

PRESIDENT'S ADVISORY COUNCIL

24 August 2009

(week 35)

(Confirmed)

Present:

Said Irandoust
Izel Ann Dante
Worsak Kanok-Nukulchai
Sivanappan Kumar
Sudip Rakshit
Jayant Routray
Jonathan Shaw
Mr. Shankar Tagad

Invitees:

Dr. Nitin Afzulpurkar
Dr. Weerakorn Ongsakul

Secretariat:

Karma Rana
Namita Sravat

Apologies:

Peter Haddawy
Barbara Igel
Ram Shrestha

PAC 09.08.01 Welcome and Apologies

The President welcomed all present to the PAC meeting, especially the invitees, the newly appointed School Deans Dr. Nitin Afzulpurkar and Dr. Weerakorn Ongsakul from SERD and SET respectively. The apologies were noted.

The President then requested Prof. Kumar to chair the meeting during his absence as he had to leave the meeting for an hour to attend an opening ceremony of a training course conducted by the AIT Extension.

PAC 09.08.02 Approval and Review of the Minutes of the PAC meeting - 3 June 2009

The minutes of the PAC meeting held on 3 June 2009 were **approved**.

Follow-up Issues: It was noted that the P&Ps on 'Engagement of Faculty beyond Age of 60', 'P&P on Direct and Indirect Incentives', and the revised section regarding the 'Eligibility Criteria for Sabbatical Leave' of the "P&P on Employment of Faculty- General Work Conditions" were listed under Matters Arising from the Minutes.

PAC 09.08.03 Matters Arising from the Minutes

1] P&P on Engagement of Faculty beyond the Age of 60 -

Upon circulating this P&P with revisions done as per the last PAC meeting, a comment to include a section on housing was received. Thus a section in the end was added which read as "*Institute employees who are engaged beyond the age of 60 could continue in their current AIT housing quarters only if there are no requests for that house. However, they could be allotted or request for housing quarters following the queue*".

The President reported that the Executive Committee at its meeting held on 3 August 2009, had recommended a structural adjustment in extending the AIT retirement age beyond 60, in line with what some of the other academic institutions in the region and globally have also been doing. The administration will conduct a survey of comparator institutions, and develop a proposal to submit it for Executive Committee and Board of Trustees consideration.

The PAC **endorsed** the "P&P on Engagement of Faculty beyond the age of 60" as in Annex-1 of the Paper 2 of the meeting, that includes the section on housing as mentioned above. It was **noted** that the P&P will be revised in case there will be any recommendation for change in the retirement age by the Board of Trustees.

2] Sabbatical Leave

The revised finalized version of the section on Sabbatical Leave from the "P&P on Employment of Faculty - General Work Conditions" as per the PAC deliberations held at its 3 June 2009 meeting was circulated for information. The Head-Administration, Ms. Izel informed that she has received some further comments from the Director, AIT Extension, Dr. Jonathan Shaw. As Dr. Shaw was not present at this particular time of the meeting, it was **agreed to defer** the discussion on this issue as in Annex-2 of the Paper 2 of the meeting. (*Note: However, later due to time constraints this issue was not discussed and thus is deferred for next PAC Meeting.*)

3] P&P on Direct and Indirect Incentives

The Head-Administration, Ms. Izel informed the meeting that in relation to this P&P, under section IV Sources of Indirect Incentives which states that *"Income to each PDF account normally comes from the following sources: A. As budgeted in projects carried out by employees but not exceeding 50% of payroll recovery, is applicable to sponsored and contracted projects for research, trainings, workshops, and conferences; but not applicable to academic programs in Fund 30"*; a proposal was received from Dr. Matthew Dailey and Mr. Chokchai Patharamalai to allow PDF contributions as faculty (in)direct incentives for Fund 30 Academic Programs. They have further clarified that PDF incentive is an important means to encourage faculty members to participate in a Fund 30 academic program while still benefiting the FoS, and thus proposed that the clause stating that PDF is *"not applicable...."* be replaced by a clause stating that in addition to direct incentives (cash honorarium), participating faculty members may also receive PDF. Furthermore, it was proposed that although it is not necessary to limit the amount of compensation awarded as PDF for participation in Fund 30 academic programs, it would be reasonable to limit PDF contributions for a faculty member to be no greater than the cash honorarium.

The key points of the deliberations were as follows:

- A member noted this is the 3rd year of running Fund 30 academic programs and it seems that programs using this model are doing much better and having a positive impact. These programs are very dynamic and there is no fixed cost as existing facilities/resources are used. Thus it was proposed that the current policy on PDF remain, and that the three combined together should not be less than 35%.
- It is desirable to convert the Fund 30 Academic Program to Fund 10 after it has been running for three years. But before converting, it needs to be ensured whether it will be sustainable, as it would raise the expenditures since there will be need to hire new faculty, etc.
- It was clarified that the proposal was submitted to the Institute Education Council (IEC), which had forwarded it to the PAC for its consideration.

It was **agreed** that the proposal on PDF contributions as faculty (in)direct incentives for Fund 30 Academic Programs should be extensively discussed in SET first (most of such programs are currently being run by SET in Vietnam). Furthermore, it was noted that the proponents are suggesting the changes specifically keeping in view the Professional Program in Software Engineering which has its first intake in August 2009, and thus it is too early to change the policies for this program.

