

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered within the hourglass. The text is overlaid on the hourglass.

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Report RL30106

*ADULT EDUCATION AND FAMILY LITERACY ACT,  
TITLE II OF THE WORKFORCE INVESTMENT ACT  
OF 1998, P.L. 105-220*

Paul M. Irwin, Domestic Social Policy Division

Updated March 25, 1999

**Abstract.** This report summarizes the federal adult education and literacy programs authorized under the Adult Education and Family Literacy Act (AEFLA), Title II of the Workforce Investment Act of 1998, P.L. 105-220 (WIA). WIA was enacted when the President signed H.R. 1385 into law August 7, 1998; it also includes major amendments to job training and rehabilitation programs. This report summarizes current federal adult education and literacy programs. It then analyzes the major provisions of the AEFLA and compares them to prior law.

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## Adult Education and Family Literacy Act, Title II of the Workforce Investment Act of 1998, P.L. 105-220

March 25, 1999

Paul M. Irwin  
Specialist in Social Legislation  
Domestic Social Policy Division

<http://wikileaks.org/wiki/CRS-RL30106>

## ABSTRACT

This report summarizes the federal adult education and literacy programs authorized under the Adult Education and Family Literacy Act (AEFLA), Title II of the Workforce Investment Act of 1998, P.L. 105-220 (WIA). WIA was enacted when the President signed H.R. 1385 into law August 7, 1998; it also includes major amendments to job training and rehabilitation programs. This report summarizes current federal adult education and literacy programs. It then analyzes the major provisions of the AEFLA and compares them to prior law. This report will be updated when new program or funding data become available.

Related CRS reports include: CRS Report 97-536, *Job Training Under the Workforce Investment Act*, by Ann Lordeman; CRS Report RL30025, *Vocational Education: The Carl D. Perkins Vocational and Technical Education Act of 1998*, by Richard N. Apling; and CRS Report 94-224, *Rehabilitation Act: Major Programs, 105<sup>th</sup> Congress Legislation, and Funding*, by Carol V. O'Shaughnessy and Alice D. Butler.

# Adult Education and Family Literacy Act: Title II of the Workforce Investment Act of 1998, P.L. 105-220

## Summary

The major federal adult education and literacy programs are funded at \$377 million in FY1999. These programs are now authorized under the Adult Education and Family Literacy Act (AEFLA); they are administered by the U.S. Department of Education. Federal funds account for only a small share of total expenditures for adult education and literacy; in the last reporting period, state and local funds accounted for 73% of all funds spent for such programs. These programs served 4 million participants out of an estimated target population of approximately 44 million American adults. The National Adult Literacy Survey, 1992 (NALS) showed that an estimated 40 to 44 million adults (21% to 23%) score in the lowest level of literacy proficiency.

The 105<sup>th</sup> Congress enacted AEFLA as Title II of the Workforce Investment Act of 1998 (WIA), P.L. 105-220 (H.R. 1385), which was signed into law August 7, 1998. The AEFLA repeals the Adult Education Act (AEA), but authorizes through FY2003 most of the major activities that were previously conducted under the AEA. Among its key features, the AEFLA:

- significantly increases the requirements for performance evaluation placed on each state, the types of performances that must be measured, and the involvement of the Secretary of Education in the establishment of expected increases in performance; in addition, authorizes states to take performance into account in making awards to eligible recipients;
- expands the purpose of adult education and literacy programs specifically to include assistance for parents to improve the educational development of their children;
- continues three out of four programs for adult education funded in FY1998, but repeals the Literacy for Incarcerated Individuals program;
- authorizes appropriations from FY1999 through FY2003, at a level of such sums as may be necessary;
- changes the state allocation formula to: (a) exclude persons enrolled in secondary school from being counted in the formula, and (b) institute a 90% hold harmless provision for state grants;
- eliminates for-profit entities from receiving substate awards;
- simplifies the substate allocation requirements, but newly authorizes states to reserve 12.5% for “state leadership activities;”
- reduces the maintenance-of-effort requirement for state expenditures for adult education from 100% to 90% of spending in the preceding year;
- clarifies that the state administrative agency must be designated consistent with state law, and repeals the AEA requirement for a state advisory council;
- simplifies the AEA provisions for national programs, but eliminates the requirement for a national literacy survey every 4 years; and
- continues authorization for the National Institute for Literacy.

