

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

ID/No:	AEL 01-22
Date:	January 13, 2022
Keyword:	AEL; WIOA
Effective:	Immediately

3 **To:** Adult Education and Literacy Grant Recipients
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:** **Program Year 2021–2022 AEL Allocations, Contracted Measures, and**
11 **Performance-Based Funding**

13 **PURPOSE:**

14 The purpose of this AEL Letter is to provide Adult Education and Literacy (AEL)
15 grantees¹ with information and guidance on Program Year 2021–2022 (PY’21–’22)
16 funding allocations, enrollment and performance targets, PY’20–’21 carryforward
17 targets, and performance-based funding (PBF) criteria for year four of contracts awarded
18 under Request for Proposals (RFP) 320-18-01.

19 This AEL Letter includes the following attachments:

- 20 • Attachment 1, FY2022/PY2021 Adult Education and Literacy Program Allocation by
21 Provider (Year Beginning July 1, 2021), which lists each AEL grantee’s funding
22 allocation, as approved by TWC’s three-member Commission (Commission).
- 23 • Attachment 2, Program Year 2021–2022 Adult Education and Literacy Enrollment
24 Targets, lists enrollment targets and PY’20–’21 carryforward targets, as approved by
25 the Commission.
- 26 • Attachment 3, Program Year 2021–2022 Performance-Based Funding Criteria, lists
27 the PBF amounts to be released to grantees that meet the criteria.
- 28 • Attachment 4, TEAMS Activity Codes for AEL Core Grantee Enrollment Targets, is
29 a desk aid that will help grantees enter data correctly into the Texas Educating Adults
30 Management System (TEAMS).

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

1 **RESCISSIONS:**

2 None

3 **BACKGROUND:**

4 On [June 8, 2021](#), the Commission approved the Fiscal Year 2022/AEL PY'21-'22
5 allocations, which correspond to year four of contracts awarded under RFP 320-18-01 for
6 AEL statewide grants that began on July 1, 2021. PY'21 allocations are composed of a 2
7 percent performance-based funding (PBF) holdback.

8 **Changes in WIOA §243, Integrated English Literacy and Civics Education Funding**
9 **Allocation**

10 In PY'21-'22, TWC implemented a policy change requiring that all students in English
11 language acquisition programs receive civics instruction, which allows TWC to simplify
12 funding and related targets for Workforce Innovation and Opportunity Act (WIOA) §243,
13 Integrated English Literacy and Civics Education. The new civics policy allows TWC to
14 simplify both the allocation methodology and corresponding enrollment targets to three
15 AEL activities, as outlined in this AEL Letter. Previously, grantees were assigned targets
16 in five enrollment categories.

17 **AEL Contracted Measures for PY'21-'22**

18 In summer 2021, TWC worked with grantees to negotiate the participant enrollment
19 targets for PY'21-'22 using a negotiation tool. These negotiations did not include
20 carryforward targets from the previous program year because carryforward performance
21 data was not yet available; however, TWC informed grantees that carryforward targets
22 would be applied to PY'21-'22 performance at a future date. [On September 28, 2021](#), the
23 Commission approved:

- 24 • AEL participants-served targets, measurable skills gain (MSG) targets, and exit-based
25 outcomes, which do not include carryforward targets from PY'20-'21; and
26 • PBF criteria for grantees to access a portion of their performance-based holdback.

27 AEL participants-served targets, MSG targets, and exit-based outcomes comprise an AEL
28 grantee's contracted measures, as required under Section 6 of contracts awarded under
29 RFP 320-18-01. These measures are based on TWC enrollment and performance targets
30 that are outlined in the General Appropriations Act (GAA), 87th Texas Legislature,
31 Regular Session (2021). When developing assigned enrollment and performance targets
32 for PY'21-'22, TWC considered the GAA performance measure targets and the federal
33 performance measures for MSGs and exit-based outcomes that were negotiated with the
34 US Department of Education's Office of Career, Technical, and Adult Education
35 (OCTAE).