4] P&P on Financial Model for Academic Programs in Fund 30

Members reviewed the P&P and provided the following suggestions/corrections:

- Section II-B, second line of first paragraph to read as *"A complete review, including academic quality evaluation and financial viability assessment should be undertaken after the launching stage, i.e., after completion of the first three batches of students, as a prerequisite to regularization of the offering in Fund 10 or continuation in Fund 30"*.
- Section II-B is a comprehensive list of academic programs that may assume a project status (opened under Fund 30), and further examples should be added for each (II-B 1 to 5).
- Section II-E to read as *"A Fund 30 academic program may revert back to Fund 10 if the related Field of Study / group of Fields of Study / Program / School is in deficit for two consecutive years, or if the gross revenues of the Fund 30 academic program exceeds the gross revenues of the Fund 10 academic programs of the related Field of Study / group of Fields of Study / Program / School"*.

- Regarding the Section III-B which stated that “Volume discounts on tuition and registration fees, should it be provided, for a minimum of 15 students, should not exceed 25%” the members opined as follows:
 - As a general principle for professional programs of one year duration, there should be no discount in tuition fees. However, discount could be given to a company for sending a group of students but there should not be any discount for individual students.
 - The discount should be given based on a sliding scale, e.g. 10% for 15 students, 15% for 20 students, 20% for 25 students and so on, with a limit of maximum 25% discount; and this could be reflected in the marketing brochure.
 - It was noted that the AIT Extension offers discount only to a group of 50 or more participants.
 - It was noted that deciding the fees structure for each individual professional program is difficult to set up, and thus SET has adopted a standard fee structure for all its professional programs with 11,500 US\$ as tuition fees, 500 US\$ for registration, and a component charged for internship. However, in SOM different rates apply for the professional programs.
 - The Professional Program fee structure could be varied depending on the country specific market survey. Also the tuition fees should be lump-sum for the whole program rather than based on number of credits.
 - The President stated that even for Fund 10 programs there is a need to have uniformity in the fee structure, especially with programs launched and being run in different countries. For deciding a flexible pricing structure the following guidelines should be adhered to: having fixed fee structure but giving discount depending on location, Field of Study, and number of students; during initial stage it should be discussed in PAC; once process is in place decisions could be delegated to the concerned School Deans; etc.
 - Prof. Worsak opined that it would be better to have one reference and discount rate agreed upon depending on a specific country. As a benchmark, the three items (overhead, degree surcharge, and personal cost recovery) combined should not be less than 35%.
 - In case one faculty is coordinator of multi professional programs, it was suggested that for first one he/she can get 15,000 baht, for second one 10,000 baht, and for third one 5,000 baht. It was suggested that instead of having many professional program coordinators, school should hire a professional manager who coordinates all of them.

It was **concluded** as follows: that the flexible pricing structure for professional programs and academic programs for AIT campuses should be proposed by the concerned School Deans in PAC, and approved by the President (proposal to be based on FoS and country specific market survey); minimum 35% profit margin after overhead is paid; and sliding scale to be used for giving discounts to a minimum of 10 students and so on, with 25% to be the maximum discount. The schools were requested to look into the suggestion of hiring a professional manager to coordinate all professional programs in their schools.

PAC 09.08.04 Supplementary Allowances

The PAC deliberated on the issue of Supplementary Allowance(s) for the Vice Presidents, School Deans, Fields of Study coordinators and other administrative positions, and the limit of such allowances for persons holding more than one administrative position.

It was **agreed** that supplementary allowances for holders of the academic administrative positions will be 50,000 Baht per month for Vice Presidents; 30,000 Baht per month for Deans; and 15,000 per month for Directors, Associate Deans, and Coordinators. A faculty member holding more than one academic administrative position will be entitled to 15,000 baht per month for the first position, 10,000 baht per month for the second position with a maximum limit of supplementary allowance of 25,000 baht per month. It was recommended that a faculty hold not more than 2 administrative positions.

The President also **stated** that for the newly appointed School Deans, during their first six months in office, the maximum teaching load will be 20% of the regular teaching load.

The Student Union (SU) President proposed a supplementary allowance in the form of student assistantships to the representatives of the SU, and he was requested to propose this through the SU meeting first.

PAC 09.08.05 Issues from the President

The President briefed members on the status of the new AIT Charter ; proposal on Public-Private Partnership financial model for AIT that will be presented at the Executive Committee meeting on 25 August; face-to-face meeting being arranged regarding the Insured Savings Fund (ISF); Institute Forum to be held on 28 August; and number of issues from Executive Committee meetings which needs to be followed in an organized and better way, with all reports from the President, VPs and Deans, Directors etc. to be presented to the Executive Committee in a new prescribed format under the four strategic themes of the "AIT Strategy 2013"; and key performance indicators, in the context of which the report prepared by Professor Worsak Kanok-Nukulchai, Dean SET, was cited by a member of the Executive Committee as being very detailed and thorough.

The key performance indicators report prepared by Dean SET will be discussed at the next PAC meeting.

The President also raised a concern regarding the case of an adjunct faculty (a faculty who has recently resigned from AIT) being proposed for hiring who will be getting more than what he was earning per month as a regular faculty over for an extended period of time. The President will check the data available with the Head-Administration in this case to avoid such discrepancies.

PAC 09.06.06 Other Business

Due to time constraints it was agreed to defer the rest of the agenda items to the next PAC meeting which will be scheduled on 9 September 2009.

PAC members and the Administrative Unit Heads were then invited to a lunch arranged in honor of outgoing PAC members namely, Vice President for External Relations, Prof. Vilas Wuwongse (was unable to join); Vice President for Development Resources, Dr. Khin Ni Ni Thein; Dean of SERD, Prof. Sivanappan Kumar; and Dean of SET, Prof. Worsak Nukulchai, but who will continue as a PAC member in his capacity as Vice President for Resource Development; for their valuable contributions made in the PAC deliberations over the past four years of their term.

KR/ns 2 September 2009