

PRESIDENT'S ADVISORY COUNCIL

26 July 2005
(confirmed)

Present:	Said Irandoust (<i>Chair</i>) Teresita del Rosario Chongrak Polprasert Kalchana Nettayawichit Hoang Le Tien Ng Eng Wan	Nusrat Sharmin Huq Vilas Wuwongse <i>Secretaries:</i> Karma Rana Renedith Calabdan
By invitation:	Chainarong Na Lamphun Matthew Laszewski Worsak Kanok-Nukulchai	
Apologies:	Nazrul Islam Jonathan Shaw	N Ramachandran

PROCEDURAL MATTERS AND FOLLOW-UP ISSUES

PAC 05.07.09 Welcome

The President welcomed Mr. Chainarong Na Lamphun, President of the AIT Alumni Association, Ms. Nusrat Sharmin Huq, President of the Student Union, and Professor Worsak Kanol-Nukulchai to the meeting. Mr. Laszewski provided a briefing on the President's Advisory Council (PAC) Digest format, of which the first release to the community covered the 05 July 2005 PAC meeting.

PAC 05.07.10 Review of the Minutes of PEC Meeting of 12 July 2005

The following amendment to the minutes was agreed upon: the 2nd sentence of the 2nd paragraph, page 4 should read: *"This could be attributed to the change from term to semester system, as well as in the increasing offers of Institute fellowships."*

PAC 05.07.11 Matters Arising from the Minutes

1. Appointment of Vice-Presidents / Head of AIT-Extension

The establishment of the Vice Presidential (VP) positions was announced on 15 July 2005 to the AIT community as well as to the AIT alumni body. Positive comments were received as regards to the process and procedure of nomination/application and selection of candidates. A matrix of relevant information on the nominations/applications received by the President and the Institute Secretary will be prepared for the next PAC meeting. A number of comments/suggestions received include, combining Education and Research under one VP considering these areas are closely interrelated, having one VP for Management since much is yet to be done with the management of AIT, and the necessity of a person or group to serve as a think tank for the President on the future direction of AIT, to mention a few. The President noted that on the perspective of quality, it is important to have separate VPs for Education and Research. The VP positions are on part-time basis so that taking charge of both education and research would be an arduous task for one person. The three Vice President positions would be part-time in order to provide the necessary linkage between the schools and administration and essentially to also bridge the communication gap. It would also be for the interest of AIT from a cost perspective. The President emphasized that those taking VP positions would indeed require deep sense of commitment and dedication to

the Institute. A need for close interaction and close collaboration between the three VPs was pointed out. On the management issue, the President agrees AIT administrative processes need to be revised but prefers to build up a structure that is not person oriented or person focused.

The Terms of Reference (TOR) is considered as a work-in-progress and suggestions were welcomed to further refine the TOR of the three VPs.

The Institute Secretary will prepare a matrix of nominations/applications received for the three VP positions for the 9 August 2005 PAC meeting. This would include the names of the candidates, their background, rationale for nomination/application, while factors such as communication ability and team building capacities will also be noted.

The President outlined his concept of the administrative structure he considers to set up in the near future for PAC members' review and feedback. The administrative functions namely, human resources dealing with faculty and staff (salary, promotions, career path etc.), finance unit, student unit (student welfare, admissions, accommodation etc.), education and research support unit (better support structure, proposal submission, research application, checking legal issues etc.), promotion / development / external relations / alumni / media issues / internationalization, infrastructure (technical part, building, IT systems etc.) would be headed by one of the unit heads who would serve as Head of Administration, equivalent in rank to the Vice President. The Head of the Administration would together with the President look into ways to develop a leaner and efficient administrative structure so as to better service the schools and other related units. Depending on function, appropriate consideration will be made to identify which ones will be centralized or decentralized.

Members were requested to reflect on the proposal for further discussion at the next PAC meeting.

