



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

PROGRAM MEMORANDUM OCTAE / DAEL 15- 1

TO: State Directors of Adult Education

FROM: Johan E. Uvin /s/
Acting Assistant Secretary for
Career, Technical, and Adult Education

RE: Use of Carryover Funds Awarded Under the Adult Education and Family Literacy Act, Title II of the Workforce Investment Act

The purpose of this memorandum is to provide guidance regarding a State's obligation and expenditure of any grant funds awarded under the Adult Education and Family Literacy Act (AEFLA), as authorized by Title II of the Workforce Investment Act (WIA), that may remain available for obligation and expenditure on July 1, 2015, the effective date of the Workforce Innovation and Opportunity Act (WIOA) (P.L. 113-128).

The statutory authority for the period for obligating and expending carryover funds is the so-called "Tydings Amendment," section 412(b) of the General Education Provisions Act (GEPA), 20 U.S.C. 1225(b). Also see section 76.709 of the Education Department General Administrative Regulations (EDGAR), 34 C.F.R. § 76.709. In general, under this provision, any funds not obligated and expended during the period for which they were awarded become carryover funds and may be obligated and expended during the succeeding fiscal year. As specified in section 412(b)(2) of GEPA and §76.710 of EDGAR, any such carryover funds must be obligated and expended in accordance with the Federal statutes and regulations that apply to the program and are in effect for the carryover period, as well as the program plan or application submitted and in effect for the carryover period.

AEFLA funds from a State's Fiscal Year (FY) 2013 grant first became available on July 1, 2013 and remain available for obligation through September 30, 2015. These funds became carryover funds on October 1, 2014. Because AEFLA as authorized by WIA is still in effect, the State must continue to obligate and expend these FY 2013 grant funds in accordance with AEFLA as authorized by WIA through June 30, 2015. This means that through June 30, 2015, the State must continue to use these funds in accordance with the existing requirements in sections 202 through 241 of AEFLA (20 U.S.C. §§ 9201-9251), including set-aside and other requirements, and the State plan in effect through that date. When WIOA becomes effective on July 1, 2015 the State must obligate and expend any remaining FY 2013 carryover funds in accordance with AEFLA as reauthorized by WIOA and the State plan in effect on that date.

AEFLA funds from a State's FY 2014 grant first became available on July 1, 2014, and remain available for obligation through September 30, 2016. Although FY 2014 funds will not become carryover funds until October 1, 2015, a State must obligate and expend available FY 2014 grant funds in accordance with AEFLA as reauthorized by WIOA beginning on July 1, 2015, when

WIOA becomes effective. Prior to July 1, 2015, a State may spend no more than 2 percent of its FY 2014 grant to plan and implement programs and activities authorized under WIOA, and not less than 50 percent of that amount must be made available to local entities for the purposes of planning and implementing programs and activities under WIOA¹.

The State must document and maintain accounting records that reflect separate expenditures of FY 2013 carryover funds and FY 2014 funds for uses under AEFLA, as authorized by WIA and WIOA. Further, it must obligate FY 2013 funds no later than September 30, 2015 and FY 2014 funds no later than September 30, 2016. 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.

¹ P.L. 113-128, Sec. 503(g)(2)