

**ITEM 217
FOR INFORMATION**

Subject:

Report from Sheldon Jackson College

Background:

At the February 2008 Spirituality and Discipleship Committee Meeting, the committee agreed to send a delegation to Sheldon Jackson College for a site visit. A visit could not be arranged, but there was conversation as well as a phone conference with David Dobler, President of Sheldon Jackson College. A report was requested from the college.

Sheldon Jackson College, located in Sitka, Alaska, is an educational institution that primarily serves Alaska Natives. It suspended classes for the school year 2007-2008, because the school had amassed debt with no means of reducing the debt. Its president, Dr. David Dobler, and its Board of Trustees, led by its board chair Dr. Shirley Holloway, are using this school year to discern how they will reduce their indebtedness and operate a viable and financially stable institution.

In February 2008, a comprehensive agreement was reached with the senior creditor of Sheldon Jackson College that provided cash to retire IRS and employee severance obligations and a plan to develop and market sufficient real estate to satisfy the College's secured creditors. The school's debts are approximately \$7million and its real estate assets are \$25-30 million. Sheldon Jackson College has extensive land, and if they are able to subdivide and sell some of their land, they will be able to pay their debt out of sales proceeds. The college will also seek to develop its income sources, possibly partnering with corporations, foundations, and with industry, and they will begin to determine the role they will play in training students for vocations in Sitka.

Many of the school's facilities are used by the public, such as the Physical Education Center and swimming pool, serving as the health center for the town, and the library, which preserves and displays historical items. The college has contracted out the maintenance and management of its campus. Yet, though it is in the midst of transition, Sheldon Jackson College's fish hatchery was awarded a \$1.5 million grant by the US Dept. of Commerce Economic Development Agency to build a new roe processing and training facility. The next steps for the college will be to begin to determine how it will reinvent itself. The Synod of Alaska Northwest has encouraged a "probe" of the college's constituencies and has offered funding for the survey.

The Christmas Joy Offering is being utilized to help sustain the staff necessary to maintain hatchery and administrative operations and to carry out the directives of the College's Board of Trustees, as it develops its future educational ministry. Sheldon Jackson College is grateful for its relationship with the Presbyterian Church (U.S.A.) and for the Church's support.

Report from Sheldon Jackson College:

Sheldon Jackson College is the oldest educational institution in Alaska and has been the flagship of Presbyterian mission to Alaska Natives since 1878. The Christmas Joy Offering provides crucial support as Sheldon Jackson College restructures and positions itself to serve the emerging needs of rural and Native Alaskans. We are working deliberately to integrate College programs and facilities into the Sitka and wider community to generate cash through the sale of certain properties and community-used facilities, to relieve the College of ongoing maintenance liabilities, and to engage governmental, business, and Native entities as partners in education.

Expressed educational needs that we are targeting include fishery research and hatchery management, work-force development, and continuing education. The Alaska workforce is not now prepared to meet the needs of the coming decades, particularly in rural communities and villages. We have had noted success in providing initial and continuing education to cadres of village government and utility workers and managers.

The Alaska Department of Labor wishes to locate their facilities maintenance training program on our campus. We are in discussion with the Department of Labor and maritime and fishing businesses about their needs for fixed-term training programs that will teach to an industry or government standard for specific jobs.

The Sheldon Jackson fish hatchery has been a leader in fishery education for 30 years. Located on the shore at the foot of our campus, students trained at the hatchery now serve as hatchery managers and fishery regulators and researchers around the Pacific Northwest. A meeting April 1-2, 2008, brought to campus 30 representatives of city and state government, industry, and the National Oceanic and Atmospheric Administration and National Marine Fisheries Service to design and support the ongoing education and teaching operation of the hatchery.

We have been awarded a \$1.5 million grant by the US Dept. of Commerce Economic Development Agency to build a new roe processing and training facility at the hatchery, where students will learn not only the craft of fish propagation but the business of roe processing and frozen fillet production. Processing salmon roe into ikura for the Far East market is a very high-value-added business well suited to low-impact, low investment operations in rural villages. The flash-frozen salmon fillet is the commodity of the international salmon market.

