

## Discussion, Consideration and Possible Action Regarding Adult Education and Literacy Performance Target Updates PY15

### 1 Introduction

2 On June 9, 2015 the Commission approved Grantee Performance Targets for the Adult Education and Literacy  
3 (AEL) contracts. As a part of those targets, the Commission approved a methodology whereby the “base”  
4 targets related to PY15 allocations would be “supplemented” to the degree to which a grantee failed to achieve  
5 their target for Total Customers Served (with 12+ hours). The methodology called for setting the supplemental  
6 target for Customers Served based by dividing the amount of PY14 carry forward funding the grantee had by  
7 \$620.97.

8

9 The \$620.97 was developed by dividing the total allocation excluding funds reserved for Professional  
10 development by the agency’s system target of 101,000. Since that time, staff realized that since Performance-  
11 Based Funding, (PBF) may or may not be linked to enrollments in any given year nor is there any guarantee of  
12 achieving the funding. Therefore, staff believes the average cost calculation used in target setting should  
13 exclude funds set aside for PBF.

### 14 PY15 Supplemental Target Methodology Adjustment

15 By excluding PBF from the average cost calculations, the average cost is reduced from \$620.97 to \$608.80. This  
16 will cause a subtle change in the supplemental performance targets for any provider that is carrying funds  
17 forward from PY14 to PY15 and that didn’t achieve their PY14 customer served target. While the rest of the  
18 methodology remains unchanged, this change in the average cost used in the calculations does represent a  
19 methodology change and thus requires Commission approval.

20 **COMMISSION REQUEST** – Staff request the Commission approve the update to the methodology to reflect  
21 \$608.80 as the average cost used to calculate the supplemental customer served targets for PY15.