2. School / Unit Visits on Institute's Financial Situation

The School/unit visits by the President and CFO on the Institute financial situation is scheduled to begin from 10 August 2005. The main purposes of the visits are: **i]** to present the current financial situation of the Institute as a whole, that of individual schools, cost centers/units, and central administration expenses, and **ii]** to provide options to be pursued and deliberate possible corrective actions (cost-cutting and revenue generation) to be taken in the short, medium and long terms. It is also an opportunity to obtain more detailed information on school activities and units.

The CFO reported that in the FY 2004, a net deficit of 178 mio Baht was recorded primarily due to a reduction in the operating revenue from tuition and fees, research grants and contracts as well as support operations coupled by increases in the salaries and benefits and contracted services. Based on preliminary figures, a net deficit of 69 mio Baht was registered for January to June 2005 reporting period. The general reserve at the end of 2004 is about 190 million Baht.

The introduction of the semester system, the reduction in tuition fees by 20%, exchange rate fluctuations since the tuition and fees are denominated in US Dollars were cited as some of the possible reasons for the deficit. The decision taken to close some of the activities in 2003 resulting in carried forward income recognized in that particular year does not provide a good comparison between the financial results of 2004 vs. 2003. In addition there were three one-off expenses amounting to about Baht 30 million in 2004. These expenses related to employees who retired or opted for early retirement; presidential search expenses; and engagement of an external auditing firm for accounting services. There may be a need to further review the impact of the semester system since the costs are the same but revenues only received over two semesters with one major

intake in August and, capacity and resources not completely utilized during the long three-month summer break. There is also a need to better understand the discount policy wherein discounts and waivers are given since there is already a 20% reduction in the tuition fees. The feedback received on the three-term system is that it invited more flexibility besides utilities being used continuously. However, a more comprehensive evaluation needs to be conducted to ascertain all these aspects since it would require a few years to fully understand the financial and academic impact of the new semester system.

The presentations during the visits will focus on the financial performance based on revenue and expenditure of the concerned school or unit for FY 2004 and the first 6 months of 2005, as well as the projection for the last 6 months of 2005. An analysis of factors which contributed to the current situation need to be given so as to identify the weaknesses in the system. The Institute is facing an enormous challenge where there maybe no easy and ready solutions, but PAC members were in agreement that the best approach would be a consultative one. Immediate options and actions for the next 5 months particularly on how to alleviate the financial situation will be presented and discussed during the school/unit visits. It was felt that a clear and transparent presentation of the financial situation and open discussion on how to work out different options to address the situation will be the key in obtaining the full cooperation and support of the faculty and of the community to overcome this financial challenge. It will then create a momentum in building a better system in the coming years. It is in the best interest of the community to have a full understanding of the current financial situation and to approach the challenges in a unified manner. While presentations will be made as simple as possible according to the information required by each school/unit, a comparative data of each school and details of relevant information will be prepared by the Finance Department should there be more clarifications sought.

A reporting template for every school/unit was presented by CFO. Most of the data needed to complete the information required in the templates will be provided by Finance Department which will be reviewed and supplemented by the schools/units.

From the perspective of the alumni, Mr. Chainarong conveyed that they would like to be informed of the actual, detailed financial situation of the Institute that is clearly presented and the steps to be taken on how to improve the situation. Financial performance was previously presented to the Board with more emphasis on the global figures and hence, the financial situation of the individuals schools and units was not disclosed.

With regard to the reporting format, the CFO will provide trends from FY 2003 – FY 2004, and forecast for FY 2005 to the School Deans/Unit Heads, integrating elements from the reporting format used until 1999 provided by Prof Worsak.

3. Draft Terms of Reference (TOR) of Working Groups (WG) to Consider Cost-cutting and Revenue Generation Measures

The draft TOR for the two WGs namely, the WG for Revenue Generation and WG for Cost-reduction/cost-effectiveness, were received. Comments on these references will be sent to the Institute Secretary. As a starting point the Deans nominated the following faculty/staff based on competencies to initially comprise the WGs:

WG on Revenue Generation

Prof Worsak Kanok-Nukulchai
Dr. Chotchai
Prof Ajit Annachhatre
Dr Joydeep Dutta
Dr Singha Chiamsiri
Mr Sanjeev Jaysinghe
Mr Ng Eng Wan

WG on Cost-reduction/cost-effectiveness

Prof. Worsak Kanok-Nukulchai
Dr Sundar Venkatesh
Prof Ram Shrestha
Dr Vatcharaporn
Mr Eng Wan

The AITAA President agreed to be part of the Revenue Generation WG. His views and input will be sought separately if he is unable to regularly attend the WG's meetings.

