

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

July 15, 2011

Vietnam Education Foundation Headquarters
2111 Wilson Boulevard, Suite 700, Arlington, VA 22201

List of Attendances in Person:

1. **VEF Board members:**
 - **Mr. Chris Fussner (Chair), Ms. Sandy Dang, Dr. Isaac Silvera**
 - **Mr. Steven Pappas (Education); Tim Marshall (State); Ms. Sara Senich (Treasury) (Interim Chair of the Finance Committee)**
 - **Mr. Ethan Saxon (Senator Richard Blumenthal's office)**
2. **VEF staff:**
 - **Dr. Lynne McNamara, Executive Director**
 - **Ms. Christie Dam, Finance and Administration Assistant**
 - **Ms. Sandarshi Gunawardena, Senior Program Officer**
 - **Ms. Kristin Oberheide, Program Associate: Immigration and Operations**
 - **Ms. Lana Walbert, Director of Finance, Accounting, and Administration**
3. **VEF guests:**
 - **Ms. Elizabeth Dugan (former Chair of the Finance Committee)**
 - **Ms. Lesly Wilson (GSA Legal Counsel)**

By Phone:

- **Dr. Steve Maxner, VEF Board member**
- **Dr. Phuong Nguyen, VEF Country Director**

Call to Order and Approval of Minutes – Mr. Fussner

Mr. Fussner called the meeting to order and, after introductions, welcomed new Board members Isaac Silvera and Sandy Dang. Mr. Fussner called for approval of the minutes of the April 4, 2011, Board meeting, and Mr. Marshall stated that David Plack, on behalf of the State Department, had reviewed and approved the draft minutes. On motion duly made and seconded, the minutes of the April 2011 meeting were unanimously approved.

Executive Director's Top Line Report

Dr. McNamara commented that, after the April Board meeting, she, Mr. Maxner, Ms. Dugan, and Mr. Fussner would participate in the annual Education Conference in Hanoi. She added that it was the first time VEF has been involved in support of the meeting, which would become an annual activity. The Pre-Departure Orientation (PDO) was held in June, also attended by Mr. Pappas, who took the opportunity to speak several times at meetings in Hanoi, Da Nang, and Ho Chi Minh City on the topic of accreditation. The U.S. Embassy was appreciative of his expertise because accreditation is a current concern of Vietnamese

universities and the Vietnamese government. Finally, Hanoi VEF staff arranged a number of meetings with Vietnamese government agencies.

Dr. McNamara congratulated Ms. Walbert on the long-term success in gaining the U.S. and Vietnamese government approvals to set up a bank account in Vietnam. Over a number of years she, Dr. Phuong and Huyen Le of the Hanoi staff, as well as Ms. Wilson worked hard to obtain that permission, which will give VEF an opportunity to recover tax refunds that can only be deposited in a Vietnamese bank.

In other areas, Dr. McNamara mentioned that staff had responded to all of the requests by GAO arising from the recent audit and that a final letter of approval is anticipated in the near future. The 2010 Annual Report has been finalized and released. It will be sent to Board members, the Executive Office of the President, the Senate Foreign Relations Committee, and House Foreign Affairs Committee, and the congressional members of the VEF Board. Dr. McNamara added that the Annual Report, in addition to discussing specific activities in 2010, is a very complete history of VEF for that year.

Concerning the summer activities in Vietnam, Dr. McNamara mentioned that Ms. Margolies and Ms. Dang would participate in the Interview Mission and Alumni Conference. She added that a significant development was the decision to have VEF staff assume all of the responsibilities in the future for the summer mission as well the application and selection process for Fellows, Visiting Scholars, and U.S. Faculty Scholars. The National Academies will no longer participate in those activities. Thus, VEF will, for the first time, accomplish internally all administrative functions (although there will continue to be subcontracting arrangements for a limited number of activities – such as, legal services and GSA services for accounting, human resources, and payroll). An additional staff member is being recruited to support the activities formerly handled by the National Academies, and that will require adding some office space to the Arlington office. In addition, there are two other positions to fill, one in Hanoi, one in the U.S. office. Dr. McNamara expressed appreciation for Kristin Oberheide's exceptional service to VEF, noting that she would be moving on to undertake a professional position elsewhere. Similarly, a staff member in the Hanoi office is moving on to a position that will allow her to use skills related to her MBA.

