



**Allocation Committee
June 16, 2026**

Alternate small grant policy/process: Context for discussion

- 12 small grants in negotiation with grant recipients
- Possibility of declined grant unknown
- Focus on grant alternates policy and process today
- Choose alternate at later date, if policy/process is approved

Meg

- At the Committee's meeting on April 7, you requested that staff prepare a draft policy and process to consider an alternate grant in the event that an organization declines their small grant award.
- Currently, staff are working with the 12 small grants awarded in April and approved by City Council to negotiate grant agreements.
- So far, we have no indication that an organization will decline their grant.
- In the meantime, staff have drafted the requested small grants Alternate policy and process at the Committee's request.
- Our presentation today focuses on consideration, discussion, and voting to adopt a small grants Alternate policy and process.
- This approach would hold designating any potential alternates to a later date, if it becomes clear that one or more of the 12 organizations declines a grant.
- This approach would also allow PCL staff the opportunity to notify applicants about the alternates policy and process, should the Committee choose to adopt it during today's meeting.
- We'll cover those implementation details later in this presentation.

Options if small grant is declined

How would the Allocation Committee allocate funds from a small grant applicant that declines their grant at the time of award, prior to entering an executed agreement with PCL/City?

A

Leave declined grant amount in PCL fund balance for use in future grant renewals.

B

Redistribute declined grant amount among remaining small grants cohort grantees.

C

Redistribute declined grant amount to designated "alternate grantee."

- First, we want to be clear on the range of options the Committee could consider if a small grants applicant were to decline their grant award.
- How would the Allocation Committee allocate funds from a small grant applicant that declines their grant at the time of award, prior to entering an executed agreement with PCL/City of Portland?

A. Leave the declined grant amount in PCL fund balance for use in future grant renewals:

- This option would allow the declined grant to remain in Levy fund balance toward potential FY 2030 renewal of small grants.
- In times of financial uncertainty or resource decline, this option may help future grants sustain ongoing work or allow grantee partners to offer cost of living adjustments.
- This option, however, does not put resources into the community immediately.
- There is some precedent with this option from PCL large grants, which we'll discuss later.

B. Redistribute declined grant amount among remaining small grants cohort grantees:

- If remaining grantees in the cohort have received less money than they're eligible to receive and had requested more funding, the declined grant amount could be spread among the remaining organizations in the cohort.
- This option puts resources into the community immediately.
- There is also some precedent with this option from PCL large grants, which we'll discuss later.

C. Redistribute declined grant amount to a designated "alternate grantee."

- This option requires the Allocation Committee to develop a process for deciding an alternate grant, including conditions under which there would be an alternate and the process and criteria by which to select an alternate(s) and decide on the grant amount.
- This option puts resources into the community immediately.
- PCL has not previously designated an alternate for small grants, and the Allocation Committee would need to develop this policy and process specific to small grants.
- The Allocation Committee could choose any of the 3 options, and potentially there are other options that staff have not considered.
- In the 2026 small grants cohort, all 12 grants were made at the maximum eligible 3-year amount or the full amount requested by applicants. This means a potential declined grant could not be spread out among the remaining 11 grants (Option B).
- At its April 7, 2026 meeting, the Committee expressed a desire to develop a policy and process to designate an alternate grantee(s) (Option C), though the Committee still could choose to leave any potentially declined grant amount in the fund balance (Option A).
- Staff assume the Committee is most interested in Option C, since the Committee requested staff draft a small grants Alternate policy and process, and this presentation outlines staff recommendations.

Proposed definitions and conditions

Staff recommends: Only funds from an awarded small grant (decided by the Allocation Committee and approved by City Council), declined by an organization during grant negotiations and prior to grant contract execution, would be eligible to award to an “Alternate” small grant.

1. Excludes PCL large grants process.
2. Excludes funding in any executed PCL grants.
3. Excludes annual underspending of any PCL grants.
4. Focuses on small grants declined during negotiations.
5. Focuses on small grants cohorts where funds can't be redistributed.

- Staff recommends that only funds from an awarded small grant (decided by the Allocation Committee and approved by City Council), declined by an organization during grant negotiations and prior to grant contract execution, would be eligible to award to an “Alternate” small grant.
- This slide lists our 5 reasons for this recommendation, and we'll explain each one.

