NAPA VALLEY COLLEGE BUDGET DEVELOPMENT PRINCIPLES

Budgeting principles set forth the ideals that the college will adhere to as the budget is developed and that support the goal of optimizing student achievement.

- **Use annual goals to inform the budget process.** Explicit annual goals drive how resources are allocated or re-allocated and should be used to guide how potential new investments or reductions are evaluated in light of their alignment with the college's strategic direction.

- **Use data to make decisions.** Collecting and tracking performance measures and other data through PEP, annual plans and other data sets can help the college recognize where changes in its environment or services are occurring that require reallocation of funds or an infusion of new resources.

- **Consider both the inputs and outcomes of proposed budget decisions.** The budget process should seek to allocate available dollars optimally, in a way that will achieve the best value. This means that colleges should consider both the cost of programs along with the benefits they provide.

- **Regularly re-examine patterns of spending and modify them when they no longer make sense.** The College's budget processes are often "incremental," where last year's spending becomes the basis for the next year's budget, with incremental changes made around the margin. However, past patterns of spending may no longer be the best use of scarce resources given changing needs of students and the community. Consequently, the budget process should undertake a critical review of past spending decisions and be willing to discontinue programs that are not achieving their objectives. To support these deliberations, a college should regularly review its programs and evaluate their impact relative to its strategic goals. The budgeting process should consider all available funds in order to make the greatest impact with available dollars, while also acknowledging constraints on spending.

- **Take a long-term perspective.** The College will not be able to make large changes to their educational strategy and resource allocation patterns within a single year. Further, a consistent application of proven strategies over a multi-year period will deliver better results. Therefore, to the degree possible, a college should provide a multi-year funding plan for its strategies to improve student achievement, with the goal of full funding and realigning resources where necessary to fund high priority elements of the plan.

- **Be transparent.** Effective budgeting requires valid information about the true costs of serving students and the outcomes produced for students.

- **Communicate.** Make the budget process and outcome available to stakeholders via college meetings and the website.