Dr. McNamara pointed out that the agenda was quite detailed to provide an outline of all VEF activities and interests for the benefit of Board members. Most of the topics would be discussed, but time might limit that discussion in some instances. Detailed information is available in the VEF online library.

Finally, Dr. McNamara expressed appreciation for the service, loyalty, and dedication of VEF Board members, Liz Dugan, who served as the Chair of the Finance Committee and provided significant input and direction regarding improvement in the way VEF accounting data was recorded and presented for Board review. She presented Ms. Dugan with a memento of appreciation.

Finance Committee Report – Ms. Senich

Ms. Senich, Interim Chair of the Finance Committee, explained that, since she was not able to accept the responsibilities for the longer term, a permanent chair would be selected. She added that the Finance Committee had functioned exceptionally well and arrived at a proposed 2012 budget for the Board's consideration. She invited Ms. Walbert to discuss the 2011 budget expenditures to date, and the proposed 2012 budget.

Ms. Walbert announced that \$1.6 million, or 27% of the 2011 budget had been expended, even though three-quarters of the fiscal year had elapsed. She noted that the final quarter experiences the highest level of payments, mainly to universities and to expenses related to the new Fellows coming into the program. She added that the universities would be fully paid before the end of the fiscal year. She commented that the carryover into the next fiscal year was anticipated to be about \$5.3 million, adding that expenditures are almost always below budget.

There was a brief discussion of the composition of the Finance Committee, and Dr. McNamara explained that it was composed of four Board members who are Presidential appointees and two Board members from the federal agencies. In the past those agencies have been the Departments of State and Treasury. Mr. Fussner announced that Dr. Silvera had agreed to be the Chair of the Finance Committee, and Mr. Pappas requested that he be allowed to participate in these Finance Committee proceedings. That request was approved by the Board by consensus.

Turning to the proposed 2012 annual budget, Ms. Walbert explained that the total was \$6,179,083. That amount was \$355,000 more than the 2011 budget, but accommodated an increase in slots for Fellows from 40 to 45. There were also considerations for inflation in the budget calculations. The proposed budget in detail was distributed to the Board members. Ms. Senich added that another significant adjustment was the deletion of any allowance in the budget for the National Academies, since that contract would be allowed to expire at the end of the fiscal year. However, there would be offsetting expenses in terms of hiring another staff member and providing space for that staff member. Ms. Walbert commented on the underlying philosophy that budget items would be estimated in a conservative way, on the premise that it would be better to spend less than estimated rather than face higher than anticipated costs. Dr. McNamara observed that staff in both the U.S. and Hanoi offices are involved in the process of developing the most accurate estimates possible of each budget item.

During discussion, it was noted that the commitment to the annual Education Conference is a continuing commitment of up to \$25,000 – but requiring that only actual expenses related to the conference be paid. This year Dr. Maxner had arranged for a contribution from a private foundation, which reduced the actual outlay by about \$5,000. Asked about contracted services for public relations, Ms. Walbert noted that press releases are published when the new Fellows, Visiting Scholars, and U.S. Faculty Scholars are named, and when new Board members are appointed. Dr. McNamara commented that costs for those services are very low in Vietnam, but significantly higher in the United States. It was also noted that, in compliance with federal policy, expenditures are seldom placed in a “miscellaneous” budget category, but that on

occasion that is necessary, such as when services are required that are not covered by an existing contract.

Ms. Walbert invited approval of the proposed 2012 annual budget and, on motion duly made and seconded, the 2012 annual budget was unanimously approved.