Excludes PCL large grants process.

- No large grant applicant has ever declined a grant at the time of award.
- In general, organizations receiving large grants have more infrastructure and experience with managing grants and contracts for public funds.
- Allocation Committee decides large grants in each of the Levy's 6 program areas, while small grants are one pool of funds where all program areas are considered. This arrangement makes it easier to designate alternate(s) for small grants because the Committee only has to choose 1 or 2 alternates.
- With large grants, the Committee would need to consider an alternate for each program area.
- Given that no large grant applicant has ever declined a grant, the Committee (and staff) would be doing unnecessary work to designate alternates by

program area for large grants and likely create false hope and frustration among large grant applicants.

Excludes funding in any executed PCL grants.

- If an organization wants to end its grant during the term of the agreement, then staff handles the process.
- Under the City Council ordinance authorizing the grants as decided by the Allocation Committee, if a grantee “becomes unwilling or unable” to use their grant, staff can terminate it and enter a new agreement with another grantee that can do the work with the balance on the grant, OR the funds may remain in PCL’s fund balance for future use.
- Staff updates the Allocation Committee on these grant situations when they occur.
- Here are 2 recent examples of these cases with large grants:
- 1) Our Village Gardens had been a hunger relief program of Janus Youth Programs. During 2020-21, it became its own independent non-profit, and Janus and PCL mutually agreed to transition the grant to the new agency, Our Village Gardens, for the same scope of work and remaining grant balance.
- 2) In December 2024, CampFire Columbia declined the remaining 6 months of their grant. The unused amount remained in Levy fund balance and was part of the \$65 million granted over three years during the 2025 large grants funding process.
- It is also worth noting that from the first cohort of small grants, no organization asked to terminate its executed grant.

Excludes annual underspending of any PCL grants.


- Over the past 2 decades, PCL staff have monitored annual spending trends on grants. On average, large grants have underspent by 5% annually due to natural trends like staff turnover in a program.
 - PCL staff developed long-standing, successful policies for managing underspending.
 - PCL’s cost-modeling assumes annual underspending, and that cost model supports PCL’s multi-year grant funding in future years.
 - PCL allows grantees to request carryover of unspent funds of up to 5% of their annual budget, and in rare circumstances up to 10%.
 - The carryover allowance helps with COLAs, rising costs, or one-time expenses such as new supplies, additional staff training, family events, or other costs integral to the delivery of PCL-funded program activities.
- **Focuses on small grants declined during negotiations, prior to execution of grant contract, based on precedent with PCL’s first small grants cohort.**

- In November 2020, the Allocation Committee approved the first cohort of 8 small grants. Most grants were funded at below the maximum allowable amount and below what applicants requested in order to fund more grants with the \$1 million available.
- Requirements such as insurance coverage, grant invoice and expense documentation, and grant reporting may present challenges for smaller non-profits with very few staff.
- In the first cohort, one small grant recipient declined its grant during negotiations, before entering into a contract with the City.
- The organization had experienced a previous event that resulted in challenges with insurance premiums and coverage, and they decided not to pursue the grant given the City-required insurance limits.
- **Focuses on small grants cohorts where declined funds cannot be redistributed among the remaining grantees awarded in the cohort.**
- As we noted earlier in this presentation, if the Committee awards small grants at the maximum grant size or the total amount that applicants requested, then it cannot spread a declined grant to the rest of the cohort.
- In the first small grants cohort, since the remaining 7 grants had been awarded for less than the maximum small grant amount, the Allocation Committee spread the declined grant to the remaining 7 grants.
- That approach helped increase their grants up the maximum amount eligible (keeping in mind the limit of no more than 30% of an organization's revenue in their last closed fiscal year).

Proposed criteria for selecting Alternate

Staff recommends: Use same decision-making criteria to select an Alternate as used in small grants funding process for awarded grants and in application.

