



**WISCONSIN LEGISLATIVE AUDIT BUREAU
LETTER OF TRANSMITTAL**

July 8, 1998

**Senator Margaret Farrow
Room 202
119 Martin Luther King Jr. Blvd.
Madison, Wisconsin 53702**

Dear Senator Farrow:

At your request, we have completed a limited review of the process used in Wisconsin to award two types of federal Adult Basic Education grants, which are intended to fund the development or expansion of literacy programs for adults so that they can function effectively in the workplace and in their daily lives. In Wisconsin, the funds are provided to the Wisconsin Technical College Board, which has statutory responsibility for the provision of adult education. In fiscal year (FY) 1996-97, federal funding for the programs reviewed totaled approximately \$3.8 million.

Concerns have been raised about whether all providers of literacy services have access to federal funding used to establish or expand adult education programs. Federal law requires all agencies able to provide literacy services to adults and families to have direct and equitable access to this funding. However, other federal requirements, such as limiting the use of federal funds for administrative purposes, requiring award recipients to maintain prior levels of funding, and stringent reporting and evaluation provisions, may make it difficult for small organizations such as Literacy Councils to compete for these federal funds.

The Board's interpretation of federal grant requirements, which is reflected in the federally approved state plan, has resulted in a majority of federal funding being awarded to Wisconsin's 16 technical college districts. This approach ensures that literacy services are available statewide, using established courses, methods, and staff, and allows a substantial amount of local funds to supplement federal funding. On the other hand, in FY 1996-97, this approach resulted in only \$323,500, or 8.5 percent, of total federal funding being awarded to small largely volunteer organizations, including Literacy Councils. Some other states have chosen to provide more funding to local Literacy Councils.

We also reviewed whether federal funds designated for demonstration projects and for staff development were inappropriately used for administrative purposes. We found no inappropriate use of this funding.

We appreciate the courtesy and cooperation of the Wisconsin Technical College Board in completing this review.

Respectfully submitted,

Janice Mueller

State Auditor

JM/CB/mg

cc:

Senator Mary Lazich
Senator Peggy Rosenzweig
Senator Timothy Weeden
Senator Robert Wirch
Senator Kimberly Plache

Representative Carol Kelso
Representative Stephen Nass
Representative John Gard
Representative Gregory Huber

Mr. Edward Chin
Mr. James Wexler

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