

1 **Adult Education and Literacy**
2 **Contracted Measures and Performance-Based Criteria for Program Year 2022–2023**
3 **Discussion Paper**

4 **Background**

5 On May 31, 2022, the Texas Workforce Commission’s (TWC) three-member Commission
6 (Commission) approved the [Fiscal Year 2023/Adult Education and Literacy \(AEL\) Program](#)
7 [Year 2022–2023 \(PY’22–’23\) allocations](#), which correspond to the scheduled final year of
8 contracts awarded under Request for Proposals 320-18-01 for AEL statewide grant awards that
9 began July 1, 2018. PY’22 allocations are composed of a 2 percent performance-based funding
10 (PBF) holdback, as authorized in TWC Chapter 800 General Administration rule §800.68. In
11 order to access this holdback of funds, AEL grant recipients must meet PBF criteria, as approved
12 by the Commission each program year, when they consider the requirements of Texas Labor
13 Code §315.007.

14 AEL grants outline the annual performance measures, also known as contracted measures, that
15 AEL grant recipients are required to meet each program year. Historically, the Commission has
16 approved the following AEL contracted measures:

- 17 • Participant enrollment targets in the following areas:
 - 18 ➤ Intensive Services
 - 19 ➤ Integrated Education and Training (IET)
 - 20 ➤ Overall Participants Served
- 21 • Measurable Skill Gains (MSG), as negotiated with the US Department of Education’s
22 Office of Career, Technical, and Adult Education (OCTAE)
- 23 • WIOA exit-based outcomes, as outlined in the General Appropriations Act (GAA) and as
24 passed by the Texas Legislature, as follows:
 - 25 ➤ Employed/Enrolled Q2 Post-exit
 - 26 ➤ Employed/Enrolled Q2–Q4 Post-exit
 - 27 ➤ Credential Rate

28 On August 23, 2022, the Commission approved the [Legislative Appropriations Request \(LAR\)](#)
29 [for Fiscal Years 2024 and 2025](#), which includes updated estimates for PY’23 that assume both a
30 higher average cost per participant and an increased Intensive Services and IET casemix than in
31 previous years.

32 In early September 2022, TWC and AEL grant recipients negotiated the PY’22–’23 enrollment
33 targets, which include carryforward balances from PY’21–’22. As part of the negotiation process
34 with grant recipients, TWC considers the AEL contracted measures in the GAA. Within the
35 GAA targets, TWC has flexibility in negotiating the casemix of Intensive Services and IET
36 enrollment targets and may also use the average cost per participant as a guide when developing
37 the assigned enrollment targets.

1 **Issue: PY’22–’23 Contracted Measures**

2 Staff has developed the following recommendations for PY’22 AEL grant recipient contracted
 3 measures for participant enrollment targets, MSGs, and exit-based outcomes.

4 AEL Enrollment Targets

5 LAR estimated that the AEL program is serving 58,551 participants in PY’23. This estimate
 6 assumes a mix of three tiers of services with different cost assumptions, which were higher than
 7 in prior years. The higher assumptions were used in the negotiations for the AEL enrollment
 8 targets. The following provides a description of the cost per participant assumptions for the three
 9 types of service models:

- 10 • Popular AEL Services—assumed to cost \$1,117.15 per participant
- 11 • Intensive AEL Services—assumed to cost \$1,376.33 per participant (includes Workplace
 12 Literacy, Internationally Trained Professional, and Transition to Reentry and Post-
 13 Release Services)
- 14 • IET Services—assumed to cost \$2,037.68 per participant

15 Table 1 outlines the negotiated AEL enrollment targets for PY’22–’23, which include the
 16 PY’21–’22 carryforward balances.

