

Hold Harmless as New Base Explained

Bret Watson
VP Finance & Administrative Services

March 17, 2023



12345 El Monte Road
Los Altos Hills, CA 94022

foothill.edu

SCFF (Student Center Funding Formula) Facts:

□ 70-20-10

- Base (**FTES**, Campus & Centers) = **70%**
- Supplemental (Pell Grant, AB 540, Promise) = **20%**
- Success (Degrees, Certificates, Living Wage) = **10%**

□ Hold Harmless

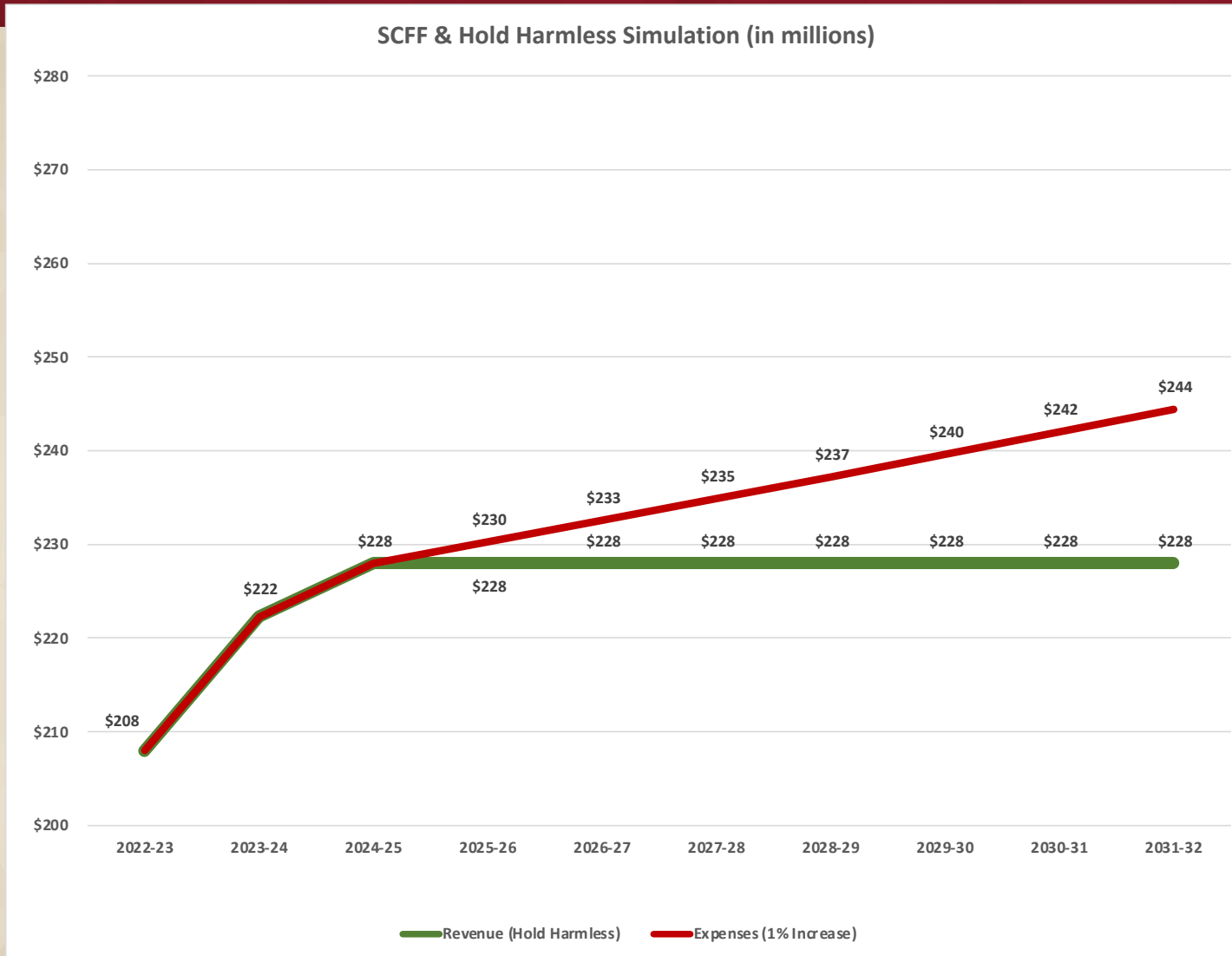
- FHDA has been funded since 2017/18 by the Hold Harmless Provision of SCFF
 - Uses the 2017-18 FTES plus State COLA's (cost of living adjustment)
- The State Budget for 2022-23 includes a provision for districts that are not earning revenue under SCFF with Hold Harmless becoming the new base.

