



Nonprofit Contract Performance Management

Austin City Auditor's Office | July 2026

Background



City mostly relies on nonprofits to provide social services

City spent \$100 million in fiscal year 2025

Several departments are involved

The City has a process for managing the contracts

Performance expectations



Processes to collect information



Site visits



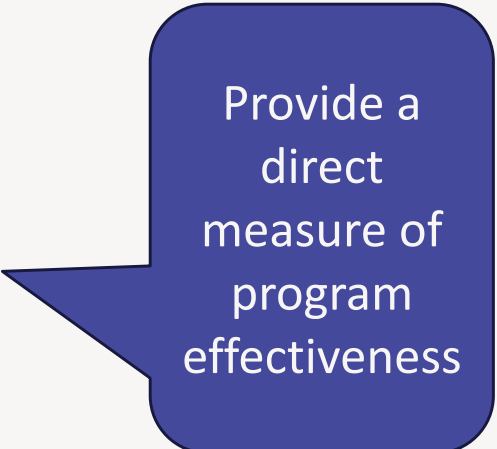
Finding 1

The City does not ensure nonprofits are consistently providing agreed upon services

As a result, vulnerable residents may not get expected services and may have their needs unmet

Examples of performance expectations

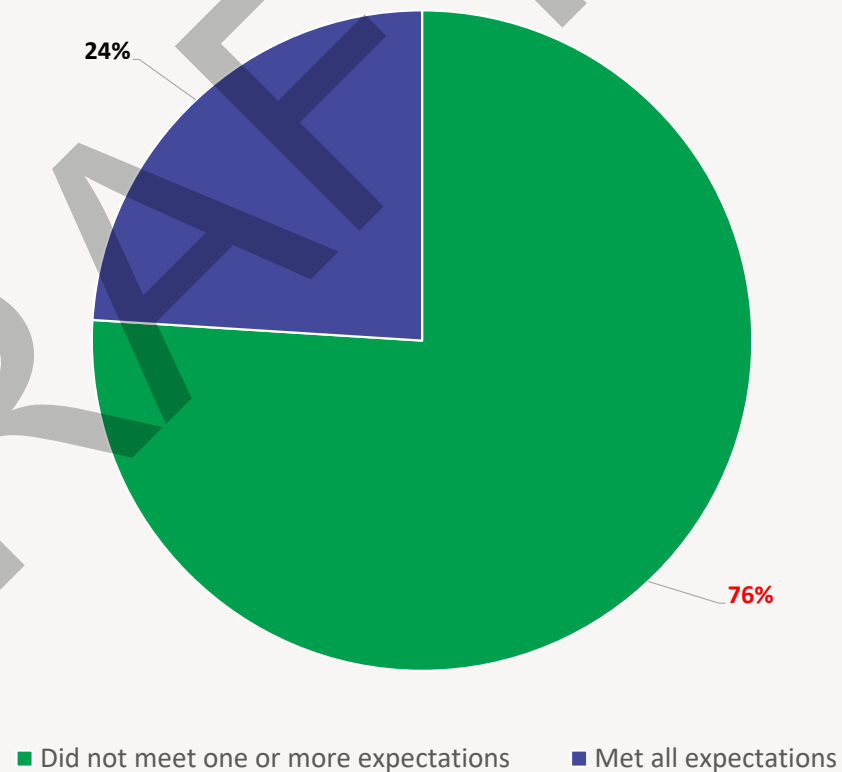
- Unduplicated clients served
- Percent of individuals who achieve healthy outcomes
- Number of individuals who report improvement in physical, mental, emotional, or social functioning
- Number of individuals receiving services



