



## BRIEFING SHEET

Report 16-9  
November 2016

State Auditor

[Joe Chrisman](#)

## Read to Lead Development Fund Fiscal Year 2015-16

### Background

The Read to Lead Development Fund was created in April 2012. The Fund and a related general purpose revenue (GPR) appropriation provide grants to school boards and others in support of literacy and early childhood development programs. The Read to Lead Development Council, which was also created in April 2012, is responsible for recommending potential recipients of these grants.

The amount of grant awards that the Council may recommend is limited by the amount available in the Fund and the amount appropriated to the related GPR appropriation. At the end of fiscal year (FY) 2011-12, the Fund received \$400,000 in initial funding, but subsequently received only minimal interest earnings through FY 2015-16. In FY 2011-12, and in each subsequent fiscal year, the related GPR appropriation has been appropriated \$23,600 annually.

To fulfill our statutory requirement to audit the Fund, we considered the process for awarding grants during FY 2015-16, the funds awarded during FY 2015-16 and the fiscal condition of the Fund as of the end of FY 2015-16. Because the GPR appropriation and the Fund are closely related, we also considered grants funded by the related GPR appropriation to be within the scope of our review.

### Key Findings

We found:

- From the Fund's creation in April 2012 through FY 2015-16, a total of \$513,359 in grants was awarded to 17 grant recipients, including \$176,433 in FY 2015-16.
- Grants are funded by the Fund and the related GPR appropriation, and through FY 2015-16 the State has expended a total of \$316,302 to reimburse grant recipients for grant-related costs.
- Grants awarded in FY 2015-16 exceeded the amount actually available by \$39,993.
- As of the end of FY 2015-16, the Fund is fully committed and no additional amounts have been appropriated to the Fund for FY 2016-17. Amounts appropriated to the related GPR appropriation are also fully committed through FY 2016-17.
- Absent additional amounts appropriated to the Fund or the related GPR appropriation and absent funds received from private sources, amounts available to award in the future would be limited to unspent funds from prior-year grant awards funded by the Fund and minimal interest on unexpended balances.

### Audit Recommendations

We make recommendations to:

- improve the process for awarding grants;
- verify the amount of funding available to award prior to making grant awards in the future;
- report to the Joint Legislative Audit Committee on plans to fund the \$39,993 over-awarded in FY 2015-16;
- seek statutory changes to make one agency solely responsible for financial administration; and
- include in the Read to Lead Development Council's next annual report to the Legislature information on the outcomes resulting from grants funded to date, specific strategies for funding future grants, and plans for the Council's future activity.

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## Legislative Audit Bureau

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(608) 266-2818

22 East Mifflin Street  
Suite 500  
Madison, Wisconsin 53703