

**TEXAS WORKFORCE COMMISSION  
ADULT EDUCATION AND LITERACY LETTER**

<b>ID/No:</b>	AEL 01-14
<b>Date:</b>	April 9, 2014
<b>Keyword:</b>	AEL
<b>Effective:</b>	Immediately

**To:** Adult Education and Literacy Fiscal Agents  
English Literacy and Civics Grantees  
Commission Executive Offices  
*Reagan Miller*

**From:** Reagan Miller, Director, Workforce Development Division

**Subject:** **Closeout of Adult Education and Literacy and English Literacy and Civics Program Year 2013–2014 Contracts**

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**PURPOSE:**

To provide Adult Education and Literacy (AEL) fiscal agents and English Literacy and Civics (ELC) grantees<sup>1</sup> with information and guidance on closing out Program Year 2013–2014 (PY' 13–'14) AEL contracts with an end date of August 31, 2014, including fiscal consequences for noncompliance with grant requirements.

**BACKGROUND:**

Senate Bill (SB) 307, enacted by the 83rd Texas Legislature, Regular Session (2013), transferred the AEL program from the Texas Education Agency to the Texas Workforce Commission (TWC).

TWC's three-member Commission adopted Chapter 805, Adult Education and Literacy rules, on February 4, 2014. The rules, effective February 24, 2014, require that beginning PY' 14, grant recipients must compete for funding through a statewide procurement process conducted in accordance with federal and state procurement requirements.

AEL grants for PY' 14–'15 will be awarded July 1, 2014, resulting in a two-month overlap with existing PY' 13–'14 AEL contracts that end August 31, 2014.

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<sup>1</sup> For the purposes of this letter:

*AEL fiscal agents* are AEL fiscal agents and ELC grantees that are currently funded by TWC for PY' 13–'14.

*AEL grant recipients* are entities that will be TWC grantees funded with AEL funds for PY' 14–'15.

*Subcontractors* are entities that contract with the PY' 14–'15 AEL grant recipient to provide a service that supports the delivery of AEL services.

## **PROCEDURES:**

### **AEL Fiscal Agents Not Awarded PY'14-'15 AEL Funds**

AEL fiscal agents not awarded or participating in PY'14-'15 AEL grants must:

- continue AEL instructional services through June 30, 2014;
- post-test students who have met appropriate minimum-hour requirements by June 30, 2014; and
- complete required Texas Educating Adults Management System (TEAMS) first-quarter data sign-off for PY'13 by July 15, 2014, and first- through fourth-quarter final data validation by August 15, 2014.

NLF

AEL fiscal agents may expend AEL funds on activities necessary to close out their PY'13 contracts as well as activities to facilitate the transition of AEL services to PY'14-'15 AEL grant recipients funded to serve the local workforce development area. Allowable activities include referral of adults to the PY'14-'15 AEL grant recipients; communication of changes in local AEL provider services such changes to voice mail, website, and informational flyers describing availability of AEL services under new PY'14-'15 AEL grant recipients; and administrative functions related to the transfer of students to PY'14-'15 AEL grant recipients and closing out the PY'13 contract with TWC. Other activities may be approved with prior consent from TWC.

LF

### **AEL Fiscal Agents Awarded PY'14-'15 AEL Funds as Grant Recipients**

AEL fiscal agents awarded funds as AEL grant recipients for PY'14-'15 must:

- continue AEL instructional services through June 30, 2014;
- post-test students who have met appropriate minimum-hour requirements by June 30, 2014;
- complete required TEAMS first-quarter data sign-off for PY'13 by July 15, 2014, and first- through fourth-quarter final data validation by August 15, 2014; and
- enroll current and new students upon execution of the PY'14-'15 contract for AEL services with TWC.

NLF

### **AEL Fiscal Agents Awarded PY'14-'15 AEL Funds as AEL Subcontractors**

Current AEL fiscal agents awarded funds as subcontractors providing instructional services under contract with a PY'14-'15 AEL grant recipient must:

- continue AEL instructional services through June 30, 2014;
- post-test students who have met appropriate minimum-hour requirements by June 30, 2014;
- complete required TEAMS first-quarter data sign-off for PY'13 by July 15, 2014, and first- through fourth-quarter final data validation by August 15, 2014; and
- coordinate with their PY'14-'15 AEL grant recipient to enroll current and new students upon execution of the contract with the AEL grant recipient.

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**Texas Educating Adults Management System Implications**

Further guidance regarding reporting specifics related to TEAMS and the actions described in this letter is forthcoming.

**Financial Contract Closeout Package**

AEL fiscal agents must submit a final financial report and financial contract closeout package to TWC no later than 11:59 p.m. on October 30, 2014, according to the instructions provided in AEL Letter 01-13, issued October 2, 2013, and entitled “Cash Draw and Expenditure Reporting System Instructions,” available on TWC’s Adult Education and Literacy webpage at <http://www.twc.state.tx.us/svcs/adultlit/adult-basic-education.html>.

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AEL fiscal agents must complete their fourth-quarter data sign-off by July 15, 2014, and their first- through fourth-quarter final data validation by August 15, 2014, to avoid the temporary withholding of cash payments. Per 34 Code of Federal Regulations (CFR) §80.43, TWC may withhold cash payments pending completion of all grant requirements.

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AEL fiscal agents must be aware that in the event an AEL fiscal agent fails to meet the fourth quarter TEAMS data sign-off deadline and the first- through fourth-quarter final data validation, TWC may withhold 10 percent of the total grant award amount pending material compliance with all grant requirements. Per 34 CFR §80.43, TWC reserves the right to take other legally available remedies, including disallowing all or part of the costs of the activity or action not in compliance.

NLF

AEL fiscal agents must be aware that TWC:

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- is not liable for the final payment under this grant award if the AEL fiscal agent fails to complete grant requirements,
- and will not close out contracts until all reporting deadlines have been met.

**INQUIRIES:**

Direct inquiries regarding this AEL Letter to [aelpolicy.clarifications@twc.state.tx.us](mailto:aelpolicy.clarifications@twc.state.tx.us).

**RESCISSIONS:**

None

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**REFERENCE:**

- OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- 34 CFR Part 74, Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- 34 CFR Part 80, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

Senate Bill 307, 83rd Texas Legislature, Regular Session (2013)  
Texas Workforce Commission General Administration Rules: 40 TAC §800.52 and §800.72  
Texas Workforce Commission Adult Education and Literacy Rules: 40 TAC, Chapter 805  
AEL Letter 01-13, issued October 2, 2013, and entitled “Cash Draw and Expenditure Reporting System Instructions,”

**FLEXIBILITY RATINGS:**

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

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