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City Council awards grants with no competition and limited oversight

PORTLAND, OREGON – CITY HALL – The City Council awards millions of grant dollars each year without a competitive process and mostly does not verify that promises made by the recipients were kept, according to an audit released today by City Auditor Mary Hull Caballero.

The total amount of Council grants ranged from \$9 million to \$17 million in each of the last five fiscal years. City Council does not conduct upfront planning to define program objectives for grants they fund, according to the audit. Instead, Council provides grants directly to specific organizations and activities. There is no competition to ensure that this public grant money goes to the organization best able to provide the services.

“If City Council chooses to give grants to non-City organizations, it is critical that Council ensure these public dollars go to the best qualified service providers and what they deliver is effective,” City Auditor Hull Caballero said.

Once grants are issued, monitoring is inconsistent and cannot ensure that intended results are achieved, auditors found. Many grants are for arts, education, or social services that don’t fit into the City’s bureau structure, so they are often managed in a City Commissioner’s office. The audit found that only in very rare instances are grant results reported or used to inform the next year’s budget decisions.

“Giving grants through the budget process each year takes resources away from core City services,” the Auditor said. “There should be a thoughtful process to understand those tradeoffs.”

Mayor Charlie Hales and City Budget Office Director Andrew Scott acted quickly to respond to the audit recommendations. They provided a written response to the audit, which is included in the report.

Find more information from the City Council grants audit:

Report highlights: <http://www.portlandonline.com/auditor/index.cfm?c=69674&a=560521>

Full audit report: <http://www.portlandonline.com/auditor/index.cfm?c=69674&a=560518>

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