17 Table 1: PY’22–’23 AEL Enrollment Targets

| AEL Grant Recipient | Intensive Services | IET Services | Overall Participants Served (Intensive Services, IET, and Popular AEL Services) |
|--------------------------------|---------------------------|---------------------|--|
| Abilene ISD | 56 | 94 | 800 |
| Amarillo College | 30 | 250 | 888 |
| Angelina College | 67 | 112 | 980 |
| Austin Community College | 175 | 235 | 2,262 |
| Brazos Valley COG | 52 | 87 | 691 |
| Brownsville ISD | 93 | 156 | 1,356 |
| Community Action Inc. | 130 | 329 | 1,800 |
| Dallas County LWDB | 307 | 695 | 6,272 |
| Region 20 ESC | 650 | 775 | 5,582 |
| Grayson College–Texoma | 60 | 61 | 628 |
| Houston-Galveston Area Council | 1097 | 1833 | 16,018 |
| Howard College–Concho Valley | 95 | 60 | 532 |
| Howard College–Permian Basin | 25 | 10 | 169 |
| Laredo Community College | 85 | 108 | 1,053 |
| Literacy Council of Tyler | 136 | 227 | 1,767 |
| McLennan Community College | 61 | 101 | 1,018 |
| Paris Jr. College | 31 | 51 | 472 |
| Region 1 ESC | 205 | 343 | 3,192 |
| Region 17 ESC–Permian Basin | 5 | 9 | 68 |
| Region 17 ESC–South Plains | 70 | 118 | 1,358 |

| AEL Grant Recipient | Intensive Services | IET Services | Overall Participants Served (Intensive Services, IET, and Popular AEL Services) |
|-------------------------------------|---------------------------|---------------------|--|
| Region 5 ESC | 63 | 105 | 877 |
| Region 9 ESC | 30 | 50 | 521 |
| Southwest Texas Jr. College | 43 | 72 | 616 |
| Victoria County Jr. College | 40 | 58 | 678 |
| Weatherford ISD | 34 | 30 | 540 |
| Central Texas College | 22 | 37 | 336 |
| Temple College | 52 | 87 | 964 |
| Tarrant County | 295 | 493 | 4603 |
| Midland College | 30 | 50 | 405 |
| Navarro College | 39 | 118 | 1423 |
| Paris Jr College–North Central | 15 | 15 | 364 |
| Region 2 ESC | 100 | 152 | 1752 |
| Texarkana ISD | 19 | 32 | 315 |
| Ysleta ISD | 281 | 238 | 2229 |
| Odessa College | 42 | 70 | 654 |
| Denton ISD | 159 | 230 | 2137 |
| Grayson College–North Central | 119 | 198 | 2283 |
| Statewide Enrollment Targets | 4,813 | 7,689 | 67,603 |

1 Measurable Skill Gains

2 In early 2022, TWC negotiated both PY’22 and PY’23 MSG targets with OCTAE. The
3 negotiated MSG target for PY’22–’23 is 43 percent, to which TWC is held accountable for
4 federal performance reporting. Within this MSG target, TWC assigns AEL grant recipients
5 subtargets, which correspond to each of the 12 Educational Functioning Levels (EFLs) that AEL
6 uses for federal performance reporting. Six EFLs relate to Adult Basic Education (ABE) and six
7 relate to English as a Second Language (ESL). The 12 subtargets blend together based on the
8 casemix to set the final MSG target for each grant recipient. If a grant recipient meets all 12
9 subtargets individually, they meet their final target. If the grant recipient is low on one individual
10 subtarget and high on one of the other 11 subtargets, it is possible that the grant recipient will
11 still meet performance expectations if the performance difference and casemix proportion
12 differences balance out.

13 Each grant recipient’s MSG target will be based on the blended average of the above subtargets
14 and customized to their individual enrollment pattern in PY’22–’23. Table 2 shows the 12
15 subtargets by EFL.

