

PRESIDENT'S ADVISORY COUNCIL

08 February 2007

(week 06)

Present: Said Irandoust (*Chair*)
Dennes T Bergado
Peter Haddawy
Worsak Kanok-Nukulchai
Sivanappan Kumar
I M Pandey

Sudip K Rakshit
Jonathan Shaw
Hoang Le Tien (*AOH Coordinator*)

Secretaries: Karma Rana
Renedith Calabdan

Apologies: Stephen Ogunlana
Udaya Rathnayaka

Vilas Wuwongse
Khin Ni Ni Thein

Invited: Patcharee Wangsakan

Ulrich Glawe
R K Padam

PAC 07.02.01 Welcome and Apologies

The President welcomed all present to the PAC meeting.

PAC 07.02.02 Review of the Minutes of the PAC Meeting of 23 January 2007.

The minutes of the 23 January 2007 PAC meeting were confirmed.

ISSUES FOR DECISION

PAC 07.02.03 Partnership Agreements

PAC endorsed the following partnership agreements:

1] MoU with City University, London

PAC endorsed the MoU in principle with a suggestion to explore the possibility of making it more general rather than focusing only on offshore technology.

Dean, SET will convey PAC comments to concerned faculty / initiator.

2] MoU with XLRI Jamshedpur, School of Business & Human Resources, India

XLRI was founded in 1949 and is among the pioneering institutions in India to actively pursue industrial partnerships geared towards the development of much needed manpower for the progress and growth of an independent India. The collaboration program between XLRI and SOM will include a student exchange program beginning in 2008 based on the principle of reciprocity. Both institutions will also explore possibilities of collaboration in conducting middle and senior management development programs in business management topics of relevance to the Asia-Pacific region, as well as conduct joint masters and doctoral programs in the field of management, at the Singapore campus of XLRI.

3] MoU between the Royal Irrigation Department (RID), Thammasat University (TU), and AIT

The MoU pertains to the conduct of a study of the Tha Chin river basin management as part of the Royally Initiated Projects under His Majesty the King of Thailand. RID has invited AIT together with Thammasat University to conduct the study which is expected to provide appropriate measures to alleviate the flood problem, taking into consideration the legal, socio-economic, institutional and environment aspects. Dr. Sutat Weesakul from the water engineering management field of study will serve as the Principal Investigator from AIT in this Baht 20 million project.

The President requested that press releases be made on the partnership agreements to be signed with RID and XLRI .

The President initially presented the draft partnership agreements with the following institutions for initial comments of PAC members:

- 1] University of Arkansas Fort Smith
- 2] Khurramshahr University of Marine Sciences and Technology, Iran
- 3] Research and Consult Company of Shakhes-Sazan, Esfahan, Iran
- 4] Speck Systems Ltd., Hyberdad, India

As a standard, PAC members requested that rationale of the above agreements be submitted at the next PAC meeting for further discussion.

PAC 07.02.04 Policy on End of Employment (Draft)

PAC endorsed for approval of the President the draft policy on end of employment (see Annex 1). It was also agreed to incorporate Dean SOM's suggestion of adding a clause that provides flexibility to the individual to retire earlier than scheduled. The document which was circulated to PAC members (paper 3.2) indicates AIT current policy, proposed revision, implementation and transition plan.

The revised draft will be sent to the legal adviser for review before the President provides the final decision.

PAC 07.02.05 Policy on Holidays and Leave (Draft)

PAC endorsed for approval of the President the draft policy on holidays and leave (see Annex 2). The document indicates the AIT current policy and proposed revision. The draft policy is based on the recommendations made by the Task Force established in October 2006 "to review the current leave entitlements for faculty members (and maybe for all employees) and to make recommendations for any change in the context of the discontinuation of the year-end break onwards (for an effective delivery of the Institute's services and in its overall operations as an academic institution)" as well as to "look into the practices of other competitor academic institutions."

PAC resolved to invite the AIT Labor Union to specifically recommend, for the consideration of PAC, 13 official public holidays which shall be observed in AIT. PAC agreed to first seek advise of legal adviser on the draft policy and plan of action, prior to sending the invitation to the AIT labor union.

The policy on holidays and leave will be taken up in the next Executive Committee meeting. It was also noted that this policy is included in proposed P&P Statements prepared by the HR task force.