The Hames P.E. Center is Sitka's health club, with 90% of its use from community groups and members. The facility is being managed this year by the community schools program of Sitka while a consortium of government and not-for-profits forms to assume ownership and management of the facility. The College will have privileged access to the facility under this new management model.

The newly-completed Sheldon Jackson Childcare Center is a show-piece facility for a model program that continues to be over-subscribed. We are working with a newly formed non-profit board of parents and with the USDA Rural Development office to develop a new model for the operation of the facility and program.

The Stratton Library is a spacious facility with spectacular views of Sitka Sound. A consortium of historical, civic, and tribal groups called "The Sitka Repository" is in active negotiation to acquire the building to house, repatriate, and care for the large collections of cultural artifacts that relate to the various tribes and groups of Sitka's region and history—Tlingit and Haida, Russian, and territorial American. The library building was sized for printed resources of the pre-digital age, and the College will continue to own its collections and use the building for educational purposes under this expanded management and mission. Becoming both a display area and training facility for archivists is a much-needed service to Alaska's many Native groups and a natural expression of Sheldon Jackson's historic mission.

Our challenge during this time of restructure is to preserve our assets and our identity, to assure operational sustainability, and for a new day make real the board's commitment "to offer educational, research, and cultural programs consistent with the historic mission of Sheldon Jackson College."

History of Sheldon Jackson College:

Sheldon Jackson College was founded in 1878 to serve the Native peoples of Alaska. It is the oldest educational institution in the state and has been a centerpiece of Presbyterian mission in the United States. From its alumni have come generations of Alaska leaders, clergy and educators, and its campus birthed groups such as the Alaska Native Brotherhood and Sisterhood that played key roles in securing the Alaska Native Claims Settlement Act.

Founded by missionary Sheldon Jackson as the Sitka Training School, the school has continually changed and evolved to meet emerging educational needs of rural Alaskans. The current transition of Sheldon Jackson College, then, is nothing new but part of the school's rich history of constantly seeking to be accountable and responsive to the expressed needs of the Alaska Natives it has served for 130 years.

Began as a school for boys, the school became 'co-ed' in 1888 when missionary Amanda McFarland arrived from the burned-out mission in Fort Wrangell with a boatload of orphan girls. The school taught elementary academic subjects, then added trade and vocational training suitable for Alaska. Students built and operated successful fishing boats and contributed a 'crew share' to purchase a piano for the music program.

By the 1950's the school was a residential high school. Responsive to changing needs, Sheldon Jackson High School closed in 1966, to reopen as a junior college. In 1972, College governance was given to a newly formed board of trustees as the Board of National Missions divested itself of many racial-ethnic-serving institutions.

The relationship between Sheldon Jackson College and the Presbyterian Church has been long and intimate. It has not always been smooth and easy. The Rev. Sheldon Jackson himself is remembered for saying "God rewards aggressiveness," and asked for forgiveness as much as permission. The dependence of the school on a distant Mission Board for funding and personnel, as well as weathering changes in national mission strategies and priorities, brought uncertainty and some friction.

For Alaska Natives, however, Sitka became an educational hub. Sheldon Jackson College has graduated and placed more Alaska Native teachers than perhaps all other institutions combined. Sheldon Jackson College has a long and rich history of volunteer service and of life-long commitment by teachers and staff. The early missionaries gave sacrificially simply by coming to the Alaska mission frontier, and then gave themselves over to a lifetime of service.

Remarkably, the present campus quad buildings — listed on the National Historic Register and noted as the western-most cohesive collection of Craftsmen architecture — were built by students and volunteers from churches of 'the lower 46' in 1910. With the improved transportation brought by the Alaska Marine Highway (ferry) System, Sitka became a destination for many short-term volunteers and workgroups. The college has also been blessed by a number of notable Presbyterian academics who spent sabbaticals or years teaching our students.

Historically, schools administered by the Board of National Missions were not permitted to raise funds on their own behalf or to build or hold endowments; the watchword was "The Church is your living endowment". When in 1972 governance of Sheldon Jackson was bestowed upon its newly-formed Board of Trustees, title to some 300 acres of land was conveyed; this has been the school's inheritance and challenge. To evaluate, survey and subdivide, market and sell raw land is not easy. When that land encompasses places of cultural significance and traditional burial sites, as well as a college campus with 60 years of deferred maintenance, the challenge to development is greater.