16 Table 2: PY’22–’23 MSG Subtargets by EFL

| EFL | Subtarget |
|------------|------------------|
| ABE1 | 41% |
| ABE2 | 41% |
| ABE3 | 41.5% |
| ABE4 | 42% |
| ABE5 | 42% |

| | |
|------|-----|
| ABE6 | 41% |
| ESL1 | 45% |
| ESL2 | 47% |
| ESL3 | 46% |
| ESL4 | 46% |
| ESL5 | 41% |
| ESL6 | 41% |

1 Exit-Based Measures

2 TWC has three WIOA exit-based AEL outcome measures that are reported to the Texas
3 legislature and the Office of the Texas Governor through the Legislative Budget Board. Staff
4 recommends that the exit-based measures match the levels in the GAA, as follows:

5 Table 3: PY'22-'23 Exit-Based Measures

| Exit-Based Measure | Target |
|--------------------------------------|--------|
| Employed/Enrolled in Q2 Post-exit | 46% |
| Employed/Enrolled in Q2-Q4 Post-exit | 82.4% |
| Credential Rate | 39% |

6 **Issue: Performance-Based Criteria for PY'22-'23**

7 The PY'22 AEL allocations include a 2 percent PBF holdback. To access the PBF funds, AEL
8 grant recipients are required to meet the criteria, which the Commission approves each program
9 year. Section 315.007 requires TWC to set PBF criteria related to high school equivalency (HSE)
10 enrollment and attainment after exiting the AEL program.

11 On September 28, 2021, the Commission approved the PBF criteria for PY'21-'22, and grant
12 recipients that met the HSE enrollment and attainment criteria were able to access 33.33 percent
13 of the PY'22-'23 PBF holdback, which will be released in October 2022 (due to the exit
14 measure requirement of this criteria).

15 Staff recommends the following PBF criteria for PY'22-'23 in order to allow grant recipients to
16 access the remaining PBF holdback funds from the PY'22-'23 allocation:

- 17 • **Rapid Enrollment** to access 33.33 percent of the remaining PY'22 PBF holdback
 - 18 ➤ **Description of Criteria:** Grant recipients are awarded approximately 33.33 percent
 - 19 of their PBF allocation if they have met 60 percent of their enrollment target for
 - 20 participants with a period of participation by the second quarter of the program year.
 - 21 ▪ **Denominator:** The unduplicated enrollment target for total participants
 - 22 served in PY'22-'23
 - 23 ▪ **Numerator:** The number of individuals who have a period of participation in
 - 24 between July 1, 2022, and December 31, 2022
 - 25 ➤ **Release of Funds:** Funds for achievement of this measure will be released after the
 - 26 second quarter of PY'22, which ends December 31, 2022.
- 27 • **Accelerated MSG** to access 33.33 percent of PY'22 PBF holdback
 - 28 ➤ **Description of Criteria:** Grant recipients will be awarded approximately 33.33
 - 29 percent of their PY'22 PBF holdback if by March 31, 2023, participants enrolled in
 - 30 the first two quarters of the program year meet the grant recipient's MSG targets for

1 PY'22-'23. The MSG target for this measure is available in both the December 2022
2 Contracted MSG Report and the Monthly Performance Report.

3 ▪ **Denominator:** The unduplicated number of AEL participants served between
4 July 1, 2022, and December 31, 2022

5 ▪ **Numerator:** The number of participants in the denominator who achieve an
6 approved MSG by March 31, 2023

7 ➤ **Release of Funds:** Funds for achievement of this measure will be released after the
8 third quarter of PY'22-'23, which ends March 31, 2023.

9 The PBF criteria in §315.007 requires that 25 percent of an AEL grant recipient's participants be
10 enrolled in a HSE or Ability-to-Benefit program, and that 70 percent of the participants who exit
11 earn a Texas Certificate of High School Equivalency (TxCHSE) or postsecondary credential
12 during the program year or by the end of the first quarter of the following program year. As
13 current AEL grant awards are scheduled to end June 30, 2023, and new grant awards are
14 scheduled to be awarded July 1, 2023, TWC is unable to measure the exit-based criteria for the
15 program year. However, staff will ensure that PBF criteria under the new grant awards will
16 address some of the contracted measures starting with the first year of new grant awards.

17 **Decision Point**

18 Staff seeks direction on approving AEL PY'22-'23:

- 19 • contracted measures as reflected in Tables 1, 2, and 3; and
20 • PBF criteria, noting that future grant awards that are effective July 1, 2023, will address
21 criteria outlined in §315.007 unless otherwise modified.