

**Vietnam Education Foundation**  
**Minutes of the**  
**Meeting of the Board of Directors**

**October 15, 2010**

**VEF Headquarters**  
**2111 Wilson Boulevard, Suite 700, Arlington, VA 22201**

**List of Attendances in Person:**

- **VEF Full Board members:**
  - **Dr. Steve Maxner (Chair)**
  - **Ms. Elizabeth Dugan**
  - **Mr. David Duong (via teleconference)**
  - **Mr. Chris Fussner**
  - **Ms. Marjorie Margolies**
  - **Mr. Matt McMahon (State) (via teleconference)**
  - **Mr. Steven Pappas (Education)**
  - **Mr. David Plack (State) (via teleconference)**
  - **Ms. Sara Senich (Treasury)**
  
- **VEF Washington, D.C. staff:**
  - **Dr. Lynne McNamara (Executive Director)**
  - **Ms. Sandarshi Gunawardena, Senior Program Officer**
  - **Ms. Kristin Oberheide, Program Associate: Immigration and Operations**
  - **Ms. Lana Walbert (Director of Finance, Accounting, and Administration and Designated Agency Ethics Officer-DAEO)**
  
- **VEF Hanoi staff:**
  - **Dr. Phuong Nguyen, VEF Country Director (via teleconference)**
  
- **VEF guests:**
  - **Ms. Lesly Wilson, GSA Legal Counsel**

**Call to Order -- Dr. Maxner**

Dr. Maxner called the meeting to order and, after introductions, called for approval of the minutes of the July 16, 2010, Board meeting. Mr. Plack confirmed that the review by the State Department had been completed and that the minutes were acceptable as written. On motion duly made by Ms. Dugan and seconded by Mr. Fussner, the minutes of the July 16, 2010, Board meeting were unanimously approved.

## **ED Top Line Report – Dr. McNamara**

Dr. McNamara reported that after the July Board meeting staff prepared for the summer events in Vietnam, which included a U.S. Faculty Scholar orientation (during which the two U.S. Faculty Scholars in country attended several meetings with Vietnamese government officials and a meeting with the U.S. Ambassador), the August interview mission, the VEF Alumni Conference, and the annual staff retreat that was held in Vietnam because both U.S. and Hanoi staff were available to attend. This year's retreat would include cross-cultural and communications training led by Ms. Gunawardena and ethics training conducted by Ms. Walbert. While in Vietnam, Ms. Walbert would work with the newly appointed Assistant Director of Finance and Administration, who was assigned to support the Deputy Director of Finance, Accounting, and Administration in the Hanoi office.

Dr. McNamara noted that the agenda for the Board meeting included items requiring formal approval: endorsement of the long-term strategic plan and a change in the schedule of Board meetings for each year. She added that staff of the House Foreign Affairs Committee had requested a meeting with VEF staff, who would provide an update on VEF activities. That interest is partially the result of an increased VEF focus on promoting stronger relationships with staff on the Hill.

Dr. McNamara explained that VEF staff continue to address issues raised in the GAO audit report, with additional help from the VEF Executive Committee on Finance and Administration. Part of the response to the GAO report is for staff to participate in the planned OMB training on internal control procedures.

### **Items for Board Approval – Dr. Maxner**

Dr. Maxner invited comments on the strategic plan, which was distributed to Board members before the meeting. Although not intended to be re-issued every year, he noted that it was anticipated that it might be reviewed annually with regard to assessing goals and objectives achieved. Ms. Senich expressed concern that both primary objectives of the plan seem to suggest expansion of programs, which might be inconsistent with the recent past cost-control efforts to reduce or eliminate programs not clearly aligned with the core mission of VEF. Dr. Maxner responded that the intent was not to expand programs beyond the mission, but that some new opportunities, such as affiliation with the U.S. Embassy's Education Conference, might be supported, and that some expansion of existing programs, such as the U.S. Faculty Scholar program, might be strengthened through the fundraising efforts that would be discussed during the meeting.