Provide a direct measure of program effectiveness

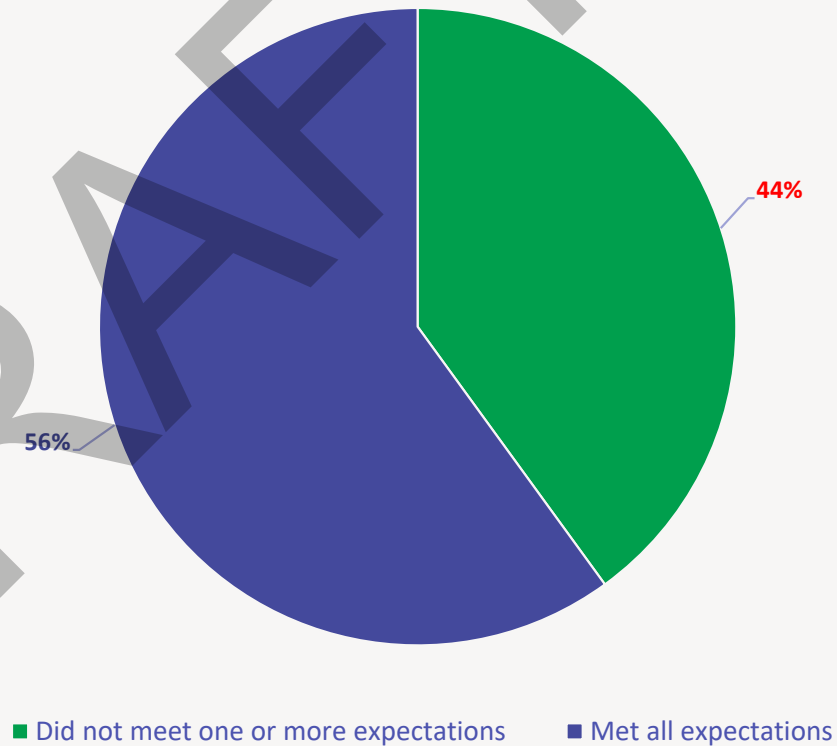
The City's process does not ensure nonprofits consistently meet performance expectations

For **19 (76%)** of the 25 contracts reviewed nonprofits did not meet one or more of the performance expectations

