

Vietnam Education Foundation

**Minutes of the
Meeting of the Board of Directors**

July 13, 2012

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

List of Attendees:

- **VEF Board members:**
 - **Dr. Isaac Silvera, Chair, Board of Directors**
 - **Ms. Sandy Dang, Fundraising Committee Chair**
 - **Mr. Basil Kiwan (Treasury)**
 - **Ms. Marjorie Margolies (via telephone)**
 - **Mr. Tim Marshall, Acting Interim Finance Committee Chair (State)**
 - **Ms. Anhlan Nguyen**
 - **Mr. Steven Pappas, Selection Review Committee Chair (Education)**
 - **Ms. Quyen Vuong**
- **VEF Staff:**
 - **Dr. Lynne McNamara, Executive Director**
 - **Ms. Christie Dam, Finance and Administration Assistant**
 - **Ms. Sandarshi Gunawardena, Senior Program Officer**
 - **Ms. Tina Lapel, Program Associate**
 - **Dr. Phuong Nguyen, VEF Country Director (via telephone)**
 - **Dr. Peggy Petrochenkov, Program Officer**
 - **Ms. Lana Walbert, Director of Finance, Accounting, and Administration**
- **VEF Invited Guests:**
 - **Ms. Lesly Wilson (GSA Legal Counsel)**

Call to Order and Approval of Minutes – Isaac Silvera

Dr. Silvera called the meeting to order and announced that the election of the Chair of the VEF Board of Directors, which was postponed at the last Board meeting, was completed by e-mail and that he had been elected by a majority of the voting members of the Board. He then welcomed the Board members and staff present in person and by telephone as well as the VEF guest present. He expressed appreciation to the two new Board members, Anhlan Nguyen and Quyen Vuong.

Dr. Silvera invited approval of the minutes of the Board meeting held on April 6, 2012. Before a motion was made, there was a brief discussion about the timeliness of

providing minutes to Board members for review. There was a request that the minutes be distributed earlier than has been the case in the past, and Dr. McNamara explained the multi-step process of creating the minutes – preparation of a verbatim transcript (which can have up to 200 pages or more), preparation from the transcript of a draft set of minutes by the private contractor, review by each relevant staff member, review by the Executive Director, and a final review by the Board chair before presenting to the Board for their review and approval. Dr. McNamara agreed that it would be possible to provide the minutes to Board members further in advance of the November 16, 2012, meeting. Mr. Marshall assured the Board that the State Department review of the July minutes was completed and that there were no exceptions noted. Dr. Silvera invited final approval and, on motion made by Mr. Marshall and seconded by Mr. Kiwan, the minutes of the July meeting were unanimously approved.

Executive Director’s Top Line Report – Lynne McNamara

Dr. McNamara highlighted a number of VEF “firsts” that had been accomplished since the last Board meeting. She announced that the long-awaited bank account in Vietnam had finally been established through the persistent efforts of Ms. Walbert and Ms. Huyen Le (Deputy Director of Finance, Accounting, and Administration, located in the VEF Field Office in Hanoi). The initial deposit from the Vietnamese government was \$78,000, a tax refund that recovered taxes paid during previous years by VEF. During discussion, it was noted that there are some restrictions on the use of the monies in that account. Funds cannot be withdrawn and returned to a U.S.-based bank, but must be expended on legitimate VEF requirements that conform to the same federal limitations that apply to funds in VEF’s account with the U.S. Treasury. Ms. Walbert explained that Citibank in Vietnam would provide training to VEF staff on using and maintaining the new bank account. It was also noted that the funds must be maintained in Vietnamese currency, dong. Ms. Walbert added that she would prepare a memo on the anticipated use of the funds. Finally, Dr. Silvera noted that spending the money down should not be delayed because of the very high rate of inflation in Vietnam.