More members will be co-opted to serve in the WGs as needed. They will be requested to take on the tasks with urgency primarily to address the immediate financial issues and come up with recommendations on the short-term course of action. Consideration of medium- and long-term measures will then follow taking into account both the academic and financial strategic planning. Previous studies and evaluation reports of AIT could be used by the WGs as references. The idea of PAC serving as the steering committee for WGs will be further explored.

The composition of the WGs will be finalized by the President together with the Institute Secretary. Once the composition is complete the President's Office will formally communicate to concerned individuals.

4. Coming Appointments of School Deans

The same process used for the selection of VPs will be applied for the selection of School Dean whereby the community will be invited to nominate or apply for the positions.

The idea of Responsibility Center Management (RCM) was presented to the meeting by Prof Worsak. It was suggested that schools/units could be modeled along the concept of RCM, pioneered by the University of Pennsylvania, the philosophy and practice of which has an impact primarily on the budgeting process. The system affords greater flexibility in managing budgets, as for instance it allows the unit manager a free hand to manage revenue and expenses. It also provides responsibility and accountability which helps generate creativity and consequently allows units to focus their targets in a strategic way. The system provides true and transparent accounting. In the context of AIT, units must be classified properly to determine which one is suitable to be a responsibility unit.

The President proposed that papers on RCM be deliberated by the Academic Senate.

POLICY AND STRATEGY MATTERS

PAC 05.07.12 Follow-up Matters from 27 June 2005 Executive Committee Meeting

1. AIT Community School

A progress report on the formalization of the AIT Community School as a demonstration school will be provided to the Executive Committee at its next meeting.

ARCA was requested follow-up and report on the progress.

2. AIT-TU-NSTDA Cooperation

Part of the AIT-TU-NSTDA cooperation is the formation of a task force to discuss concrete collaboration. Ensuing from the President's meeting with the TU Rector on 26 July 2005. AIT is requested to nominate members to the joint committee. PAC recommended that faculty already involved in the ongoing collaboration between SCE and TU should be nominated. The meeting was informed that this partnership is to be pursued at the highest level between partner institutions.

The President Office will consider the nominations to the task force from AIT.

Prof Worsak, as the RTG Representative reported that the Commission on Higher Education and the Ministry of Education jointly proposed a budget to RTG for AIT and NSTDA to set up the School of Material Science which will operate under the umbrella of AIT. This proposal was done before the AIT-TU-NSTDA cooperation was established.

Partnership with TU in this regard will be explored, through cost and revenue sharing depending on competencies offered by each partner. Other partners will be invited to join later.

The President together with the Institute Secretary will come up with names from AIT to serve in the steering committee.

3. Academic Restructuring

Appointment of the task force to further consider the implementation aspects of the academic restructuring will be discussed with the Chairman of the Academic Senate.

4. Creation of Center in Pakistan

The PAC together with inputs from the Director of AITCV, will deliberate on the general policy to be adopted in having branches in Asia and to also consider alternatives such as collaboration with existing institutions in accordance with the guidelines of the 2002 Board Retreat.

5. Policy on the Conferment of Honorary Doctorate Degree on politicians.

Issues in this regard will be raised and deliberated via the Academic Seante.

PAC 05.07.13 AIT Newsletter

To be discussed at the next PAC meeting when the Newsletter Editor is in attendance.

PAC 05.07.14 AIT Homepage

The need for the AIT homepage to be more proactive was put forward. Suggestions were noted such as inclusion of four or five new messages everyday and dissemination of activities by faculty, staff, students and alumni. Good journalism skills is needed to communicate the important output at AIT via press release, homepage, press conference, which are primarily communicated to donors and published in journals. Strategies on how to promote AIT and its activities in different regions of the world are needed to be drawn.

