



Welcome & Good Morning.

It's great to be here this morning to speak to a group of citizens who care about the health and vitality of Portland.

The fact that you're involved in the Park Rose Business Association and have taken time from your busy schedule to be here shows your commitment to the future success of our city.

Today I'd like to talk to you about two efforts I have been leading to ensure the City's future well-being and its economic prosperity – The Children's Investment Fund – and needed reforms to the Fire & Police Disability System.

The Children's Investment Fund was created in 2002 when Portland voters said "Yes" to the children's levy, a five-year property tax.

The Fund generates more than \$8 million a year for programs that annually support 10,000 of our neediest children in early

childhood development, after school and mentoring and child abuse prevention.

And, the money is being spent responsibly, 95 cents of every dollar collected goes back into nonprofit community programs,  
such as:

- Albertina Kerr & Morrison Child and Family Services which identify and treat children with severe behavioral problems;
- Big Brothers Big Sisters, Salvation Army & VOA , who reach out to our most vulnerable children - victims of domestic violence and abuse;
- The Urban League, SEI, OCHA and IRCO deliver culturally specific mentoring and after-school programs to African American, Hispanic and Asian students to keep them engaged in school and focused on a bright future.

I'm sure you are aware that the need in Portland is great for these programs ...

- 23 percent of the city's children live in extreme poverty - the majority of children the children served by the Fund live under these dire conditions.
- We have more 3,000 children in Multnomah County in foster care.
- Portland Police review about 1,000 child abuse and neglect cases each month.

We can and are changing these depressing statistics because we know that investing in early childhood development, after-school and mentoring programs and child abuse prevention and intervention produces long-term, positive outcomes.

Our investments are supporting:

- Early childhood education, early intervention programs and improved access to health screenings so Portland's at-risk children reach kindergarten healthy and prepared to learn.

- Safe and constructive after-school and mentoring activities to promote academic achievement, reduce the number of juveniles victimized by crime and improve graduation rates for students in middle and high schools.
- Programs that support stressed families most at risk for abuse and neglect and intervention programs to mitigate the damage of abuse of neglect on children.

Besides limiting administrative expenses, and investing in smart & effective programs we have also been able to get a bigger bang from our investments, by partnering with private funders such as the Meyer Memorial Trust, Schnitzer Care Foundation, and the Gates Foundation.

The Children's Investment Fund has matched dollar-for-dollar with these private foundations resulting in \$3.6 million of grants for worthy children's organizations

Accountability is also an extremely important factor in the Fund,  
the Children's Investment Fund staff closely monitors the  
programs we fund progress on an ongoing basis. We require  
external audits of every organization we support.

The Children's Investment Fund itself is subject to annual audits and its administrative costs cannot exceed 5 percent, ensuring that 95 percent of tax dollars is invested in programs serving Portland's children.

Our investments are making a difference...here is just a sample

- 67 Portland Public Schools operate new or expanded after-school and mentoring programs.
  
- 150 children receive services at eight local domestic violence shelters throughout the City.

Before I move on to talk about the reforms of the Fire & Police Disability & Pension system, I'd like to leave you with three stories of child among thousands that your support of the Children's Investment Fund has achieved results for ... a blind child whose teen parents could not get the necessary services to help this child with his health and medication needs. Through a program funded by Children's Investment the child has made immense progress, and has had his medical needs met. As well, his family has been able secure stable housing, and his mother has been able to pursue an education.

A little boy who was extremely aggressive toward his family and other children spent two years in a therapeutic classroom in a program we fund through Albertina Kerr while his parents received in-home services to help them better respond to his outbursts. He is now a successful kindergartner in Portland Public Schools.

A family desperately in need of services for their blind child also was showing signs of domestic violence. Our support through Insights Teen Parent Program helped secure low-income housing for the family, provided counseling for the parents and got them healthcare and medication. The child has made immense progress in school, the mother has gone back to get her GED and the family is on stable footing because of this intervention.

And sometimes simple things we all take for granted, such as a clean pair of clothes, can make a big difference in someone's life. A young pregnant woman recovering from drug and alcohol addiction at the Native American Rehabilitation Association's treatment center had developed a horrible rash from wearing old, donated clothes. She was humiliated and too embarrassed to ask for help until a caring nurse took her shopping for new maternity clothes and she received medication for her rash. Now she

continues with her treatment and is focused on the health and well being of her new baby.

These children & families now have a more hopeful tomorrow because of your support of the Children's Investment Fund.

Now, I'd like to briefly speak to you about another major endeavor I have taken on, the reform of the Fire & Police Disability & Pension System.

As you may be aware, one year ago the City Council created an Independent Review Committee to oversee a comprehensive analysis of the Fire & Police Disability & Retirement System. After more than 10 months worth of intensive work, the Committee submitted to Council thorough report outlining much needed changes to the Fire & Police Disability System. I have been spearheading the efforts to implement the recommendations of this Independent Committee.

There is no question that this system is in dire need of comprehensive reform. As the Oregonian stated in its editorial last week, the reforms of the FPD&R system are the most important thing facing the Council this year.

The Current funding mechanism for the pension system threatens the future financial viability of the City of Portland, and the welfare of our current and future citizens - our children and grandchildren.

- The system is extremely unusual; in fact it may be the only pay-as-you-go pension and disability system in the nation.
- Right now, the unfunded liability owed by the City and its taxpayers is \$1.684 Billion.
- Our public safety officers deserve to know that we as a City can meet our obligations to fund their pension, I cannot in good conscience continue to allow the City to maintain an unfunded liability of this magnitude.

Besides the pressing issues in the pension system, the disability system is also requires serious reform. In an in-depth series in the Oregonian last year, noted many incidences of abuse in the system. The abuses in the disability system waste your money as taxpayers, and undermine confidence in our City government.

- An injured firefighter scrambles up mountains and through woods on his TV show, "Northwest Hunter."
- Another disabled firefighter owns an upscale Portland restaurant, aided by city taxpayers who subsidized his training at the prestigious French Culinary Institute in New York.

While there is no doubt that our injured public safety workers should be taken care, they should not be out on paid disability when they can return to their jobs.

One of the main reasons for these problems is the fact that the disability system does not have independent oversight. Currently, the processing and review of all disability claims decisions are controlled by those who benefit from the system – this must change to ensure accountability, and restore confidence in the system.

To make any changes to this system, the voters must approve of reform to our City Charter. I will continue to work to ensure that on this November's ballot you – the voters have a chance to weigh in on these desperately needed reforms.

Thank you again for your invitation this afternoon. I'd be happy to answer questions about the Children's Investment Fund, the FPD&R System or any other city-related topics you'd like to discuss.

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