PAC 07.02.06 Policy on Overtime Compensation (Draft)

PAC *endorsed* the draft policy on overtime compensation (*paper 3.2.3, please see Annex 3*) for approval of the President. It was highlighted that no overtime payment is permitted for Fund 10 units.

Considering the nature of activities/work in units under the Infrastructure Office, the President *agreed* to the suggestions from some PAC members to move Infrastructure Office budget from Fund 10 to Fund 21 account. Details of the arrangements and effective period of implementation will be further discussed by President and Head, Finance Office with Head, Infrastructure Office.

In cases where legitimate overtime work is required related to Fund 10 activities there is the possibility and flexibility of granting leave in lieu of the extra hours of work at the discretion of the supervisor.

ISSUES FOR DISCUSSION**PAC 07.02.07 Finance Issues**

Ms. Patcharee Wangsakarn, Head of Finance Office (FO), made a presentation to PAC on the following: 1] Updated 2006 Result; 2] Accounting Treatments of (i) 2006 year-end Surplus/Deficit; (ii) revenue for Sponsored Projects (F30, F50); (iii) Royalty Income 3] Traveling Allowance; 4] payroll function – clarification; 5] Honorarium Payment; 6] Overtime Regulation. (Please see *Annex 4* for the presentation slides.)

1] Updated 2006 Result

Efforts in cost control as well as revenue generation exercised by the Deans and faculty at the School and Field of study levels, AIT Extension as well as Central Administration yielded positive results in the financial outcome for year 2006. After taking into account allocated costs, based at 35% of net revenues, the unaudited Fund 10 operations of SERD has achieved surplus of Baht 36.2 million (compared to 57 million deficit in 2005), SOM surplus of Baht 10.2 million (compared to Baht 31 million deficit in 2005) and SET deficit of Baht 3.8 million (compared to Baht 101 million deficit in 2005). The AIT Extension has consistently performed well generating a surplus of Baht 12.5 million. The trend in all the Schools over 2005 shows overall increase in the revenues by Baht 90 million (23% increase compared to 2005) and corresponding decrease in the expenditures by Baht 47 million (14 % decrease compared to 2005).

The hard work and effort on the part of the Central Administration likewise contributed towards reducing the overall costs. The Central Administration allocated costs for 2005 was Baht 250 million. Excluding the one time rightsizing cost of Baht 26.5 million incurred in 2006, the Fund 10 Central Administration costs was Baht 210 million (reduction of 16% compared to 2005) of which Baht 155 million was allocated to the Schools based on 35% of the Schools net revenues, leaving Baht 55 million unallocated. As a result the allocated costs to the Schools in 2006 went down from Baht 250 million to Baht 155 Million, a reduction of 38%. It was commented by some members that more reduction on central administration expense should be seen in the future.

If the cost of rightsizing (Baht 26.5 million) and currency translation adjustment loss (Baht 19.5 million) at the end of the year are not taken into consideration, the Operating Fund of the Institute would have registered a surplus of Baht 33.3 million (compared to a deficit of Baht 128 million in 2005). If the positive trend continues, the

budgeted surplus for 2007 would be able to cover for depreciation which in effect means availability of much needed funds for reinvesting in core academic operations. Although there have been significant improvements in the overall financial situation, the President reminded everyone to continue to maintain the momentum of strict budgetary controls, at the same time pursuing opportunities to generate additional revenues. While a lot have been achieved there is still a long way to go towards replenishing the Institute Reserves which have been lost over the past few years.

- The President suggested to the Head of Infrastructure Office (IO) to discuss/verify with the Head of Finance Office regarding the financial results for 2006 by the Infrastructure Office which was reported to be in deficit.
- As requested by Dean, SERD full detail of the financial result per office/unit in the central administration will be presented by Head, FO at the next PAC meeting.

2] Revenue Treatment for Sponsored Projects (F30, F50)

The actual cash received by AIT from sponsored projects often vary from the budget set at an earlier period, depending on the currency exchange. Towards addressing concerns on the possibility of not having sufficient cash left to complete projects, the following were agreed:

- Finance will record the Fund income when cash is actually received (unlike before, the income was recorded at the time when AIT issued invoices.)
- The project budget should be prepared setting aside 10% as contingency.
- Revise the budget accordingly after cash balance is known.
- Project's cash balance should be regularly checked by PI and information be readily provided by Finance Office.