The Chair of the Editorial Board (EB) voiced that the EB does not function as intended primarily because only a few of the members possess the competencies and experience required for the task. He opined that AIT needs similar competencies of a communication expert in its promotional efforts. Although it may have financial implications examining the benefits for such an investment would be worthwhile.

This issue will be tackled in the WG's discussion on strategies.

The AITAA President provided a detailed list of Thai alumni in the government, academe, and industry for the President. They can serve as contact points for AIT in these sectors.

AIT should prepare a material on experiences and what can be done in terms of potential for partnership between AIT and AITAA towards enhancing AIT-AITAA relations. These issues should be further discussed during the working groups meetings.

FINANCE AND AUDIT

PAC 05.07.15 Budget Process 2006

The CFO provided the background of the budget instructions and process for the FY 2005 Budget and put forward suggestions to improve the budget process e.g. setting Institute

medium and long-term strategic plans, review of budget submissions and to have monthly rolling budgets in place.

It was decided that the analysis and dialogue components of the budget process should be integrated. The establishment of a budget review committee is being considered.

It was felt important to have sufficient tools in place that allow everyone to understand where the funds come from and how they are spent. Financial information will be made available to the schools on a monthly basis with efforts to have in place a much more efficient delegated approving structure, improved reporting system, monthly follow up on the budgets, proper incentives, introduction of 3 to 5-year budgets, task forces to look at revenue generation, increase in research grants and contracts especially from the private sector as well as training activities, a more structured approach to fund raising, upgrading of the library and laboratories with external support, capacities to increase students, examinations of the expenditures related to administration and review of competencies and discount policies among others.

PAC recommended to cut at least 10% on costs by schools/units.

- The CFO was given the mandate to review the effectiveness of the ERP system and make necessary changes.
- SCPO will be requested to provide the installment payment schedule of on-going projects.
- The President and CFO will have an initial discussion on the idea of forming a budget review committee.

OPERATION

PAC 05.07.16 Appointment and Renewal/Reappointment Cases

The following case was endorsed:

Faculty Appointment

1. *Professor Said Irandoust, Professor, 4 years from 1 July 2005, SERD-EEM, Energy, PPT.*

Done.

Faculty Secondments

1. *Professor Umesh Chandra Ray, Visiting Professor, 4 months from 8 Aug 2005, SAT-ISE, seconded by the Indian Government.*
2. *Dr. B Nega Prasada Rao, Visiting Associate Professor, 4 months from 8 Aug 2005, SAT-ISE, seconded by the Indian Government.*
3. *Professor Nukala Suryanarayana Murthy, Visiting Professor, 4 months from 8 Aug 2005, SAT-Microelectronics, seconded by the Indian Government.*
4. *Dr. Pavan Kumar Khare, Visiting Associate Professor, 4 months from 8 Aug 2005, SAT-Microelectronics, seconded by the Indian Government.*
5. *Dr. Binod Bihari Sandwar, Visiting Lecturer, 4 months from 8 Aug 2005, SERD-EEM, seconded by the Indian Government.*
6. *Dr. Zulfequar Ahmad, Visiting Assistant Professor, 4 months from 8 Aug 2005, SCE-WEM, seconded by the Indian Government.*
7. *Professor Eadala Saibaba Reddy, Visiting Professor, 4 months from 8 Aug 2005,*

SCE-GTE, seconded by the Indian Government.

8. *Dr. Vidyanand Jha, Visiting Assistant Professor, 4 months from 8 Aug 2005, SCE-GTE, seconded by the Indian Government.*

Done.