For the FY25-26 small grants cohort, those criteria included:



1. Total score on the application
2. Community Council votes/recommendations
3. Balance of services across program areas in small grants

- If the Committee wants to adopt a policy/process for an Alternate small grant, staff recommend that the Allocation Committee uses the same decision-making criteria to select an Alternate as it used in the small grants funding process for the awarded grants and as outlined in the grant application. In the case of the 2025-26 small grants funding process, the criteria were:
 1. Total score on the application (written + video components)
 2. Community Council votes/recommendations
 3. Balance of services across program areas in small grants
- These criteria were already explained to each applicant in the 2025-26 small grants process. Each applicant received materials with all of their scores, Community Council recommendations and voting results on their application, and program area of all applications including those recommended for funding. Using the same criteria aligns with transparency in decision-making.

Additional policy/criteria considerations

Staff recommends: Allocation Committee may want to consider policy choices that help them weigh priorities and programming addressed by different applications.

Size of grant declined
compared to grant amount requested by potential applicant

Program area of grant declined
compared to alternates available for that program area

PCL funding priority
addressed by potential alternate and its rank in community engagement

Programming proposed by potential alternate
as complementary to other PCL grants in the same program area

In addition, the Allocation Committee may want to consider policy choices that help them weigh priorities and programming addressed by different applications, including:

Size of grant declined compared to grant amount requested by potential alternate:

- The Committee may want to choose an alternate that requested an amount similar to the declined grant.
- For example, if a potential alternate has a higher request than the declined grant amount, the Committee would either need to use money from the Levy fund balance to make up the difference or determine that the programming in the potential alternate's application is viable with less funding.
- Similarly, if a potential alternate has a lower request than a declined grant, the Committee could fund the alternate at their request and return the difference to Levy fund balance.

Program area of declined grant compared to alternates available for that program area:

- The Committee may want an alternate in the same program area as the declined grant.
- For example, in the recent small grants, PCL received 8 applications for one of PCL's program areas, and the Committee chose to fund one.
- If that one organization declined its grant, the Committee may want to choose from the remaining 7 applications for that program area.

PCL funding priority addressed by the potential alternate and its rank in community engagement, especially highest-ranked priority for youth:

- In each of PCL's program areas, community engagement resulted in up to 7 funding priorities.
- Community engagement results showed higher priority for some programming opportunities and imply a ranking of the funding priorities in each program area.
- Youth had some different priorities than adults. The Committee may want to consider an alternate that addresses more highly ranked funding priorities, especially by youth.

Programming proposed by a potential alternate as complementary to other PCL grants within the same program area.

The Committee may want to consider how a potential alternate would help address a need or would complement other PCL grants to balance opportunities within a program area, such as:

- Geography: schools or neighborhoods where PCL has funded fewer programs
- Demographics: age groups that PCL has funded fewer programs
- Program area funding priority is under-addressed in PCL large and small grants

Decision-making and implementation

Staff would implement the process for the Allocation Committee to decide which alternate(s) to select.

- Communicate with applicants about alternate process steps and timeline
- Prepare funding recommendation to Allocation Committee for specific alternate
- Provide applicants with option to give testimony to Allocation Committee
- Facilitate Allocation Committee to select alternate; notify applicants
- Prepare materials for City Council to consider Allocation Committee decision
- Negotiate grant with selected grantee, onboard to small grants cohort

Once the Committee decides on its policy and process for whether/when to designate an alternate small grant, then staff would implement the process for the Committee to consider and decide which alternate(s) to select:

- Communicate with applicants about the alternate process and its implications for applicants, including ensuring they have notice of public meetings for decision-making
- Prepare a funding recommendation for a specific alternate for consideration by the Allocation Committee, using the process and criteria selected, and provide the recommendation to applicants in advance of the Committee's meeting
- Provide applicants with the option to submit testimony to the Allocation Committee
- Facilitate the Allocation Committee to use the process to select an alternate
- Communicate alternate selection results to applicants
- Prepare and file documents necessary to request City Council consideration of Allocation Committee's decision
- Negotiate a grant agreement with the selected grantee, and onboard the grantee into the 2026 small grants cohort and PCL grants management.

- If the Committee adopts the process outlined here, it would be applied to designate a potential alternate grantee for the 2025-26 small grants funding round.
- If the Committee chooses to designate an alternate in potential future small grant funding rounds, an alternate(s) may be selected during the original decision-making process that determines awardees.



