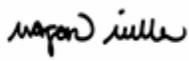


**TEXAS WORKFORCE COMMISSION
ADULT EDUCATION AND LITERACY LETTER**

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| ID/No: | AEL 03-15 |
| Date: | April 24, 2015 |
| Keyword: | AEL; Fiscal Administration |
| Effective: | Immediately |

To: Adult Education and Literacy Grant Recipients
Adult Education and Literacy Fiscal Agents
Local Workforce Development Board Executive Directors
Commission Executive Offices



From: Reagan Miller, Director, Workforce Development Division

Subject: **Program Year 2014–2015 Adult Education and Literacy Program
5-Percent Performance Allocation Holdbacks—*Update***

PURPOSE:

To provide Adult Education and Literacy (AEL) grant recipients and fiscal agents with **updated** information on the distribution of performance-based funding and performance allocation holdbacks.

This updated AEL Letter provides AEL grant recipients and fiscal agents with:

- **modifications approved by the Texas Workforce Commission’s three-member Commission (Commission) on March 31, 2015, to performance-based funding measures and related holdbacks; and**
- **a table outlining changes to performance-based funding measures (Attachment 1).**

CHANGES TO AEL LETTER 07-14:

New information in this AEL Letter is indicated by:

- a ~~strickethrough~~ of the original language, which indicates that language has been deleted; and
- **bold** typeface, which indicates new or clarifying language.

BACKGROUND:

Texas Labor Code §800.68 provides that no more than 10 percent of the local workforce development area allocation be available for expenditure on the basis of the achievement of performance benchmarks. On May 13, 2014, the Commission approved allocating 95 percent and holding only 5 percent—minus State Leadership Activities funds for professional development—of allocated

funds for designation as performance-based funding for Program Year 2014–2015 AEL contracts.

Grant recipients are required to meet certain Commission-approved performance benchmarks to access performance-based funding. Performance-based funding is visible in the Cash Draw and Expenditure (CDER) system but unavailable for drawdown until a grant recipient meets certain performance requirements and adheres to data validation and data sign-off (DSO) dates in the Texas Educating Adults Management System (TEAMS) reporting system.

On March 31, 2015, the Commission approved modifications to performance-based funding measures.

PROCEDURES:

NLF: Grant recipients and fiscal agents must be aware that the 5-percent performance-based holdback is not guaranteed and is contingent on performance assessed according to the following parameters and due dates:

PERFORMANCE-BASED FUNDING MEASURES FOR PROGRAM YEAR 2014–2015

| Early Payout—Available on or before March 1, 2015 | Portion of 5% Performance-Based Funding |
|--|---|
| <p>Measure A: Total Served with 12+ Hours (Federal) Description: 30% of performance funding awarded for grantee meeting 60% of their contracted Total Served with 12+ Hours target, by the end of quarter 2. TEAMS DSO: January 15, 2015. The Commission waived this measure on March 31, 2015, and seven grant recipients were awarded incentive funding based on meeting the measure.</p> | 30% |
| End-of-Year Payout Measures—Available on or before September 1, 2015 | |
| <p>Measure B: Educational Gains (State) Description: 35% of performance funding based on grantee achieving an average of 100% 95% of target across the 11 Department of Education Core Outcome Educational Gain measures with performance on each of the 11 measures achieving at least 95% of target. TEAMS DSO: July 15, 2015</p> | 35% |
| <p>Measure C: Transition and Career Pathway Class Enrollment (State) Description: 35% of performance funding for</p> | 35% |

| | |
|---|--|
| <p>grantee achieving at least 95% of both the its negotiated transition class enrollments and the 95% of its career pathway enrollments by June 30, 2015. Enrollment is constituted by a pretested student receiving 12 or more contact hours. TEAMS DSO: July 15, 2015</p> | |
|---|--|

NLF: Grant recipients and fiscal agents must be aware that on March 31, 2015, the Commission approved the following:

- **A one-time waiver will be applied to Measure A, *Total Served with 12+ Hours*. Funds held back for this measure will be released to all grant recipients, and grant recipients that met this measure will receive an incentive payment proportional to their original allocation amount from State Leadership funds.**
- **Measure B, *Educational Gains*, and Measure C, *Transition and Career Pathway Class Enrollment*, have been modified.**

LF: Current contracts end June 30, 2016. AEL grant recipients may spend 100 percent grant funding during year one (July 1, 2014–June 30, 2015) with a contingency plan of using local funds in the event that performance-based funding is not earned. The grant recipient also may choose to expend the performance-based funding into year two (July 1, 2015–June 30, 2016) of the contract.

Performance-based funding is distributed from Adult Education and Family Literacy Act federal funds.

INQUIRIES:

Direct inquiries regarding this AEL Letter to Chris Nelson, Director of Financial Operations, at (512) 463-1829 or Fiscal.TA@twc.state.tx.us.

ATTACHMENT:

Attachment 1: Summary of Changes to Adult Education and Literacy Performance-Based Funding Measures

RESCISSIONS:

AEL Letter 07-14

REFERENCES:

- Adult Education and Family Literacy Act
- Texas Labor Code, Chapter 315, Adult Education and Literacy Programs
- Texas Labor Code §302.062
- Texas Workforce Commission General Administration Rules: 40 TAC §800.68

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.”