

**TEXAS WORKFORCE COMMISSION
ADULT EDUCATION AND LITERACY LETTER**

ID/No:	AEL 01-16, Change 1
Date:	April 14, 2016
Keyword:	AEL; Fiscal- Allocations
Effective:	Immediately

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



From: Reagan Miller, Director, Workforce Development Division

Subject: **Program Year 2015–2016 Adult Education and Literacy Enrollment
Targets—*Update***

PURPOSE:

This updated AEL Letter provides Adult Education and Literacy (AEL) grant recipients¹ and fiscal agents with:

- modifications approved by the Texas Workforce Commission’s (TWC) three-member Commission (Commission) on March 1, 2016, to targets for Weatherford Independent School District (ISD) due to voluntary deobligation of funds;
- modification of supplemental targets based on approved revised year one balances; and
- a table outlining current Program Year 2015–2016 (PY’ 15–16) enrollment target amounts (Attachment 1).

CHANGES TO AEL LETTER 01-16:

New information in this AEL Letter is indicated by **bold** typeface, which indicates new or clarifying language.

BACKGROUND:

On July 1, 2014, TWC awarded 35 entities funds through Request for Proposals (RFP) 320-14-10. The resulting contracts include performance targets for the number of individuals to be enrolled in services.

¹ For the purposes of this letter, *AEL grant recipients* are entities that will be TWC grantees funded with AEL funds for Program Year 2015–2016.

Deobligation and Reallocation of Performance Funds

On December 15, 2015, the Commission approved a modification of PY' 15–16 allocations and associated targets in accordance with 40 Texas Administrative Code (TAC) §800.51. The allocations were modified as follows:

- PY' 14 Funding: The Commission included performance-funding allocations into the base allocations, and these funds were placed into grantee contracts. Modifications were made to the PY' 14 allocations to bring the allocations into accordance with 40 TAC §800.68, which requires that performance funding be awarded after it is earned; and
- PY' 15 Funding: Allocations were increased based on the receipt of supplemental PY' 15 funding from the U.S. Department of Education. Reallocated funds were made available for grantees that met the following targets:
 - AEL New Enrollments for Customers Served 12+ Hours; and
 - AEL Customers Served in Career Pathways.

Based on these modifications to the allocations, the Commission approved changes to the AEL performance targets as follows:

- PY' 14 previously approved supplemental targets: Targets deobligated in this allocation modification were calculated using the total amount of unearned performance allocation funds divided by the grantee's PY' 14–15 contracts cost per student, and then subtracted from the grantee's supplemental total Customers Served 12+ Hours target. The transitions program and career pathways program targets were adjusted accordingly, based on the methodology approved by the Commission on June 9, 2015.
- PY' 15 targets reallocated in this allocation modification were calculated using one of the following methods:
 - AEL New Enrollments for Customers Served 12+ Hours—The PY' 15–16 average cost per student of \$608.80 was used to calculate targets for programs that received additional allocated funds for standard service delivery, and these targets were added to the total Customers Served 12+ Hours target; or
 - AEL Customers Served in Career Pathways—A \$2,000 cost per student was used to calculate targets for programs that received additional allocated funds to expand career pathways service delivery, including models for English language learners as required in the Workforce Innovation and Opportunity Act, and these targets were added to the Customers Served in Career Pathways target.

Voluntary Deobligation of Funds

On March 1, 2016, the Commission approved a voluntary deobligation of funds from Weatherford ISD in the amount of \$140,643. Of these funds, \$137,885 was deobligated from Adult Education and Family Literacy Act funds devoted to student service, resulting in a reduction of total served target of 226 participants. The remaining \$2,758 was deobligated from state leadership professional development funds.

Approved Revision of Year One Balance Resulting in Modification of Supplemental Targets

TWC has approved revised year one balances for several organizations to adjust for those entities' use of year-round salary leveling. This resulted in lower year one balances and changed the associated supplemental targets for organizations using the methodology approved by the Commission on August 25, 2015. Grantees must appropriately report expenditures, as TWC will not make these adjustments in future years. Details on these target reductions can be found in Attachment 1.

PROCEDURES:

NLF: AEL grantees must be aware of the modifications to their allocations and the resulting changes to their enrollment targets, outlined in Attachment 1, Adult Education and Literacy Grantees Enrollment Targets.

NLF: AEL grantees must use these funds to provide allowable AEL services, and must develop strategies for meeting or exceeding their approved revised performance targets.

ATTACHMENT:

Attachment 1: Adult Education and Literacy Grantees Enrollment Targets

INQUIRIES:

Direct inquiries regarding this AEL Letter to aelpolicy.clarifications@twc.state.tx.us.

RESCISSIONS:

AEL 01-16

REFERENCES:

40 TAC §800.51, §800.68
Texas Workforce Commission Request for Proposals No. 320-14-10

FLEXIBILITY RATINGS:

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