

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

ID/No:	AEL 07-20
Date:	September 16, 2020
Keyword:	AEL; Fiscal- Allocations; TANF
Effective:	July 1, 2020

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

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9 **From:** Courtney Arbour, Director, Workforce Development Division

10 **Subject:** **Fiscal Year 2021/Program Year 2020—Adult Education and Literacy**
11 **Allocations and Fiscal Year 2020/Program Year 2019 Carryforward Funds**

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13 **PURPOSE:**

14 The purpose of this AEL Letter is to provide Adult Education and Literacy (AEL)
15 grantees¹ with information on the funding allocated for AEL programs for Fiscal Year
16 2021 (FY'21)/Program Year 2020 (PY'20), which runs from July 1, 2020, through June
17 30, 2021. This AEL Letter also explains how grantees must expend any carryforward
18 funds from Fiscal Year 2020 (FY'20)/Program Year 2019 (PY'19) before expending
19 FY'21/PY'20 funds.

20 **BACKGROUND:**

21 On [June 30, 2020](https://www.twc.texas.gov/data-reports/agency-reports), TWC's three-member Commission (Commission) approved the AEL
22 FY'21/PY'20 funding allocations. The allocations are available on TWC's Financial and
23 Grant Information web page, in the Annual Allocations section, at
24 <https://www.twc.texas.gov/data-reports/agency-reports>.

25 The PY'20 funding allocations correspond to Year 3 of the statewide AEL grant awards
26 under RFP 320-18-01, whereas the PY'19 funding allocations for July 1, 2019, through
27 June 30, 2020, correspond to Year 2 of the AEL awards.

28 **PROCEDURES:**

29 **No Local Flexibility (NLF):** This rating indicates that AEL entities must comply with
30 the federal and state laws, rules, policies, and required procedures set forth in this AEL

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

1 Letter and have no local flexibility in determining whether and/or how to comply. All
2 information with an NLF rating is indicated by “must” or “shall.”

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

7 **NLF:** AEL grantees must use the PY’20 allocations to deliver workforce services, as allowable
8 under grant awards for RFP 320-18-01. The allocations are listed in Attachment 1,
9 FY’21/PY’20 Adult Education and Literacy Program Funding Summary Allocation.

10 On June 30, 2020, the Commission approved the amounts allocated to each local
11 workforce development area and grantee.

12 **NLF:** AEL grantees must be aware that, although funds for PY’20 are available for use
13 beginning July 1, 2020, for Year 3 of AEL grant awards, grantees must first spend any
14 carryforward funds from PY’19, or Year 2 of the AEL grant awards.

15 **Midyear Deobligation of Funds**

16 **NLF:** AEL grantees must be aware that the Commission may deobligate funds at midyear based
17 on a grantee’s failure to meet expenditure thresholds, starting with expenditure data from
18 the fourth month, or October, of PY’20, as outlined in TWC Chapter 800 General
19 Administration rule §800.78. Expenditure data will include both PY’19 carryforward
20 funds and PY’20 funds.

21 **Combined AEL Funding**

22 **NLF:** AEL grantees must be aware that the Combined AEL Allocation category applies the
23 following statewide funding proportions to all grantees:

- 24 • AEL federal funds (76.54 percent)
- 25 • AEL state matching funds (14.57 percent)
- 26 • AEL Temporary Assistance for Needy Families (TANF) funds (8.89 percent)

27 The Combined AEL Allocation category is listed on Attachment B-1 for Year 3 of the
28 AEL grant awards as “AEL Combined” and is identified in the Cash Draw and
29 Expenditure Reporting (CDER) system as “AEL Combined.”

30 **NLF:** AEL grantees must be aware that the limits placed on administrative spending represent
31 approximately 7.3 percent of the total funds under the Combined AEL Allocation
32 category, including administrative funds. The 7.3 percentage was determined based on
33 the combined administrative limits that were established using the percentages for each
34 source, as set forth in TWC Chapter 800 General Administration rule §800.68—that is,
35 with AEL federal funds set at 5 percent and AEL state matching funds and AEL TANF
36 funds set at 15 percent each.

37 **Professional Development**

38 **NLF:** AEL grantees must be aware that professional development is funded under the AEL
39 state-match component of the Combined AEL Allocation. Grantees are still required to

1 separately report professional development expenditures in CDER system expenditure
2 reports.

3 **Performance-Based Funding**

4 **NLF**: AEL grantees must be aware that performance-based funds, including associated
5 administrative funds, are a portion of the Combined AEL Allocation and become
6 available upon demonstration of compliance with performance-related benchmarks, as
7 described in AEL Letter 02-20, Change 1, issued on June 4, 2020, and titled “Program
8 Year 2019–2020 Performance-Based Funding and Performance Allocation Holdbacks—
9 *Update*,” and future TWC policy on AEL performance-based funding for PY’20.

10 **INQUIRIES:**

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

12 **ATTACHMENTS:**

13 Attachment 1: FY’21/PY’20 Adult Education and Literacy Program Funding Summary
14 Allocation

15 **REFERENCES:**

16 Title II of the Workforce Innovation and Opportunity Act of 2014
17 Texas Workforce Commission Chapter 800 General Administration Rules, Subchapter B
18 AEL Letter 02-20, Change 1, issued June 4, 2020, and titled “Program Year 2019–2020
19 Performance-Based Funding and Performance Allocation Holdbacks—*Update*”