

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

ID/No:	AEL 05-20
Date:	March 19, 2020
Keyword:	AEL
Effective:	Immediately

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



8
9 **From:** Courtney Arbour, Director, Workforce Development Division

10 **Subject:** Modifications to Grants Awarded under TWC RFP 320-18-01, Adult Education
11 and Literacy Service Provider Grant

13 **PURPOSE:**

14 The purpose of this AEL Letter is to provide Adult Education and Literacy (AEL)
15 grantees¹ with information and guidance on modifications to grants awarded under the
16 Texas Workforce Commission's (TWC) Request for Proposal (RFP) 320-18-01, Adult
17 Education and Literacy Service Provider Grant, relating to:

- 18 • the definition of eligible individual; and
19 • the removal of a cost limitation for certain computing devices.

20 **BACKGROUND:**

21 On October 7 and 8, 2019, the Office of Career, Technical, and Adult Education
22 (OCTAE) conducted a virtual monitoring review of the statewide grant competition for
23 RFP 320-18-01 for grants awarded starting July 1, 2018. OCTAE sent the final
24 monitoring report to AEL on January 22, 2020, and outlined four findings in
25 noncompliant areas, which require corrective action from AEL. This letter addresses two
26 of these findings and provides AEL grantees with notice that grants awarded under the
27 RFP are modified with this letter and a subsequent contract amendment.

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

1 OCTAE’s report stated that “TWC used an incorrect definition of eligible individual in
2 their competition materials,” as TWC modified the definition from Workforce Innovation
3 and Opportunity Act (WIOA) §203(4) for “eligible individual.”

4 The other finding addressed in this letter relates to a cost limitation on certain computing
5 devices. Section 16.9 of RFP 320-18-01 states, “No more than fifteen percent of the
6 funds awarded under this grant may be used to purchase laptops, computers, tablets or
7 similar items.” OCTAE’s report stated that this limitation is not consistent with cost
8 principles found in 2 CFR Part 200.

9 **PROCEDURES:**

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

14 **Local Flexibility (LF):** This rating indicates that AEL entities have local flexibility in
15 determining whether and/or how to implement guidance or recommended practices set
16 forth in this AEL Letter. All information with an LF rating is indicated by “may” or
17 “recommend.”

18 **Eligible Individuals to Be Served**

19 **NLF:** AEL grantees must be aware that Section 11 of RFP 320-18-01, Eligible Population to Be
20 Served with AEFLA Funds, and the corresponding language in Section 4 of the grants
21 awarded under this RFP are modified to remove “individuals with disabilities, including
22 eligible individuals with learning disabilities” as a distinct population. The edits to the
23 RFP are as follows:

24 “an ~~out-of-school~~ individual who has attained sixteen (16) years of age and who is not
25 enrolled or required to be enrolled in secondary school under state law and who:

- 26 • ~~lacks sufficient mastery of basic educational skills to enable the individual to~~
27 ~~function effectively in society~~ is basic skills deficient;
- 28 • does not have a secondary school diploma or its recognized equivalent, and has
29 not achieved an equivalent level of education; or
- 30 • is an English language learner.
- 31 • ~~individuals with disabilities, including eligible individuals with learning~~
32 ~~disabilities. (34 C.F.R. § 463.20 (b)(2))”~~

33 Individual eligibility for services using Adult Education and Family Literacy Act
34 (AEFLA) funds under these grants is adjusted as written in WIOA §203(4) to mean an
35 individual who has attained sixteen 16 years of age and who is not enrolled or required to
36 be enrolled in secondary school under state law and who:

- 37 • is basic skills deficient;
- 38 • does not have a secondary school diploma or its recognized equivalent, and has
39 not achieved an equivalent level of education; or
- 40 • is an English language learner.

1 Individuals with disabilities, including eligible individuals with learning disabilities,
2 remain eligible for services but must meet the WIOA eligibility criteria described in
3 §203(4).

4 Grant award language will be amended to remove 4.1.1.4, which is 11.1.4 of RFP 320-
5 18-01, so that it aligns with WIOA §203(4).

6 **NLF**: AEL grantees must be aware that TWC will still consider the ability of providers to serve
7 individuals with disabilities, including learning disabilities, when reviewing services
8 under grants awarded under RFP 320-18-01, as required under AEFLA §231(e)(2), 29
9 USC §3321(e)(2).

10 **Cost Limitation Removed**

11 **NLF**: AEL grantees must be aware that the following expenditure limitation listed under §16.9
12 of RFP 320-18-01, Expenditure Limitations, is null and void:

13 “No more than fifteen percent (15%) of the funds awarded under this grant award may be
14 used to purchase laptops, computers, tablets or similar items.”

15 TWC will subsequently amend grant awards issued under RFP 320-18-01 to remove the
16 limitation. The remainder of §16.9 of RFP 320-18-01—which reads, “Any such
17 purchases must be necessary and reasonable for the performance of the award”—
18 continues to apply, as do all other grant requirements, including the requirement that
19 costs must also be allocable to the award in accordance with the cost principles cited in
20 the General Terms and Conditions of the grant award.

21 **NLF**: AEL grantees must be aware that the prior approval requirement regarding equipment
22 having a per-unit acquisition cost of \$5,000 or more continues to apply.

23 “Equipment” means “tangible personal property (including information technology
24 systems) having a useful life of more than one year and a per-unit acquisition cost which
25 equals or exceeds the lesser of the capitalization level established by the non-Federal
26 entity [TWC grantee] for financial statement purposes, or \$5,000.” (2 CFR §200.33;
27 FMGC, Attachment A: Glossary)

28 Under the prior approval requirement for equipment, a grantee must submit [TWC Form](#)
29 [7100](#) to the assigned TWC grant manager before purchasing tangible personal property
30 that has both a useful life greater than one year and a per-unit acquisition cost of \$5,000
31 or more. Accordingly, use of grant funds to purchase laptops, computers, tablets, and
32 similar items that have a useful life greater than one year and a per-unit acquisition cost
33 of \$5,000 or more requires prior approval. When a laptop, computer, tablet, or similar
34 device is included as part of the purchase of an information technology system (or
35 another asset) that as a whole has a useful life greater than one year and system cost of
36 \$5,000 or more, the asset purchase as a whole requires prior approval. Information
37 technology system means “computing devices, ancillary equipment, software, firmware,
38 and similar procedures, services (including support services), and related resources” that
39 function as a system. (2 CFR §200.58)

1 An example of a purchase that functions as a system would be a computer lab with a cost
2 of more than \$5,000 and that has interconnected computers networked to a monitoring
3 proctor station that controls the content on each computer. On the contrary, a purchase of
4 20 laptops that have no connectivity to a system would not be considered as “functioning
5 as a system.”

6 The basic prior approval requirement for equipment purchases is discussed in the
7 [Acquisition & Use of Equipment](#) section of Chapter 13, Property, in TWC’s Financial
8 Manual for Grants and Contracts. The prior approval requirement for equipment applies
9 pursuant to federal cost principles for equipment and other capital expenditures costs. (2
10 CFR §200.439)

11 **INQUIRIES:**

12 Send inquiries regarding this AEL Letter to AELTA@twc.state.tx.us.

13 **REFERENCES:**

14 Workforce Innovation and Opportunity Act, Title II, Adult Education and Family
15 Literacy Act

16 TWC Request for Proposal 320-18-01, Adult Education and Literacy Service Provider
17 Grant

18 TWC Financial Manual for Grants and Contracts, Chapter 13, Property