

NAPA VALLEY COLLEGE FINANCIAL RESOURCES AND THEIR IMPLICATIONS FOR PLANNING

TOWN HALL MEETING – MARCH 30, 2023

DR. TORENCE POWELL - PRESIDENT

JIM REEVES - VICE PRESIDENT, ADMINISTRATIVE SERVICES

TOWN HALL MEETING OBJECTIVES

- A review of revenue sources for California Community Colleges
- A review of enrollment, staffing, and expense trends at Napa Valley College
- Looking Ahead - Projecting revenues and expenses for Napa Valley College
- Supplemental projections for NVC – What if...
- Matching needs with resources
- The “How” – Key Next Steps to Addressing Institutional Needs

SOME KEY METRICS – GENERAL FUND UNRESTRICTED REVENUES

2022-2023 Unrestricted General Fund

Budgeted Revenue - \$46,947,624

- Federal Income – .1%
- State Income – 6.2 %
- Local Property Taxes – 84.8%
- Other Local Income – 6.2%
- Other Financing Sources – 2.8%

SOME KEY METRICS – RESTRICTED REVENUES

2022-2023 Restricted Fund Revenues - Approximately \$19 M

- Restricted Funding includes programmatic support for student and institutional initiatives in the following areas (partial list):
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SOME KEY METRICS – GENERAL FUND EXPENDITURES

2022-2023 Unrestricted General Fund

Budgeted Expenditures - \$46,561,053

- Salaries 58.4%
- Employee Benefits 22.5%
- Books & Supplies 1%
- Other Operating Expenses 12.4%
- Capital Outlay 1.8%
- Other Outgo (OPEB) 3.9%

LOOKING BACK – TRENDING DATA

- In a functionally balanced district, revenue, expenses, enrollment, personnel should trend the same direction.
- Enrollment drives personnel needs.
- Personnel (total compensation) is the largest driver of expenses.
- If enrollment and revenue are significantly decreasing or increasing, staffing levels should be adjusted accordingly.

Multiyear trends are the only way to visualize the change

(referenced trend information utilizes the FCMAT historical data and methodology. All data is actual with the exception of the 2022-

PERSONNEL HISTORY 2014-15 TO 2022-23

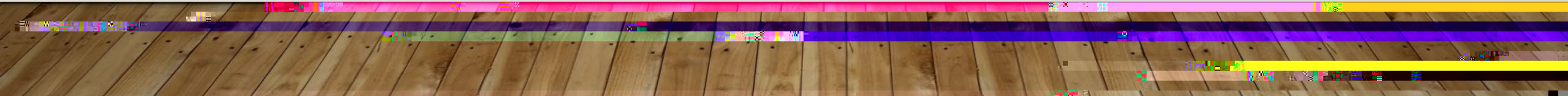
NOTE: 2022-2023 ARE PROJECTIONS

- Contract Faculty (full-time) has increased 8%
- Overload has increased 38 %
- Non-Contract (part-time) has reduced 45%
- Management has decreased by 13%
- Staff has increased by 9%
- Confidential has increased by 39%

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	9 Year
Staffing	All Teaching FTEF	Contract (full-time)*	73.44	78.28	73.27	77.59	80.53	83.62	82.04	83.18	79.42	8%
		Overload	11.48	9.68	11.50	11.59	16.72	19.27	20.10	19.33	15.80	38%
		Non-Contract (part-time)	87.87	84.72	83.99	76.48	78.36	72.34	73.40	55.08	48.10	-45%
	Unrestricted Gen Fund FT	Management	23.35	23.85	22.05	31.80	32.55	34.90	35.75	30.00	20.25	-13%
		Staff	102.03	103.22	98.05	99.59	102.67	110.56	114.90	117.45	110.90	9%
		Confidential	7.75	7.75	5.75	7.75	12.75	12.75	12.50	12.75	10.75	39%

EXPENSE HISTORY 2014-15 TO 2022-23

NOTE: 2022-



CHANGES IN INSTITUTIONAL EFFICIENCY 2014-15 TO 2022-23

- Classroom Efficiency FTES/FTEF

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LOOKING AHEAD – PROJECTIONS BASED UPON PLANNING ASSUMPTIONS

FY 2022-2023 THROUGH FY 2026-2027

- Financial projections are based upon fixed commitments (e.g., employee contracts) and assumptions about how key metrics will perform based upon recent history (i.e., historical levels of property tax revenues).
- The further away from the base year, the less reliable the planning assumption.
- Planning assumptions must be regularly updated to maintain/improve reliability.
- Create contingency plans to address changing assumptions.

	Final Budget FY 2022-2023	Incr %	Projected Budget 2023-24	C.Y. over P.Y. Dollar Change	Incr %	Projected Budget 2024-525	C.Y. over P.Y. Dollar Change	Incr %	Projected Budget 2025-26	C.Y. over P.Y. Dollar Change	Incr %	Projected Budget 2026-27	C.Y. over P.Y. Dollar Change
Revenues													
Federal Income	\$ 25,134	0.0%	25,134	-	0.0%	25,134	-	0.0%	25,134	-	0.0%	25,134	-
State Income	2,911,798	3.6%	3,016,914	105,116	3.6%	3,126,730	109,816	3.6%	3,240,543	113,813	3.6%	3,357,850	117,308

Other Operating Expenses	
Other Professional Services	62
Travel/Conference/Prof. Dev.	144
Insurance and Utilities	2,121
Maintenance and Repairs	1,648,972
Legal, Election and Audit	259,972
Advertising and Pt ait	259,972



CREATING BUDGET SPACE TO ADDRESS COLLEGE PRIORITIES SUPPLEMENTAL ASSUMPTIONS

(THESE SHOULD NOT BE ASSUMED TO BE A DEFINITIVE LISTING OF ASSUMPTIONS)

Increased Revenue

- Increased non-resident students – 2024-2025, 50 additional students
- 2025-2026, 25 additional students, 2026-2027, 25 additional students (100 additional students over three years)
- Revenue from student housing initiative – 75% of anticipated revenue based on pro forma projections.

