

Discussion, Consideration and Possible Action Regarding Program Year 2021 Adult Education & Literacy Grantee Performance Measures & Targets and Program Years 2021 and 2022 Performance Based Funding Criteria

1 **Introduction** –The Texas Workforce Commission (TWC) has historically contracted three sets
2 of measures for AEL Grantees:

- 3 1) Participants Served (negotiated with each grantee);
- 4 2) Measurable Skill Gains (aligned with TWC’s targets negotiated with U.S. Department of
5 Education (ED));
- 6 3) WIOA Exit-based Outcome Measures [aligned with the TWC’s targets in the General
7 Appropriation Act (GAA)].

8 **PY21 Measures and Targets** – Staff has developed the following recommendations for PY21
9 AEL Grantee targets:

- 10 • **Participants Served** – TWC’s PY21 GAA target is 72,117 Participants being served for
11 this year which assumed a mix of three tiers of service with different cost assumptions:
 - 12 • Tier I Basic AEL: assumed to cost \$885 per Participant;
 - 13 • Tier II Intensive AEL (Work-based, International Professional, and Transition to
14 Reentry & Post-Release Services): assumed to cost \$250 more per Participant
15 than Basic AEL; and
 - 16 • Tier III Integrated Education & Training (IET) AEL: assumed to cost \$900 more
17 per Participant than Basic AEL.

18 While the GAA was based on our Legislative Appropriations Request which assumed
19 that we would serve 4,500 in Intensive and 6,250 in IET, those numbers are not part of
20 our formal set of targets. This gives us flexibility in both the program/casemix and the
21 distribution of targets. When initiating negotiations with the grantees, we started with
22 these LAR assumptions and then offered them the opportunity to propose altering the
23 ratio of the Tier I, II, and III targets to suit their local needs and capacity.

24 One change from prior years relates to a policy change that TWC made regarding
25 English Language Civics (ELC). States receive a set of funding specifically intended to
26 provide ELC education to students in both Basic and IET programs. In the past this
27 meant creating separate targets for ELC-Basic and ELC-IET programs. However, TWC
28 has implemented a policy change to require all students in all English Language
29 Acquisition (ELA) courses (Basic or IET) to receive ELC in addition to their ELA
30 curriculum. This greatly increases the number of people who will receive ELC and
31 allows TWC to simplify funding and the performance model while meeting the ELC
32 requirement.

33 As result of this change, staff negotiated targets on only three Participant Served
34 measures rather than the normal five.

35 Only 16 grantees opted to take advantage of this flexibility to propose their own
36 casemixes/targets (compared to 30 last year). Of the 16 that proposed their own
37 targets, eight submitted proposals that were within the parameters we laid out and
38 were easily supported by Workforce and Operational Insight staff. Workforce staff in
39 the Adult Education and Literacy Department reviewed the justifications on the
40 remaining 8 proposals and found that the grantees had reasonable explanations for

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1 their proposals and that all of them should be approved. Since some grantees were
 2 basically shifting targets among the three tiers, with some who some wanted to go up
 3 and others down, the net result is that the negotiated targets aggregate 4,298 in
 4 Intensive AEL, 7,117 in IET (between EL Civics and regular AEL), and 71,610 overall is
 5 within 0.7% of our GAA target and easily explainable given that we will be serving 212
 6 more participants in advanced programs than we'd originally anticipated.

7 Of note is that AEL grantee performance was well below target in PY20 and only four
 8 grantees spent 95% or more of their PY20 allocations. TWC traditionally imposes what
 9 we call "carry forward" targets in those instances where a grantee has failed to serve
 10 the expected number of Participants (or a reasonable number when accounting for
 11 changes in tier mix compared to what was planned). Staff recommend that we follow
 12 this practice and will again utilize this negotiation process to determine how grantees
 13 would like to "distribute" the carryforward amounts in PY21 performance.