Dr. McNamara announced several other “firsts.” For the first time, the August interviews were completely arranged in house under the direction of Dr. Petrochenkov. The interviews will be conducted in early August. VEF also took the lead in jointly organizing a science and technology roundtable at the invitation of the Vietnamese ambassador to the United States. The roundtable was held at the ambassador’s residence on June 22. The Tenth Anniversary of VEF will be celebrated in a number of ways next year, including a representative video of VEF. Mr. Pappas has developed a proposal for a new university consortium project that he will present during the meeting. Another proposal will be to establish a standing Board committee for outreach to enhance recruitment of Fellows, Visiting Scholars, and U.S. Faculty Scholars. The Board will also hear about a proposed research project that will follow up on the VEF

research reports completed in 2006 in order to look at the present status of higher education in Vietnam. In addition, another first for VEF is a survey of the corporate and academic sectors in Vietnam to determine areas of potential collaboration as part of the U.S. Embassy working groups on education.

Dr. McNamara closed her presentation, expressing appreciation to the new Board members, Ms. Nguyen and Ms. Vuong, for their willingness to serve VEF; and to past Board chairs, Steve Maxner and Chris Fussner (VEF will send mementos of appreciation on behalf of the Board to both); and finally to the staff in Arlington and Hanoi for their extraordinary dedication to VEF's programs.

Financial Report

Dr. Silvera invited Mr. Marshall and Ms. Walbert to discuss the results of the Finance Committee meeting on the previous day. He noted that all of those present at the Board meeting were also present, in person or by phone, at the previous day's Finance Committee meeting with the exception of Mr. David Plack (State), who served as Interim Finance Committee Chair, Ms. Margolies, and Mr. Duong.

Review of the 2013 Estimated Budget – Lana Walbert

Dr. Silvera, former Chair of the Finance Committee, noted that the Board had originally approved up to 45 Fellows at the July 2011 meeting, during which the 2012 budget was finalized. He explained that the revised 2012 budget distributed at the present meeting was adjusted to reflect the lower number of individuals who would require funding, and that it was for information only, since the original 2012 budget had already been formally approved. The revised 2012 budget was developed to allow for increased spending and to make it easier for the Board to arrive at a higher proposed 2013 budget.

The number of authorized Fellowship slots was significantly increased at a special Board meeting held in January 2012, when the Board approved a funding increase authorization for 60 Fellows, 15 Visiting Scholars, and 15 U.S. Faculty Scholars (up from 45, 10, and 10 respectively). When the selection process was completed, there were 49 Fellows, 6 Visiting Scholars, and 10 U.S. Faculty Scholars (five of which were previously funded U.S. Faculty Scholars and reapplied for another grant). Dr. McNamara noted that the list of selected Fellows had numbered 55, but six dropped out for various reasons. She added that, when the decision was made in January to increase the numbers of program participants in the 2012 cohorts, there was a relatively short window of opportunity for additional applications, which could have affected the number of further applications received.

The fact that the selection process could only arrive at 49 final Fellowship recipients for the 2012 cohort suggested that there was a shortage of qualified

applicants. All finalists had been confirmed through careful review by the newly formed Selection Review Committee prior to the April 2012 Board meeting. A brief discussion followed on the need to develop a program that would be more effective in recruiting larger numbers of qualified applicants and to minimize any perceptions or issues that might discourage qualified applicants. For example, there might be the notion that there are limited opportunities (as there are only a few slots and too much competition). From that discussion there was a proposal to consider establishing a more aggressive outreach program than currently exists.

Continuing with the Finance Committee report, Ms. Walbert announced that expenditures to date amounted to 26% of the approved 2012 budget, even though two-thirds of the fiscal year had elapsed. She reminded the Board that the bulk of expenditures were made at the end of the fiscal year when the monies were paid to the U.S. universities for the various program participants. Reviewing the month-by-month expenditures, Ms. Walbert noted the slight increase in December reflecting the costs of travel and other arrangements for the Annual Conference, and in mid-summer related to the Pre-Departure Orientation. Finally, she announced that the carryover was expected to be about \$3.4 million, based on the adjusted budget of \$6,599,000, which would allow a maximum 2013 budget of \$8,440,000 (\$5 million of automatically appropriated funds + \$3.4 million).

