

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

ID/No:	AEL 03-19
Date:	August 16, 2019
Keyword:	AEL; Fiscal- Allocations; TANF
Effective:	July 1, 2019

3 **To:** Adult Education and Literacy Grantees
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:** **Fiscal Year 2020/Program Year 2019—Adult Education and Literacy**
11 **Allocations**

13 **PURPOSE:**

14 The purpose of this AEL Letter is to provide AEL grantees¹ with information on the
15 funding allocated for AEL programs and the additional funding allocated for professional
16 development for Fiscal Year 2020 (FY'20)/Program Year 2019 (PY'19). This AEL Letter
17 also explains enhancements made to the funding method, including providing
18 information on performance-based funds that become available upon demonstrating
19 compliance with performance-related benchmarks. FY'20/PY'19 runs from July 1, 2019,
20 through June 30, 2020.

21 **BACKGROUND:**

22 On April 30, 2019, TWC's three-member Commission (Commission) approved the AEL
23 FY'20/PY'19 funding allocations and planning estimates. The allocations and estimates
24 are available on TWC's Financial and Grant Information page, in the Annual Allocations
25 section, at <https://www.twc.texas.gov/data-reports/agency-reports>.

26 **PROCEDURES:**

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

¹ For the purposes of this AEL Letter, AEL grantees are entities that receive AEL funds through the Texas Workforce Commission (TWC).

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

5 **NLF:** AEL grantees must use the FY’20/PY’19 allocations and additional funding to deliver
6 workforce services. The allocations are listed in Attachment 1, FY’20/PY’19 Adult
7 Education and Literacy (Year Beginning July 1, 2019).

8 The amounts allocated to each local workforce development area and grantee were
9 approved by the Commission on April 30, 2019. The allocations shown in Attachment 1
10 retain the usual adjustments made to the total allocated amounts but are based on changes
11 to the method of financing that consolidate the funding streams. The changes provide
12 administrative efficiencies related to AEL reporting and to determining eligibility for
13 Temporary Assistance for Needy Families (TANF), as described in AEL Letter 06-18,
14 Change 1, issued August 13, 2019, and entitled “Adult Education and Literacy
15 Temporary Assistance for Needy Families Eligibility—*Update*.”

16 **NLF:** AEL grantees must be aware that, although Year 2 funds for PY’20 are available for use
17 beginning July 1, 2019, grantees must spend their Year 1 funds for PY’19 before using
18 their Year 2 funds.

19 **NLF:** AEL grantees must be aware that although all participants served before July 1, 2019,
20 using PY’19 Year 1 funds must have TANF eligibility documentation, eligibility
21 documentation is not required for new participants served after July 1, 2019, using
22 unexpended PY’18 Year 2 funds that were rolled over to PY’19.

23 **Combined AEL Funding**

24 **NLF:** AEL grantees must be aware that AEL federal funds, AEL state matches, and AEL
25 TANF funds approved on April 30, 2019, have been combined into one budget category,
26 known as “Combined AEL Allocation.”

27 The Combined AEL Allocation category applies the following statewide funding
28 proportions to all grantees:

- 29 • AEL federal funds (74.57%)
- 30 • AEL state matching funds (14.72%)
- 31 • AEL TANF funds (10.71%)

32 The Combined AEL Allocation category is listed on Attachment B-1 of Year 2 contracts
33 as “AEL Combined” and is identified in the Cash Draw and Expenditure Reporting
34 (CDER) system as “AEL Combined.”

35 **NLF:** AEL grantees must be aware that the limits placed on administrative spending represent
36 approximately 7.5 percent of the total funds under the Combined AEL Allocation
37 category, including administrative funds. The 7.5 percent was determined based on the
38 combined administrative limits established using the percentages for each source, as

1 established in TWC Chapter 800 General Administration rule §800.68—that is, with
2 AEL federal funds set at 5 percent and AEL state matching funds and AEL TANF funds
3 set at 15 percent each.

4 **Professional Development**

5 **NLF**: AEL grantees must be aware that professional development is funded under the AEL
6 state match component of the Combined AEL Allocation. Grantees are still required to
7 report professional development expenditures separately through CDER.

8 **Performance-Based Funding**

9 **NLF**: AEL grantees must be aware that performance-based funds, including associated
10 administrative funds, are a portion of the Combined AEL Allocation and become
11 available upon demonstration of compliance with performance-related benchmarks.

12 **INQUIRIES:**

13 Send inquiries regarding this AEL Letter to fiscal.ta@twc.texas.gov.

14 **ATTACHMENTS:**

15 Attachment 1: FY'20/PY'19 Adult Education and Literacy (Year Beginning July 1, 2019)

16 **REFERENCES:**

17 Workforce Innovation and Opportunity Act of 2014
18 Texas Workforce Commission Chapter 800 General Administration Rules, Subchapter B