



## Legislative Fiscal Bureau

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May 25, 2005

Joint Committee on Finance

Paper #632

### **Adult Literacy Grants (DPI -- Administrative and Other Funding)**

[LFB 2005-07 Budget Summary: Page 415, #20]

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#### **CURRENT LAW**

Currently no state grant under DPI provides funding for adult literacy programs.

#### **GOVERNOR**

Provide \$100,000 GPR in 2005-06 and create an appropriation for adult literacy grants to nonprofit organizations to support programs that train community-based adult literacy staff and to establish new volunteer-based programs in areas of the state that have a demonstrated need for adult literacy services. Specify that no monies could be expended after June 30, 2006. Provide that grants could not exceed \$25,000, and no organization could receive more than one grant.

#### **DISCUSSION POINTS**

1. The Governor would provide one-time funding of up to \$25,000 for nonprofit organizations to support community-based adult literacy programs in the first year of the biennium. According to the National Institute for Literacy, there are at least 54 community-based organizations offering adult literacy services in Wisconsin. If the maximum grant amount would be awarded to each applicant, no more than four organizations would receive funding. No monies would be expended in the second year of the biennium, and the program would have no base level funding in the following biennium.

2. If the Committee wished to continue the grants in future years, funding of \$50,000 could be provided annually, and the provision prohibiting expenditures from the appropriation after June 30, 2006 could be eliminated. Under this alternative, funding to support adult literacy

programs would be provided on an ongoing basis, and no additional cost to the general fund would be incurred over the biennium above that recommended by the Governor.

3. In order to fund more organizations, the Committee could consider providing smaller grants, in order to benefit more areas of the state. Grants of up to \$10,000 could be provided for 10 organizations in 2005-06. If funding would be split between the two years, five organizations could receive grants of \$10,000 each annually, and the program would have ongoing funding.

4. On the other hand, the Committee could consider that federal funding is available for family literacy programs. The federal Even Start Family Literacy program funds partnerships between school districts, community-based organizations, or institutions of higher education that serve families that have at least one adult who does not have a high school diploma or equivalent, or who is not proficient in English and has at least one child between infancy and age eight. The projects provide both childhood and adult education, including basic skills and English as a second language, parenting education, and literacy activities. A total of 22 projects throughout the state received funds totaling approximately \$2.8 million in 2004-05. However, under the President's budget recommendations for 2006, this program would be eliminated.

## ALTERNATIVES

1. Approve the Governor's recommendation to provide \$100,000 in 2005-06 for nonprofit organizations to support adult literacy programs. Grants could not exceed \$25,000, and no monies could be expended after June 30, 2006.

2. Modify the Governor's recommendation to specify that grants could not exceed \$10,000, rather than \$25,000 as under the bill.

3. Reduce funding for this program by \$50,000 in 2005-06.

<b>Alternative 3</b>	<b>GPR</b>
<b>2005-07 FUNDING</b> (Change to Bill)	- \$50,000

4. Modify funding to provide \$50,000 annually for adult literacy programs. Delete the proposed sunset on the program and specify that grants could not exceed \$10,000, and no organization could receive more than one grant in a fiscal year.

5. Delete the provision.

<b>Alternative 5</b>	<b>GPR</b>
<b>2005-07 FUNDING</b> (Change to Bill)	- \$100,000

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