VPR suggested that in cases where cash balance is not sufficient to accommodate remaining expenses at the later stage of the project implementation, reduction of honorarium then overhead should be considered.

Budget forms should be revised to include 10% contingency cost. (c/o VPR)

3] Traveling Allowance

The proposed AIT travelling allowance rates were benchmarked with the Royal Thai Government (RTG) rates which were reported to be used by Thai government universities. The RTG per diem rates are higher than AIT's current rates by 29-93%. Likewise, for hotel, RTG rates are up by 20%-over 100%. H/FO proposed to provide the average of both (RTG and current AIT) rates which will vary by country.

- Head, Finance Office was requested to send the proposed rates to PAC members by email.
- The President requested Head, Finance Office to provide PAC members with a short translation of the RTG regulation on meals and other related regulations pertaining to per diem rates.

4] Honorarium Payment

PAC was informed of the procedure related to payment of honorarium as follows:

- Fill in the Project Closure Form

- After 2 months, issue a memo requesting for honorarium, with the commitment to pay back if there will be any liabilities afterwards.

5] Overtime (OT) Payment

The following regulations on overtime payment will be observed:

- FUND 10 – not allowed
- FUND 21
 - recurring OT work:* unit heads need the President's approval before authorizing overtime tasks
 - unforeseen OT work:* president's approval is required before payment is made
- FUND 30 – under the Dean's / PI's decision subject to availability of budget.

Academic Issues

PAC 07.02.08 Appointment of Adjunct Faculty Members

The President opined that for fields of study (FoS) that are not in financial difficulty and where faculty members are covering their salaries, it is beneficial to bring in adjunct faculty in the context of networking. However, FoS that are in deficit or that have faculty members who are not covering their salaries should utilize faculty members for teaching activities within the field. VPAA is looking into requests for appointment of adjunct faculty.

PAC 07.02.09 Payment of Honorarium

As previously discussed, a faculty member may be given honorarium provided that he/she recovers his/her salary. A balance of financial productivity, teaching activities, student supervision and publication, is essential for promotion and contract renewal. The President remarked that debate on the matter is welcome and hopefully will result to a better system, but until there is a better scheme recommended, current policy will be adhered to.

PAC 07.02.10 MIT Courseware Initiative

PAC recommended to go ahead with the launch of AIT's own version of an Open Courseware initiative along the line proposed by MIT and the Open Courseware consortium (see tabled paper 4.7.3 as *Annex 5*). This initiative will help further raise AIT's profile as a unique provider of knowledge in specific areas of development, technology and management in an Asian context, and enable AIT to better promote itself among prospective students and to create incentives to raise the quality of our educational materials. The VPAA will take the lead in further defining AIT's approach in this and will get back to PAC on the progress of this initiative.

The President requested that a press release on this initiative be made. It was also suggested to explore the involvement of DEC in collaboration with the schools which will provide the content of courses that will be published on line.

PAC 07.02.11 Peer Review of Teaching

The VPAA has recently communicated to the schools that peer review of teaching will be linked to promotion (i.e. faculty promotion cases will be held unless accompanied by peer teaching review component). The President urged the schools to start the process as soon as possible. Required changes in the policy, which will be identified by going through the process and sharing of experiences, will be later considered by

VPAA together with the President, and will be standardized as needed (e.g. concerns on timetable/frequency of such exercise within the contract period of the faculty). The budget for the implementation of this initiative will be provided by the central administration. The policy provides flexibility for each school to implement peer review of teaching according to their needs and in a manner that best suits their different contexts. Trusting the professionalism of the AIT faculty, it is expected that the exercise will be carried out appropriately and not in a cosmetic way. It was emphasized that the process is aimed at improving quality of teaching and quality development, through continuous dialogue/feedback - not controlling. The process needs to be formalized as AIT will have to communicate with external stakeholders on how AIT is working on quality assurance and development. The President opined that quality assurance and development are very much intertwined with the quality and number of students AIT will be able to attract and recruit which consequently have direct impact on the long-term sustainability of the Institute.