36 On December 7, 2021, the Commission approved the PY'20-'21 carryforward targets,
37 which were a result of a negotiation process based on the grantee's target casemix that
38 was approved in September.
39

40 **Participants-served targets** are measures set by TWC that are based on the overall AEL
41 participants-served figure in the PY'21 GAA participants-served target, which is 72,117.
42 This target assumes that there are three different costs for AEL service tiers, as follows:

- Tier I: Basic AEL Services, assumed to cost \$885 per participant
- Tier II: Intensive AEL Services (Work-Based, Internationally Trained Professionals, and Transition to Reentry and Post-Release Services), assumed to add \$250 per participant to the cost of Basic AEL Services, to total \$1,135 per participant
- Tier III: Integrated Education and Training (IET) Services, assumed to add \$900 per participant to the cost of Basic AEL Services, to total \$1,785 per participant

MSG targets are federally required performance targets that TWC negotiates with OCTAE for each of the 12 educational functioning levels (EFLs). MSG targets assigned to each AEL grantee are a result of the case mix across the EFL cohorts, as calculated by TWC’s Information Innovation & Insight team and shown in the table below. MSG targets are made available to grantees in the Monthly Performance Report.

Table 1: EFL Subtargets

EFL Level	Subtarget
ABE1	39.0%
ABE2	38.0%
ABE3	38.0%
ABE4	40.0%
ABE5	43.0%
ABE6	34.0%
ESL1	45.0%
ESL2	49.0%
ESL3	53.0%
ESL4	54.0%
ESL5	42.0%
ESL6	43.0%

Exit-based outcome measures assigned to grantees are based on performance in the GAA. Two of the three exit-based measures are similar to federal measures that are negotiated with OCTAE, and one is identical. Essentially, the Texas exit-based outcomes assigned to grantees support the federal measures, sometimes called WIOA exit-based outcomes.

TWC assigns grantees the following exit-based outcome measures:

- Employed/Enrolled in Quarter Two (Q2) Post-Exit
- Employed/Enrolled in Quarter Two–Quarter Four (Q2–Q4) Post-Exit
- Credential Rate

Performance-Based Criteria for PY’21–22

Texas Labor Code §315.007 requires that PBF criteria include both enrollment and credential achievement performance in high school equivalency (HSE) or postsecondary Ability-to-Benefit programs. In PY’20, the Commission approved these statutorily required criteria to be included in the PY’20–’21 PBF criteria, and, as approved by the Commission [on October 27, 2020](#), grantees that met these criteria in PY’20–’21 would

1 access 33.33 percent of the PY'21-'22 PBF holdback, which is 2 percent of an AEL
2 grantee's allocation.
3

4 In order to access the PBF holdback funds, grantees are required to meet the PBF criteria
5 approved by the Commission on September 28, 2021. Funding amounts for each of the
6 PY'21-'22 PBF criteria are outlined in Attachment 3.

7 **PROCEDURES:**

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

12 **Local Flexibility (LF):** This rating indicates that AEL entities have local flexibility in
13 determining whether and/or how to implement guidance or recommended practices set
14 forth in this AEL Letter. All information with an LF rating is indicated by "may" or
15 "recommend."

16 **AEL Allocations for PY'21-'22**

17 **NLF:** AEL grantees must use the PY'21 allocations to deliver workforce services, as allowable
18 under grant awards for RFP 320-18-01. The allocations are listed in Attachment 1.

19 **NLF:** AEL grantees must be aware that, although funds for PY'21 are available for use
20 beginning on July 1, 2021, for year four of AEL grant awards, AEL grantees must first
21 spend any carryforward funds from PY'20, or year three, of the AEL grant awards.

22 **Midyear Deobligation of Funds**

23 **NLF:** AEL grantees must be aware that the Commission may deobligate funds at midyear based
24 on an AEL grantee's failure to meet expenditure thresholds, starting with expenditure
25 data from the fourth month, or October, of PY'21, as outlined in TWC Chapter 800
26 General Administration rule §800.78. Expenditure data may include both PY'20
27 carryforward funds and PY'21 funds.

28 **Combined AEL Funding**

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

- 31 • AEL federal funds (71.14 percent)
- 32 • AEL state matching funds (11.99 percent)
- 33 • EL/Civics (9.55 percent)
- 34 • AEL Temporary Assistance for Needy Families (TANF) funds (7.32 percent)

35 The Combined AEL Allocation category is listed on Attachment B-1 of the contract for
36 year four of the AEL grant awards as "AEL Combined" and is identified in the Cash
37 Draw and Expenditure Reporting (CDER) system as "AEL Combined."

38 **NLF:** AEL grantees must be aware that the limits placed on administrative spending represent
39 approximately 6.8 percent of the total funds under the Combined AEL Allocation
40 category, including administrative funds. The 7.3 percentage was determined based on

1 the combined administrative limits that were established using the percentages for each
2 source, as set forth in TWC Chapter 800 General Administration rule §800.68—that is,
3 with AEL federal funds and EL/Civics each set at 5 percent and AEL state matching
4 funds and AEL TANF funds set at 15 percent each.