Items for Board Approval

Dr. McNamara explained that there were three items within the revised VEF Board By-Laws requiring formal Board approval. First, a provision describing authorized domestic travel was added. Second, the establishment of the Fundraising Committee was codified, allowing for two Presidential appointees and one federal agency members (although the numbers are subject to revision by the Board). Third, a provision was included for the Chairperson of the Board to participate in two executive committees, one for finance and administration, and one for programs and operations. These Executive Committees, as described in the new appendix to the bylaws, are composed of the Executive Director, certain staff, and another Board member (Ms. Walbert and the Chair of the Finance Committee for the Executive Committee for Finance and Administration, and Ms. Gunawardena and Dr. Phuong for the Executive Committee for Programs and Operations). The Executive Committees meet briefly between Board meetings to update the Chair on issues of interest in case action needs to be taken by the Board in advance of the next Board meeting. Minutes are prepared and recorded at the online library.

Concerning the domestic travel provision in the bylaws, there was a brief discussion about the need to refine the wording, since travel may begin as domestic (that is, have a segment that is completely within the U.S., but then continue on with other segments that result in an international flight plan. It was suggested that the words “domestic travel wholly within the United States” would resolve the issue and exclude the provision’s applicability to any international flight.

On motion duly made and seconded, the three additions to the bylaws were unanimously approved.

Fundraising Committee Report – Mr. Fussner

Mr. Fussner reported that it was beginning to appear that fundraising in the private sector by a federal entity is a daunting task. He explained that, of several corporations approached, two had denied the application for funding, and the remaining had yet to reply. Mr. Fussner announced that, since he would have to step down as Chair of the Committee, Ms. Dang had indicated a willingness to consider chairing the Committee. After the discussion, Ms. Dang agreed that, if proffered support by the Board members, she would accept the responsibility of chairing the Committee.

During the discussion, Mr. Pappas observed that, since the purpose of the Foundation is educational, there should be possibilities for securing support perhaps from certain entities in the business community that are now interested in identifying outstanding students for possible future employment. Mr. Marshall commented that certain federal agencies are adept at

fundraising in the private sector, e.g., the Smithsonian Institution and other museums and libraries, and perhaps some information about the process could be gleaned by contacting those groups. Dr. McNamara suggested that reaching out to Vietnam veteran organizations could be a possible source of support, as well as the alumni of the VF programs. She noted that Dr. Phuong had obtained contributions of about \$5,000 for the next Alumni Conference. She suggested that if the approach was strengthened into a more organized strategy, alumni might be a solid source of support for the annual Alumni Conference. Dr. Silvera commented that contacting Vietnamese companies might be an appropriate action, as well as perhaps working with the Vietnamese government on some projects. Dr. McNamara noted that the new staff person, who would be coming onboard shortly, could devote some time to fundraising.

Dr. McNamara commented that she had been thinking of the concept of promoting a partnership between the Vietnamese government and the United States to establish something like a bi-lateral or joint commission to sustain the VEF program beyond the sunset date. She added there was also the possibility of developing a non-profit 501(c)(3) organization, perhaps even a limited effort in the near-term to develop it in parallel with the federal VEF program with the ultimate goal of continuing the VEF programs in the future. Ms. Dugan agreed, noting that there were significant legal challenges to doing that, including the fact that no VEF staff member or member of the Board could be directly involved in the process. Nonetheless, Ms. Dugan felt it could be done with an arm's length relationship with VEF to insure that both groups were working in harmony.

Ethics Report – Ms. Walbert

Ms. Walbert provided a brief update on the ethics requirements that affect the Board members as special government employees. An online training course must be completed and a financial disclosure (Form 450) must be submitted once a year. Dr. McNamara commented that all staff, including the Hanoi staff, has ethics training at least once per year.

Programs Report – Ms. Gunawardena

Pre-Departure Orientation

Before the report on the Pre-Departure Orientation (PDO), Dr. McNamara described an incident that took place after the PDO had been completed. VEF was contacted by the Ministry of Education and Training (MOET) and informed that the activities in Quang Nam Province (where the PDO took place) were not authorized because the local authorities had not been advised in advance of the activity. It turns out that the contractor who provided the team-building experience had, in fact, informed the local government of the program, but had not included information that VEF was the sponsor. Dr. McNamara stated that she sent a letter to the local government explaining the situation and, so far, there has been no reply. She added that VEF has a permit to hold its functions in specific cities, including Hanoi, Da Nang, and Ho Chi Minh City, but not Hue in Quang Nam Province, and that there will be an effort to expand that list to other cities where VEF may hold functions.