Project to Update VEF Research Reports on the Status of Higher Education in Vietnam – Lynne McNamara

Dr. Silvera announced that a new agenda item had been inserted to precede discussion of the 2013 budget since it involved funding in 2013 that would require Board approval. Dr. McNamara explained that, at the request of the vice-mayor of Ho Chi Minh City, who became Minister of Education and Training and is now a Deputy Prime Minister, VEF undertook a survey of higher education in Vietnam in 2005, which was completed and published in 2006 and early 2007. After very informal discussions with some Vietnamese government officials, Dr. Phuong had proposed that the survey be updated to allow a comparison of conditions then and now. Dr. McNamara stated that a project plan had been developed by staff for a study that would approximately replicate the original study and that would have an estimated budget that could range from \$46,000 to \$78,000. She stated that the project would include development of a questionnaire that would be distributed to a group similar to that in the first study – educators, university administrators, students, and this time including VEF Fellowship and Visiting Scholar alumni. She invited Dr. Phuong to comment on the proposal.

Dr. Phuong stated that the two original reports are available on the VEF web site. They are frequently cited at educational conferences in Vietnam, by educators and others. It was noted that the project would involve another survey, follow-up interviews with selected survey participants, and discussion and analysis of the survey results by a research team assembled by VEF. That team would include Dr. Silvera, who was

involved in the first project, and up to five additional members, some of whom might also be available to continue afterwards to interview VEF Fellowship and Visiting Scholar candidates in August 2013.

Dr. Silvera commented that the first report was a frank assessment of higher education in Vietnam and it revealed various insights. For example, in 2006 the curriculum requirements for Vietnamese students were twice the workload of that assigned in most U.S. universities. In addition, there was very little connection between the academic community and the corporate sector, a circumstance that is also changing in today's environment. Dr. Silvera recommended proceeding with the project. Mr. Kiwan also endorsed the project, adding that it would have two purposes – first, it would allow an assessment of the progress made from the previous report; and second, it would be a valuable resource tool for multiple constituencies. He also expressed the opinion that such a third-party evaluation would have good credibility, and that the topic was timely in terms of Vietnam's current economic transition programs.

Dr. McNamara requested that the Board review and approve the research project plan, noting that an important part of that approval was the addition of a line in the 2013 budget for the monies required to complete the project. Once the project is approved, she would contact the key ministries in Vietnam – MOST, MOET and MARD – and the U.S. Embassy and Consulate, to request a written commitment of approval for the project. She emphasized that such approvals were critical to proceeding with the project and that, in order to complete the project in a timely way, the written approvals must be obtained soon.

During the discussion, there was concern expressed that Board members did not have sufficient time to review the proposal, considering that there is a significant budget line item that must be approved by the Board. There was also concern that the report should not duplicate legitimate research that may already exist, for example, reports on higher education in Vietnam already published by the World Bank and the Harvard Kennedy School.

There was a request that the decision be delayed by at least two days to allow Board members to complete the review. Dr. McNamara explained that time was of the essence in that discussions would occur during the upcoming August mission trip when VEF staff and Board members would consult with U.S. and Vietnamese government officials about their support and approval of the project. She emphasized that she would be averse to making the proposal to government officials without a Board commitment to fund the project.

A motion to delay approval of the proposal until the following Monday failed, and a subsequent motion to approve the project, including commitment of the \$78,000 as a budget line item, duly made by Mr. Kiwan, seconded by Ms. Margolies, was approved by majority vote.

Discussion of New Proposals

Dr. McNamara explained that three new proposals should be discussed before consideration of the 2013 proposed budget because all three required funding, which was not in the final draft of the budget.