5 **Professional Development**

6 **NLF:** AEL grantees must be aware that professional development is funded under the AEL
7 state-match component of the Combined AEL Allocation, excluding EL/Civics. AEL
8 grantees are still required to separately report professional development expenditures in
9 CDER system expenditure reports.

10 **Enrollment Targets for PY’21–22**

11 **NLF:** AEL grantees must deliver services to meet the PY’20–’21 participants-served targets
12 that are described in Attachment 2 in the following service delivery categories, as
13 approved by the Commission on September 28, 2021:

- 14 • Intensive Services
- 15 • IET
- 16 • Total Enrollment (Total Participants Served)

17 **NLF:** AEL grantees must be aware that the PY’20–’21 participants-served targets may be
18 altered due to voluntary or TWC-mandated deobligation and reallocation of funds, as
19 allowed under TWC Chapter 800 General Administration rules §§800.78–800.80 and as
20 approved by the Commission.

21 **NLF:** AEL grantees must be aware that the participants-served targets outlined are outlined in
22 Attachment 2.

23 **NLF:** AEL grantees must be aware that the PY’20–’21 carryforward targets approved do not
24 apply to PY’21–22 performance-based funding criteria.

25 **NLF:** AEL grantees must be aware that a participant is an individual who has taken a National
26 Reporting System (NRS)–approved pretest, which establishes basic education eligibility,
27 and who has attained 12 direct contact hours or maintained a period of participation from
28 a previous program year. To receive credit toward participant enrollment targets, grantees
29 must correctly code participants in TEAMS using the funding codes found in Attachment
30 4.

31 **NLF:** AEL grantees must be aware that participants must have an NRS-approved pretest in
32 TEAMS in order to count toward an enrollment target.

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

37 **NLF:** AEL grantees must be aware that a participant may count toward more than one
38 enrollment target category, such as Intensive Services or IET, but he or she will count

1 only once toward the overall participants-served target.² Participants who receive
2 different types of Intensive Services, such as Workplace Literacy or Internationally
3 Trained Professionals Services, will count only once toward the Intensive Services target
4 category for the program year.

5 **Accurate Data Entry in TEAMS**

6 **NLF:** AEL grantees must be aware that the services provided to a participant must be
7 accurately reported in TEAMS to count toward the enrollment target category.
8 Attachment 4 provides a matrix of all the TEAMS funding codes, which correspond to an
9 AEL enrollment target and service category for core grantees.

10 **NLF:** AEL grantees must be aware that funding codes attributed to state-leadership initiatives,
11 such as Accelerate Texas and the Math Assistance Call Center (MACC), as shown in
12 Attachment 4, will count toward only the overall participants-served enrollment category.

13 **NLF:** AEL grantees that partner, leverage, or are direct grantees for Accelerate Texas must
14 report those services accurately per the contract or agreement for those services.

15 **MSG and Exit-Based Performance Targets**

16 **NLF:** AEL grantees must meet MSG, employment or enrolled, and credential targets described
17 in this AEL Letter using the MSG and credential options described in AEL Letter 01-18,
18 Change 1, issued September 7, 2018, and titled “Educational Outcomes for Adult
19 Education and Literacy—*Update*,” and subsequent issuances, such as the forthcoming
20 AEL Performance Guide.

21 **NLF:** AEL grantees must meet the MSG targets provided in the MSG Contracted Report and in
22 the AEL Monthly Performance Report.

23 **NLF:** AEL grantees must meet the following exit-based outcome targets, also outlined in
24 Attachment 2, that are applicable to exiters in the denominators outlined in AEL 01-18,
25 Change 1, and subsequent issuances, such as the forthcoming AEL Performance Guide:

- 26 • Employed/Enrolled in Q2 Post-Exit: 40 percent
- 27 • Employed/Enrolled in Q2–Q4 Post-Exit: 81 percent
- 28 • Credential Attainment: 39 percent

29 **PY’20 HSE or Ability-to-Benefit Enrollment and Achievement**

30 **NLF:** AEL grantees must be aware that they will be awarded approximately 33.33 percent of
31 the PY’21 performance-based funding allocation if the following criteria were met in
32 PY’20:

- 33 a. At least 25 percent of all PY’20–’21 participants served in the program year were
34 enrolled in an HSE or postsecondary Ability-to-Benefit program.
- 35 b. At least 70 percent of participants who were in an HSE or postsecondary program
36 during PY’20–’21 and exited during the program year achieved either an HSE or a
37 recognized postsecondary credential.