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# Adult Education and Family Literacy Act: Title II of the Workforce Investment Act of 1998, P.L. 105-220

On August 7, 1998, the President signed P.L. 105-220 (H.R. 1385), the Workforce Investment Act of 1998 (WIA), of which Title II is the Adult Education and Family Literacy Act (AEFLA). The AEFLA amends and extends the federal programs for adult education and literacy through FY2003. These programs, which originated in the 1960's, currently provide annual assistance to an estimated 4 million adult participants. These services help adults become literate and obtain educational skills needed for employment, provide parents with skills necessary for the education of their children, and assist adults complete a secondary school education. The FY1999 appropriation for federal adult education and literacy programs is \$377 million; \$958 million is the estimated FY1998 contribution from state and local sources for these programs. This report gives an overview of adult education and

literacy programs and compares the provisions of the AEFLA with previous legislation.<sup>1</sup>

## Overview of Adult Education and Literacy Programs

Three federal programs have adult education and literacy activities as their **primary** objective; the total FY1999 appropriation is \$377 million.<sup>2</sup> The three programs are: State Grants, funded at \$365 million in FY1999; National Leadership Activities, \$6 million; and the National Institute for Literacy (NIFL), \$6 million. These programs are administered by the U.S. Department of Education (ED) with the exception of NIFL, which operates through a federal interagency agreement. All of these activities are authorized under the AEFLA. Similar activities were previously authorized under the Adult Education Act (AEA) and the National Literacy Act of 1991 (NLA), both of which were repealed by the AEFLA. **Table 1** shows funding for adult education and literacy programs for FY1997 through FY1999. The FY1999 appropriations are the first to be appropriated after the enactment of AEFLA.

**Table 1. Adult Education and Literacy Funding for Selected Years**  
(in millions of dollars)

Program	FY1997	FY1998	FY1999
Basic State Grants	340.4	345.3	365.0
State Literacy Resource Centers	0.0	0.0	— <sup>a</sup>
English Literacy Grants	0.0	0.0	— <sup>a</sup>
Workplace Literacy Partnerships	0.0	0.0	— <sup>a</sup>
Commercial Driver Literacy	0.0	0.0	— <sup>a</sup>
Literacy for Incarcerated Individuals	4.7	4.7	— <sup>a, b</sup>
Literacy Training for Homeless Adults	0.0	0.0	— <sup>a</sup>
National Institute for Literacy	4.5	5.5	6.0
National Leadership Activities, including Evaluation and Technical Assistance <sup>c</sup>	5.0	5.0	6.0

<sup>1</sup> For details of the House and Senate versions of AEFLA, please see CRS Report 97-534, *Adult Education and Literacy: Current Programs and Legislative Proposals in the 105<sup>th</sup> Congress*, by Paul M. Irwin.

<sup>2</sup> The Even Start program also authorizes adult education and literacy activities, but is not included in this report because such activities are authorized only as a part of a “unified family literacy program” that includes early childhood education and parenting education. Even Start is authorized under Title I of the Elementary and Secondary Education Act of 1965 (ESEA), administered by ED, and funded at \$135 million in FY1999. For additional information, please see CRS Report 98-824, *Even Start: Background and Issues*, by Wayne Riddle.

<b>Total</b>	354.6	360.6	377.0
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**Source:** ED Budget Service tables of February 2, 1998 (for FY1997), and February 8, 1999 (for FY1998 and FY1999). FY1999 appropriations are based on P.L. 105-277 and may be modified by further legislation during FY1999. Numbers may not add to totals because of rounding.

<sup>a</sup> The AEFLA repealed this program.

<sup>b</sup> An FY1999 appropriation of \$4.7 million was made for the NLA Literacy for Incarcerated Individuals program after that program was repealed by AEFLA.

<sup>c</sup> In its table of February 8, 1999, the ED Budget Service says that because of a technical error in the FY1999 appropriations, \$6 million rather than \$14 million was earmarked for National Leadership Activities, and that the additional \$8 million will become available once a technical amendment is enacted.

**State Grants.** Under the State Grants program, allocations are made to states by formula. States in turn make discretionary grants to eligible providers for the provision of adult education instruction and services. Adults are defined as those at least 16 years of age or otherwise beyond the age of compulsory school attendance. Adult education includes services or instruction below the college level for adults who: are not enrolled in secondary school and not required to be enrolled; lack mastery of basic educational skills to function effectively in society; have not completed high school or the equivalent; and are unable to speak, read, or write the English language. Adult education services include: adult basic education and literacy; adult secondary education and high school equivalency; English-as-a-second-language; and assistance for parents to improve the educational development of their children.

