



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF VOCATIONAL AND ADULT EDUCATION

PROGRAM MEMORANDUM OVAE/DAEL – FY 2002-19

SEP 20 2002

TO: State Directors of Adult Education

FROM: Carol D'Amico
Assistant Secretary for
Vocational and Adult Education

SUBJECT: Implementing the Direct and Equitable Access Provision
of the Adult Education and Family Literacy Act (Section 231 (c))

This memorandum contains an overview of the statutory requirement for states to ensure direct and equitable access to all eligible providers listed in the Adult Education and Family Literacy Act (section 231 (c)) to apply for local grants or contracts of federal adult education funds. Eligible providers include community and faith-based groups (section 203 (5)).

I. Background

Section 231 (c) of the Adult Education and Family Literacy Act (AEFLA) is designed to ensure that all eligible providers of adult education services have direct and equitable access to apply for federal adult education funds under the Act. This section also requires that states use the same grant or contract announcement process and application process for all eligible providers. Section 203 (5) lists eligible providers of services. These include: a local educational agency; a community-based organization of demonstrated effectiveness; a volunteer literacy organization of demonstrated effectiveness; an institution of higher education; a public or private nonprofit agency; a library; a public housing authority; a nonprofit institution not previously listed that has the ability to provide literacy services to adults and families; and a consortium of the above entities.

II. Policy

The Department has noted with concern that a number of states are using funding processes that result in federal adult education funds being awarded only to one type of agency, for example, local school districts, or only to providers that already are receiving funds or have ongoing programs. Further, in implementing AEFLA as well as President Bush's Faith-Based and Community Initiative, we encourage states to redouble their efforts to ensure equitable opportunity to apply for funds for smaller providers, including community and faith-based agencies.

The Department has held that direct and equitable access means that all eligible providers have the right to compete for funds at the state level, rather than as subcontractors from

another eligible provider. However, that right to compete for funds does not guarantee that proposals will be funded. In making funding decisions under AEFLA, states must consider criteria in section 231 (e). These criteria include “past effectiveness of an eligible provider in improving the literacy skills of adults and families, and . . .the success of an eligible provider receiving funding under [AEFLA] in meeting or exceeding” the state’s performance measures established under section 212. However, this does not mean that a prospective applicant must already have in place an existing, ongoing program supported by federal or nonfederal funds. Nor must an applicant have provided services for a minimum period of time, such as one year. Rather any local applicant that meets the definition of “eligible provider” in section 203 (5) of AEFLA has a right to submit an application for state review and potential funding, regardless of whether it has provided services in the past. The applicant also can receive federal funds even if receipt of federal funding is not part of a project involving nonfederal funds, assuming that federal funding does not result in supplanting of state and local public funds spent for adult education services.

With respect to participation of eligible providers that are faith-based organizations, the Department provides the following guidance:

Faith-based organizations (FBOs) are eligible to apply for local grants provided they meet all statutory and regulatory requirements of this program. In order to ensure that a local grantee, including an FBO, meets the program’s purposes and criteria, it should not discriminate against beneficiaries on the basis of religion. In matters of program eligibility, states may not discriminate against grant applicants with regard to religion. Thus, faith-based and community-based organizations are encouraged to apply for local grants on the same basis as other applicants.

It is the policy of the Department through its Faith-Based and Community Initiative to leverage the contribution of faith-based and community-based organizations to make its programs more effective. We want to make it abundantly clear that the Department does not want the states to grant any type of preference to faith-based or community-based organizations. However, by excluding them simply because they are faith-based or community-based, the states may lose the benefit of some effective providers. By including them, the states may gain the benefit of some excellent providers. The purpose of the Faith-Based and Community Initiative in this program is not to advance religion, but rather to advance the public purpose of increasing adult literacy and strengthening the skills of the American work force.

Funds shall be used solely for the purposes set forth in this grant program. No funds provided pursuant to this program shall be expended to support religious practices, such as religious instruction, worship, or prayer. Faith-based organizations may offer such practices, but not as part of the program receiving assistance, and should comply with generally applicable cost accounting requirements to ensure that funds are not used to support these activities. For example, FBOs may wish to keep grant funds in a separate account or accounts to ensure that they are not used inappropriately. OMB Circulars A-21 (for educational institutions) and A-122 (for non-profit organizations) provide further guidance regarding these accounting requirements.

III. Action

Below are four ways states can help ensure equal opportunity to apply for federal adult education funds:

1. **Expanding outreach** to a broad range of providers, including community and faith-based organizations. States should review opportunities to publicize funding announcements and deadlines to ensure announcements reach these agencies, for example by using non-traditional publications read by a diverse spectrum of organizations. The Department's Center for Faith-Based and Community Initiatives can help by publicizing funding opportunities on its website and distributing announcements through its network.
2. **Providing technical assistance** to a broad range of providers in each system. Smaller providers can bring a strong commitment to the communities served, the ability to leverage volunteer help and enthusiasm for the task of increasing literacy. Some eligible providers may not know the finer points of grant application and reporting requirements. We encourage state efforts to provide technical assistance, bidders' conferences, and workshops available to a broad range of eligible providers.
3. **Structuring review panels** in a representative way. States should seek expert representatives of all types of providers without conflicts of interest to help assess proposals submitted in each competition, including highly qualified representatives from small providers. States should conduct outreach to recruit such diverse panels. The Department's Center for Faith-Based and Community Initiatives can publicize peer review panel opportunities on its web site and through its network.
4. **Establish novice applicant procedures** to encourage greater participation by first-time and inexperienced applicants for federal funding. The Department has adopted rules and procedures that would make it easier for novice grant applicants to secure federal funding. States may wish to adopt similar procedures. See <http://www.ed.gov/legislation/FedRegister/finrule/2001-4/113001a.html> For assistance in establishing such procedures, contact Blanca Rodriguez of the Department's Grants Policy and Oversight Office at blanca.Rodriguez@ed.gov For questions concerning the Faith-Based and Community Initiative, contact faithandcommunity@ed.gov

States should review their policies with respect to ensuring direct and equitable access to local grant funds for all eligible providers. States then should take appropriate action to create local grant competitions that implement these statutory requirements.