Turning to the actual event, Ms. Gunawardena explained that the Pre-Departure Orientation is held in two parts, a two-day outdoor team-building exercise, and two days of meetings with the Fellows and Visiting Scholars. Noting that each year, learning from past experience, the program is modified. This year, instead of single sheets/handouts for each of the sessions, a small booklet was prepared that will also be a reference for the Fellows and Visiting Scholars throughout their stay in the United States. The delivery of the presentations was also changed and made more interactive than in the past. In addition, discussions with alumni were added. Ms. Gunawardena commented that the Hanoi staff had introduced a novel idea, a contest based on the Fellows writing a short essay about their experiences in the process of becoming VEF Fellow nominees. Finally, the traditional farewell dinner saw active participation of Fellows and Scholars, and the program included entertainment, a fashion show, and the distribution of mementos, all of which was organized by the new cohort of Fellows and Scholars.

Concerning the details of the two programs, the team-building exercises were designed to allow the Fellows and Scholars to engage in activities that they were not familiar with and that would push them outside of their comfort zone, similar to the experiences they will face in a new culture and new country. The activities also enhanced cooperation, team spirit, and trust among the participants, and included rappelling down rock faces and within a cave as well as a team project to build a flying machine (most built kites). The indoor sessions involved multiple discussions: their obligations as participants in the Fellowship Program or Visiting Scholar Program; adapting to the United States; academic issues; immigration responsibilities and applying for a visa; and travel to the United States. Asked about the frequent shyness that Asian students often exhibit on arrival, Ms. Gunawardena observed that reticence was not reserved only for newly-arrived Asian students, and that she, too, had experienced it when she arrived in the United States from Sri Lanka. She added that VEF makes an effort in the Pre-Departure Orientation and later to help students overcome such feelings, but that it takes time to become comfortable in the new environment.

Ms. Gunawardena explained that a survey was done at the beginning of the PDO to assess the participants' background and expectations, and a post-survey was completed to assess if their expectations were met and if they still had any lingering issues. She will also send out a third questionnaire to the new Fellows after they arrive in the United States to assess the impact of the information presented at the PDO.

Mr. Pappas, who participated in the entire Pre-Departure Orientation, commented that its success was in large part the result of exceptional staff preparation, and the ability of the VEF staff to respond to unexpected problems that arose on site. He added that his responsibilities to the U.S. Embassy to talk about accreditation did detract from the time he could spend with the Fellows, but that he did spend a substantial amount of time in the activities, and highly recommended it to any Board member who had not yet had an in-country experience. He made one recommendation based on his observations that the program was intense and required a substantial effort by the Fellows and Visiting Scholars to participate. He suggested that the program be extended by perhaps a half day so that the participants had a little more breathing room between events.

In addition, there was more involvement this year by staff in the process leading up to a Fellow being admitted to a U.S. university. Unlike prior years when the application process was left up to the applicants, this year VEF held a series of monthly interactive online advising sessions to help the Fellowship nominees understand the application process better and to allow an exchange of ideas and information.

Fellowship Program

Ms. Oberheide described the current 2012 cohort of 44 Fellows, 34 of whom are pursuing Ph.D. programs and 10 are in master's degree programs. Since the average for VEF is 95% of the Fellows are in Ph.D. programs, Dr. McNamara explained that for various reasons a number of Fellows were only admitted to master's programs, although some will eventually move up to the Ph.D. level. Ms. Oberheide noted that there are now 197 VEF Fellows enrolled in academic programs. Of those, 104 are working on their dissertation; 12 have completed course work but have not taken the qualifying exam; and 81 are in master's programs or are working to move up into a Ph.D. program.

