Position Screening Form & Ranking Matrix](#) available on the Planning & Budget Development website. To be considered, Budget Center Managers will need to complete the form with the applicable VP and/or the President (for the President's Area) signatures and submit via TEAMS by **March 2, 2026**.

Information regarding the consideration, approval and recruitment of faculty positions is available in the Office of the Vice President of Academic Affairs.

#### ***Requesting Funding for on-going Operating Expenses***

Additional funding for operating expenses due to escalating costs is made in the **Budget Development module through Self Service**. Requests for Equipment, Facilities, and Technology will continue to use a modified excel workbook available in the Teams folder (see below for further explanation of the Facilities\* & Technology\*\* Workbook). Calendar invites of the training schedules for the use of the Self-Service Budget Development module will be sent out on February 1, 2026.

By **March 2, 2026**, Budget Center Managers must submit budget changes and requests via the Budget Development module in Self Service. Vice President's/President have access through March 6<sup>th</sup>, 2026, to review changes and authorize requested budget adjustments.

**Note:** Requests submitted in previous years do not rollover.

***\*Facilities Related Requests***

Requests for Facilities Projects are to be submitted using the Facilities and Technology Workbook available in TEAMS.

Routine repair requests will continue to be submitted to the Facilities Services area through the SchoolDude app on the Facilities/Risk Management website.

**Note:** Requests submitted in previous years do not rollover

***\*\*Technology Related Requests (Hardware and Software)***

Requests for technology to maintain current operations, including software and hardware, are to be submitted through the Facilities and Technology Workbook. The workbook contains guidance regarding the requests that can be submitted.

The [Total Cost of Ownership-Tech Refresh Plan](#) is available on the Institutional Technology webpage. The plan provides information about recommended computer and A/V replacement schedules. Annual budget recommendations from the District Technology Committee are intended to address the replacement of this equipment based on established schedules.

Software subscriptions/licenses, software maintenance, software support, including advising agreements requires review by the IT Committee. This includes month-to-month, 1-year, and multi-year contracts.

**Note:** Requests submitted in previous years do not rollover

***Requesting Funding to Advance Organizational Optimization Proposals***

Proposals that focus on improving the delivery of college operations and services aim to benefit both students and employees. These proposals should demonstrate how operational processes or the provision of services can be carried out more efficiently, resulting in faster and/or more accurate outcomes. The goal is to streamline workflows, reduce delays, and ensure that the college community receives reliable and timely support. By employing enhancements in operational efficiency, the college can better meet the needs of its stakeholders and uphold its commitment to quality service and enhanced student outcomes.

The form for submitting Organizational Optimization Proposals is available in TEAMS.

**Note:** Requests submitted in previous years do not rollover

***Requesting Funding for Strategic Initiatives***

Strategic Initiatives are defined as ***an initiative or program that addresses the goal of the college in a specific way and is not currently being done at NVC***. Strategic Initiatives are submitted to the Planning Committee no later than **December 5**. Additional information regarding Strategic Initiatives can be found on the [Planning & Budget Development](#) website.

**Available Funding Earmark (unrestricted general fund expenditure)**

While the college's financial condition has improved in recent years, revenue and expense projections suggest that discretionary funds available for allocation in the 2026-2027 budget will be limited.

To address strategic initiatives deemed important to pursue and support Operational Continuation costs, the initial budget will be earmarked \$100,000 for these purposes. These funds will be applied based on recommendations by the District Budget Committee.

**Note:** This amount is *subject to change* as updated revenue and expense information becomes available.

**Guidance Related to Categorical, Grant, and Special Program Funding**

The use of restricted funds, including categorical and Grant and Special Program (SPP) funding, has been reduced significantly due to the elimination of some federally funded programs. Program Managers should consider a "braided" use of all available and applicable funds that affect positive student outcomes.

Budget Center Managers with responsibility for restricted funds should consider the range of appropriate uses of available funds to meet student outcome objectives. In this vein, budget center managers are encouraged to consider the following:

Consult [NVCCD Categorical Programs](#) listing of restricted funds and the [Compendium of Allocations and Resources](#) issued by the Chancellor's Office to determine if funding is available to meet needs identified in your budget area. This information is available on the Business & Finance Office website under [Guidelines & Forms](#) / District Financial Resources.

Contact the respective restricted fund managers to discuss the merits of including their restricted funds in your program area. Include this request and funding source with your submissions.