TEXAS WORKFORCE COMMISSION

Adult Education and Literacy Letter

<table>
<thead>
<tr>
<th>ID/No:</th>
<th>AEL 01-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>January 24, 2020</td>
</tr>
<tr>
<td>Keyword:</td>
<td>AEL; WIOA</td>
</tr>
<tr>
<td>Effective:</td>
<td>Immediately</td>
</tr>
</tbody>
</table>

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 2019–2020 AEL Enrollment and Performance Targets

PURPOSE:

The purpose of this AEL Letter is to provide Adult Education and Literacy (AEL) grantees\(^1\) with information and guidance on Program Year 2019–2020 (PY’19–’20) enrollment and performance targets. Attachment 1 lists enrollment targets and includes carryforward targets from PY’18–’19. Attachment 2 outlines the performance targets for grantees. Attachment 3 is a desk aid that will help grantees enter data correctly into TWC’s statewide data system, Texas Educating Adults Management System (TEAMS).

RESCISSIONS:

None

BACKGROUND:

In AEL PY’18–’19, TWC contracted three sets of targets to AEL grantees, as awarded under Requests for Proposals 320-18-01, for statewide AEL service delivery. These targets included participant enrollment targets, Measurable Skill Gains (MSGs), and employment and credential-based exit-based outcomes. On July 1, 2019, Year 2 contracts for these AEL statewide grants began, and in July and August 2019, TWC worked with grantees to negotiate the participant enrollment targets for PY’19–’20 using a negotiation tool.

TWC’s negotiation methodology for the enrollment considered the state fiscal year 2020–2021 Legislative Appropriations Request’s (LAR) assumed case mix of service delivery

---

\(^1\) For the purposes of this AEL Letter, AEL grantees are entities that receive AEL funds through the Texas Workforce Commission (TWC).
tiers, each of which has a different cost assumption. Those tiers and cost assumptions include:

- Tier I Basic AEL services at $606 cost-per participant;
- Tier II Intensive AEL services, such as Workplace Literacy, Internationally Trained Professionals, Transition to Reentry and Post Release Services at $1,106 cost-per participant; and
- Tier III Integrated Education and Training (IET) services, which include EL Civics IET (also called Integrated EL Civics), at $2,406 cost-per participant.

The cost-per amounts are lower than those in PY’18–’19 due to the following two factors:

- AEL funding for PY’19–’20 was allocated to grantees in a different manner from that of previous years, with funds for AEL federal and state general revenue and Temporary Assistance for Needy Families funding rolled into a single funding source, called the Combined AEL Allocation. The Combined AEL Allocation excludes EL Civics funding and administrative funding, which were previously included as funds upon which the target-setting methodology was based. Although these funds are still available to grantees, as outlined in AEL Letter 03-19, issued August 16, 2019, and titled “Fiscal Year 2020/Program Year 2019—Adult Education and Literacy Allocations,” these funds were not considered as part of the allocation the target-setting was based upon, thus lowering the overall cost-per amounts.
- The second factor is related to the LAR enrollment targets proposed by TWC.

Target Negotiations

For PY’19–’20, or Year 2, target negotiations, TWC provided grantees flexibility in altering the ratio for targets in each of the service delivery tiers to suit the AEL program’s local need and capacity to provide those services, within certain limitations. Twenty-seven of the 37 AEL grantees proposed alternate targets, and TWC staff determined that TWC should accept each alternate.

These negotiations resulted in AEL grantees proposing to serve 83,374 participants overall, within 98.2 percent of the state target in the LAR, with 4,147 in Intensive AEL Services and 6,542 in IET (including Integrated EL Civics and IET).

Carryforward Targets

In PY’18–’19, 26 of the 36 grantees missed one or more of the enrollment target measures; six of these grantees sufficiently overserved in some categories to offset underservice in other categories. The remaining 20 grantees that did not meet all of their contracted enrollment targets owed enrollments in PY’19, or Year 2, in addition to the negotiated targets, referred to as “carryforward targets.”

Previously, TWC required grantees to take on any carryforward targets as they were contracted in the previous program year. For example, if a grantee failed to meet an IET enrollment target by six participants in the first program year, it was required to carryforward six additional IET enrollment targets into the next program year to make up for that underservice.
For PY’19–’20, TWC staff relied on using the negotiated targets for Year 2 as a guide to apply carryforward targets consistent with the program service delivery mix that grantees agreed upon. This methodology for carryforward targets addresses both the grantee’s capacity for delivery of these models and the local workforce development area’s service delivery demands.

Federal MSG Targets
In 2018, TWC negotiated MSG targets with the Office of Career, Technical, and Adult Education (OCTAE), setting separate targets for each of the twelve Educational Functioning Levels (EFLs). The MSG measure, which includes all participants served during a program year, requires participants to achieve an MSG by the end of the program year, or June 30th.

To ensure that AEL meets these statewide federal MSG targets, TWC staff proposed applying subtargets for each of the EFLs based on different cohorts of participants. Historically, TWC has found that individuals who became participants in the last quarter of the AEL program year had lower outcomes, or were less likely to achieve an MSG, than those who became participants earlier in the year. For this reason, staff proposed setting MSG subtargets to grantees for participants in Quarters 1 through 3 of the program year and another for participants in Quarter 4 of the program year, with a higher MSG subtarget assigned to Q1–Q3 participants. Each AEL grantee’s individual MSG target, often referred to as the “blended target,” is based on the blended average of these subtargets, which are customized to the PY’19–’20 enrollment pattern.