Dr. McNamara commented that supporting the American Association of State Colleges and Universities in broadening relationships with Vietnamese

universities might fit within the mission of VEF as described in the legislation. Similarly, working with the Council of Graduate Schools might be appropriate. Mr. Pappas noted that the second objective of the strategic plan, “further the process of reconciliation between the United States and Vietnam and the building of a bilateral relationship serving the interests of both countries,” would fall within the legislative mandate, and he suggested the possibility of sponsoring a meeting of certain interested parties within Vietnam to assess how to implement that second objective. Dr. Maxner added that the objective could be broadly interpreted to include some of the programs already being supported by VEF, specifically, for example, VEF participation in the Embassy’s established Education Conference. Dr. McNamara commented that the U.S.-Vietnam Joint Committee Meeting (JCM) on Scientific and Technological Cooperation is also a source of potential cooperative relationships, although its membership is limited.

Mr. Plack added his support to the notion that the relationship between VEF and the Vietnamese ministries is a positive asset that should be fostered, perhaps not so much in terms of defining specific new programs or a specific number of new programs, but in continuing to expand the outreach that has been the product of that good relationship. He added that the confidence shown by the State Department in including VEF in the Education Conference is evidence that VEF may have a positive role to play in supporting foreign policy goals.

Dr. Maxner noted that VEF has been expanding its circle of contacts in Vietnam to include, for example, working with the National Foundation for Science and Technology Development (NAFOSTED), which sought support from VEF in assisting with a grant review program.

Dr. Maxner expressed appreciation for the input and suggested tabling the approval action on the strategic plan pending further discussion that could lead to a refinement of the wording of the two main objectives. Mr. Pappas suggested that the annual review coincide with the fiscal year calendar. Ms. Dugan suggested that a part of the annual review should look at defining how the strategic plan supported the strengthening of the bilateral relationship in specific terms. Dr. Maxner added that the assessment should be quantitative as well as qualitative, including such considerations (mentioned by Mr. Fussner) that VEF will have delivered approximately 600 Ph.D. graduates. Finally Dr. McNamara commented that the accomplishments of the Fellows could be identified (e.g., publications and awards) as part of the quantitative analysis. By consensus, the Board agreed to table the decision on the strategic plan pending further refinement of the wording of the objectives.

Moving to the revision of the Board meeting schedule, Dr. Maxner noted that the legislation requires two Board meetings per year. He added that, in his opinion, the quarterly meetings promoted a greater involvement of the Board members in the VEF process and facilitated addressing issues in a more timely way than biannual meetings would allow. He suggested that the April and July

meetings remain as currently scheduled, but that the fall meeting be scheduled with greater flexibility and that during the Annual Conference there would be an informal meeting while it would be optional for all Board members to attend the Annual Conference. To provide more time for Ms. Walbert's development of final financial reports, he agreed with Dr. McNamara's recommendation to have a meeting in November. There was a brief discussion about including the required annual ethics training, with the observation that it might be accomplished by online training that would obviate the need for a specifically scheduled training session at the Board meeting in January. There was also an observation that the January meeting offered a good opportunity for Hanoi staff to travel to the U.S. and meet with both D.C. staff and Fellows. Finally, Dr. Maxner noted that, the Board meeting schedule notwithstanding, the Finance Committee would probably hold a formal meeting in January because there would be important financial issues to discuss at that time.

After final discussion, on motion duly made and seconded, the Board unanimously agreed to establish a schedule of meetings beginning with FY 2012 (i.e., as of October 1, 2011) to include meetings in November, April, and July.

#### **Finance Committee Report – Ms. Walbert**

Ms. Walbert reported that 79% of the approved 2010 budget had been expended as of the end of the fiscal year – in the amount of \$4.5 million versus \$5.6 million authorized. Expenditures in September, nearly \$2 million, were mainly for support of the Fellows, namely, payments to the universities. She added that for the first time all of the universities had been paid before the end of the fiscal year, partly because of staff effort to achieve that goal and partly because the universities now report electronically. Ms. Walbert stated that the carryover to FY 2011 should be about \$5.3 million.

Ms. Dugan commented that expenditures for 2010 were less than authorized by the Board's 2010 budget because of exceptional efforts by staff to reduce costs in various budget areas. She added that the Finance Committee would meet in November to develop a preliminary recommendation for the next year's budget that would be presented at the January Board meeting. That recommendation may include an increase in the number of Fellows supported. Asked about the cost of Fellows' support, Dr. McNamara stated that the total cost for a Fellow is about \$84,000, although it varies slightly depending on a number of circumstances. The U.S. Faculty Scholars may be supported up to a maximum of \$55,000 for their one-year appointment, although some do not require the full amount authorized.

