



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF CAREER, TECHNICAL, AND ADULT EDUCATION

MAR 23 2017

PROGRAM MEMORANDUM OCTAE 17-5

TO: State Directors of Adult Education

FROM: Kim R. Ford *KRF*
Deputy Assistant Secretary
Delegated the Duties of the Assistant Secretary for Career, Technical, and Adult Education

RE: Use of Funds Reserved for Activities under Section 243 of the Adult Education and Family Literacy Act (AEFLA), Title II of the Workforce Innovation and Opportunity Act (WIOA)

As you know, FY 2015 was a year of transition from the Workforce Investment Act (WIA) to the Workforce Innovation and Opportunity Act (WIOA). Consequently, States were not yet fully implementing the Adult Education and Family Literacy Act (AEFLA) as reauthorized by Title II of WIOA, including the Integrated English Literacy and Civics Education (IELCE) program, with FY 2015 funds. The purpose of this memorandum is to provide guidance regarding the use of funds reserved for activities under section 243 of AEFLA for FY 2016 and subsequent program years.

Section 222(a) of AEFLA requires an eligible agency to use at least 82.5 percent of the basic adult education funds it receives under section 211(b) for grants to eligible providers and to carry out programs for corrections education and other institutionalized individuals, no more than 12.5 percent for State leadership, and no more than 5 percent or \$85,000, whichever is greater, for administrative expenses. The State distribution in section 222(a) applies only to the basic adult education grants to eligible agencies under section 211(b) and not to the IELCE program under section 243 of AEFLA.

The Federal funds made available for IELCE in section 211(a)(2) are awarded by the Secretary to States under the formula in section 243 and used by States pursuant to section 243. Section 243 does not contain an administrative expenses limit, nor does it contain set-asides for State leadership or other purposes. Because there is no administrative expenses limit, and consistent with the cost principles in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR part 200, States may use a reasonable and necessary amount of the funds under section 243 for administrative expenses related to the IELCE program. States may not use these funds for State leadership activities or for State administration of the basic adult education grant.

To determine the State distribution of funds for the State's FY 2016 AEFLA grant award and subsequent grant awards, subtract the amount of funds reserved for IELCE from the total award. This amount is identified in your grant award notification. The amount remaining is the basic adult education grant. Calculate the State distribution of funds for State administrative expenses, State leadership, and grants to eligible providers and to carry out programs for corrections education and other institutionalized individuals based only on the basic adult education grant.

Please feel free to contact Jay LeMaster of my staff, at (202) 245-6218 or John.LeMaster@ed.gov, or your Area Coordinator for any assistance you may need.

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