State Exit-Based Outcome Targets
The General Appropriations Act (GAA), passed during the 86th Texas Legislature, Regular Session (2019), outlines three Workforce Innovation and Opportunity Act (WIOA) exit-based outcome measures for TWC’s AEL program. Staff recommended that the PY’19–’20 AEL exit-based outcomes match those outlined in the GAA.

Program Year 2019–2020 Targets and Mid-Year Renegotiation
On August 27, 2019, TWC’s three-member Commission (Commission) approved the PY’19–’20 AEL targets, which include carryforward targets from PY’18–’19, MSG targets, and exit-based outcomes, as outlined in Attachments 1 and 2 of this AEL Letter. The Commission also approved that staff renegotiate enrollment targets during the program year, as appropriate, to account for shifts in demand and program development. These renegotiations, conducted in coordination with the grantee, may occur in mid–program year, or as deemed necessary by TWC staff.

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

**Enrollment Targets**

**NLF:** AEL grantees must deliver services to meet the PY’19–’20 enrollment targets described in Attachment 1 of this AEL Letter in the following categories:
- EL Civics
- Integrated EL Civics
- Intensive Services
- IET
- Total Enrollment (Total Participants Served)

**NLF:** AEL grantees must be aware that enrollment targets outlined in Attachment 1 of this AEL Letter include carryforward targets from PY’18–’19. TWC staff may renegotiate these during PY’19–’20, as appropriate.

**NLF:** AEL grantees must be aware that a participant is an individual who has taken a pretest that establishes basic education eligibility and attains 12 direct contact hours. To receive credit toward participant enrollment targets, grantees must correctly code participants in TEAMS using the funding codes found in Attachment 3 of this AEL Letter. Participants must have at least one direct contact hour of service in the enrollment target category for EL Civics, Integrated EL Civics, Intensive Services, or IET to be counted toward that target.

**Cost-Per Calculation and Local Distribution**

**NLF:** AEL grantees must be aware that a participant may count toward more than one enrollment target category, such as EL Civics, Integrated EL Civics, Intensive Services, or IET, but he or she will only count once toward the overall Participants Served target. Participants who receive different types of Intensive Services, such as Workplace Literacy or Internationally-Trained Professionals services, will only count toward the Intensive Services target category one time for the program year.

**NLF:** AEL grantees must be aware that enrollment targets in each service delivery tier are calculated at a certain cost-per that reflects an estimated expected expenditure for service delivery in that tier to meet the enrollment target; and costs, on average, may be higher or lower than the planned amount if the average cost is maintained.

**NLF:** AEL grantees that are consortia must include, where applicable to the service, enrollment targets in each service-delivery tier in subrecipient contracts and include corresponding cost-pers to support the level of service delivery quality that TWC expects and the full expenditure of grant funds to meet the demand for year-round service delivery.

**MSG and Exit-Based Performance Targets**

**NLF:** AEL grantees must meet MSG, employment, and credential targets outlined in Attachment 2 of this AEL Letter, using the MSG and credential options described in AEL
Letter 01-18, Change 1, issued September 7, 2018, and titled “Educational Outcomes for Adult Education and Literacy—Update,” and subsequent issuances.

**NLF:** AEL grantees must be aware of the Q1–Q3 and Q4 MSG subtargets in Attachment 2. Each grantee’s individual MSG target will be based on the blended, weighted average of those targets customized to their individual enrollment pattern in PY’19. AEL grantees are held accountable for these blended MSG subtargets so that AEL meets its federal MSG target, as negotiated with OCTAE.

**NLF:** AEL grantees must be aware of the following exit-based outcome targets in Attachment 2, which are applicable to exiters in the denominators outlined in AEL 01-18, Change 1, and subsequent issuances:

- Employed/Enrolled in Q2 Post-Exit: 34 percent
- Employed/Enrolled in Q2–Q4 Post-Exit: 83 percent
- Credential Attainment: 34.5 percent

**NLF:** AEL grantees must be aware that TWC holds them accountable for exit-based outcomes so that AEL meet its state targets, as outlined in the GAA.

**INQUIRIES:**
Send inquiries regarding this AEL Letter to AELpolicy.clarifications@twc.state.tx.us.

**ATTACHMENTS:**
- Attachment 1: Program Year 2019–2020 Adult Education and Literacy Enrollment Targets
- Attachment 2: Program Year 2019 Adult Education and Literacy Performance Targets
- Attachment 3: Texas Educating Adults Management System Funding Codes and Applicable Target Categories

**REFERENCES:**
- Workforce Innovation and Opportunity Act
- Adult Education and Family Literacy Act
- Texas Workforce Commission Chapter 800 General Administration Rule §800.68
- AEL Letter 03-19, issued August 16, 2019, and titled “Fiscal Year 2020/Program Year 2019—Adult Education and Literacy Allocations”
- AEL Letter 01-18, Change 1, issued September 7, 2018, and titled “Educational Outcomes for Adult Education and Literacy—Update,” and subsequent issuances
- Texas Workforce Commission Request for Proposals No. 320-18-01