**Funding Sources.** With certain exceptions, the AEFLA requires (and the AEA required) state and local funds to support at a minimum 25% of total expenditures for adult education activities. Most states spend more than the minimum, and many spend significantly more. For FY1998, the federal appropriation for the State Grant program was \$345 million. The estimated total of federal, state, and local expenditures related to the State Grants program was \$1.3 billion. Of this amount, states and localities spent an estimated \$958 million, or 73% of all adult education expenditures.

**Participation and Literacy Rates.** In the latest year for which state enrollment data are available from all states (1996), 4.0 million adults participated in programs supported by the AEA. Of this total, 1.56 million participated in adult basic education programs, 1.56 million in English-as-a-second-language programs, and 0.93 million in adult secondary education activities. The Division of Adult Education and Literacy at ED has estimated the target population be more than 44 million adults, or nearly 27% of the adult population.<sup>3</sup> These adults are persons 16 years and older, who have not graduated from high school or the equivalent, and who are not currently enrolled in school. In 1992, the National Adult Literacy Survey (NALS) measured prose, document, and quantitative proficiencies among American adults and grouped the

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<sup>3</sup> Target population projections are based on estimates derived from the 1990 census. For more information, please see U.S. Department of Education. Office of Vocational and Adult Education. *Adult Education and Literacy Fact Sheet*. Washington, January 1998.



results into five different levels. The NALS found that between 21% to 23% of the American adult population scored at the lowest, “below adequate” level of each type of proficiency measured by the survey.

## Major Features of the AEFLA

P.L. 105-220, the Workforce Investment Act of 1998 (WIA), was signed into law by the President on August 7, 1998.<sup>4</sup> The intent of the legislation was to extend, coordinate, and consolidate federal programs for employment and job training, adult education and literacy, and vocational rehabilitation. Title II of WIA is the Adult Education and Family Literacy Act (AEFLA), which repealed the Adult Education Act (AEA) and the National Literacy Act of 1991, P.L. 102-73 (NLA), but amended and extended major provisions for adult education and literacy through FY2003. The following analysis examines the major provisions of the AEFLA, and summarizes the differences and similarities between the AEFLA and previous adult education and literacy programs under the AEA and the NLA.

**Overview.** Most of the programs and activities that were authorized by the AEA and funded in FY1998 are continued by the AEFLA and funded in FY1999. However, the AEFLA significantly augments previous AEA requirements through the implementation of a performance accountability system, including core indicators of performance. This system is to be used to measure program effectiveness and progress at the state and local levels and to award state incentive grants; performance results are to be considered in making local awards. In addition, the AEFLA:

- expands the purpose of the adult education and literacy programs formerly authorized by the AEA specifically to include assistance for parents to improve the educational development of their children;
- continues three out of four programs for adult education that were funded in FY1998, but repeals the Literacy for Incarcerated Individuals program. In addition, it authorizes a fourth program, Incentive Grants, for states exceeding expected levels of performance for specific education and job training programs;
- authorizes to be appropriated annually from FY1999 through FY2003 such sums as may be necessary for adult education and literacy programs;
- changes the state allocation formula to (a) exclude persons enrolled in secondary school from being counted for purposes of the formula, and (b) institute a 90% hold harmless provision for state grants;
- terminates the eligibility of for-profit entities for receiving substate awards for conducting adult education and literacy activities;
- simplifies the provisions for the allocation of funds within states, but authorizes a new reservation of funds (12.5%) at the state level for “state leadership activities;”
- reduces the maintenance-of-effort requirement for state expenditures for adult education from 100% to 90% of spending in the preceding year, and for the first time requires a 12% nonfederal share for program costs in outlying areas;

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<sup>4</sup> For details on legislative action, please see the Legislative History section, p.13.

- clarifies that the state administrative agency must be designated consistent with state law, and repeals the AEA requirement for a state advisory council.
- simplifies the AEA provisions for national programs, and no longer requires the Secretary of Education to estimate the number of illiterate adults in the Nation every 4 years; and
- continues the authorization for the National Institute for Literacy with only minor changes from the former AEA provisions.

**Key Definitions.** The AEFLA defines a number of key terms related to eligible services and participants, as indicated below. In most instances the AEA used similar definitions; in several cases the AEA did not define the term.

**Adult education.** This term is defined to mean services or instruction below the postsecondary level for persons: (a) who are age 16 or older; (b) who are not enrolled or required to be enrolled in secondary school under state law; and (c) who lack mastery of basic educational skills to enable them to function effectively in society, do not have a high school diploma or the equivalent, or who are unable to speak, read, or write the English language (§203).<sup>5</sup>

**English Literacy Program.** This term means a program of instruction designed to help persons of limited English proficiency achieve competence in the English language (§203).

