

Discussion, Consideration and Possible Action Regarding Program Year 2019 Adult Education & Literacy Grantee Performance Measures & Targets

1 **Introduction** –TWC contracted three sets of targets to AEL Grantees in PY18 and staff
2 recommend doing so again in PY19.

3 **PY19 Measures and Targets** – Staff have developed the following recommendations for
4 PY19 AEL Grantee targets as outlined below:

- 5 • **Participants Served** – TWC’s General Appropriations Act (GAA) target of 85,068
6 Participants for PY19 is based on our SFY20-21 Legislative Appropriations Request
7 (LAR) which assumed a mix of three tiers of service with different cost assumptions:
 - 8 ○ Tier I Basic AEL;
 - 9 ○ Tier II Intensive AEL (Work-based, International Professional, and Transition to
10 Reentry & Post Release Services) at (assumed to cost \$500 more per Participant
11 than Basic AEL); and
 - 12 ○ Tier III Integrated Education & Training (IET) AEL (assumed to cost \$1800 more
13 per Participant than Basic AEL).

14 While the LAR assumed that we would serve 3,750 in Intensive and 6,500 in IET, those
15 numbers are not part of our formal measure. This gives us flexibility in both the
16 program/casemix and the distribution of targets. However, in initiating negotiations
17 with the grantees, we started with these LAR assumptions and then offered them the
18 opportunity to propose altering the ratio of the Tier I, II, and III targets to suit their
19 local needs and capacity (subject to certain limits such as having to have sufficient
20 numbers in EL Civics).

21 All but 10 grantees opted to take advantage of this flexibility to propose their own
22 casemixes/targets. Of the 27 that proposed their own targets, 18 submitted proposals
23 that were within the parameters we laid out and were easily supported by Workforce
24 and Operational Insight staff. Staff met to review the 9 proposals that were outside of
25 expected parameters and found that all of them should be approved. The negotiated
26 PY19 Base Targets aggregate to 4,147 in Intensive AEL, 6,542 in IET (between EL
27 Civics and regular AEL), and 83,374 overall is within 98.02% of our state target.

28 Normally this would be close enough to allow staff to confidently recommend
29 acceptance of the proposals. However, in PY18, 26 of the 36 grantees missed one of
30 more of their PY18 Participant Served Targets. Of the 26, staff determined that 6 had
31 “overserved” sufficiently in some categories to offset the underservice in others. That
32 left 20 grantees who are required to make up numbers in PY19 as “Carryforward
33 Targets.”

34 Rather than simply applying the amounts owed per measure as missed, staff relied on
35 the PY19 negotiated targets as a guide to apply carryforward targets consistent with
36 the program mix the grantees agreed to through that process. This ensures that if a
37 grantee was unable to meet a specific target last year due to a demand issue
38 associated with the program, they can make up for it with additional service in other
39 programs where demand and delivery are better. The PY19 Base and Carryforward
40 Targets together aggregate to 4,462 Intensive, 7,007 IET, and 89,176 Total
41 Participants Served. These targets continue to promote utilization of advanced AEL

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1 models consistent with the agency's AEL Strategic Plan and the recommendations of
2 the TriAgency Taskforce.

3 However, as part of this process, staff realized that demands can change over the year
4 and it would be advisable to hold a second negotiation round (in November or
5 December) to let grantees request adjustments in their program mixes, as well as at
6 the end of the year, wherein we would be able to more responsively evaluate
7 performance for meeting or not meeting expectations for Participants Served in the
8 various program types.

9 Therefore, staff is requesting the Commission to authorize staff to renegotiate with and
10 apply targets for AEL grantees on the 5 Participant Served measures, within the
11 following parameters used in the original negotiations:

- 12 1) Targets will be set based on original average cost assumptions to ensure full
13 utilization of funds. For example, if a provider wants to serve 10 fewer in IET,
14 they would need to make up for it by providing 35 more in Basic or 21
15 Intensive or some combination of the two; and
- 16 2) The sum of grantee targets will not drop below the levels used to develop our
17 LAR:
 - 18 a. 3,750 Intensive
 - 19 b. 6,500 IET
 - 20 c. 85,068 Total

21 The initially negotiated Base Participant Served Targets and Carryforward Targets are
22 shown on page 4.

- 23 • **Measurable Skills Gains** – Last year, TWC negotiated both PY18 and PY19 targets
24 with the Office of Career, Technical, and Adult Education (OCTAE) by setting separate
25 targets for each of the 12 different Educational Functioning Levels (EFL) that AEL uses
26 for reporting.

