IN MECHATRONICS WE TRUST

MHCC FOUNDATION TRUSTEES EARMARK FUNDS FROM AN INNOVATIVE CHARITABLE FUND FOR NEXT-GENERATION MANUFACTURING TRAINING.

BY NICHOLAS GOSLING
IN MT. HOOD COMMUNITY COLLEGE’S (MHCC) NEWLY SET up mechatronics lab, students work in pairs on six-foot-tall, pale-blue Amatrol trainers to create and test electrical circuits. They’re learning and applying basic electrical concepts and developing the skills necessary to work in the growing field of automated manufacturing.

These 16 students represent the first cohort of a new program at MHCC designed to prepare workers to procure, install, operate, and troubleshoot 21st century automated technologies, like the robotic machinery used to build a car, create a silicon microchip, and process and package food and other consumer goods. Upon completing the two-year program and earning an associate of applied science in mechatronics, graduates will work as automation technicians, machinery maintenance workers, and similar roles at major employers throughout the Portland region, among them ON Semiconductor, Boeing, and Teeny Foods.

“For years, we’ve been hearing from area employers that they’ve been having problems finding maintenance workers with the systems understanding to properly repair and maintain their manufacturing equipment,” explained Jarrod Hogue, executive dean of workforce, CTE, and partnerships at MHCC. “In 2015, we invited a lot of these manufacturing partners to an employer breakfast at the college, where they restated the same concerns: Many of their manufacturing workers were retiring, leaving lots of open positions, and their industrial technology was changing, becoming more automated and demanding new worker skill sets.”

“A lot of these employers said there and then they’d support MHCC if we moved forward with a training program to supply automation technicians,” Hogue added. “So we knew there was an obvious interest in this type of advanced manufacturing training.”

Over the course of their educations, mechatronics students at MHCC will train on electrical, mechanical, pneumatic, hydraulic, and robotic trainers, giving them a feel for working on industry-standard equipment. The purchase of many of these trainers was made possible through a $300,000 gift made in March 2017 by the MHCC Foundation Board. The donation represents the foundation's largest individual gift to an academic program. Another $40,000 Foundation Board gift was set aside to fund scholarships for mechatronics students. The foundation’s $340,000 investment was made possible through a charitable remainder unitrust, or CRUT, established in 1989.

Investing in Education
MHCC's CRUT has its roots in the sale of timber. In 1989, Marvin and Jean Allen of Oregon City, Oregon, sought to invest $500,000 made from the sale of timber on their property. Their financial advisor referred them to MHCC's Foundation, with which they established a CRUT, a type of trust that distributes (usually annually) a percentage of its assets to a non-charitable beneficiary over the course of a specified time period. Upon expiration of that timeframe (often ending with the death of the beneficiary), any remaining balance reverts to the nonprofit through which the CRUT is established. Donors can establish CRUTs with a variety of assets, including cash, stocks, or real estate.

“It’s typically a win-win situation for donors,” noted Al Sigala, executive director of development and district communications at MHCC. “Not only do trust beneficiaries receive a guaranteed return, they also enjoy the tax savings. And it’s a great way for donors to make a difference in the lives of our students by providing funding in the support of higher education.”

Some of the key advantages of CRUTs to beneficiaries include:
• No capital gains tax paid upon its sale.
• Receive a charitable income tax deduction off a percentage of the contributed asset.
• Convert the appreciated asset into a lifetime source of income.
• Remove the asset from taxable estate upon death.
• Make a sizeable gift to a preferred charity.
  Jean Allen passed away in 2016, upon which MHCC’s foundation received the $360,000 remaining in the trust. Sigala estimates that over their lifetimes, the Allens received close to $1 million in income through the CRUT.

The Role of Trustees
Throughout 2016, Hogue led a team at MHCC focused on finding funding for the new mechatronics program. The team worked with Ellucian Grant Services to secure a $453,000 grant from the Oregon Talent Council (OTC), making MHCC the first community college to receive an OTC grant. MHCC also received a $405,000 federal Carl D. Perkins Career and Technical Education grant. Other organizations contributed to MHCC’s Advanced Manufacturing Certification Center (the certification training arm of the mechatronics program). The City of Gresham donated $75,000, funds gained through the city’s economic-zone tax abatements.

“We had enough money to get the program started,” said Hogue. “But we still needed some additional capital for equipment to really make this a top program.”

In stepped the MHCC Foundation. Board members were interested in not just adding the funds from the Allen trust to the foundation’s normal pool of accounts, but rather investing it in a lump sum into something tangible, significant, and cutting edge, explained Stan Hymel, foundation treasurer and chair of the MHCC Foundation Finance Committee.

“Mechatronics was just coming online, and they needed some resources to get them up and running this calendar year,” Hymel added. “So here was this great opportunity where we were looking to invest a large sum of money to kick start a program. Mechatronics is cutting edge, so it just fit really well.”

By splitting the trust funds — $300,000 towards program equipment, $40,000 to student scholarships — the MHCC Foundation achieved all its intended goals of providing student scholarships, classroom equipment, and program funding.

“Our foundation’s goal is to really look to the future of the college and how we can help our school, and this region, to innovate and contribute to student success,” said Angela Mckenzie-Tucker, MHCC Foundation Board member. “We saw this program as having a lasting impact, not just on the school but on the community too, and for its potential of setting MHCC apart from other higher education institutions around the state.”

Mechatronics 101
John Dryden serves as program director and instructor of the mechatronics program at MHCC. He points out that the foundation donation has allowed the program to provide better training to students by purchasing more training equipment.

“The Foundation donation has really allowed us to provide our students with better educations,” said Dryden. “Through the donation, we could provide students with more direct hands-on experience working on standard industry equipment. Plus, through the mechatronics-specific scholarship, more students overall can access this program. We’re incredibly grateful for this gift, and we know our students are too.”

Back in the Mechatronics 131 class, Blake Stinson and Adara Elliott are creating a control circuit on one of the Amatrol trainers. Both employed at Microchip Technology, Stinson and Elliott heard about the Mechatronics program through their employer. They view this program as an opportunity to move from entry- and mid-entry-level roles at Microchip to better paying, in-demand jobs as maintenance technicians.

“We spent our first week touring partner facilities and job sites and learning about some of the opportunities for graduates,” said Stinson. “In every single place we visited, they said, ‘If you get your degree, we’ll hire you.’ So, they’re ready for us — they need people.”

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