Main Discussion Points

- 1] It was suggested for the policy to be more comprehensive and not focused purely on peer review of teaching. There should be a concrete plan on how to address needs and weaknesses identified after quality assessment. Another title for the exercise could be adopted to reflect the comprehensive approach of the initiative. The President remarked that the administration is willing to consider additional budget needs.
- 2] Dean, SOM reported that subsequent to a SOM faculty meeting, a two-person committee was created to recommend procedures.
- 3] Dean, SERD reported that academic quality is one of the topics in SERD's upcoming retreat. It is expected that clear procedures will be ready by the end of the month (February). Although SERD faculty members concur on the necessity of quality assurance and development, concerns and recommendation emanating from initial discussions are as follows: (i) it will be a time consuming process – on top of other requirements faculty members will have to meet for contract renewal and promotion, thus placing what is perceived to be undue pressure on faculty. (ii) SERD faculty recommended that there should be a one time peer review of teaching per contract renewal, instead of twice during the contract period. VPAA felt that once every 4 years is not sufficient enough to have true dialogue for improving teaching.
- 4] The need to also educate students in their evaluation of faculty.
- 5] It was suggested that flexibility could be given for cases processed under the previous policy, while all new cases will have to follow current procedures.
- 6] In the same manner that faculty development is supported, AOH Coordinator suggested provision of budget for staff development as well. This will give the staff opportunity to improve or be relocated before termination is rendered.

The President requested VPAA to take a close look on the timetable set in the policy and explore provision of flexibility, but emphasized that the process needs to begin.

PAC 07.02.12 Linking of Tourism Development and Planning of Coastal Zone Management

The VPAA provided PAC the white paper/report on linking Tourism Development and Planning of Coastal Zone Management (see paper 4.8 as *Annex 6*). It is a collaboration being developed between AIT and the University of Hawaii at Manoa aimed at bringing together unique set of skills and expertise in the area of coastal zone management and tourism development which would provide for an ideal opportunity for collaborative research, consultancy and professional development.

It was noted that the key player in AIT would be SERD in cooperation with SOM (tourism) and SET (infrastructure). One concrete action agreed so far is the joint

teaching of a course through video conferencing with other institutions under API initiative.

The President requested the School Deans and Director, AIT Extension to join the meeting of VPAA with Prof. Jamieson from the University of Hawaii on 09 February 2007. He also pointed out the need to develop an action plan.

OTHER MATTERS

PAC 07.02.13 Schools and AIT Extension Retreats

The President strongly urged the Schools, AIT Extension and other units that are planning on holding retreats and other events to minimize costs for such activities and make use of locations nearby AIT offered by alumni friends (example resort in Nakhon Nayok owned by Dr. Chainarong Na Lamphun, former President of the AIT Alumni Association).

PAC 07.02.14 Issues arising from the President's visit to the AIT Community School (AITCS)

1] Potential Collaboration of AITCS with the 3 schools, AITE, and other units.

Dr. R.K. Padam, AITCS Principal and Dr. Ulrich Glawe, Chair of the Parents-Teachers Association Executive Committee were invited by the President to the PAC meeting to discuss ways and means of increasing interaction between AITCS and the Schools, AIT Extension and other units on campus.

The school deans, particularly Dean, SERD expressed strong support for AITCS and offered to discuss with faculty members in the school on how to be able to extend needed assistance to AITCS. The areas of cooperation initially identified by the AITCS teachers were also provided to PAC members for review and additional input.

The President requested the school deans to deliberate with faculty/staff in their respective schools and communicate concrete proposals of collaboration to the AITCS through the Principal.

2] New Text Books for AITCS children

VPR informed the meeting that an amount of Baht 300,000 has been raised so far by the administration to purchase much needed text books in AITCS which will likely be available to the children by next semester. Other issues such as improvement of teaching quality, obtaining of formal license from RTG (continually pursued with relevant offices), measures to address issues on photocopy charges, were tackled in VPR's email to parents of AITCS students.

3] Discontinuation of Regular Services Provided by Infrastructure Office to AITCS

Upon the request of the AITCS Principal and towards minimizing AITCS monthly cost, it was *decided* that AITCS will pay only for services provided by the Infrastructure Office (IO) based on requests submitted by the community school. Monthly charges for regular services previously carried out by IO will be discontinued effective immediately. AITCS will request for ground services, as the need arises.

PAC 07.02.15 Next Meeting

The next PAC meeting is scheduled for 21 February 2007. The proposal to rotate the venues of the PAC meetings between the schools, AITE, and administration was welcomed and Dean, SOM offered to host the next meeting at SOM.