14 The negotiated PY21 Participant Served Targets tied to the PY21 allocations are shown
 15 on page 6.

- 16 • **Measurable Skill Gains** – Last year, TWC negotiated both PY20 and PY21 targets with
 17 the ED Office of Career, Technical, and Adult Education (OCTAE) by setting separate
 18 targets for each of the 12 different Educational Functioning Levels (EFL) that AEL uses
 19 for reporting: six relate to Adult Basic Education (ABE) and six to English as a Second
 20 Language (ESL).

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%

21 While TWC and the Grantees are each held to a single Measurable Skill Gains target,
 22 the reality is that the final target is based on the casemix across the EFL cohorts.
 23 Meaning, we use a weighted average that accounts for the actual proportion of the
 24 students in each of the 12 EFLs. There are 12 subtargets that blend together based on
 25 casemix to set the final target for each grantee. If a grantee meets all 12 individually,
 26 they meet their final target. If they are low on one of the 12 and high on one of the
 27 other 11, it is possible that the grantee will meet performance expectations (if the
 28 performance difference and casemix proportion differences balance out). The following
 29 table shows the 12 individual subtargets by EFL Level:

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1 Each Grantee’s individual Measurable Skills Gain target will be based on the blended
2 average of the above subtargets, customized to their individual enrollment pattern in
3 PY21.

- 4 • **WIOA Exit-based Outcome Measures** –TWC has three WIOA Exit-based AEL
5 outcome measures that we report to the Legislature and Governor’s Office through the
6 Legislative Budget Board. Staff recommends we set PY21 targets at the levels in the
7 GAA:

- 8 • Employed/Enrolled in Q2 Post-Exit at 40%;
- 9 • Employed/Enrolled in Q2-4 Post-Exit at 81%; and
- 10 • Credential Rate at 39%.

11 **PY21 and PY22 Performance Based Funding Criteria** – Texas Workforce Commission
12 (TWC) General Administration rule §800.68 provides that TWC will set performance
13 accountability benchmarks that AEL grantees must meet to access up to 10 percent of their
14 allocated funding (performance allocation). On June 8, 2021, the Commission approved the
15 PY21 AEL allocations, comprised of a 2 percent performance-based funds (PBF) holdback.

16 In PY20, TWC used three measures for PBF criteria and staff recommend the same three
17 measures for PY21. Two of those measures (*Rapid Enrollment* and *Accelerated MSG*) are
18 “realtime” measures that can be achieved before the end of the year. However, the third
19 (*HSE or Ability-to-Benefit Enrollment and Achievement*, related to TLC §315.007) is not
20 achievable until the program year concludes because part of it requires at least 25% of AEL
21 participants to be enrolled in a High School Equivalency (HSE) or postsecondary ability-to-
22 benefit program. Therefore, the statutory provision requires measurement after the end of
23 the year.

24 There is a second component to the measure that requires 70% of the exiters from the year
25 to achieve the HSE or postsecondary credential during the program year or within the first
26 quarter of the following program year. This means that 33.33% of PY21 PBF is being awarded
27 for PY20 achievement (this was approved by the Commission on October 27, 2020). It also
28 means that a portion of grantees’ PY22 PBF will be paid for PY21 achievement in accordance
29 with this statutory requirement. This is likely to remain the case in the future though the
30 Commission could choose to make more money available by either changing the percentage
31 of PBF that is associated with this statutory performance criteria or if the Commission were to
32 increase the portion of the allocations that are held as PBF.

33 With this in mind, staff has developed the following recommendations for PY21 and PY22 PBF
34 Criteria as outlined below:

- 35 • **HSE or Ability-to-Benefit Enrollment and Achievement —33.33% of PBF**
36 **Holdback – two components, both of which have to be achieved to meet**
37 **performance**
 - 38 ○ **25% Enrollment in HSE or PSE Ability-to-Benefit Program**
39 **Denominator:** All PY AEL participants

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Numerator: AEL participants from the Denominator who lack diploma/HSE and who were enrolled in a HSE or PSE Ability-to-Benefit Program

○ **70% HSE/PSE Achievement**

Denominator: All PY participants who lack a diploma/HSE 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 1st quarter of the next program year.

