

1 **Deobligation and Reallocation of**  
2 **Adult Education and Family Literacy Act Funds**  
3 **Discussion Paper**

4 **Background**

5 Texas Workforce Commission (TWC) Chapter 800 General Administration rule §800.79 states  
6 that an Adult Education and Literacy (AEL) grantee requesting a voluntary deobligation of AEL  
7 funds must submit a written request to TWC’s three-member Commission (Commission). This  
8 rule also provides that when reallocating these funds, the Commission must prioritize the  
9 availability of the deobligated funds to a grantee in the same workforce area, if that grantee  
10 meets expenditure requirements outlined in §800.80(a). Criteria require that the AEL grantee:

- 11 • meets targeted expenditure levels;
- 12 • has not fully expended or obligated more than 100 percent of the workforce area’s
- 13 allocation;
- 14 • ensures that all expenditures conform to cost limits;
- 15 • demonstrates a need and use for more funds;
- 16 • is current on expenditure reporting and single audit requirements; and
- 17 • is not under sanction.

18 If no other AEL grantee in the workforce area meets the expenditure criteria in §800.80(a), the  
19 Commission may consider allowing another AEL grantee to receive the deobligated funds,  
20 provided that the grantee meets the criteria.

21 On June 30, 2020, the Commission approved the [AEL Program Year 2020–2021 \(PY’20–’21\)](#)  
22 [funding allocations](#) for each AEL grant recipient. On January 28, 2021, AEL grant recipient  
23 Grayson College sent a written request to TWC to voluntarily deobligate \$460,761 of its PY’20–  
24 ’21 AEL allocation and to adjust the performance and enrollment targets by a proportionate  
25 amount.

26 There are no other grantees in the North Central workforce area that meet the criteria outlined in  
27 §800.80(a), so the Commission may approve the reallocation of funds to another grant recipient  
28 or recipients that meet the criteria.

29 **Issue 1: Reallocation of Deobligated Funds**

30 Section 800.80(b) states that the Commission must approve a plan to reallocate deobligated  
31 funds. Staff has identified the following three AEL grant recipients—each of which has met  
32 PY’20–’21 expenditure criteria outlined in §800.80(a) and meets or exceeds overall enrollment  
33 targets—to receive the reallocated funds:

- 34 • Southwest Texas Junior College
- 35 • Austin Community College
- 36 • Community Action, Inc. of Central Texas

37 These grant recipients have confirmed the need and ability to use these deobligated funds to  
38 continue AEL services for the remainder of PY’20–’21 (ending June 30, 2021). All three

1 grantees are currently meeting or exceeding benchmarks for negotiated enrollment targets in  
 2 multiple sub-target areas. Since these grant recipients have met or exceeded enrollments, the  
 3 additional funds will not necessitate an adjustment to original enrollment or performance targets  
 4 as approved by the Commission on January 26, 2021.

5 **Table 1: Deobligated and Reallocated Amounts**

<b>AEL Grant Recipient</b>	<b>Reallocated for Combined AEL Allocation</b>	<b>Reallocated EL Civics</b>	<b>Original PY'20 Allocation</b>	<b>Adjusted PY'20 Allocation</b>
Grayson College (North Central)	-\$396,249	-\$64,512	\$1,843,044	\$1,382,283
Austin Community College	\$186,640	\$30,386	\$2,730,597	\$2,947,623
Community Action, Inc. of Central Texas	\$97,677	\$15,903	\$2,147,112	\$2,260,692
Southwest Texas Junior College	\$111,932	\$18,223	\$760,475	\$890,630

6 **Issue 2: Adjustment of PY'20-'21 Performance Targets for Grayson College**

7 Section 802.102(a) states that the Commission annually approves individual AEL grant recipient  
 8 performance targets, which may be adjusted. A reduction in PY'20-'21 targets, resulting from  
 9 the reduction in funding for Grayson College, is reflected below:

10 **Table 2: Grayson College (North Central) PY'20-'21 Adjusted Targets**

<b>Grayson College (North Central)</b>	<b>EL Civics</b>	<b>EL Civics IET (Integrated EL Civics)</b>	<b>Intensive</b>	<b>IET</b>	<b>Total Participants Served</b>
Commission-Approved Targets for PY'20-'21 <sup>1</sup>	400	35	113	122	1,760
New TWC-Proposed Targets for PY'20-'21	304	27	89	96	1,332

<sup>1</sup> As [approved by the Commission on January 26, 2021](#).

1 **Decision Point**

2 Staff seeks direction on the following:

- 3 • Accepting the plan to reallocate deobligated funds from Grayson College (North Central)
- 4 to AEL grant recipients Austin Community College; Community Action, Inc. of Central
- 5 Texas; and Southwest Texas Junior College, as shown in Table 1
- 6 • Adjusting the PY'20-'21 performance targets for Grayson College (North Central), as
- 7 shown in Table 2, thus adjusting statewide targets accordingly

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