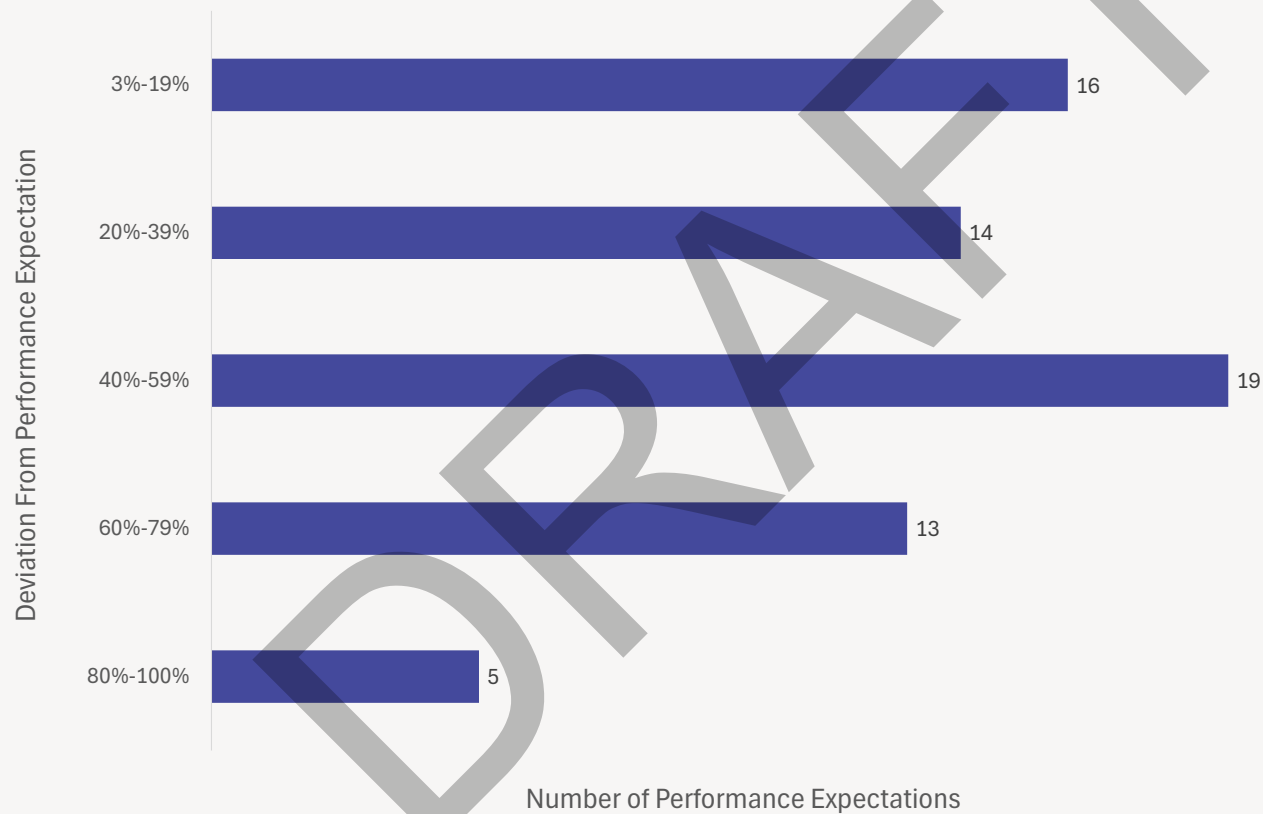


The City does not ensure nonprofits consistently meet performance expectation (cont.)

Nonprofits we reviewed did not meet **44%** of the 151 performance expectations



For more than half of the expectations that were not met, what was provided was more than 40% below the expected amount



Some nonprofits expressed concerns related to the City's contracting practices

Category	Nonprofit Concerns
Performance Measures	▪ Performance expectations are structured in ways nonprofits cannot realistically meet ▪ Difficulty identifying unduplicated clients
Reporting	▪ Reporting delays due to lags in the City entering contract information into the system
Communication Practices	▪ Communication varies depending on which City department staff nonprofits work with ▪ When nonprofits raise concerns, changes are typically only made during new contract cycles

Departments do not consistently conduct or document evaluations of nonprofit performance once a contract ends

-  Departments do complete a contract closeout checklist
-  No deeper assessment of the quality of work provided by the nonprofit

Departments do complete a contract closeout checklist

Reported performance

Performance Expectation	Annual goal	Actual results	Gap	Variance
Unduplicated Clients served	907	573	-334	-37%
Number of individuals making progress on their plan goal(s)	385	205	-180	-47%
Number of individuals evaluated for progress on their plan goals(s)	453	207	-246	-54%
Percent of individuals making progress toward their treatment plan goals	85%	99%	14%	17%
Number of individuals with improved mental health status	362	73	-289	-80%
Number of individuals "initially" evaluated with a standardized assessment	453	142	-311	-69%
Percent of individuals whose mental health status improves	80%	51%	-29%	-36%

Performance close out review

Performance Review

Performance report(s) submitted timely?*: Yes

Comments:

Is the entity making satisfactory progress on the work of this contract and/or meeting performance goals? *: Yes

Comments:

Achievement versus expenditures is reasonable?*: Yes

Comments:

Report(s) contains all necessary information?*: Yes

Comments:

Additional Grant Requirements (If applicable)*: Not Applicable

Comments:

Prior Monitoring Results

Was the previous monitoring report(s) free of findings?*: No

Comments:

1 Infraction identified.

Has there been appropriate progress toward resolving them? *: No

Comments:

Per agency: Our Grants & Data Manager reviewed those numbers. Our monitoring report outlined certain corrections, and what we provided deviates from them because we realized the entire reporting mechanism was wrong. We received TA



Recommendations

The City Manager should identify a lead department to:

1

Implement a post-contract performance evaluation process for nonprofits

2

Evaluate and strengthen the City's family and social services contracting model and implement ways to encourage nonprofits to meet performance expectations and provide a high level of service



Questions?