² The Career Pathways section on page 40 of the [Texas AEL Guide](#), provides descriptions of each of these models.

- 1 • **Denominator:** All PY'20-'21 participants who were in an HSE or postsecondary
2 Ability-to-Benefit program during the program year and exited during the program
3 year.
 - 4 • **Numerator:** Exiters from the denominator who achieved an HSE or postsecondary
5 credential during the program year or one quarter after exit.
- 6 Release of Funds: Funds for achievement of this measure were released after the first
7 quarter of PY'21.

8 **PY'21 Rapid Enrollment Measure**

9 **NLF:** AEL grantees must be aware that they will be awarded approximately 66.66 percent of
10 their PY'21 performance-based funding allocation if they have met 60 percent of their
11 enrollment target for participants who maintain a period of participation by the second
12 quarter of the program year.

- 13 • **Denominator:** The unduplicated enrollment target for total participants served in
14 PY'21, as shown in Attachment 2.
- 15 • **Numerator:** The number of individuals who have a period of participation in
16 between July 1, 2021, and December 31, 2021.

17 Release of Funds: Funds for achievement of this measure will be released after the
18 second quarter of PY'21.

19 **PY'21 Accelerated MSG Measure**

20 **NLF:** AEL grantees must be aware that they will be awarded approximately 33.33 percent of
21 their PY'21 performance-based funding allocation if, by March 31, 2022, participants
22 enrolled in the first two quarters of the program year meet the grantee's MSG targets for
23 PY'21. The MSG target for this measure is available in both the December 2021
24 Contracted MSG Report and the Monthly Performance Report.

- 25 • **Denominator:** The unduplicated number of AEL participants served between July 1,
26 2021, and December 31, 2021.
- 27 • **Numerator:** The number of participants in the denominator who achieve an approved
28 MSG by March 31, 2022.

29 Release of Funds: Funds for achievement of this measure will be released after the third
30 quarter of PY'21.

31 **PY'21 HSE or Ability-to-Benefit Enrollment and Achievement (for Release in 32 PY'22)**

33 **NLF:** AEL grantees must be aware that they will be awarded approximately 33.33 percent of
34 the future PY'22 performance-based allocation if at least 25 percent of all participants
35 served in the program year were enrolled in an HSE or postsecondary Ability-to-Benefit
36 program.

- 37 • **Denominator:** All PY'21-'22 participants.
- 38 • **Numerator:** AEL participants from the denominator who lack a diploma/HSE and
39 who were enrolled in an HSE or PSE Ability-to-Benefit program as described in the
40 following:
41
42

- for HSE enrollment: participants who are in Adult Secondary Education (ASE) low or ASE high in all tested domains before the end of the program year or who have passed at least one HSE test (regardless of the EFL).
- for Ability-to-Benefit enrollment: participants who are attached to a training service and considered enrolled in PSE (regardless of TEAMS activity code):
 - 70 percent HSE/PSE achievement
- **Denominator:** All PY participants who lack a diploma/HSE and who were in an HSE or postsecondary Ability-to-Benefit program during the program year and exited during the program year
- **Numerator:** Exiters from the denominator who achieved an HSE or postsecondary credential during the program year or by the end of the first quarter of the next program year, as reported in TEAMS

Release of Funds: Funds for achievement of this measure will be released after the first quarter of PY'22; it is expected that the PY'22–PY'23 performance-based holdback will be approved by the Commission in summer 2022.

NLF: AEL grantees must be aware that participants with a non-US high school diploma, as recorded in TEAMS, will not be included in the HSE/Ability-to-Benefit denominator and numerator unless they are attached to a training service in TEAMS.

INQUIRIES:

Send inquiries regarding this AEL Letter to aelpolicy.clarifications@twc.texas.gov.

ATTACHMENTS:

- Attachment 1: FY2022/PY2021 Adult Education and Literacy Allocation by Provider (Year Beginning July 1, 2021)
- Attachment 2: Program Year 2021–2022 Adult Education and Literacy Enrollment Targets
- Attachment 3: Program Year 2021–2022 Performance-Based Funding Criteria
- Attachment 4: TEAMS Activity Codes for AEL Core Grantee Enrollment Targets

REFERENCES:

- Workforce Innovation and Opportunity Act
- Adult Education and Family Literacy Act
- Texas Workforce Commission Legislative Appropriations Request for Fiscal Years 2022 and 2023
- Texas Workforce Commission Chapter 800 General Administration Rules §800.68, §§800.78–800.80
- [Texas AEL Guide](#), issued July 2017
- AEL Testing Guide, issued November 2021
- 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