

**Adult Education and Literacy
Contracted Measures and Performance-Based Criteria for Program Year 2023-2024
Discussion Paper**

Background

On May 23, 2023, the Texas Workforce Commission’s (TWC) three-member Commission (Commission) approved the [Fiscal Year 2024/Adult Education and Literacy \(AEL\) Program Year 2023–2024 \(PY’23–’24\) allocations](#), which correspond to the grants awarded under Request for Proposals 320-18-01. PY’23 allocations are composed of a 2 percent performance-based funding (PBF) holdback, as authorized in TWC Chapter 800 General Administration rule §800.68. In order to access this holdback of funds, AEL grant recipients must meet PBF criteria, as approved by the Commission each program year, when they consider the requirements of Texas Labor Code §315.007.

AEL grants outline the annual performance measures, also known as contracted measures, that AEL grant recipients are required to meet each program year. Historically, the Commission has approved the following AEL contracted measures:

- Participant enrollment targets in the following areas:
 - Intensive Services
 - Integrated Education and Training (IET)
 - English Literacy and Civics (ELC)
 - ELC IET
 - Total Participants Served
- Measurable Skill Gains (MSG), as negotiated with the US Department of Education’s Office of Career, Technical, and Adult Education (OCTAE)
- WIOA exit-based outcomes, as outlined in the General Appropriations Act (GAA) and as passed by the Texas Legislature, as follows:
 - Employed/Enrolled Q2 Post-exit
 - Employed/Enrolled Q2–Q4 Post-exit
 - Credential Rate

In July 2023, TWC and AEL grant recipients negotiated the PY’23–’24 enrollment targets, and TWC applied targets to carryforward balances from PY’22–’23. As part of the negotiation process with grant recipients, TWC considers the AEL contracted measures in the GAA. Within the GAA targets, TWC has flexibility in negotiating the case mix of Intensive Services and IET enrollment targets and may also use the average cost per participant as a guide when developing the assigned enrollment targets.

Issue: PY’23–’24 Contracted Measures

Staff have developed the following recommendations for PY’23 AEL grant recipient contracted measures for participant enrollment targets, MSGs, and exit-based outcomes.

AEL Enrollment Targets

LAR estimated that the AEL program is serving 56,128 participants in PY’23. This estimate assumes a mix of three tiers of services with different cost assumptions, which were higher than in prior years. The higher assumptions were used in the negotiations for the AEL enrollment targets. The following provides a description of the cost per participant assumptions for the three types of service models:

- Popular AEL Services¹—assumed to cost \$1,254.55 per participant, this amount is the same for English Literacy and Civics (ELC) funded popular services
- Intensive AEL Services²—assumed to cost \$1,554.55 per participant
- IET Services³—assumed to cost \$2,304.55 per participant, this amount is the same for ELC funded IETs.

Table 1 outlines the negotiated AEL enrollment targets for PY’23–’24, which include the PY’22–’23 carryforward balances.

Table 1: PY’23–’24 AEL Enrollment Targets

AEL Grant Recipient	Intensive	IET	ELC	ELC IET	Total
Abilene ISD	63	82	69	11	711
Amarillo College	29	198	134	0	964
Angelina College	69	89	63	10	768
Austin Community College	196	213	242	36	2230
Brazos Valley COG	53	68	70	12	614
Brownsville ISD	112	144	116	20	1255
Community Action Inc.	173	294	221	54	1836
Dallas County LWDB	509	760	586	149	6212
Region 20 ESC / Restore Education⁴	581	642	264	51	4278
Grayson College–Texoma	48	62	77	14	567
Houston-Galveston Area Council	1216	1564	1396	232	13794
Howard College–Concho Valley	103	55	96	12	500
Howard College–Permian Basin	26	9	14	2	150
Laredo Community College	80	103	113	19	933
Literacy Council of Tyler	145	193	93	17	1586

¹ Popular Services consists of services that improve ability to read, write, and speak in English and perform mathematics or other activities for the attainment of a secondary school diploma or its recognized equivalent, transition to postsecondary education and training, and obtain employment.

² Intensive Services includes workplace literacy activities, transition to re-entry and post release services, and services to support internationally trained professionals.

³ Integrated Education and Training (IET) services includes simultaneous contextualized AEL activities, workforce preparation activities and workforce training.

⁴ Restore Education took over as grant recipient and lead organization for PY 23-24

AEL Grant Recipient	Intensive	IET	ELC	ELC IET	Total
McLennan Community College	82	105	80	14	915
Paris Jr. College	46	42	89	8	411
Region 1 ESC	222	286	166	28	2416
Region 17 ESC–Permian Basin	5	7	6	11	68
Region 17 ESC–South Plains	99	127	90	15	1096
Region 5 ESC	75	97	81	13	841
Region 9 ESC	37	32	152	9	480
Southwest Texas Jr. College	54	69	90	14	639
Victoria County Jr. College	44	57	66	12	516
Weatherford ISD	45	54	20	4	481
Central Texas College	23	18	45	4	310
Temple College	85	111	49	9	917
Tarrant County	359	461	353	59	3994
Midland College	34	44	36	6	379
Navarro College	85	169	63	11	1297
Paris Jr College–North Central	41	30	53	0	333
Region 2 ESC	121	155	78	13	1303
Texarkana ISD	36	22	24	3	272
Ysleta ISD	203	170	207	57	1910
Odessa College	51	66	51	9	572
Denton ISD	175	197	153	25	1790
Grayson College–North Central	227	237	257	30	2025
Statewide Enrollment Targets	5553	7034	5764	993	59,379