27 TWC has found that those who first become Participants in the last quarter of the year
28 (April to June) tend to have lower outcomes in this measure than those who were
29 participating earlier in the year¹. Therefore, when we contract these measures with the
30 grantees, we set 2 sets of targets: a relatively low one for those who first become
31 Participants in the 4th quarter and a higher one for those who were participating earlier
32 in the year. Doing this ensures they recognize the challenge that Participants enrolled
33 late face in terms of achieving a gain by the end of the year and also ensures that the
34 performance measure target doesn't create a perverse incentive to "not enroll"
35 students late in the year. This pattern is demonstrated and further discussed as an
36 addendum on page 5.

¹ This is because the measure includes all participants served during the entire year and requires a gain to be achieved by the end of the year. Those enrolled in the final months have less time to learn enough to achieve a gain.

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1 PY19 grantee target recommendations are based on the same principal, which is
 2 discussed in further detail on Page 4. The following table shows the PY19 targets we
 3 negotiated with OCTAE for each EFL and how we propose to split them into separate
 4 subtargets for those who were initially Participants in Q1-Q3 vs those in Q4:

Educational Functioning Level	PY19 OCTAE Target	PY19 Q1-3 SubTarget	PY19 Q4 SubTarget
ABE Level 1	54%	62.3%	20.9%
ABE Level 2	49%	55.7%	24.4%
ABE Level 3	52%	58.8%	24.4%
ABE Level 4	48%	53.5%	19.8%
ABE Level 5	52%	56.4%	21.9%
ABE Level 6	37%	38.1%	14.0%
ESL Level 1	55%	59.0%	30.9%
ESL Level 2	55%	58.7%	29.6%
ESL Level 3	59%	62.4%	32.8%
ESL Level 4	57%	60.3%	31.1%
ESL Level 5	49%	52.1%	23.8%
ESL Level 6	46%	48.8%	24.8%

5 Each Grantee’s individual Measurable Skills Gain target will be based on the blended
 6 average of the above subtargets, customized to their individual enrollment pattern in
 7 PY19.

- 8 • **WIOA Exit-based Outcome Measures** –TWC has 3 WIOA Exit-based AEL outcome
 9 measures in our section of the General Appropriation Act (GAA) and staff recommend
 10 we set PY19 targets at the levels in the GAA:
 - 11 ○ Employed/Enrolled in Q2 Post-Exit 34%;
 - 12 ○ Employed/Enrolled in Q2-4 Post-Exit at 83%; and
 - 13 ○ Credential Rate at 34.5%.

14 There is one exception in this regard; Grayson-North Central took over Collin County
 15 from Denton ISD for PY19 but the people who will be counted in these measures in
 16 PY19 are all people who exited the program when Denton ISD was operating the
 17 program. Therefore, Grayson-North Central will not be held accountable for these
 18 measures in PY19 (but Grayson-Texoma – the historic grantee – will).

19 **Request for Commission Actions** – Staff request the Commission approve staff
 20 recommendations for PY19 AEL Grantee Performance Measures and the outlined target
 21 methodologies which staff will apply to AEL Grantee performance evaluation through PY19
 22 including renegotiating Participants Served targets as appropriate during the year to account
 23 for shifts in demand and program development.

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1 **Initial PY19 Participants Served Targets – inclusive of Base and Carryforward**
 2 **Base Targets negotiated with Grantees based on LAR Assumptions**
 3 **Carryforward Targets applied based on negotiated casemix as outlined on pages 1-2**