Finally, Ms. Dugan commented that because of the focus on the budget during the July Board meeting, the Finance Committee would meet the day before the Board meeting, on July 14, 2011, to ensure sufficient time to consider the budget recommendations.

Turning to fundraising, Mr. Fussner stated that nine companies with significant business interests in Vietnam had been contacted by letter, one had replied that corporate policy prohibited contributions to federal government agencies, and there have been no specific approvals of donations by any of the other companies (although there have been indications of interest from a few). Mr. Fussner indicated that the effort would continue with personal contacts with corporate representatives. He added that the newly designated Fundraising Committee would meet after the Board meeting. The Committee currently consists of its chair, Mr. Fussner, and members Mr. Pappas, Dr. McNamara, and Ms. Walbert. Mr. Fussner stated that other Board members were welcome to join the Committee.

### **Ethics Report – Ms. Walbert**

As the official ethics officer for VEF, Ms. Walbert stated that she would be scheduling annual training and refresher courses for Board members (Presidential appointees) and staff. She added that Ms. Gunawardena would be participating in the training sessions as she would be appointed by Dr. McNamara as Alternate Designated Agency Ethics Officer (ADAEO).

Ms. Wilson reminded the Board members that they were subject to the Hatch Act whenever they were involved with VEF Board activities, including travel time, and that the provisions of the Act were very specific as to what might be construed as prohibited political activities.

### **Programs Report – Ms. Gunawardena**

Ms. Gunawardena reported that there are 250 Fellows currently in the United States, with 218 enrolled in academic programs (209 as Ph.D. candidates, and 9 working on master's degrees). Of those enrolled, 120 have passed qualifying exams and the remainder are either exempt or ineligible to take the exams at this point in their academic program. There are 32 Fellows who have graduated and are working in academic training programs in the United States.

Concerning the new 2010 cohort of 36 Fellows, 34 have already arrived in the United States, while one will start studies in the spring term. Ms. Gunawardena noted that one candidate was denied a nonimmigrant visa following the security screening process. Therefore, as the ruling is final, the candidate will be sent a notice of revocation of his VEF grant. Dr. McNamara added that receiving the VEF Fellowship grant is contingent on the ability to obtain a visa and that the initial grant letter provides for the revocation of the grant for such a cause.

Ms. Gunawardena added that a Fellow currently on academic training status and presently in Vietnam is the subject of an enhanced screening regarding

re-entry into the United States, but that there has been no official notice from the immigration authorities regarding his status. It was noted that the Fellow had already received his Ph.D. degree and, therefore, would not be adversely affected in terms of the VEF program if re-entry is permanently denied. Dr. McNamara commented that this had never happened before and that in the future Fellows returning to Vietnam would be clearly warned that such an issue could arise if return to the United States was contemplated.

Ms. Gunawardena continued her report, noting that the interviewers during the August interview mission ultimately recommended 57 candidates, although only 45 could be funded by VEF. The remaining 12 might be eligible if any of the 45 drop out or if they are able to achieve admission to a U.S. university on their own through the VEF Process B route (two 2010 candidates were selected in that way). Dr. McNamara commented that each of the 12, who were recommended for graduate studies but did not receive a VEF Fellowship, also received a letter of recommendation from the interview panel, and their names are sent to all VEF Alliance universities and to MOET (Vietnam International Education Development - VIED). Mr. Pappas commented that a student may be able to receive independent financial aid from a corporate sponsor who contributes that aid directly to the university. Dr. Maxner added that VEF might be able to act as a facilitator in that process.

Ms. Gunawardena noted the profile of the Fellows – 62% male, 38% female; 58% from the North, 31% from the South, and 11% from the Central regions; 71% aged 20-25, 27% aged 26-29, and one Fellow over 30.

Dr. McNamara noted that U.S. universities seem to be showing a preference for Ph.D. candidates who already have a master's degree versus selecting an individual with only a Bachelor's degree for a program leading directly to a Ph.D. Universities may prefer Ph.D. candidates because they eventually fill slots as research assistants. There is also the negative impact on the university's record when a student fails to complete a Ph.D. program, falling back to settle on a master's degree. Ms. Gunawardena added that historically about 30% of candidates initially enrolled as Ph.D. candidates, but terminated their programs at the master's level. She noted that immigration laws do not allow "reverse matriculation," that is, moving from the Ph.D. program to a master's program, so that if a visa is about to expire in such a case the student's eligibility to stay in the United States is jeopardized and completion of the master's program may have to be accelerated.