Reduced Expenses

- Payroll reductions from 2023 SERP

Increased Expenses

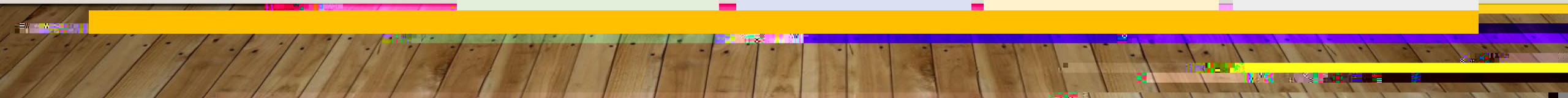
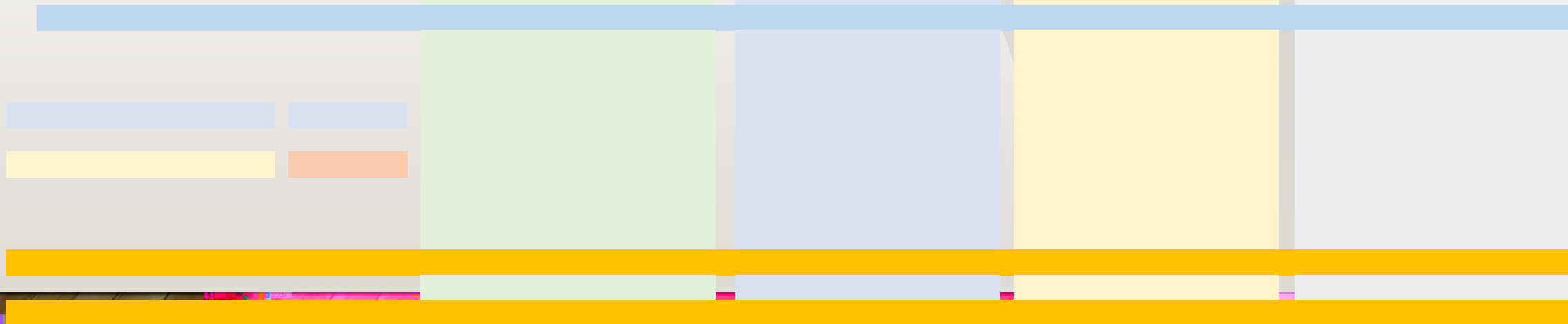
- Cost of SERP annuity (OPEB expense)

Books and Supplies

Computer Software/Books	928	2.0%	946	19	2.0%	965	19	2.0%	985	19	2.0%	1,004	20
Instructional Supplies/Material	202,422	2.0%	206,470	4,048	2.0%	210,600	4,129	2.0%	214,812	4,212	2.0%	219,108	4,296
Office Supplies	15,851	2.0%	16,168	317	2.0%	16,492	323	2.0%	16,821	330	2.0%	17,158	336
Other Supplies	251,268	2.0%	256,294	5,025	2.0%	261,420	5,126	2.0%	266,648	5,228	2.0%	271,981	5,333
Total Books and Supplies	470,469		479,878	9,409		489,476	9,598		499,266	9,790		509,251	9,985

Other Operating Expenses

Other Professional Services	627,576	2.0%	640,128	12,552	2.0%	652,930	12,803	2.0%	665,989	13,059	2.0%	679,309	13,320
Travel/Conference/Prof. Dev.	144,699	2.0%	147,593	2,894	2.0%	150,545	2,952	2.0%	153,556	3,011	2.0%	156,627	3,071
Insurance and Utilities	2,121,862	2.0%	2,164,299	42,437	2.0%	2,207,585	43,286	2.0%	2,251,737	44,152	2.0%	2,296,772	45,035
Maintenance and Repairs	1,648,151	2.0%	1,681,114	32,963	2.0%	1,714,736	33,622	2.0%	1,749,031	34,295	2.0%	1,784,012	34,981
Legal, Election and Audit	259,972	2.0%	265,172	5,199	2.0%	270,475	5,303	2.0%	275,885	5,410	2.0%	281,402	5,518
Advertising and Printing	41,526	2.0%	42,357	831	2.0%	43,204	847	2.0%	44,068	864	2.0%	44,949	881
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PROJECTIONS AS CONTEXT FOR ADDRESSING NVC NEEDS

- Inves TT1 1 TftC gsq 11r u/dT0 1r u/dT009 T411r u/dT0 1r u/dTNG

THE “HOW ” COMPONENT: KEY NEXT STEPS IN ADDRESSING INSTITUTIONAL NEEDS

- Initial realignment in response to SERPs
- Emphasis on college strategic planning
 - College Mission, Vision, and Values statements
 - Educational Master Plan
 - Strategic Planning
- Engagement of college leadership in prioritization
 - Resources
 - Initiatives/Projects
 - Organizational Structure

POST-SERP ORGANIZATIONAL CHANGES

- Initially focused on management unit
- Realignment of reporting structure
- Attention to our operating budget
- April 19th presentation on realigned management structure

POST-SERP ORGANIZATIONAL CHANGES

- Assessment of our college structure
- Unit-based approach
 - Stake-Holder centric
 - Unit Plans
 - Assessment of best practices from other institutions
 - Research
 - Iterative
- Beginning with Student Affairs

BUILD AN INFRASTRUCTURE FOR DECISION MAKING

- College priorities drive decisions
- Resource allocation is aligned with institutional priorities
- District Committees work to prioritize resource requests based on alignment to institutional priorities