Release of Funds: As noted, the Commission previously approved using PY21 PBF to recognize PY20 achievement of this criteria allowing the funds to be released after the 1st quarter of PY21 October. Similarly, PY22 funds would be used to recognize PY21 achievement after the 1st quarter of PY22 next year.

● **Rapid Enrollment -- 33.33% of PY21 PBF Holdback**

Grantees are awarded approximately 33.33% of their PBF allocation if they have met 60% percent of their enrollment target for participants with a period of participation by the second quarter of the program year.

Denominator: The unduplicated enrollment target for total participants served in PY21.

Numerator: The number of individuals who have a period of participation in between July 1, and December 31.

Release of Funds: Funds for achievement of this measure will be released after the second quarter of PY21.

● **Accelerated MSG -- 33.33% of PY21 PBF Holdback**

Grantees will be awarded approximately 33.33% of their PY21 performance-based funding allocation if, by March 31, 2022, participants enrolled in the first two quarters of the program year meet the grantee's MSG targets for PY21. The MSG target for this measure is available in both the December 2021 Contracted MSG Report and the Monthly Performance Report.

Denominator: The unduplicated number of AEL participants served between July 1, 2021, and December 31, 2021.

Numerator: The number of participants in the denominator who achieve an approved MSG by March 31, 2022.

Release of Funds: Funds for achievement of this measure will be released after the third quarter of PY21.

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1 **Request for Commission Actions** – Staff requests:

2 Approval of staff recommendations for PY21 AEL Grantee Performance Measures and
3 the outlined target methodologies which staff will apply to AEL Grantee performance
4 evaluation for PY21 with the understanding that staff will bring carryforward targets
5 from PY20-21 back for approval at a future meeting; and

6 Approval of staff recommendations for PY21 Performance Based Funding Measures,
7 Methodologies, and Fund Release Schedule including committing PY22 PBF to recognize
8 PY21 achievement on the HSE/Ability to Benefit Enrollment & Achievement criteria.

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PY21 Participants Served Targets

AEL Grantee	ID	Intensive	IET	Total
Abilene ISD	501	59	81	903
Amarillo College	502	78	250	1,054
Angelina College	503	72	100	1,110
Austin Comm College	504	135	243	2,708
Brazos Valley COG	505	55	76	841
Brownsville ISD	506	90	142	1,509
Community Action Inc	508	120	340	2,017
Dallas County LWDB	509	250	786	7,094
Region 20 ESC	512	405	696	6,039
Grayson College - Texoma	514	39	54	595
Houston-Galveston Area Council	515	1000	1570	17,458
Howard College - Concho Valley	516	60	45	485
Howard College - Permian Basin	517	26	10	200
Laredo Comm College	518	70	97	1,076
Literacy Council of Tyler	519	137	205	2,210
McLennan Comm College	520	64	89	987
Paris Jr College	523	32	45	498
Region 1 ESC	524	216	299	3,319
Region 17 ESC - Permian Basin	525	5	7	79
Region 17 ESC - South Plains	526	75	103	1,146
Region 5 ESC	527	85	82	1,008
Region 9 ESC	528	30	40	665
Southwest Texas Jr College	530	49	67	748
Victoria Co Jr College	532	40	56	619
Weatherford ISD	533	31	30	548
Central Texas College	534	23	32	351
Temple College	535	53	73	811
Tarrant County	538	280	452	4,621
Midland College	539	33	45	503
Navarro College	540	30	94	1,050
Paris Jr College - North Central	541	15	20	227
Region 2 ESC	542	111	153	1,701
Texarkana ISD	543	21	29	320
Ysleta ISD	544	205	285	2,440
Odessa College	545	46	64	707
Denton ISD	546	142	196	2,178
Grayson College - North Central	547	116	161	1,785
Total	NA	4,298	7,117	71,610

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