Outreach Committee

Dr. McNamara noted that the draft of the proposed Outreach Committee, which would also be added to the Board By-Laws, had been included in the working documents for the meeting. It provided for the new committee that would consist of up to six Board members, four Presidential appointees and two appointees from the Executive Branch cabinets. The text of the By-Laws amendment also included a brief statement of purpose.

During the discussion there was a question about including staff on the committee, and Dr. McNamara explained that it was a standing committee of the Board, like other Board committees, that are traditionally made up of Board members only, although the Board could consider such a change. She added that there also might be regulatory implications to including staff members. Dr. Silvera commented that the proposed funding level should begin at \$25,000. The funding would be considered under the motion to approve the 2013 budget.

(Whereupon, on motion made by Ms. Vuong and seconded by Ms. Dang, the Outreach Committee was unanimously approved.)

Dr. Silvera suggested that, as a core membership, the Committee members should be nominated and approved the Board, as required by the By-Laws. He invited volunteers. Ms. Vuong, Ms. Nguyen, Ms. Dang, and Ms. Margolies agreed to serve.

(Whereupon, on motion duly made and seconded, the four Board members were unanimously endorsed by the Board.)

Selection Review Committee (SRC)

Mr. Pappas announced that the number of members of the SRC had fallen to two and that a third member should be appointed. The Committee is composed of its Chair, Mr. Pappas, and Dr. Silvera. Steve Maxner, formerly the third member, is no longer on the Board. The current By-Laws provides for only three members. Before the meeting, Ms. Margolies had been recommended to fill the third member slot.

Ms. Nguyen asked why the number was restricted to only three members, and Dr. McNamara responded that committees are created by the Board and are mentioned

in the legislation. Mr. Kiwan agreed that the membership should not be so limited and made a motion to change that limitation. The Board agreed. Ms. Vuong volunteered to be a member of the Committee, and after a brief discussion of qualifications to serve, was approved by the Board. Ms. Margolies, already approved by the Board for membership on the Outreach Committee, stated that she would prefer to serve on only one committee.

(Whereupon, on motion duly made by Mr. Kiwan and seconded by Ms. Dang, and unanimously approved, the By-Laws was amended to provide that the Selection Review Committee would be composed of “at least” three members; Ms. Vuong was unanimously approved as the third member of the Committee.)

Proposal to Establish University Consortia – Mr. Pappas

Mr. Pappas submitted a proposal to establish a program that would enable the formation of up to two cooperative educational consortia—one in Vietnam and one in the United States that work together—and that would be jointly supported by the Vietnamese and U.S. governments. That joint financial support is critical to the viability of the program. VEF would provide funding to the U.S. institutional consortium, and the Vietnam government would fund the Vietnamese consortium. Mr. Pappas emphasized that this is a demonstration project that, if successful, could spawn additional similar programs. It could provide the opportunity of sustainability of the VEF mission beyond the sunset year of 2018.

Concerning the funding, Mr. Pappas proposed that the Board approve a long-term obligation of \$400,000, to be expended at the rate of \$100,000 per year for four years. Initially, a plan of action would be developed, with support from the VEF staff, followed by the application process and eventual selection of the institutions in the consortia. Typically, he felt the money would be distributed to two U.S. institutions in the amount of \$50,000 each per year, matched by the same amount of funding from the Vietnamese government, probably MOET, to two Vietnamese institutions.

The objectives of the demonstration project would conform to the VEF mission and would rely on VEF’s existing relationships with U.S. universities, probably Alliance institutions, as well as with Vietnamese universities, and the initial consortia would be based on current VEF programs. It would introduce Vietnamese students to STEM curricula, support common core curricula, build faculty relationships, improve mutual recognition of institutions, support language skills education for both U.S. and Vietnamese students, and introduce the American education system and philosophy in Vietnam.

During discussion, Mr. Pappas mentioned that he had broached the concept to U.S. institutional representatives and Vietnamese ministry officials at the recent Vietnam Embassy science and technology roundtable, and the idea had been positively

received. He conceded that the program must have broad buy-in from the Vietnamese government and educational institutions, including a willingness to match funding to support the program. He assured the Board that, if matching funding was not realized or if the program did not meet minimum expectations once off the ground, the project could be ended.