Concerning academic performance, as before most Fellows (97.5%) are doing well, although three had GPAs below a 3.0 for the last semester (although their overall GPA was 3.0 or higher). Ms. Oberheide explained that, whenever this occurs, there is immediate contact by VEF with the student and with the academic advisor to ascertain that proper action is being taken to improve the situation. The academic advisors for these three Fellows agreed that the students should improve in the next semester. In the 2010 cohort, there are two students who have actually fallen below the minimum 3.0 requirement, which puts them at risk for loss of eligibility to continue in the program. However, in both cases the academic advisors are working with the students and believe that both will improve to the minimum 3.0 GPA level. Finally, Ms. Oberheide noted that one Fellow was unable to pass the University of Pennsylvania's English language requirement, but was able to secure a transfer to the University of Missouri, Columbia, which does not have the language requirement. There was also a Fellow who, for health reasons, dropped out of the Ph.D. program, completed the master's degree requirements, and has returned to Vietnam.

Ms. Gunawardena commented that interviews for the 2012 Fellowship cohort will take place in August, noting that the demographics of the interviewees are similar to previous years – about two-thirds male and one-third female, with about half originating in the North and the other half about evenly split between Central and South Vietnam. There was a brief discussion about the demographics. Dr. McNamara stated that staff focuses recruitment efforts in the Center and South. It was observed that visa applications in Hanoi are mainly from graduate students, and in Ho Chi Minh City they are mainly from undergraduates. It was also noted that, during the war, education in the North evidently was less affected than in the South, but that education in the South seemed to be growing stronger over time. There was a suggestion that, concerning gender, it might be interesting to determine the gender distribution in Vietnamese universities to see how it compares to VEF data.

Ms. Gunawardena stated that initial interest in the 2012 Fellowship saw 397 online pre-registration indications of interest, 369 of which were subsequently activated, but only 90 finally

completed and submitted the application. The National Academies completed a technical review of 86, who were qualified among the 90 submitted, and eliminated one candidate, leaving a final total of 85 eligible to participate in the August interview process, though three withdrew their applications, thus leaving a total of 82 to be interviewed. The interviews will take place from August 3 through 11 in Hanoi and Ho Chi Minh City. Those 45 accepted as 2012 Fellowship nominees would then apply for admission to U.S. universities through March of 2012, with admission hopefully by April, so that the Board has time to review and approve the 2012 cohort at its April meeting.

Visiting Scholar Program

Ms. Oberheide briefly explained the status of the Visiting Scholar Program, which to date has fielded 32 Visiting Scholars. Three from the 2010 cohort are in the United States while two from the 2009 cohort have been granted extensions to remain in the United States, and three more in the 2011 cohort will arrive in the fall.

Asked whether there had been any feedback about the program, Ms. Gunawardena explained that VEF staff had organized a number of discussions with Visiting Scholars, not only at the Annual Conference but also in Vietnam, particularly when they attend the Alumni Conference. Ms. Dugan added that the value of the program had been questioned since the tenure of each Visiting Scholar in the program is so limited. It was noted that a number of positive outcomes had been identified: (1) because the Visiting Scholars return so quickly from their visits to the United States, the impact of their participation is more immediate than that of the Fellows; (2) some have established collaborative programs between their own Vietnamese university and their U.S. host university; (3) collaborative research continues after the Visiting Scholar returns; (4) two have established international centers at their home institutions; (5) one developed a new course based on the U.S. experience, and another imported a course syllabus from the U.S. host university; and (6) one established a computational physics lab. Dr. Silvera suggested that another positive influence is the fact that the experience can be invigorating to the career of the Visiting Scholar.

Asked about interest in the program at the Vietnamese universities, Dr. McNamara explained that applications have been limited to about a dozen a year, partly because of the long commitment required (at least 5 months and up to one year). There has been interest in very short-term stints; however, short programs are not appropriate to the mission of the program. There is also the obstacle of English language skills, which is critical to a program that usually involves interactions with faculty, researchers, students, and administrators in a U.S. institution.

U.S. Faculty Scholars

Ms. Oberheide commented that five U.S. Faculty Scholars for the current year, 2011-12 had been selected at the last Board meeting. The Pre-Departure Orientation was conducted at the VEF U.S. office in June, and the five will attend a second orientation when they arrive in Hanoi.