Ms. Gunawardena explained that the members of the National Academies interview panels generally applauded the interview process, but added that pre-interview information about each candidate would be helpful, and that the candidates should receive more help before the interview in selecting U.S. universities to which they wish to apply. It was noted that there is little time in a 45-minute interview to discuss the selection of a university in any detail.

Ms. Senich, who visited Vietnam during August to observe VEF activities, commented that her trip was a very valuable experience. She noted a focus by the Vietnamese ministries to encourage the returning VEF Fellows to enter academia rather than the private sector, even though she felt the Fellows could make an equally valuable contribution in the private sector. Finally, she commended the interview process, agreeing with the interview panels involving the face-to-face interview was the best way to identify the most highly qualified individuals.

Mr. Pappas reported that Mr. Andre Lewis reported that his trip was also a valuable experience. Mr. Lewis observed that the returning Fellows had an opportunity to influence the education system in Vietnam, and he expressed concern that there were few U.S. students studying in Vietnam. Mr. Lewis also noted that there were entrepreneurial schools being established in Vietnam, which might not have the accreditation and quality of more established institutions.

Ms. Gunawardena explained that the next step in the Fellowship process for the 45 Fellowship nominees is the University Application Orientation sessions, two of which were held in early October, one in Hanoi and the other in Ho Chi Minh City. In addition, VEF is holding further orientations on a monthly basis and through virtual meetings on the Internet. That venue would allow U.S. staff to participate more often, and provide an opportunity for more timely counseling.

The 2012 Fellowship application timeline was briefly discussed, with applications available online from February to April 2011, a technical review by the National Academies in April, followed by the Oral Exam/Interview Orientation in June and the final interview process in August 2011.

Concerning the Visiting Scholar program, there have been 29 to date (2007 through 2010): 23 have completed their programs and returned to Vietnam; two from the 2009 cohort have been extended through 2010 while one 2009 Visiting Scholar is returning to Vietnam next week; and finally, of the 3 Visiting Scholars in the 2010 cohort, two have arrived in the United States and one will begin the program in the spring 2011.

Ms. Gunawardena briefly described the U.S. Faculty Scholar program. The current cohort includes five professors, two of whom are in residence in Vietnam, two of whom will offer their courses via videoconferencing, and one who will combine teaching on-site in Vietnam in the spring and videoconferencing instruction. One of the professors has been especially outstanding in his contributions to Vietnam, Dr. Quyen Chu, who had a WHO document on surgery translated into Vietnamese and who organized a joint Vietnam-U.S. surgical symposium which was held in Vietnam on October 3. The U.S. Faculty Scholar orientation program held in Vietnam included meetings with MOFA, MOST, MOET, and the U.S. ambassador and U.S. embassy staff.

Turning to the VEF alumni, Ms. Gunawardena commented that there are 120 alumni Fellows, 20 alumni Visiting Scholars and seven alumni U.S. Faculty Scholars representing about 38% of those who have participated in the three programs. Of the alumni Fellows, 58% have returned to Vietnam, 27% are involved with academic training in the United States, 8% are working abroad, and 7% are continuing independent studies in the United States. Of those who have returned to Vietnam, a little over one-third are involved either in academia or in the private sector, with the remaining alumni in transition to employment or to being self-employed.

Ms. Gunawardena explained that the VEF Alumni Conference was held immediately after the August interview mission, attracting 64 of the 87 alumni living in Vietnam. There were a few corporate sponsors who donated a modest amount of money. The program was varied with one day devoted to training and networking, another to presentations by six invited speakers, including prior Board member and Executive Director, Dr. Vo Van Toi. A by-product of the conference was the organization of an "ACT Team," made up of alumni who wanted to develop opportunities in the community to mentor and wanted to contribute in other ways. They plan to meet monthly and to include some fundraising for specific projects, and VEF staff has agreed to assist as possible.

Ms. Gunawardena commented that there was a realization that VEF could not financially support the future alumni conferences because the alumni are no longer officially part of the VEF program. There was a brief discussion about alternatives and options. Mr. McMahon suggested that such support might be possible as part of the second mandate of the enabling legislation, to further the process of reconciliation, but that a formula would have to be carefully developed by the Board and the Finance Committee. Ms. Wilson noted that the fundraising monies might also be used for such purposes as long as they were segregated from the general VEF funds that support the program. She added that once the concept was justified and brought in line with the legislation, the Executive Director could insert a memo explaining the rationale in the official files.