Over the last thirty years the College has provided ocean frontage for Sitka's new harbor and significant acreage for the construction of affordable and subsidized housing. Today the College owns 216 acres, which includes the 30-acre oceanfront campus. The academic strengths of Sheldon Jackson have been teacher preparation, fish science and hatchery management, natural resources and forestry, business and outdoor leadership. For a time the College had an aviation program, and a number of older rural pilots trace their flight plans back to Sheldon Jackson. Sheldon Jackson College is the only American educational institution to have an operating fish hatchery

on campus, and many leading hatchery experts and fisheries managers in Alaska and the Pacific Northwest were trained here.

The Rev. Dr. Walter Soboleff and Rev. Dr. Henry Fawcett are just two Alaska Native graduates who continued on to the University of Dubuque Theological Seminary and distinguished careers as PC(USA) ministers. Both currently serve on the Sheldon Jackson College Board of Trustees. Sheldon Jackson's unique style and commitment to individual attention has been singularly effective in attracting and retaining Native students. Two factors are the 'village-sized' campus community where no one is lost or overlooked, and the Christian character and commitment of the College, which affirms and supports the whole person. Oftentimes a Presbyterian volunteer-in-mission has become a surrogate grandparent to a student seeking their way.

Administrative and financial management weakened in the late 1990's. The untimely death of newly installed President Larry Rocheleau in 1994 was a great loss. Dr. Rocheleau was a highly regarded educator with extensive experience and success in Alaska and with Alaska Native students. The trustees renewed a national presidential search, installed one of their own as president for a time when the new search languished, and in 2000 turned to an educational consultancy for a thorough examination of the College's program and structure, as well as for an interim president.

A new presidential search, begun in 2003, brought a new presidency that ended unhappily when the trustees intervened in the College's management in November 2005. In March 2006 the chair of the board, Rev. David Dobler, assumed the presidency and brought in new financial staff, who together began the work of setting the College's finances and administration in order. The task proved longer and more difficult than imagined.

In the winter of 2006 the trustees approved a private placement bond issue that promised to provide an omnibus financial restructure of the College. Conversations were held with staff of the Presbyterian Foundation and the General Assembly Council concerning denominational participation through creative investment funds of the Foundation, but appropriate accounts were found to be already committed. When in May and June 2007 key investors withdrew from the planned offering, the burden of accumulated indebtedness made continued operation impossible, and the trustees voted to suspend academic operations for a year to concentrate on property sales and debt retirement, setting a sustainable course, and refocusing the College's educational mission. To care for students who were within 18 months of degree completion, the College entered into an agreement with the Alaska Commission on Post-secondary Education and the Northwest Commission on Colleges and Universities whereby required classes are offered and graduates will receive accredited Sheldon Jackson College degrees.

Today the regular staff of the college is two: Rev. David Dobler, president, and Debby Puckett, controller. Property management has been contracted to Chilkat Services, Inc. a subsidiary of the Haines Native Corporation. In February 2008 a comprehensive agreement was reached with our senior creditor that provided cash to retire IRS and employee severance obligations and a plan to develop and market sufficient real estate to satisfy the College's secured creditors. With debts of about \$7million and real estate assets of \$25-30 million, there is ample value to cover liabilities. This process is expected to take 18-24 months.

The College's hatchery is a gem, and is exempt from any property sale plans. During this time of selective property liquidation, the College is engaged in deliberate conversations with various groups, educators, and officials around the state, and the board is determined to recast Sheldon Jackson in a form that is financially sustainable and that meets the emerging needs of Alaskan Natives. The Synod of Alaska Northwest has encouraged a "probe" of our constituencies and has offered funding for the survey.

The Christmas Joy Offering helps sustain the staff necessary to maintain hatchery and administrative operations and carry out the directives of the College's Board of Trustees as it develops the future educational ministry of Sheldon Jackson College. The trustees are deeply aware that they are stewards of a heritage and resource that is 130 years in the building, and are thankful for the partnership of the PC (USA) in their commitment that the school "will offer educational, research, and cultural programs consistent with the historic mission of Sheldon Jackson College."