Alumni Activity

Ms. Gunawardena described the alumni profile of 141 Fellows who have completed their programs of study. Forty remain in the United States (most completing Academic Training), 78 have returned to Vietnam, and 9 are still in the United States studying under visa arrangements not connected with VEF. There are 14 working outside Vietnam. There are also 24 alumni Visiting Scholars.

The Third Annual Alumni Conference will be held at Can Tho University in August (12-14), which has been planned in coordination with a group of alumni who participated in the Alumni Conference Planning Committee. VEF facilitates the meetings and logistics of that committee, and the content is proposed and organized by the committee members. It was noted that, in Vietnam, it is difficult to create a formal alumni association.

Finally, Ms. Gunawardena announced that the Ninth Annual Fellows and Scholars Conference would take place in January at the Louisiana State University in Shreveport, Louisiana.

Capacity Building

Dr. McNamara explained that VEF capacity building involved projects outside the exchange program, and currently included the annual participation in the Education Conference, co-sponsored with the U.S. Embassy. The next conference is expected to begin with a one-day policy-maker session to develop an agenda with potential action items, all of which would be discussed on the second day, in an open forum.

A second program is the Academic Lecture Program, which involves U.S. professors, who are in Vietnam as interviewers for the VEF Fellowship finalists. There are presentations, roundtable discussions, and meetings arranged by Vietnamese universities in which U.S. and Vietnamese professors discuss issues related to cooperation, collaborative research, exchange students, etc.

Finally, Dr. McNamara mentioned a cooperative effort underway between the U.S. Embassy and VEF to develop a web site that documents all of the ongoing cooperative activities involving the U.S. and Vietnam and that facilitates setting up collaborative projects.

Operations Report – Dr. McNamara

Internal Affairs

Dr. McNamara mentioned the participation of Ms. Walbert in the GSA Expo in May in San Diego, and Ms. Gunawardena's contribution to the NAFSA conference in Vancouver, Canada, also in May. Ms. Gunawardena hosted a poster session that focused on Vietnam, including VEF's role in supporting education in Vietnam.

Ms. Walbert commented that she had replied to GAO about what she hoped would be the final inquiries related to the audit, but had not received a reply. She also commented on the approval from the Vietnamese government to establish a bank account in Vietnam, in order to receive a refund on taxes paid in the amount so far of about \$50,000.

Dr. McNamara stated that she had addressed a security issue related to filing Social Security numbers, an issue that extended to the IT group in Vietnam, and included protection (encryption) of immigration information pertaining to the Fellows. Finally, she noted that the 360 Evaluation of all personnel had been completed.

External Affairs

Dr. McNamara referred to the series of meetings in Vietnam listed on the agenda, with U.S. government groups and with Vietnamese government agencies and universities. She indicated that reports and/or minutes of those meetings were on the online library. She particularly commended the Hanoi staff, who prepared many of the reports of the meeting.

Mr. Fussner reported that his meeting with Senator Blumenthal was productive as a briefing session about VEF activities. Finally, Dr. McNamara pointed out the list of priorities on the agenda, most of which would be addressed in the next two quarters. Concerning VEF events, Mr. Fussner mentioned that Ms. Margolies and Ms. Dang would be participating in the upcoming Fellowship interview mission, followed by the Alumni Conference.

Old Business – Mr. Fussner

Under the category of old business, Mr. Fussner reminded the Board, and especially the new members, that they were entitled to remuneration for attending Board functions. However, in the past most Board members had waived that remuneration. New Board members could decide whether or not to follow that precedent.

Dr. McNamara mentioned that an issue had arisen with the VEF Fellows and Scholars Association (VEFFA), in that they had published an announcement on their web site that intimated that both the Annual Conference and the Alumni Conference were under VEFFA sponsorship. There was agreement that the issue should be resolved, perhaps in a communication from the Chairman of the VEF Board.

Although there was a brief discussion about changing the times for certain future meetings, Mr. Fussner confirmed the following meeting schedule, all of which would convene at 12:30 p.m.: November 18, 2011; April 6, 2012; July 13, 2012; and November 16, 2012.

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