Finally, there was a brief discussion about the political ramifications of the ACT Team, and Dr. Maxner assured the Board that the alumni are acutely aware of the situation and would ensure that no programs or activities were undertaken that would jeopardize their objectives. Dr. McNamara commented that there was a suggestion from staff at the U.S. embassy that VEF alumni should be eligible to be part of the alumni program under the aegis of the Department of State (at [www.alumni.state.gov](http://www.alumni.state.gov)). Mr. McMahon supported the idea of encouraging alumni to register since it would expand the overall network of the VEF alumni to include many who had participated in other federal grant programs. Ms. Gunawardena commented that the sign-up is by individual and not by VEF itself, and, as soon as she received confirmation that VEF alumni were eligible, she would send an announcement to alumni explaining the program.

Ms. Gunawardena briefly discussed the January VEF Annual Conference at the University of Arkansas, noting that 163 Fellows and Visiting Scholars had already registered and it was anticipated that attendance would be approximately 200. She added that the working agenda had been developed, that the venue and specific activity spaces had been identified, and that the program would include at least 24 sessions already confirmed and a poster session for Fellows to display their research work. Dr. McNamara observed that the first publication about the achievements of VEF grantees was available at the VEF online library and that it would be updated and revised to be distributed at the Annual Conference. It would become an annual publication, which will serve as a directory as well as a record of achievements of the VEF grantees. Mr. Pappas suggested that if a hard copy publication is planned it should be designed in a format similar to a corporate annual report with quality pictures, printing, and binding.

### **Operations Report – Dr. McNamara**

Dr. McNamara commented that a progress report was posted at the online library concerning the responses to the GAO audit report, including five specific areas that were identified by the VEF external auditors for attention – including responsibilities of the Executive Committee for Finance and Administration, conducting internal controls training, completing a compliance and fraud risks assessment, creating a list of allowable and unallowable activities and expenditures, and developing a financial close and reporting procedure.

Concerning personnel matters, in addition to the resignations already discussed, Dr. McNamara explained that an effective contract for human resources support in Vietnam had been negotiated with a company, TalentNet, with retention of legal counsel in Vietnam to facilitate the transition from the previous HR company to TalentNet. A communications consultant has been employed, primarily for the U.S. office, to provide both group training and individual coaching with regard to issues related to communications.

With regard to external affairs, Dr. McNamara provided a list of events in the United States and in Vietnam that involved Board member participation, noting that minutes of the meetings were published on the online library. Ms. Gunawardena commented that she had conducted sessions at the U.S. Embassy American Center, which provided counsel on choosing and financing graduate education in the United States. Dr. Phuong commented that she had participated in the Fulbright interview panels in Vietnam and would submit a memo about recommendations that might be appropriate to the VEF selection process. Dr. Maxner reported on meetings with the staff of the Senate Foreign Relations Committee. He said that they were pleased with the VEF presentation and there was a comment that the State Department authorization act, which would have integrated VEF into the State Department structure, may not pass due to a lack of time available before the end of this legislative assembly, although such a proposal could be attached as a rider to another bill. Dr. McNamara announced

that the mementos of appreciation for the National Academies' interviewers would be distributed to those interviewers.

Dr. McNamara briefly outlined future priorities that included filling vacant positions that resulted from the few resignations that occurred since the last meeting, completion of compliance actions with regard to the GAO audit report, continuing to develop the fundraising program, and completion of the 2010 annual report.

Dr. Maxner noted that Dr. McNamara would attend the Joint Commission Meeting in Hanoi in December on scientific and technical cooperation. He invited Board members to take advantage of any of the planned events in Vietnam to get to know the staff and to observe VEF activities. He added there were also events in the United States, including the NAFSA (National Association of Foreign Student Advisors) Association of International Educators regional meeting in November and the Council of Graduate Schools annual conference in December in Washington, D.C. Finally, Dr. Maxner mentioned that the 2009 Report to the President would have to be completed, which is taken from the already published VEF Annual Report.

Dr. Maxner announced that one item of new business would be considered in executive session after adjournment.

(There being no further business, the Board meeting was adjourned.)