Sec. 201. Short Title. Changes name of title from the ‘Adult Education and Family Literacy Act’ to the “Adult Education and Family Literacy Education Act.’

Sec. 202. Purpose. Provides that the purpose of Title II is to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support states and local communities in providing, on a voluntary basis, adult education and family literacy education programs in order to (1) increase the literacy of adults to a level of proficiency necessary to obtain employment and self-sufficiency and to successfully advance in the workforce; (2) assist adults in the completion of a secondary school education or equivalent, and transition to a postsecondary educational institution; (3) assist parents to enable them to support the educational development of their children and make informed choices regarding their children’s education; and (4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and math skills.

Sec. 203. Definitions. Defines: adult education and family literacy education programs, eligible agency, eligible provider, English language acquisition program, family literacy education program, Governor, individual with a disability, English learner, integrated education and training, institution of higher education, literacy, local educational agency, outlying area, postsecondary educational institution, Secretary, state, state educational agency, and workplace literacy program.

Sec. 204 Home Schools. Provides that nothing in Title II shall be construed to affect home schools, or to compel a parent engaged in home schooling to participate in adult education and family literacy education activities.

Sec. 205 Appropriations. Authorizes appropriations of $606,294,933 for Fiscal Year 2014 and for each of the succeeding 6 fiscal years to carry out Title II.

Sec. 211. Reservation of Funds; Grants to Eligible Agencies; Allotments. Requires the Secretary of Education to set aside 2 percent of funds
appropriated for a fiscal year for national activities. From funds appropriated and not reserved for national activities, the Secretary is required to award grants to each eligible state agency for the fiscal year. Eligible agencies must agree to expend the grant in accordance with the provisions of Title II. Requires Secretary to make initial allotments of $250,000 to each eligible agency in a state, and $100,000 to each eligible agency in an outlying area. Requires the Secretary to allot all remaining funds to eligible agencies by formula. Defines ‘qualifying adult’ as an adult who is at least 16 years old, is beyond the age of compulsory school attendance, does not have a secondary school diploma or equivalent, and is not enrolled in secondary school. Establishes hold harmless provision requiring that for FY 2014 and beyond, no eligible agency can receive an allotment of less than 90 percent of the allotment received during the preceding fiscal year. If the amount available for allotment is insufficient to satisfy the hold-harmless provision, the Secretary must reduce payments to all eligible agencies as needed. Any eligible agency’s allotment the Secretary determines is not required may be made available for reallocation to other agencies.

Sec. 221. State Administration. Essentially maintains current law. Provides that each eligible state agency is responsible for (1) the development, submission, implementation and monitoring of the state plan; (2) consultation with other appropriate agencies, groups, and individuals who are involved or interested in the development and implementation of activities under Title II; and (3) coordination and avoidance of duplication.

Sec. 222 State Distribution of Funds; Matching Requirement. Essentially maintains current law. Requires each eligible agency receiving a grant under Title II to reserve: not less than 82.5 percent of funds to award grants and contracts to eligible providers, of which total not more than ten percent may be used for programs for corrections education and other institutionalized individuals; not more than 12.5 percent for state leadership activities; and not more than the greater of 5 percent of grant funds or $65,000 for administrative expenses of the eligible agency. Maintains matching requirement of 25 percent for states, 12 percent for outlying areas. Non-federal contributions may be cash or in kind, and may only include funds used for adult education and family literacy education programs consistent with Title II.

Sec. 223. State Leadership Activities. Establishes eleven allowable statewide leadership activities. Requires eligible agencies to coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of state leadership activities.

Sec. 224. State Plan. Requires that eligible agencies submit a state plan every three years. Provides that the state plan can be submitted as part of a state unified plan. Establishes certain requirements for what must be included in the state plan, including (among others): an objective needs assessment, a description of the programs carried out, and a description of how the agency will evaluate programs. Consultation. Requires eligible agency to submit the state plan to the governor, chief state school officer, or state officer responsible for community or technical colleges for review and comment. Requires Secretary to approve state plans within 90 days, unless the Secretary makes a written determination that the plan does not satisfy
requirements. The Secretary may not disapprove of a plan before offering the eligible agency 30 days to correct the plan, and providing technical assistance.

**Sec. 225 Programs for Corrections Education and Other Institutionalized Individuals.** Largely maintain current law, but expands use of funds provision to include: (1) basic skills education; (2) special education programs; (3) reading, writing, speaking, and math programs; (4) secondary school credit or diploma programs, or equivalent; and (5) integrated education and training.

**Sec. 231 Grants and Contracts for Eligible Providers.** Essentially maintains current language requiring each eligible agency to award multi-year grants or contracts to eligible providers to develop, implement, and improve adult education and family literacy education programs in the state. Establishes operations requirements for eligible providers receiving grants or contracts. Maintains current language requiring direct and equitable access for all eligible providers to apply for grants or contracts. Amends to require the eligible provider to provide demonstrations on fifteen outcomes and factors. Authorizes eligible providers to use grant funds to serve children participating in family literacy programs, provided that other sources of funds are used first.

**Sec. 232 Local Application.** Essentially maintains current law, adds requirement that applications include each of the demonstrations required under sec. 231.

**Sec. 233 Local Administrative Cost Limits.** Maintains current law limiting administrative costs limits for eligible providers to five percent of grant funds. Maintains exception where cost limits are too restrictive.

**Sec. 241 Administrative Provisions.** Maintains current requirement that Title II funds supplement and not supplant other state or local public funds. Eliminates current maintenance of effort provisions.

**Sec. 242. National Activities.** Replaces current sec. 242, relating to the National Institute for Literacy. Amends current section 243, requires the Secretary of Education to carry out a program of national activities that may include: (1) providing technical assistance to eligible entities; (2) the conduct of research on national literacy basic skill acquisition levels among adults, including English learners; (3) improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, state, and local levels; (4) determining how participation in adult education, English language acquisition, and family literacy education prepares individuals for entry into and success in postsecondary education and employment, and the effect of prison-based services on recidivism; (5) evaluating how different types of providers measurably improve the skills of participants in adult education, English language acquisition, and family literacy programs; (6) identifying model integrated basic and workplace skills education program and effective strategies for serving adults with disabilities; and (7) other activities.