Katrina

- The Community Council’s first 3-year term concluded in February 2026. Staff launched a recruitment process last winter to fill 6 open seats.
- We posted the application Dec. 15, 2025, and kept the recruitment open for 2 ½ months until March 2.
- Staff hosted 3 information sessions and amplified the opportunity through our e-newsletter, social media ads, and 1-1 outreach.
- We received 33 applications. It was a highly competitive application pool.
- Three Community Council members read and scored all applications.
- Staff selected applicants by considering factors such as an application’s score and an applicant’s program area expertise, grantmaking expertise, and lived, professional, and volunteer experience.
- Adrian Calderon, Amy Trieu, Ashley Renick, Saara Hirsi, Sidonia Simpson, and Yamungu Seraya will join for the Community Council’s next 3-year term.
- They will join 7 current members who will continue to serve: Alejandra Favela, Deian Salazar, Jacob Valentine, Kamla Hurst, Karina Bjork, Lolita Broadous, and Stephen Pham.
- In addition, we invited 3 applicants to serve as alternates, should any Community Council members step off before the conclusion of

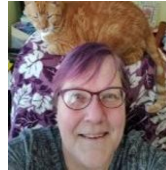
this upcoming term.

- This upcoming Community Council includes 2-3 members with expertise in each of PCL's program areas and 7 members with extensive grantmaking experience.
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- Applicants can be appointed to the Community Council by the PCL director and do not require Allocation Committee or City Council approval. This is because the Community Council is an advisory body to staff and the Allocation Committee and does not make any funding decisions.
- Staff are currently offboarding departing members and onboarding new members.
- We anticipate that this next Community Council will advise on grant performance questions, grant renewal process, and the potential next round of community engagement. We plan to host our first meeting in September.



- We want to thank all of the inaugural Community Council members for their thoughtful contributions to Portland children and families and to making PCL processes more accessible and equitable.
- In the past 3 years, Community Council outlined the goals and priority populations for community engagement, shaped funding priorities, and provided significant input on both the large and small grants funding processes.
- For the large grants funding process, they streamlined the application, provided input on the scoring criteria, advised on the review process, provided input on a policy framework to craft funding recommendations, and recommended a portfolio of applications to the Allocation Committee for funding.
- For the small grants funding process, they shaped questions for the video component of the application, reviewed and scored all applicant videos, and recommended applications for funding to the Allocation Committee.

Gratitude to departing Community Council members



- We especially want to thank departing Community Council members.
- LaNae Johnson stepped down last fall, and Alix Sanchez, Amarachi Duru, Cathie Pedersen, Jami LeBaron, and Lisa Wittorff stepped down as their terms ended this past February.

Updates and announcements

- PCL annual grant progress reports in WebGrants
- Small grants process improvement report
 - Applicant survey to 55 applicants
 - Community Council member survey and interviews
 - Allocation Committee interviews this summer
 - Present at Oct. 20, 2026 Allocation Committee meeting

Brian

- Staff will provide brief updates on grant management using the WebGrants online platform:
- Staff has transitioned data and narrative reporting fully into WebGrants for the first time in 25-26.
- Staff built program area-wide data forms, and populated each grantee's form with the data measures and goal definitions specific to each grant. This should reduce work and confusion for grantees by providing them with a customized reporting form that mirrors their contract.
- Grant managers can track comments, questions, and other contextual information from grantee follow-up in the system, housing all the information in one place.
- Staff is working on tools to better automate aggregation of grantee program data. This approach will create more efficient analysis and reporting for PCL annual performance reporting.

Arika

- You may recall that PCL staff have a practice of process improvement after each round of grantmaking.

- We have started that work with the recent small grants process.
- We created and sent a survey to all 55 applicants on June 4. We'll leave the survey open for about 4 weeks.
- We also have a survey with Community Council members on their experience reviewing the video component of the small grants applications and also making funding recommendations.
- In addition, Katrina is doing interviews with them on their experience.
- This summer, Meg will reach out to Allocation Committee members to do short interviews on their experience with small grants.
- We'll analyze all that information and prepare a report to present at your next meeting October 20, 2026.