**Family Literacy Services.** This term means services of sufficient intensity and duration to make sustainable changes in a family, and that integrate the following activities: interactive literacy activities between parents and their children; training parents to be the primary teacher for their children and full partners in the education of their children; parent literacy training for economic self-sufficiency; and appropriate instruction to prepare children for success in school and life experiences (§203).

**Individual of Limited English Proficiency.** This term means an adult or out-of-school youth with limited ability to speak, read, write, or understand the English language, and whose native language is not English or who lives in a family or community where English is not the dominant language (§203).

**Literacy.** This term means a person's ability to read, write, and speak in English, compute, and solve problems at levels necessary to function on the job, in the family, and in society (§203).

**Workplace Literacy Services.** This term means literacy services aimed at improving the productivity of the workforce through improving literacy skills (§203).

**Purpose.** The AEFLA retains the major objectives of the AEA, but adds an additional purpose of assistance for adults necessary for the improvement of the educational development of their children. As enacted by the AEFLA, the stated purpose is to create a voluntary partnership among the federal government, the states, and localities to provide adult education and literacy services to:

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<sup>5</sup> Section references refer to the AEFLA unless otherwise indicated.

- assist adults to become literate and obtain the knowledge and skills needed for employment and self-sufficiency;
- assist adults who are parents to obtain the skills necessary to become partners in their children's educational development; and
- assist adults in the completion of a secondary school education (§202).

**Authorization; Reservation of Funds; Program Elimination.** The AEFLA authorizes to be appropriated such sums as may be necessary for FY1999 through FY2003 (§205). Funds are authorized for four programs and distributed as follows (§211):

- the NIFL, 1.5% of the total but not more than \$8 million;
- National Leadership Activities, 1.5% but not more than \$8 million;
- Incentive Grants, 1.72% (beginning July 1, 2000); and
- State Grants, all remaining funds available.

Consequently, the AEFLA authorizes one new program — Incentive Grants — and continues three out of four programs formerly authorized by the AEA or NLA and funded in FY1998 — State Grants, National Activities, and the NIFL. The AEFLA eliminates a fourth adult education program funded in FY1998 — Literacy for Incarcerated Individuals (see **Table 1**).

All provisions of the AEA and NLA were repealed by AEFLA (§251); in addition, the Adult Literacy Training for Homeless Individuals program that was authorized under the Stewart B. McKinney Homeless Assistance Act (McKinney), P.L. 100-77, was repealed (§199 of WIA). These repeals eliminated the authorization for seven programs that were not funded in FY1998:

- State Literacy Resource Centers (§356 of AEA);
- Workplace Literacy Partnerships (§371 of AEA);
- English Literacy Grants (§372 of AEA);
- Commercial Drivers (§373 of AEA);
- the National Workforce Literacy Assistance Collaborative (§201 of NLA);
- the Family Literacy Public Broadcasting Program (§304 of NLA); and
- Adult Literacy Training for Homeless Adults (§701 of McKinney).

**Allocation of Funds to States.** The AEFLA makes two changes to the AEA state allocation formula. The AEFLA: (1) excludes those adults who are currently enrolled in secondary school from being counted for purposes of the formula; and (2) adds the condition that no state can receive a grant that is less than 90% of its grant in the preceding year (§211). Under the AEFLA State Grants Program, two allotments are combined to determine each state grant. After an initial allotment is made of \$100,000 for each outlying area<sup>6</sup> and \$250,000 for each state,<sup>7</sup> all remaining

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<sup>6</sup> This category includes Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau. Funds are prohibited from being distributed to the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau for any fiscal year beginning after September 30,

(continued...)

funds are allotted on the basis of the number of qualifying adults in each state or outlying area. Overall, and funds permitting, no state shall receive in any fiscal year a grant that is less than 90% of its grant in the preceding year. A qualifying adult is defined as any person who:

- is at least 16 years of age;<sup>8</sup>
- is beyond the age of compulsory school attendance in the state;
- does not have a high school diploma or the equivalent; and
- is not enrolled in secondary school.

**Eligible Providers.** As shown in **Table 2**, the AEFLA expands the list of eligible providers to include volunteer literacy organizations and libraries, but restricts the list to exclude for-profit agencies, organizations, and institutions from participation (§203). The other changes appear to be marginal, since “public or private nonprofit agencies” are included in both lists.<sup>9</sup> The AEFLA specifically authorizes a consortium of eligible providers to be eligible to receive awards.

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<sup>6</sup> (...continued)

2000. For the Pacific outlying areas, the AEFLA authorizes the allotments otherwise available for those areas to be distributed to them on a competitive basis.

<sup>7</sup> This category includes the 50 states, the District of Columbia, and Puerto Rico.

