

## Presidents Report June 2008

Money.....

While the Bible – and Pink Floyd, for that matter – may remind us that money can be the root of many problems and all sorts of “evils,” much of what I, and many others at the College, have been doing this past month has focused on money and, more specifically, on the good that we are able to do with it. Here’s a summary...

First, I want to share with you some background on the FY09 Budget that you will be asked to approve at this June 2008 Board Meeting. In one sense, the Budget we are proposing, and the Budget Committee has approved, is a “deficit” Budget – meaning that, during the period of July 1, 2008 through June 30, 2009, we plan on spending more money than we will take in. About \$285,000 more. Under normal circumstances, and certainly over the long haul, such fiscal practices can lead to dire consequences but, in the short term – specifically, in FY09, we believe this deficit budget is not only necessary, but wise. Why?

- First, we believe that the revenue shortfall for FY09 is a short term problem, one that will not persist into future years. Anticipated increases, both in enrollment and in State support for our community colleges, should be sufficient for us not to have to entertain a similar deficit budget in subsequent years.
- Second, we believe that the instructional and operational initiatives currently underway need our continued and uninterrupted support for them to succeed. New program offerings, changes in student recruitment and support services, and improvements in technology and facilities are currently being developed and implemented and the benefits we, and our students, reap from them will be maximized by our seeing them through without delay or interruption. Doing so in FY09 requires that we spend (invest) a bit more than we will take in.
- Third, we have over the past 6 years saved up some reserves – about \$2.2 million – so we would have the resources necessary for just such a situation as we have in FY09. Spending some of our savings – less than 15% - in order to continue important services and initiatives is a prudent financial decision and one that is consistent with the intended use for these reserves.

Second, over this past month we have been the recipient of the generous support of two Trusts, the Meyer Memorial Trust and the Ann and Bill Swindells Charitable Trust. These two Trusts have provided us with \$500,000 and \$100,000 respectively to help fund the Jerome Campus Redevelopment Project that we plan on breaking ground for in October. These resources, and the confidence in us and in our project that these gifts represent, are a real boost to us as we get closer to date on which construction will actually begin. We thank Kitty Paino and Mike Morgan for their grant writing assistance, without which we would never have been able to so effectively share our story and our need with these, and other, charitable organizations.

At the same time, we have been making substantial headway on two other sources of funding for our JCRP. While the New Market Tax Credit (NMTC) program, intended to provide us with \$2 to \$2.5 million in resources, ran into some early challenges from the State's Department of Justice (DOJ) and Department of Administrative Services (DAS), with the help of Commissioner Cam Preus at CCWD, President John Berdes at Shorebank Enterprise Cascadia, and a variety of attorneys at Seattle NW Securities, NMTC counsel at Lane Powell, and Public Finance counsel at Orrick, we have been able to resolve these issues and are now moving forward. At this June Board Meeting, John Berdes and I will be refreshing our understanding of the NMTC Program and preparing the Board for the necessary Resolutions that you will be asked to pass in July. We are also making headway with our proposed \$1.5 million FEMA seismic stabilization grant, working closely with the City of Astoria and Clatsop County to make sure that the requisite Disaster Mitigation Plan is in place for us to submit our proposal later this year. I am grateful to Lindi Overton for leading us in this effort.

Finally, a Bond Measure on the November 2008 Ballot? Board member Marilyn Lane raised this possibility at the last Board Meeting and I have been doing some thought and work on this that I look forward to sharing with you for discussion at this June Board Meeting. A \$5 million Bond would provide us with the required "match" for the \$4 million appropriated to us in the February 2008 Legislative Session and a portion of the Meyer Memorial Trust funds, provide us with the final 20% of funding for a project for which we have already raised 80% of the funds needed, and it would make certain that we are able to complete this project without redirecting resources that we would rather use for the ongoing and developing Instructional Programs and Operations that serve our students. Of course, the decision whether or not to go out for a Bond is solely the Board's, and I hope our discussion will ensure that whatever decision you as a Board make it is made with the best possible information.

I started this report with a reference to both the potential "problems" and the "good" that can come from money, and I want to end my report with reference to a specific "good" which we all look forward to every year; an event and celebration by which we measure the success of so much of our effort – Graduation. Certainly, Graduation is a celebration of our students' achievements, and I do not want to do anything to diminish our focus on this most central purpose of Commencement. But it is also confirmation of the good we can do with the resources – both financial and human – that we bring to our work of "continuously building an educational community that encourages learning and achievement." We at Clatsop Community College can be proud of our graduates, and proud of the role we have played in their achievement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Hamann', with a long horizontal line extending to the right.

Greg Hamann