


**TEXAS WORKFORCE COMMISSION**  
**Adult Education and Literacy Letter**

<b>ID/No:</b>	AEL 04-18
<b>Date:</b>	September 7, 2018
<b>Keyword:</b>	AEL
<b>Effective:</b>	Immediately

**To:** Adult Education and Literacy Grant Recipients  
Adult Education and Literacy Special Project Grantees  
Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers

**From:**  Courtney Arbour, Director, Workforce Development Division

**Subject:** **Program Year 2018–2019 Performance-Based Funding and Performance Allocation Holdback**

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**PURPOSE:**

To provide Adult Education and Literacy (AEL) grantees<sup>1</sup> with updated information on the distribution of performance-based funding and performance allocation holdbacks.

**BACKGROUND:**

Texas Workforce Commission (TWC) General Administration rule §800.68 provides that TWC will set performance accountability benchmarks that AEL grantees must meet to access up to 10 percent of their allocated funding, hereafter referred to as “performance allocation.”

On July 3, 2018, TWC’s three-member Commission approved allocations for Program Year 2018–2019 (PY’18–’19) with a 3 percent performance allocation holdback.

Continued emphasis on increasing educational outcomes for AEL means that the new AEL statewide core provider grants require that performance-based funding support the goals of early enrollment for strong grant start-up and retention of enrolled participants through the achievement of Measurable Skill Gains (MSGs).

**PROCEDURES:**

**No Local Flexibility (NLF):** This rating indicates that AEL entities must comply with the federal and state laws, rules, policies, and required procedures set forth in this AEL Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

**Local Flexibility (LF):** This rating indicates that AEL entities have local flexibility in determining whether and/or how to implement guidance or recommended practices set

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<sup>1</sup> For the purposes of this AEL Letter, AEL grantees are entities that receive AEL funds through TWC.

forth in this AEL Letter. All information with an LF rating is indicated by “may” or “recommend.”

### **Definition**

**NLF**: AEL grantees must be aware of the following definition:

**Basic Education MSG** means MSGs allowable for use with all participants and includes the following:

- EFL MSG (Type 1): Documented achievement of a gain in an educational functioning level (EFL) for participants receiving instruction below the postsecondary education level in one of the following types of EFL measures:
  - Achievement on a Pretest-Posttest MSG (Type 1a): Comparison of a participant’s initial EFL, as measured by a pretest, with the participant’s EFL, as measured by a posttest, using tests approved for AEL in Texas in accordance with the Assessment Guide. The EFL can be achieved in any domain, not just the Domain of Significance (DOS).
  - Postsecondary Enrollment MSG (Type 1b): Enrollment in a Postsecondary Education or Training program that leads to a Postsecondary Credential after a participant exits AEL services. The participant must be below the postsecondary level in one or more domains, have no planned gap, and enroll in the Postsecondary Education or Training program after exit but within the same program year in which exit occurred.
- HSE Achievement MSG (Type 2): Documented attainment of a recognized English- or Spanish-language HSE Credential during the program year. Students may obtain either an in-state Texas Certificate of High School Equivalency (TxCHSE) or an out-of-state HSE option that is approved for use in that state when participating in Adult Education and Family Literacy Act (AEFLA) activities.

### **Guidance**

**NLF**: AEL grantees must be aware that performance-based funding is distributed from AEFLA federal funds.

**NLF**: AEL grantees must be aware that the 3 percent performance allocation holdback is not guaranteed and is contingent on performance assessed according to the parameters and due dates described in this letter:

#### **Measure A: Participants with a Period of Participation in the Program Year by the Second Quarter of the Program Year**

**NLF**: AEL grantees must be aware that programs are awarded approximately 66 percent of their performance allocation (2 percent of their total allocation) if they have met 60 percent of their enrollment target for participants with a period of participation by the second quarter of the program year.

**Denominator**: The unduplicated enrollment target for total participants served in PY’18–’19.

**Numerator**: The number of individuals who have a period of participation in PY’18–’19 between July 1, 2018, and December 31, 2018.

**Measure B: Measurable Skill Gains**

**NLF**: AEL grantees must be aware that programs are awarded approximately 33 percent of their performance allocation (1 percent of their total allocation) based on achieving at least 95 percent of their MSG target.

**Denominator**: The number of participants in the program year.

**Numerator**: The number of participants who achieve an approved Basic Education MSG in the program year.

**Target Methodology**: AEL grantees must meet at least 95 percent of their year-end MSG target to achieve this measure.

**NLF**: AEL grantees must be aware that measure B will be assessed following the end of PY'18-'19, and funds for achievement of this measure will be released in the second year of AEL grants.

**INQUIRIES:**

Send inquiries regarding this AEL Letter to [AELpolicy.clarifications@twc.texas.gov](mailto:AELpolicy.clarifications@twc.texas.gov).

**REFERENCE:**

Texas Workforce Commission General Administration Rules, Chapter 800, Subchapter B