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Memorandum

To: Presidents and Chancellors, Community Colleges

From: Harrison Keller, Ph.D.

Date: February 13, 2024

Subject: Upcoming Data Requests for FY 25 Community College Finance Implementation

After last month's quarterly Board meeting, the [THECB released proposed community college funding rules for Fiscal Year 2025 \(FY 25\)](#). These rules will serve as the policy framework for the community college formula funding model, and we encourage your institution to review these rules and the [memorandum summarizing these changes](#).

In addition to this policy framework, we are also working on new rules that will be published later this spring that will create a dynamic funding mechanism where payments to institutions are calculated based on forecasts outcomes and a settle-up process aligns final payments with an institutions' actual performance. These rules will also set the weights and rates for outcomes achieved by institutions for FY 25 funding.

Our intention is to release these new proposed rules, final funding runs, and the formula model for FY 25 by the end of April so your institutions can plan and budget accordingly over the summer. **In order to implement these goals and release this information in April, the THECB will be reaching out in the coming weeks with two data requests.**

The first request will be for a review of historical outcomes data. Updates to the FY 25 rules included revised definitions and guidelines for credentials of value within the performance tier, changes to the calculation of the transfer outcome, and the identification of adult learners, along with other revisions.

To support the FY 25 updates, the THECB will be asking each institution to review historical outcomes data. It is important that institutions closely review the accuracy of their historical data as it will serve as an important input for the new forecasting model that will determine initial performance funding for FY 25. More details and instructions on the review process will be distributed later this week.

The second request will be for certain workforce credentials awarded in FY 23. Specifically, THECB will request that colleges submit certified data on Institutional Credentials that lead to a Licensure or Certification (ICLC), similar to the data collection done last year.

These two data requests will enable us to implement the forecasting methodology using accurate historical data. Over the next few weeks, institutions will receive more guidance and communication from Melissa Humphries, our Assistant Commissioner of Data Management and Research, and Emily Cormier, our Assistant Commissioner for Funding and Resource Planning. I encourage you to share this email with your Institutional Reporting and Finance Offices before the data collection requests are distributed in the coming weeks.

c: CFOs, CROs, Liaisons