What Does Hold Harmless Mean?

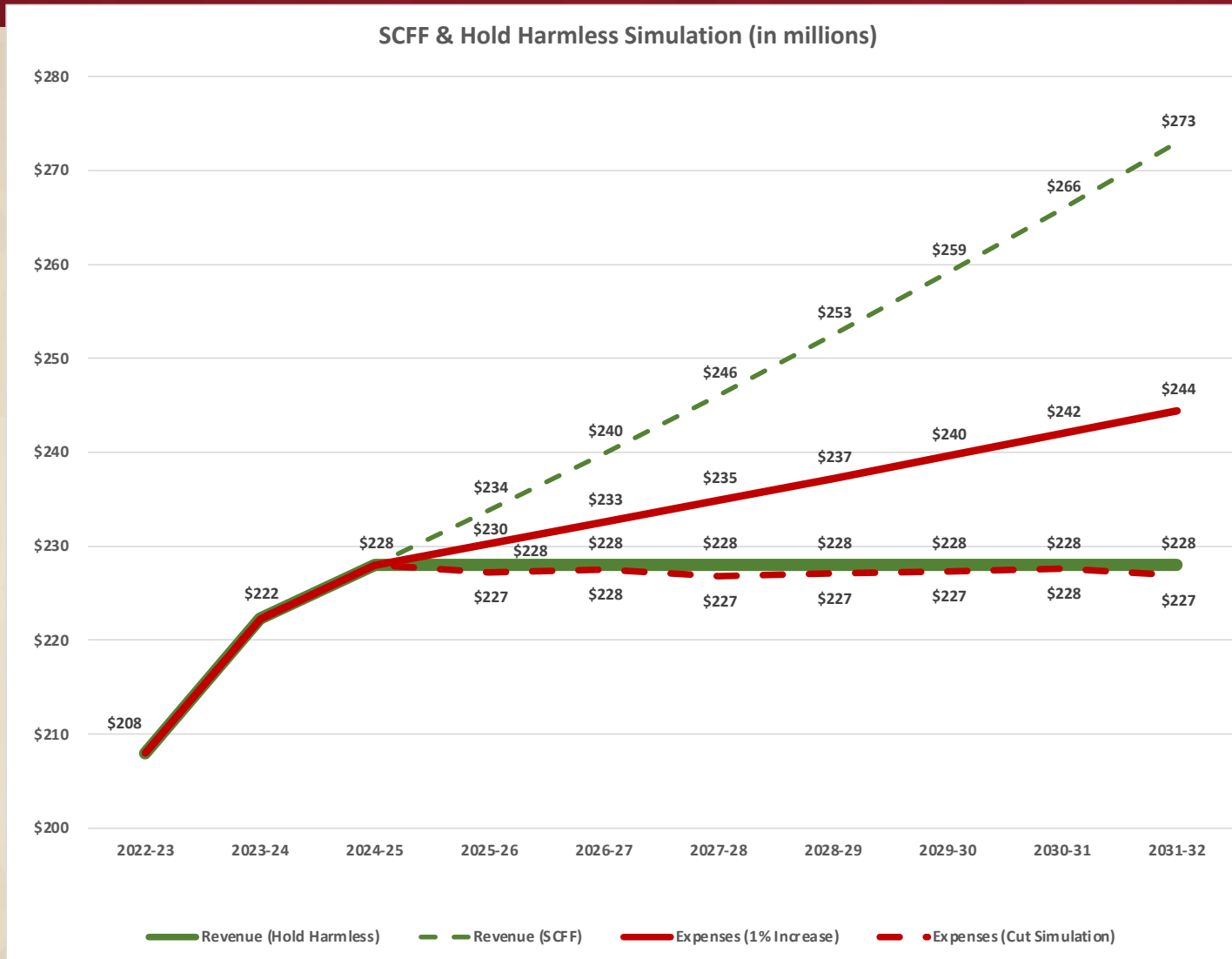
With Hold Harmless as our new base:

- ❑ Starting in 2025-26, if a COLA is provided by the State, we will not receive additional funds unless we are earning revenue per the SCFF.
 - 2021-22, -1,452 Resident FTES
 - 2022-23, -1,966 (projected) Resident FTES
- ❑ Not a fiscal cliff, however over time we will experience higher costs with flat revenues

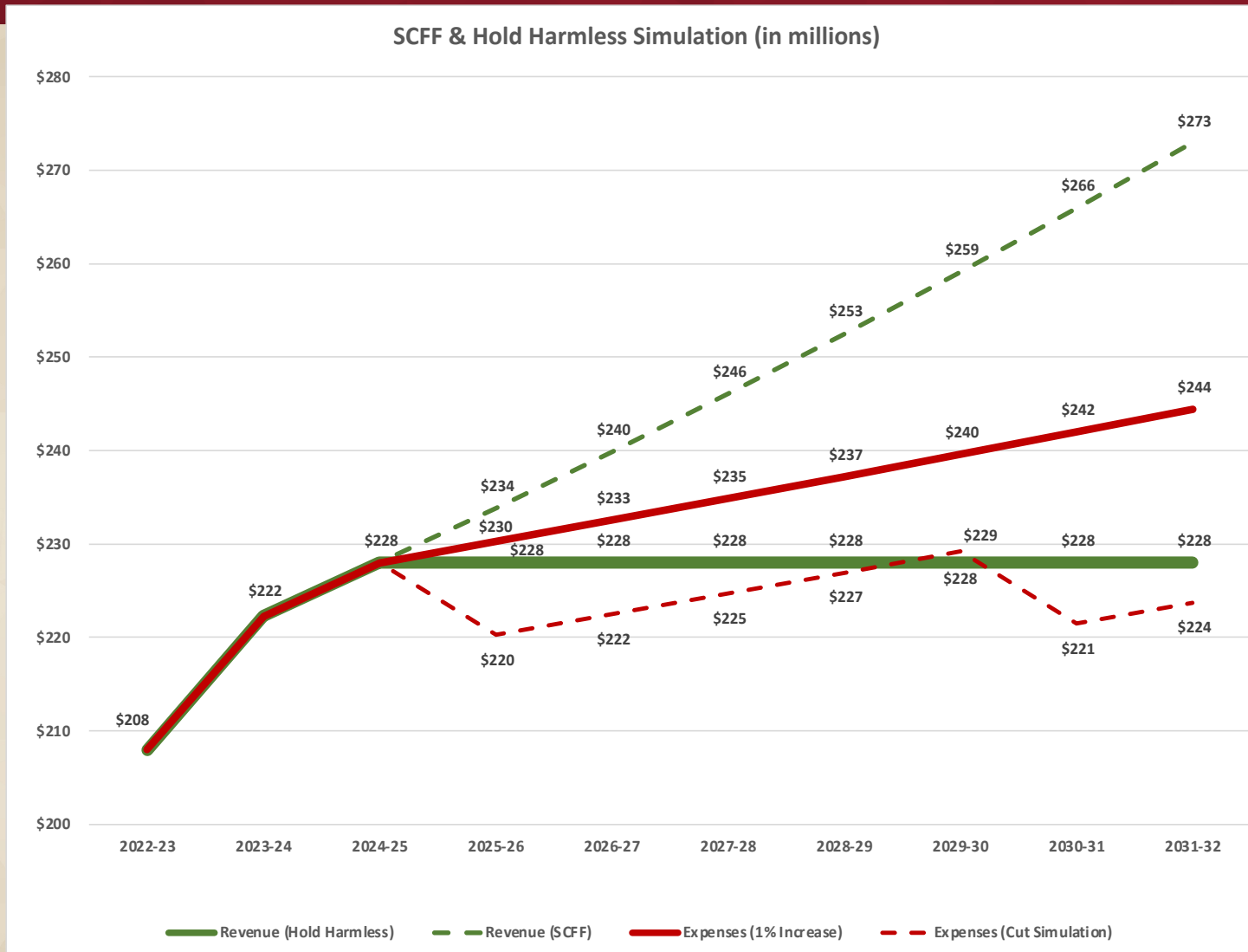
Hold Harmless with 1% Expense Increase and Flat Revenues



SCFF with 3% COLA and Annual Expense Reductions



Two Major Reductions 5 years Apart



Questions?