After discussion of details of the program, Mr. Pappas offered a motion that the Board approve a U.S.-Vietnamese higher education consortia project, authorizing \$100,000 annually for the next four years as financial support.

(On motion duly made by Mr. Pappas and seconded by Ms. Margolies, the project was unanimously approved.)

Briefing on the Hatch Act

Ms. Wilson, GSA legal counsel to the Board, provided a briefing on the limitations, rights, and obligations of special federal employees because of the heightened campaign activities that go along with a presidential election. She noted that Board members were subject to the Hatch Act when they were acting in an official capacity as special government employees of VEF. That would include Board meetings, official visits to VEF headquarters (including visits to members of Congress and their staff), travel to and from official VEF events and the time related to those events, and VEF-related travel abroad. She distributed information sheets to each Board member explaining the provisions of the Hatch Act.

VEF Legislation – Senate Bill S.3241

Dr. Silvera briefly discussed S.3241, the Department of State, Foreign Operations, and Related Programs Act of 2013. He noted that the bill included a provision to transfer VEF to the Department of State. Dr. McNamara commented that she had prepared a letter to Senator Kerry from Dr. Silvera on behalf of the Board. However, per a requirement by the Office of Management and Budget (OMB), the letter was reviewed by OMB, who recommended sending questions instead to the Senator's office. The questions, also reviewed by OMB, were sent to the Senator's office, but no response had been received to date.

Dr. McNamara further reported that she and Dr. Silvera had met with Ben Wilkinson, the Director of the Fulbright Economics Teaching Program (FETP) in Vietnam, who explained that there is progress toward changing the nature of the FETP program in Vietnam to that of a graduate school with a graduate-level public policy program. In effect, it would be an American University program. Mr. Wilkinson mentioned that one STEM program would be included in the university curriculum, mathematics.

Dr. Silvera mentioned that Mr. Wilkinson indicated that land in the Ho Chi Minh City area would be donated and that other donors may also become involved. Dr. McNamara added that Mr. Wilkinson suggested that there was no current need for VEF funding because of the potential donors. She added that VEF might consider contributing to the effort, less with funding (which may become involuntary if the proposed legislation on VEF passes), and more with VEF expertise that has been accumulated over the years.

Fundraising Committee – Sandy Dang

Ms. Dang, Chair of the Fundraising Committee, reported that the Finance Committee had discussed the Fundraising Committee and that the Committee agreed to recommend to the Board the dissolution of the Committee. It has been in existence for a number of years and has not been successful in raising any funds, except a nominal amount that was contributed by Board members in the early days of the Committee's efforts. Dr. Silvera, noting that the issue had been thoroughly discussed at the Finance Committee meeting, invited a motion.

(On motion duly made by Ms. Dang and seconded by Dr. Silvera, there was unanimous approval for the dissolution of the Fundraising Committee.)

VEF Tenth Anniversary

Dr. McNamara briefly commented on the ongoing and proposed activities related to the upcoming Tenth Anniversary celebration. The only active project is the creation of a representative video of VEF and its programs and activities. Other activities under consideration include expansion of the guest list for gala dinners (e.g., at the Annual Conference and Alumni Conference) to include VEF supporters and others who have contributed to VEF's success. There is also a communication campaign on the drawing board that fits nicely with the new Outreach Committee's mission. Dr. McNamara noted that there was a line item in the proposed FY2013 budget to support the 10th anniversary efforts, and she invited Board members to become involved with planning the events for the celebration.