AEL Grantee	ID	EL Civics	EL Civics IET	Intensive	IET	Total
Abilene ISD	501	37	37	141	67	1,279
Amarillo College	502	118	50	68	122	1,378
Angelina College	503	97	29	79	107	1,766
Austin Comm College	504	102	102	139	138	3,138
Brazos Valley COG	505	82	49	107	71	1,728
Brownsville ISD	506	60	60	71	91	1,877
Community Action Inc	508	56	56	107	200	2,196
Dallas County LWDB	509	251	251	373	461	8,986
Region 20 ESC	512	121	121	464	377	7,266
Grayson College - Texoma	514	100	27	50	50	590
Houston-Galveston Area Council	515	600	600	909	975	20,601
Howard College - Concho Valley	516	26	26	55	40	530
Howard College - Permian Basin	517	2	2	20	5	204
Laredo Comm College	518	43	43	57	55	1,277
Literacy Council of Tyler	519	42	52	95	153	2,522
McLennan Comm College	520	66	32	61	73	1,371
Paris Jr College	523	48	17	48	32	692
Region 1 ESC	524	88	114	226	186	4,426
Region 17 ESC - Permian Basin	525	30	4	4	3	90
Region 17 ESC - South Plains	526	156	78	80	97	1,704
Region 5 ESC	527	34	36	100	68	1,184
Region 9 ESC	528	48	30	42	43	950
Southwest Texas Jr College	530	35	35	41	36	916
Victoria Co Jr College	532	60	20	32	27	742
Weatherford ISD	533	5	13	28	38	705
Central Texas College	534	8	8	30	43	646
Temple College	535	30	30	50	57	1,126
Tarrant County	538	364	120	397	332	6,607
Midland College	539	19	19	26	26	577
Navarro College	540	17	17	32	90	1,420
Paris Jr College - North Central	541	3	3	18	28	397
Region 2 ESC	542	54	54	143	193	3,212
Texarkana ISD	543	31	12	30	22	471
Ysleta ISD	544	400	100	180	180	3,031
Odessa College	545	21	21	35	39	772
Denton ISD (excludes Collin County)	546	69	69	124	145	2,799
Grayson College - North Central	547	200	30	40	40	1,098
Total	NA	3,523	2,367	4,502	4,710	90,274

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Measurable Skills Gain Target Methodology Details

Distinct Populations – Measurable Skills Gains (MSG) performance is distinctly different for those who become participants late in the year compared to those early in the year. The fourth quarter (Q4) cohort is a distinct population compared to those who become participants in the other three quarters (Q1-3). If we break out PY18 performance for Q1-3 versus Q4, the difference in performance is striking:

Educational Functioning Level	Overall Performance	Overall Participants	Q1-3 Performance	Q1-3 Participants	Q4 Performance	Q4 Participants
ABE Level 1	38.13%	2,743	44.00%	2,193	14.73%	550
ABE Level 2	36.23%	14,735	41.16%	11,595	18.03%	3,140
ABE Level 3	35.69%	20,304	40.34%	16,301	16.76%	4,003
ABE Level 4	35.94%	16,392	40.06%	13,713	14.86%	2,679
ABE Level 5	37.40%	6,963	40.56%	6,075	15.77%	888
ABE Level 6	37.74%	4,544	38.88%	4,334	14.29%	210
ESL Level 1	34.85%	33,400	39.13%	27,199	16.06%	6,201
ESL Level 2	45.46%	14,823	48.75%	12,719	25.52%	2,104
ESL Level 3	49.03%	22,391	52.31%	19,549	26.43%	2,842
ESL Level 4	55.51%	12,935	58.71%	11,446	30.89%	1,489
ESL Level 5	56.86%	8,433	60.12%	7,488	31.01%	945
ESL Level 6	50.90%	10,182	54.13%	9,063	24.75%	1,119

Blended Proportionate Targets – To address the issue of distinct populations in target setting, TWC used a system referred to as the “Proportionate Target Setting Method,” in which TWC sets separate targets for each of the two populations and then combines them together using a weighted average. There are three key benefits to this approach:

- 1) It recognizes the inherent differences in results likely to be achieved for each population and accounts for it in the target;
- 2) If the Grantee has a significant shift in the case mix (such as by increasing enrollment in Q4), the overall target automatically adjusts to account for the change, thus removing a potential disincentive to improving year-round enrollments; and
- 3) Although the target is made up of 2 sub-targets, it doesn’t increase the number of measures the Grantees are expected to meet. If the Grantee meets each sub-target, they will automatically meet the overall target. However, if a Grantee is a little low on one sub-target, they might still meet the measure because their performance with the other population can help make up the slack.

Staff took the 12 individual EFL targets we submitted to OCTAE for PY19, split them into a slightly higher target for those persons who were initially Participants in Q1-3, and applied a much lower target for those from Q4 using the ratio between Q1-3 and Q4 performance from PY18. The results were shown on page 3.