<sup>8</sup> As enacted by P.L. 105-220, the age range for purposes of the AEFLA state allocation formula was restricted to at least 16 years of age but less than 61 years of age. The provision has been changed to the wording indicated above (the same age range as was in the AEA) by a technical amendment under §404(b) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, P.L. 105-277.

<sup>9</sup> The AEFLA changed one type of eligible provider from “postsecondary education institution” under the AEA to “institution of higher education.” This change apparently would eliminate proprietary postsecondary institutions from eligibility. The AEA did not previously define “postsecondary education institution,” but proprietary postsecondary institutions were included in its implementation. As amended by the Higher Education Amendments of 1998, P.L. 105-244 (October 7, 1998), the AEFLA defines “institution of higher education” in terms of §101 of the Higher Education Act of 1965, which excludes proprietary postsecondary institutions.

**Table 2. Eligible Substate Providers of Adult Education Services**

AEFLA	AEA
Local educational agency	Local educational agency
Community-based organization of demonstrated effectiveness	Community-based organization
Volunteer literacy organization of demonstrated effectiveness	—
Institution of higher education	Postsecondary educational institution
Public or private nonprofit agency	Public or private nonprofit agency
Library	—
Public housing authority	Public housing authority <sup>a, b</sup>
—	Institutions which serve educationally disadvantaged adults
— <sup>c</sup>	Correctional education agency
Other nonprofit institutions that have the ability to provide literacy services to adults and families	Other institutions that have the ability to provide literacy services to adults and families <sup>b</sup>
Consortia of eligible recipients	—
—	For-profit agencies, organizations, or institutions if included in a consortium <sup>b</sup>

<sup>a</sup> Each state was required to make at least one of these grants.

<sup>b</sup> States were not required to provide “direct and equitable access” to these recipients.

<sup>c</sup> Each state must make grants for programs for corrections education and the education of institutionalized persons, but corrections agencies are not specifically listed as eligible providers.

**Allocation of Funds Within States.** Under the AEFLA, each state is required to give all eligible providers direct and equitable access to apply for federal funds available from the state grant (§231), under the following conditions (§222).

- Not less than 82.5% of each state grant must be used for grants or contracts to eligible providers (§231) and programs for corrections education and other institutionalized persons (§225), of which each state must use not more than 10% of the 82.5% to carry out corrections education and education for other institutionalized individuals.
- Not more than 12.5% of the state grant may be used for state leadership activities.
- Not more than 5% or \$65,000, whichever is greater, may be used for program administration at the state level.

In addition, not less than 95% of the award to each eligible provider must be spent for adult education and literacy activities; the remainder is available for planning, administration, personnel development, and interagency coordination (§233).

The AEA did not have a minimum requirement for the distribution to eligible providers, and did not specifically authorize state leadership activities. State administrative expenditures were limited to not more than 5% of each state grant or \$50,000, whichever was greater. In addition, the AEA stipulated that: not less than 10% of each state grant was required to be used for corrections education and education for other institutionalized individuals; not more than 20% of each state grant was to be used for high school equivalency programs; and not less than 15% of each state grant was reserved for special experimental demonstration projects and teacher training, but at least two-thirds of the 15% was required to be used for teacher training.

**Designation of State Agency; Governance.** The AEFLA defines the term “eligible agency” as the sole state agency “responsible for administering or supervising policy for adult education and literacy” in the state, consistent with state law (§203). The eligible agency in turn is responsible for state administration of AEFLA activities, including the development and implementation of the state plan, consultation activities, and coordination and nonduplication requirements with other federal and state programs for related activities (§221). The eligible agency is responsible for consulting with other appropriate agencies, groups, and individuals interested in AEFLA activities. The eligible agency is responsible for the state performance accountability system, state leadership activities, submission of the state plan, programs for corrections education, and the distribution of federal funds to eligible providers.

The AEA specifically gave each Governor some discretion in the designation of a responsible state administrative agency in cases where state law does not make such a designation. The AEFLA appears to give a Governor less flexibility. The AEA required each state to consult with a state advisory council for adult education; the AEFLA does not require a state counsel.

**Use of Funds by Eligible Agencies.** Under the AEFLA, the eligible agency is authorized to spend funds directly for program administration, state leadership activities, and programs for corrections education and other institutionalized persons (§222). State leadership activities include: professional development programs, technical assistance, state or regional networks of literacy resource centers, monitoring and evaluation, incentive awards, curriculum development and dissemination, other statewide activities for adult education and literacy, support services such as transportation and child care, integration of literacy instruction and occupational skill training, and linkages with postsecondary institutions (§223).