Exchange Programs – Ms. Gunawardena

The presentation on the three VEF programs (for Fellows, Visiting Scholars, and U.S. Faculty Scholars) was truncated because of the press of time. However, Ms. Lapel briefly reported that of the 239 Fellows, who are currently in the United States, 194 are enrolled in academic programs while 45 are engaged in post-completion Academic Training. Of the 194, 110 had passed their doctoral qualifying exams and advanced to candidacy, and 15 had completed course work but have yet to take the qualifying

exams. Most of the Fellows are maintaining grade point averages (GPAs) between 3.0 and 4.0, although a few have fallen below 3.0 and VEF is following up with them as usual. Ms. Gunawardena commented that two Fellows (both from the 2011 cohort) were terminated after falling below 2.0, and three Fellows withdrew from the program voluntarily for personal reasons. These terminations and withdrawals occurred during the academic year 2011-12.

Ms. Gunawardena commented on the Pre-Departure Orientation (PDO) held in Dalat and Ho Chi Minh City in early June. As part of the outdoor team-building activities, there was a final event that entailed building and piloting a raft in a lake. The lecture/presentation portion of the PDO included the traditional topics plus a very successful new forum at which students shared their stories of becoming a VEF Fellow. Dr. Silvera, who attended the PDO, expressed how impressed he was with all of the events and commented that the new Fellows and Visiting Scholars did very well in an overnight camping event, coping with wind and rain during the night.

Dr. Petrochenkov briefly described the Oral Examination Orientation (OEO), which must be attended by all Fellowship and Visiting Scholar finalists to be interviewed. The Orientation gives them an understanding of the interview process and allows staff to ensure that the candidates have all required documents in their possession. About 160 attended in total, some of which were from the general public in addition to over 80 finalists.

Dr. Petrochenkov talked about the interviews, which would take place August 1-7 in Hanoi and Ho Chi Minh City. In addition to aspiring Fellows, there will be four Visiting Scholar finalists participating. The professors, who interview the applicants, are experienced with international programs and students. Ten are full professors; one is a member of the honorary organization, the National Academy of Sciences; and another is a member of the National Academy of Engineering. Besides the interviews, they all agreed to contribute time to additional VEF capacity building activities, including lectures and a session on how to get into graduate school.

Dr. Petrochenkov stated that there was a broad range of academic interests among the Fellowship candidates, the majority of whom are in computer science and the engineering specialties, while only four are in the environmental sciences, an area of special need for Vietnam.

Approval of the 2013 Annual Budget

Although the Board had been briefed on changes in the budget during the two days of meeting, Dr. McNamara reiterated a few important facts. There were only four Visiting Scholars requiring funding; the number of Fellows eligible for funding was increased to 60; and the number of U.S. Faculty Scholars was increased to 10. The items discussed during the Board meeting were added to the budget – the research project on

higher education in Vietnam (\$78,000), the new Outreach Committee (\$25,000), the university consortia demonstration project (\$100,000 for the first year), and funding for the Tenth Anniversary Celebration (\$50,000). On motion duly made by Ms. Dang and seconded by Ms. Margolies, the 2013 budget was unanimously approved.

Closing Discussion

Dr. Silvera commented that, in addition to the PDO, when he was in Vietnam he was able to visit the U.S. Embassy, USAID, MOST, and MOET. Dr. McNamara added these were mainly courtesy visits, but also provided an opportunity to strengthen relationships and update the ministries on VEF activities. Dr. Silvera stated that the Vietnamese Embassy in Washington had invited VEF to co-sponsor a science and technology roundtable at the embassy. It was attended by Vietnamese officials, students, U.S. businessmen, and academics. Most of the work was done by VEF staff, who did an excellent job in facilitating a very successful exchange of information.

Finally, Ms. Dang recommended holding a Board retreat, a proposal that was accepted by the Board. Dr. McNamara suggested that the retreat be held at the Arlington office or another local venue during the November Board meeting timeframe.

Future Meetings

Dr. Silvera announced the Board meetings for the next 12 months, all held at the VEF headquarters in Arlington, VA: November 16, 2012, and on April 5 and July 12 in 2013. With the consensus of the Board members, Dr. Silvera adjourned the meeting.