Measurable Skill Gains

In early 2022, TWC negotiated both PY’22 and PY’23 MSG targets with OCTAE. The negotiated MSG target for PY’23–’24 is 45 percent, to which TWC is held accountable for federal performance reporting. Within this MSG target, TWC assigns AEL grant recipients subtargets, which correspond to each of the 12 Educational Functioning Levels (EFLs) that AEL uses for federal performance reporting. Six EFLs relate to Adult Basic Education (ABE) and six relate to English as a Second Language (ESL). The 12 subtargets blend together based on the casemix to set the final MSG target for each grant recipient. If a grant recipient meets all 12 subtargets individually, they meet their final target. If the grant recipient is low on one individual subtarget and high on one of the other 11 subtargets, it is possible that the grant recipient will still meet performance expectations if the performance difference and casemix proportion differences balance out.

Each grant recipient’s MSG target will be based on the blended average of the above subtargets and customized to their individual enrollment pattern in PY’23–’24. Table 2 shows the 12 subtargets by EFL.

Table 2: PY'23-'24 MSG Subtargets by EFL

EFL	Subtarget
ABE1	42.00%
ABE2	42.50%
ABE3	43.50%
ABE4	44.50%
ABE5	44.50%
ABE6	42.00%
ESL1	47.00%
ESL2	49.00%
ESL3	48.00%
ESL4	48.00%
ESL5	43.00%
ESL6	43.00%

Exit-Based Measures

TWC has three WIOA exit-based AEL outcome measures that are reported to the Texas legislature and the Office of the Texas Governor through the Legislative Budget Board. Staff recommends that the exit-based measures match the levels in the GAA, as follows:

Table 3: PY'23-'24 Exit-Based Measures

Exit-Based Measure	Target
Employed/Enrolled in Q2 Post-exit	56%
Employed/Enrolled in Q2-Q4 Post-exit	84%
Credential Rate	45%

Issue: Performance-Based Criteria for PY'22-'23

The PY'23 AEL allocations include a 2 percent PBF holdback. To access the PBF funds, AEL grant recipients are required to meet the criteria, which the Commission approves each program year. Section 315.007 requires TWC to set PBF criteria related to high school equivalency (HSE) enrollment and attainment after exiting the AEL program.

On November 7, 2022, the Commission approved the PBF criteria for PY'22-'23, and grant recipients that meet the HSE enrollment and attainment criteria will be able to access 33.33 percent of the PY'23-'24 PBF holdback, which will be released in October 2023 (due to the exit measure requirement of this criteria).

Staff recommends the following PBF criteria for PY'23-'24 in order to allow grant recipients to access the remaining PBF holdback funds from the PY'23-'24 allocation:

Rapid Enrollment to access 33.33 percent of the remaining PY'23 PBF holdback

- **Description of Criteria:** Grant recipients are awarded approximately 33.33 percent 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 PY'23-'24
 - **Numerator:** The number of individuals who have a period of participation in between July 1, 2023, and December 31, 2023
- **Release of Funds:** Funds for achievement of this measure will be released after the second quarter of PY'23, which ends December 31, 2023.

Accelerated MSG to access 33.33 percent of PY'23 PBF holdback

- **Description of Criteria:** Grant recipients will be awarded approximately 33.33 percent of their PY'23 PBF holdback if by March 31, 2024, participants enrolled in the first two quarters of the program year meet the grant recipient's MSG targets for PY'23-'24.
 - **Denominator:** The unduplicated number of AEL participants served between July 1, 2023, and December 31, 2023
 - **Numerator:** The number of participants in the denominator who achieve an approved MSG by March 31, 2024
- **Release of Funds:** Funds for achievement of this measure will be released after the third quarter of PY'23-'24, which ends March 31, 2024.

The PBF criteria in §315.007 requires that 25 percent of an AEL grant recipient's participants be enrolled in a HSE or Ability-to-Benefit program, and that 70 percent of the participants who exit earn a Texas Certificate of High School Equivalency (TxCHSE) or postsecondary credential during the program year or by the end of the first quarter of the following program year. As current AEL grant awards are scheduled to end June 30, 2024, and new grant awards are scheduled to be awarded July 1, 2024, TWC is unable to measure the exit-based criteria for the program year. However, staff will ensure that PBF criteria under the new grant awards will address some of the contracted measures starting with the first year of new grant awards.

Decision Point

Staff seeks direction on approving AEL PY'23-'24:

- contracted measures as reflected in Tables 1, 2, and 3; and
- PBF criteria, noting that future grant awards that are effective July 1, 2024, will address criteria outlined in §315.007 unless otherwise modified.