Like the AEA, the AEFLA makes a distinction between the eligible agency (the state agency that receives the federal grant) and eligible providers (the entities that provide services and activities) for purposes of administration of the state grant. Unlike many federal education programs, however, the AEFLA, like the AEA, does not distinguish between state-level and local-level agencies in the determination of eligible recipients; all eligible providers are guaranteed “direct and equitable access”

to all awards available from the state grant, except for public housing authorities under the AEA. The AEA did not specifically describe state leadership activities.

**Use of Funds by Eligible Providers.** Under the AEFLA, each eligible agency must make competitive, multi-year grants or contracts to eligible providers to develop, implement, and improve adult education and literacy services within the state (§231). Each provider must use the award to provide services or instruction in at least one of the following categories: adult education and literacy services, including workplace literacy services; family literacy services, and English literacy programs. In making awards, the eligible agency must take into consideration 12 specific qualities regarding the eligible provider, including past effectiveness, a commitment to serve those most in need of literacy services, the use of research and technological advances, and coordination with other community resources. Not more than 5% of each award can be used for planning, administration, personnel development, and interagency coordination (§233).

For the most part, funds may be used by eligible providers under the AEFLA for the same types of activities that were previously carried out under the AEA. However, the AEFLA includes a new requirement for the eligible agency to make multi-year awards, and requires that a list of 12 factors must be taken into account when those awards are made. The AEFLA authorizes the use of funds for family literacy services; the AEA did not specifically define or fund these services.

**State Fiscal Requirements.** Under the AEFLA, each state must meet certain requirements for supplement-not-supplant, maintenance-of-effort, and matching of federal funds, as follows:

- Each state is required to use its federal grant to supplement and not supplant other state or local public funds spent for adult education and literacy activities (§241).
- With regard to maintenance-of-effort requirement, the expenditures per student or the aggregate expenditures for adult education and literacy activities within each state must to be maintained at a level not less than 90% of the previous year. State grants are to be reduced in proportion to the amount the state fails to meet this requirement. Special provisions govern years when federal appropriations have declined from the level of the previous year, and the Secretary may waive the provision for 1 year only in exceptional or uncontrollable circumstances (§241).
- With regard to matching funds, the nonfederal portion of expenditures for adult education and literacy activities authorized by the AEFLA must be equal to 12% for each outlying area and 25% for each state (§222).<sup>10</sup> The nonfederal share may be in cash or in kind, and must be used for adult education and literacy activities consistent with AEFLA.

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<sup>10</sup> In terms of matching federal funds, a 75% federal share (or 25% nonfederal share) means that for every \$4 spent on an activity, \$3 comes from federal sources and \$1 must be derived from nonfederal sources. This process means that 1 out of every 3 federal dollars must be matched from nonfederal sources, resulting in a one-third federal match.

Under the AEA, states were required to comply with similar provisions, with several exceptions. The AEFLA reduces the maintenance-of-effort requirement from 100% under the AEA to 90% of the preceding year, thereby providing states with some flexibility in annual expenditures for adult education and literacy. The AEFLA continues the AEA requirement for a 75% federal share (or 25% nonfederal share) for states, but for the first time requires outlying areas to expend nonfederal funds as well, at the level of a 12% nonfederal share.

**State Plan and Application.** Under the AEFLA, each state is required to submit a 5-year plan for adult education and literacy activities to the Secretary of Education; the plan may be submitted as part of a comprehensive plan or application for federal education assistance (§224).<sup>11</sup> Each state is required to consult with the Governor prior to the submission of the plan, and to establish a peer review process to make recommendations regarding plan approval. The Secretary must approve, within 90 days of submission, each state plan that meets AEFLA requirements. The plan must include:

- an assessment to determine adult education needs, including those most in need or hardest to serve;
- a description of the use of funds;
- annual evaluation procedures based on performance measures;
- assurances regarding the use of funds for AEFLA purposes and fiscal requirements;
- a description of the process to be used for public participation in, and comment on, plan development;
- a description of the development of program strategies for specific populations, including low-income students, individuals with disabilities; single parents and displaced homemakers, and persons with multiple barriers to educational enhancement, including limited-English proficiency;
- a description of how the AEFLA activities will be integrated with similar education and training activities administered by the eligible agency; and
- a description of the process used to ensure direct and equitable access to funds for all eligible providers.

Each eligible provider must submit an application to the eligible agency. The application must include a description of how the funds will be spent and of any cooperative arrangements with other entities for the delivery of services (§232).

