

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

ID/No:	AEL 07-14
Date:	December 30, 2014
Keyword:	AEL; Fiscal Administration
Effective:	Immediately

To: Adult Education and Literacy Grant Recipients
Adult Education and Literacy Fiscal Agents
Local Workforce Development Board Executive Directors
Commission Executive Offices
Lauren Miller

From: Reagan Miller, Director, Workforce Development Division

Subject: **Program Year 2014–2015 Adult Education and Literacy Program
5-Percent Performance Allocation Holdbacks**

PURPOSE:

To provide Adult Education and Literacy (AEL) grant recipients and fiscal agents with information on the distribution of performance-based funding and performance allocation holdbacks.

BACKGROUND:

Texas Labor Code §800.68 provides that no more than 10 percent of the local workforce development area allocation be available for expenditure on the basis of the achievement of performance benchmarks. On May 13, 2014, the Texas Workforce Commission’s three-member Commission (Commission) approved allocating 95 percent and holding only 5 percent—minus State Leadership Activities funds for professional development—of allocated funds for designation as performance-based funding for Program Year 2014–2015 AEL contracts.

Grant recipients are required to meet certain Commission-approved performance benchmarks to access performance-based funding. Performance-based funding is visible in the Cash Draw and Expenditure (CDER) system but unavailable for drawdown until a grant recipient meets certain performance requirements and adheres to data validation and data sign-off (DSO) dates in the Texas Educating Adults Management System (TEAMS) reporting system.

PROCEDURES:

Grant recipients must be aware that the 5-percent performance-based holdback is not guaranteed and is contingent on performance assessed according to the following parameters and due dates:

NLF

**PERFORMANCE-BASED FUNDING MEASURES FOR
PROGRAM YEAR 2014–2015**

Early Payout—Available on or before March 1, 2015	Portion of 5% Performance-Based Funding
Measure A: Total Served with 12+ Hours (Federal) Description: 30% of performance funding awarded for grantee meeting 60% of their contracted Total Served with 12+ Hours target, by the end of quarter 2. TEAMS DSO: January 15, 2015	30%
End-of-Year Payout Measures—Available on or before September 1, 2015	
Measure B: Educational Gains (State) Description: 35% of performance funding based on grantee achieving an average of 100% of target across the 11 Department of Education Core Outcome Educational Gain measures with performance on each of the 11 measures achieving at least 95% of target. TEAMS DSO: July 15, 2015	35%
Measure C: Transition and Career Pathway Class Enrollment (State) Description: 35% of performance funding for grantee achieving at least 95% of both the negotiated transition class enrollments and the career pathway enrollments by June 30, 2015. Enrollment is constituted by a pretested student receiving 12 or more contact hours. TEAMS DSO: July 15, 2015	35%

Current contracts end June 30, 2016. AEL grant recipients may spend 100 percent grant funding during year one (July 1, 2014–June 30, 2015) with a contingency plan of using local funds in the event that performance-based funding is not earned. The grant recipient also may choose to expend the performance-based funding into year two (July 1, 2015–June 30, 2016) of the contract.

LF

Performance-based funding is distributed from Adult Education and Family Literacy Act federal funds.

INQUIRIES:

Direct inquiries regarding this AEL Letter to Chris Nelson, Director of Financial Operations, at (512) 463-1829 or Fiscal.TA@twc.state.tx.us.

RESCISSIONS:

None

REFERENCES:

Adult Education and Family Literacy Act
Texas Labor Code, Chapter 315, Adult Education and Literacy Programs
Texas Labor Code §302.062
Texas Workforce Commission General Administration Rules: 40 TAC §800.68

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.”