Staff Renewal/Reappointment

1. *Ms Arlene N Satapornvanit, Senior Project Researcher, 6 months from 1 July 2005, fixed-term, SERD-AARM, Fund 30.*
2. *Dr Ram C Bhujel, Research Scientist, 3 months from 1 July 2005, fixed-term, SERD-AARM, Fund 30.*
3. *Ms Porntip Sirisoontarak, Project Researcher, 11 months, fixed-term, SERD-FEBT, Fund 30.*
4. *Mr. Wichit Silpamaneephan, Senior Program Associate, 2 years, AIT-Extension, Fund 21.*
5. *Dr. Bui Thanh Tam, Research Engineer, 6.5 months, SCE-STE, Fund 30.*

Done.

Deferred Appointments:

- The proposal to hire an adjunct faculty to teach in RRDP field of study was deferred following suggestion of the PAC to request RRDP to consider having the course taught by one of the RRDP faculty.
- Dr Michael James Chai, Guest Lecturer, 3 months from 8 August 2005, Institute Wide Course. *The PAC decided to refer this case to the Institute Wide Course Committee (IWCC). The PAC decided to reactivate the IWCC and appointed Prof S Kumar as Chairman. The current members of IWCC are Dr N Dimmitt (SOM), Dr Pannapa H (SCE), Dr K Kusakabe (SERD) and Dr J. Dutta (SAT).*
- Dr. Clemens Bechter, Adjunct Associate Professor, 3 months from 19 August 2005, SOM-MBA, School Fund. *This case will be presented by the Acting Dean, SOM at the next PAC meeting.*

The President's Office will communicate with Prof Kumar on his appointment as IWCC Chair. Dr Resurreccion, initiator of the appointment of the IWC lecturer will be informed of the decision.

OTHER MATTERS

PAC 05.07.17 Issues from HRD

The HRD presented offers from two insurance companies to cover AIT students. The PAC considers subscription to BUPA at a premium rate of Baht 2,100/student. Once the selection of an insurance company is finalized, all incoming students, starting from January 2006 semester, will be covered as the cost of insurance premium will be embedded in the fees. Current students will be encouraged to subscribe. Input from the SU President will also be invited.

The HRD presented the budget of the AIT Medical Clinic. Ways to decrease the medical cost was discussed in the context that subscribing an insurance coverage would somehow provide an opportunity to decrease cost allocated for the AIT medical Clinic. Issues concerning health benefits that affects the entire community will be considered in their totality.

The HRD will develop a historical record of the number of staff in different categories, under Fund 10 to see the trends for the past 3 years. Categorization of staff should be based on job function.

HRD will facilitate formation of a Task Force to look into the health benefits issues. There should be representation from students, staff and faculty.

PAC 05.07.18 Issues from ARCA

ARCA put forward issued related to the establishment of a Task Force, chaired by Professor Himangshu Paul, which was requested to draft the terms of reference of on-campus travel agents. This will be discussed further at the next PAC meeting.

PAC 05.07.19 Greater Mekong Subregion Academic and Research Network (GMSARN)

Dr. Tess Del Rosario, currently serving as Secretary General of GMSARN, presented a number of issues concerning the future operation of GMSARN. She suggested that since partner members will have to be formally informed of the change in AIT'S presidency it would also be an opportune time address pressing issues. The PAC recommended that changes on policies towards better financial functioning of the network have to made and communicated to members. All partner institutions should be encouraged to contribute in concrete means to support the activities and operation of the network. GMSARN Secretariat will remain to be under the auspices of the President's Office of AIT.

Sec. Gen./GMSARN and CFO will look into the necessary policy changes and prepare the letter to be sent to members.

PAC 05.07.20 MOU with Royal Melbourne Institute of Technology (RMIT)

The MoU with RMIT was endorsed. It was suggested that AIT should in the future aim to partner with the top 25 universities in the world. It was felt important to engage with strategic partners and to review in more detail some of the MoUs in determining whether they are in fact cost neutral since the discounts or AIT fellowships are not only offered by the schools but also committed under MoUs, which are signed or agreed upon by the administration.

Next Meeting

The next meeting is scheduled for *Tuesday, 09 August 2005*, 1330 hours, in Room 210, Administration Building. Issues (with background information) should reach the secretariat not later than noon of Friday, 29 July 2005.