Compared to the AEA, the AEFLA increases the period covered by the state plan from 4 years to 5 years, and maintains many of the previous AEA requirements for statewide assessments, special populations, performance standards, program administrative and fiscal compliance, and public consultation. In addition, WIA permits a single comprehensive state plan that combines the planning requirements of adult education with other specified federal programs for education, training, and employment.

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<sup>11</sup> Title V, §501 of WIA authorizes the submission of a unified state plan that combines two or more eligible programs, including adult education and literacy programs.



**Performance Accountability.** The AEFLA establishes a comprehensive performance accountability system to assess the effectiveness of each state in “achieving continuous improvement” of adult education and literacy activities funded under this program (§212). Core indicators of performance include:

- improvement in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills;
- placement or retention in, or completion of, postsecondary education, training, employment, or career advancement; and
- receipt of a secondary school diploma or the equivalent.

Each state may designate additional performance measures. The eligible agency in each state must identify expected levels of performance for the indicators for each year to show continuous performance improvement; each expected performance level must be negotiated in an agreement with the Secretary of Education. Each state must report annually to the Secretary on its progress with regard to its performance measures. The Secretary is required to make the information from these reports available to the public, including state-by-state comparisons.

In addition, states may use state leadership funds for monitoring and evaluating program quality and improvement and for making performance awards (§223). Each state plan must describe how adult education and literacy activities will be annually evaluated, describe the performance measures and how they will be used to ensure performance improvement (§224). In awarding funds to eligible providers, each state must consider the degree to which the provider will establish outcome goals and the past effectiveness of the provider (§231). The NIFL is authorized to disseminate information about effective practices (§242). The Secretary may provide technical assistance to eligible providers in the development and use of performance measures (§243). Beginning on July 1, 2000, the Secretary is required to set aside funds for incentive grants to be awarded to states that exceed expected performance levels for job training programs funded under Title I of WIA, AEFLA programs, and Carl D. Perkins Vocational and Technical Education Act programs (§503 of WIA).

Compared to the AEA, the AEFLA significantly increases the requirements for performance evaluation placed on each state, the types of performances that must be measured, and the involvement of the Secretary of Education in the establishment of expected increases in performance. In addition, states are authorized to take performance into account in making awards to eligible recipients.

**National Institute for Literacy.** Under the AEFLA, the purpose of NIFL is to provide national leadership for literacy, coordinate literacy services and policies, and serve as a national resource for adult education and literacy programs by disseminating information and supporting effective services (§242). Authorized duties include:

- establishment of a national electronic information data base to disseminate information within the literacy and basic skills area, including effective practices, public and private programs, technical information, and a communication network of programs, providers, agencies, and students;

- coordination of literacy and basic skills support at the federal, state, and local levels;
- coordination of research and development and administration of basic and applied research and development that are not being undertaken elsewhere;
- collection and dissemination of information;
- provision of policy and technical assistance at the federal, state, and local levels;
- support for a network of state or regional adult literacy resource centers;
- coordination and information sharing with national associations and organizations;
- reports to Congress and federal agencies with respect to literacy and basic skills policy; and
- award of literacy leadership fellowships to individuals pursuing a career in adult education or literacy.

The NIFL must be administered under an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services. NIFL offices must be separate from the offices of ED, the U.S. Department of Labor (DOL) and the U.S. Department of Health and Human Services (DHHS). The daily operations of NIFL are under the responsibility of a Director. The National Institute for Literacy Advisory Board shall make recommendations to the interagency group regarding the planning of goals and the implementation of programs for NIFL, and report biennially to the authorizing committees in the House of Representatives and the Senate. Board members are appointed by the President, with the advice and consent of the Senate, and must be representative of specified entities, such as literacy organizations, businesses, students, literacy experts, and government agencies.

The NIFL was first authorized by the AEA in 1991 as an independent federal agency, with provisions similar to those under the AEFLA with the exception that the national electronic data base and the network of state or regional adult literacy resource centers were not specifically authorized activities. The former name of the NIFL's advisory committee was the "National Institute Board."

**National Leadership Activities.** The AEFLA is less specific than prior law in the types of activities authorized for national programs. The AEFLA authorizes the Secretary of Education to carry out activities to enhance the quality of adult education and literacy nationwide. Such activities may include: technical assistance to eligible providers and professional development activities; assistance for distance learning and use of technology in the classroom; other national leadership efforts to develop successful methods, improve program effectiveness, conduct research and estimate literacy rates, and carry out demonstration projects; development of model and innovative programs; evaluations and assessments, including the effect of performance measures; capacity building at the state and local levels; and data collection (§243). However, the AEFLA eliminates the former AEA requirement that the Secretary of Education must estimate the number of illiterate adults in the Nation every 4 years.<sup>12</sup>

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<sup>12</sup> The first implementation of this requirement resulted in the National Adult Literacy Survey, (continued...)

