Date: April 18, 2022

To: Administrators, Classified Staff & Faculty

From: President’s Cabinet

Re: Next Steps

Each of us on the President’s Cabinet thanks you for your patience as College leadership considers the best path forward given the numerous challenges we face. We have deliberated extensively about the appropriate and necessary next steps regarding the condition of our budget, the status of our administrative structure, and how to move forward in a manner that fosters your support.

Napa Valley College’s current fiscal condition developed over the course of several years, and the action steps necessary to address these challenges will require continued dialogue with the campus and local community. Your input will be critical to developing and executing a plan that puts us on a sound footing.

NVC has recently received valuable input from external sources including the Accrediting Commission for Community and Junior Colleges (ACCJC), in the form of the Core Inquiries Report, and an operational and fiscal assessment from the state’s Fiscal Crisis and Management Assistance Team (FCMAT). These resources are particularly valuable as they come from independent third parties, and they provide NVC with a clear roadmap as to how we can return to fiscal sustainability. We must be able to assure current and future students, and the community that depends on us, that our current situation never happens again.

The Cabinet looks forward to the arrival of Dr. Torence Powell in July, and his fresh perspective and approach. He deserves every opportunity to put his imprimatur on a more comprehensive longer-term plan, which will be greatly aided by the work we do together in the next couple of months.

This memorandum is intended to:

I. Frame our college priorities.
II. Assess our current budget in light of recent actions we’ve taken, and
III. Recap our recommended actions for the short term (6-12 months), with an eye toward a more detailed and comprehensive plan to be implemented over the next three to five years.
I. Priorities

A. Service and Support of Students. It is a message everyone in the NVC community takes to heart, and it bears repeating: **Our mission, our purpose, and our focus must be on what is best for our students.** At the moment we are challenged by many distractions, but we must consistently bear in mind why we’re here: to work diligently to promote access for those we serve and to advance initiatives that enable and empower them to achieve their educational goals.

B. Reorganization and SERP. The results of the SERP process will inform the kind of realignments and organizational structures necessary to support sustainable operations. There will not be a comprehensive reorganization at this time. Any major reorganization initiatives will be under the auspices of our incoming President, Dr. Powell.

C. ACCJC Accreditation. Accreditation is the report card that tells the public how we effective we are with respect to serving students and the community. We have received a response from the ACCJC’s visiting team in the form of the **Core Inquiries** and must now turn toward responding to these identified issues in order to ensure that the next team visit, in Fall 2022, shows evidence of continued improvement. The entire NVC community owes a debt of gratitude to the many staff members who have devoted significant portions of time to our ISER, and encourage full engagement by faculty, staff, and students. It’s critical to our success.

II. Current Financial Context

As a reminder, the steps we have taken thus far to reduce expenditures in the 2022-2023 budget include:

- The SERP was extended to April 18
- Temporary suspension of the Police Academy
- Voluntary resignations and retirements
- Notice of elimination of administrative positions at the February 10 Board of Trustees meeting
- Reductions in instructional costs as a result of reduced enrollments and class offerings
- Reductions in reassign time for faculty
- Moving appropriate General Fund expenses (Fund 11) to categorical and special program funds (Fund 12).

Initial projections of revenue and expenditures in FY 2022 suggest that the College can devote next year to developing and commencing implementation of a comprehensive plan focused on:

- The implementation of processes and controls as outlined in the FCMAT Report
- Fiscal stability standards as identified in the Budget Development Values and Assumptions document
- Steps identified in response to the ACCJC enhanced monitoring letter including the hiring of a new President and Chief Business Officer, the implementation of a hiring freeze and offering a SERP to reduce personnel costs.
- A plan to reduce identified financial liabilities
- Consideration of strategic investments that improve enrollments, operational efficiencies, and revenue.
The cumulative savings of these actions will put the District in a reasonably stable fiscal position for FY2022-2023 and FY2023-2024, but these measures will not, in and of themselves, position the College for long-term stability. NVC will need to identify additional cost containment measures, including reductions across staffing categories to build a sustainable fiscal foundation while planning and implementing a longer-term growth strategy. This is the only realistic way for NVC to grow programs and increase salaries.

III. Additional Short-Term Cost Savings/Personnel Actions

To provide clarity and assurance to our campus community about positions noticed at the March 10 Board of Trustees meeting and to achieve additional short-term savings, we are moving forward with the following two initiatives:

A. Administrative Contract Initiative. This will include the return of administrators who received a March 15 notice. This includes those who are currently employed and who have not filed for the SERP.

Administrators currently serve on a year-to-year contract. All administrators who have not opted for the SERP or who have been previously notified, will be called back and have the option for a one-year or two-year contract, as follows:

- A **one-year contract** with a College option to renew; or
- A **two-year contract**, working 11 months each year, with a College option to renew

The President or appropriate Vice President will review and approve these contracts, and administrators will be subject to reassignment as we determine the College’s operational needs.

Please look for details regarding an informational session about the Administrative Contract Initiative in the near future.

B. Implementation of Voluntary Furlough for Confidential and Classified Employees. We will be offering the option to voluntarily work a reduced schedule of 32 hours per week, for reduced compensation, pending negotiations. Furloughs will be for the 2022-2023 budget year and will be subject to approval of the respective Vice President/President.

Human Resources will provide details to both confidential and classified employees of the implementation of the voluntary furlough in the near future.

The Cabinet appreciates your patience and dedication as we consider options that will provide additional time to plan and act in a more deliberate fashion. We look forward to continuing these conversations and to our work together. Thank you.