The new law repeals the NLA, including the Literacy for Incarcerated Individuals program (§251), as well as the McKinney Education for Homeless Adults program, effective July 1, 1999 (§199 of WIA).

**Effective Date.** The AEFLA effective date is the date of enactment of P.L. 105-220, August 7, 1998, with provisions that allow the Secretary of Education to take appropriate actions to assist the transition from the AEA to the AEFLA until July 1, 2000 (§506-507 of WIA).

## Legislative History

**P.L. 105-220** (H.R. 1385), the Workforce Investment Act of 1998 (WIA), was signed into law by the President on August 7, 1998. In earlier action, **H.R. 1385** was amended by the House Committee on Education and the Workforce and reported (**H.Rept. 105-93**) on May 8, 1997, and subsequently amended and passed by the House on May 16, 1997, by a vote of 343 to 60 (H.Vote #138). The Senate version, **S. 1186**, was amended by the Senate Committee on Labor and Human Resources and reported (**S.Rept. 105-109**) on October 15, 1997; the Senate subsequently amended and passed H.R. 1385, by substituting the text of S. 1186 as amended, on May 5, 1998, by a vote of 91 to 7 (S.Vote #119). The conference committee on H.R. 1385 issued its report on July 29, 1998 (**H.Rept. 105-659**), which was approved by unanimous consent by the Senate on July 30, and approved without objection by the House on July 31, 1998. Title II of WIA authorizes the Adult Education and Family Literacy Act through FY2003.<sup>13</sup> In its other titles, Title I of WIA replaces the Job Training Partnership Act (JTPA) with new job training programs, and repeals the JTPA, effective July 1, 2000.<sup>14</sup> Title III of WIA amends related job training programs such as the Wagner-Peyser Act (Employment Service), and Title IV amends vocational rehabilitation provisions of the Rehabilitation Act of 1973 (RA).<sup>15</sup>

The AEFLA was amended twice by the 105<sup>th</sup> Congress. The Higher Education Amendments of 1998, **P.L. 105-244** (October 7, 1998) made a conforming amendment regarding the definition of “institution of higher education.” The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, **P.L. 105-277** (October 21, 1998), provided FY1999 appropriations of \$377 million for AEFLA programs, and in addition, made technical and conforming amendments to

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<sup>12</sup> (...continued)

1992 (NALS); a second NALS has not been initiated by ED.

<sup>13</sup> For a detailed comparison of House-passed and Senate-passed provisions for adult education and literacy, please see CRS Report 97-534, *Adult Education and Literacy: Current Programs and Legislative Proposals in the 105<sup>th</sup> Congress*, by Paul M. Irwin.

<sup>14</sup> For more information, please see CRS Report 97-536, *Job Training Under the Workforce Investment Act*, by Ann Lordeman.

<sup>15</sup> For more information, please see CRS Report 94-224, *Rehabilitation Act: Major Programs, 105<sup>th</sup> Congress Legislation, and Funding*, by Carol V. O’Shaughnessy and Alice D. Butler.

AEFLA and WIA.<sup>16</sup> Vocational and technical education amendments, which were included in some earlier versions of WIA, were enacted separately as the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, **P.L. 105-332**, October 31, 1998.<sup>17</sup>

### **The 1991 Amendments**

The last comprehensive amendments to the AEA were enacted through the National Literacy Act of 1991, **P.L. 102-73** (NLA). The NLA extended the authorization of most AEA programs through FY1995, and amended the state grant program to encourage diversity in the distribution of state grants to local recipients; strengthen teacher training provisions; emphasize literacy skills within adult education programs; and strengthen state evaluation requirements. The NLA initiated the National Institute for Literacy, State Literacy Resource Centers, and the Literacy for Incarcerated Individuals Program.<sup>18</sup> Federal grant programs to assist states provide adult education services originated in the 1960's when the AEA was enacted under P.L. 89-750.

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<sup>16</sup> For further information, please see CRS Report 98-203, *Appropriations for FY1999: Labor, Health and Human Services, and Education*, by Paul M. Irwin.

<sup>17</sup> For further information, please see CRS Report RL30025, *Vocational Education: The Carl D. Perkins Vocational and Technical Education Act of 1998*, by Richard N. Apling.

<sup>18</sup> For further information, please see CRS Report 92-195, *National Literacy Act of 1991: Major Provisions of P.L. 102-73*, by Paul M. Irwin.