

The medium-term plan of OIST Promotion Corporation

Preamble

In accordance with Article 30 of the General Principle Act for Independent Administrative Institutions, Okinawa Institute of Science and Technology Promotion Corporation has established hereby its medium-term plan to achieve the medium-term objective instructed by the Prime Minister as of September 1, 2005 in accordance with Article 29 of the same act.

Introduction

We are charged with preparing the ground for the creation of a new graduate University in Okinawa to conduct the “best in the world” research and education. Our central concept is to grow the project out of interdisciplinary research in areas that integrate components from biology, physics, chemistry and mathematical and computational science. Our plan will be to create laboratories or clusters of laboratories dedicated to those fields that can exploit the interaction between the sciences to produce innovative research and a new generation of scientists who can transcend the traditional boundaries between the sciences. All of our proceedings in research and education will be conducted in English, the international language of science, and we will work to create an international institution that can compete with major institutions of research in the world.

We have to first realize that the immediate resources available to us may limit what we can achieve in the early stages of the medium-term plan. The period under consideration covers the remainder of FY2005-06, and three years beyond to March 31 2009. Our plan is based on dividing this period roughly into two parts; the first lasting until the end of FY 2006/2007, the second, for the last two years. To achieve world class international status we will need resources not only of laboratory space but also of housing, and the other facilities required for the pursuit of living and working in an environment of the highest standard. This will only become available forwards the end of the life of the Corporation when we assume that we will have space and other facilities for about 20 PI's and perhaps 200 people in total. Thereafter, the University will continue to grow but this will be in the hands of the University itself.

We are fortunate to have made a good start in the Initial Research Programme. It is largely

concentrated in the area of neuroscience, and our going plan is to build this up to about 12 PI's and about 100 people over the next two years. We have enough temporary space to house this expansion.

The remainder of this document sets out how we can achieve the tasks of the mandate.

I. Measures to be taken toward achievement of the objectives related to items connected with improvement o services provided to the Japanese public and other operations

1. Recruitment of Researchers

As mentioned in the introduction, our central concept is to grow the project out of interdisciplinary research in areas that integrate components from biology, physics, chemistry and mathematical and computational science. Our plan will be to create laboratories or clusters of laboratories dedicated to those fields that can exploit the interaction between the sciences to produce innovative research and a new generation of scientists who can transcend the traditional boundaries between the sciences.

In building up the IRP, the Corporation will seek to attract researchers from a wide area. As already pointed out, it will be difficult to achieve an international balance in this time.

We will recommend to the Board that they set up an international advisory group who can work in the earlier part of the second period to discuss the structure of the second laboratory. We can support this with a workshop to which potential candidates can be invited during 2008. By that time we should have enough construction underway so that potential candidates can be shown the facilities of the University.

2. Dissemination of Research Results

The Corporation will encourage its researchers to publish their research results in international journals. An annual report of activities will be prepared, to be distributed not only to research institutions worldwide but also to the general public via website and other media as well as lectures in Okinawa and Japan.

The Corporation will also put in place the administrative machinery required for the protection of intellectual property by patent or copyright.

It will also generate a scheme for the sharing of any income from the activity to be approved by the Board. This can be inherited by the University on its formation.

The Corporation will continue its programmes of workshops, schools and seminars but some of these activities may be merged with educational and planning initiatives.

3. Educational and Training Activities

It will be some time before the Institute will be able to be an accredited university with the right to confer degrees. Until that time, the Corporation will enter into collaborative projects with Universities in Okinawa and Japan and elsewhere so that students can be taken to work in Okinawa. Contact has been made with several leading universities and some of our PI's have independently made arrangements for students with Universities in Japan.

It is proposed that we begin graduate teaching with visiting faculty. We will present a programme which will expand and may take in some of our existing school and workshop activities. These visits by outside faculty may initially be brief but as soon as we have the proper facilities we will encourage sabbatical visitors for larger periods to participate in both teaching and research.

4. Preparative Work for the Foundation of the University

As mentioned above, our plan is to develop the graduate University around laboratories and clusters of laboratories carrying out interdisciplinary research. Good models for us are institutions that were originally engaged in research only and later acquired graduate school status. There are four of these in America: Rockefeller University, The Scripps Research Institute, Cold Spring Harbor Laboratories and, to a lesser extent, the Marine Biology Laboratory in Woods Hole.

We will need to define the structure and ranks the Faculty and we propose to engage the Board in an early discussion of these issues. They should be settled within the first period so that we can then move on to defining the rules and bylaws that will govern the University. We propose that

this be done for us by contract with a management or legal firm familiar with the four institutions named above and with connections to a similar firm in Japan so we can have structures compatible with the Japanese legal system.

Once this has been carried out, we will be ready in FY2007/08 to begin to institute a search for the President and other officers of the University to have the key people in place.

The Corporation will also have to ensure that the present operations can be assimilated into the new University and that some staff may move from the Corporation to equivalent positions in the University.

5. Construction of Facilities

The Corporation will supervise the programme of construction. In particular, we have formed a group of scientists to advise the architects on the laboratory facilities required.

We are fortunate that the bulk of this work will be done by the Project Manager and his team.

II. Measures to be taken toward achievement of the objectives related to items connected with increased efficiency in operations management

1. Administrative and Financial Matters

We will enhance the professional capability of our staff so that they can undertake detailed planning as well as financial budgeting. Special training may be required.

The Corporation will endeavor to improve the efficiency of its operations and administration to effect savings. We will establish a system of financial controls over spending. Our administrative staff will need to compile a list of regulations governing spending on such matters as travel and other administrative expenses.

As part of our planning exercise we will also have to decide on salary scales when we discuss the ranks.

The Corporation will endeavor to secure research fund from external sources by applying for competitive research grants and seeking donations.

The Corporation will take appropriate actions for its payroll system reform (including the reflection of performance evaluation on salary, reduction of the remuneration through the review of regional salary level, etc) in line with the governmental payroll reform, based on the “Major policies on governmental reform (Cabinet decision on December 24, 2006).

2. Review of Activities

The Board of Governors should be set up a special committee to review the research of the IRP. About one half of the initial PI’s could be reviewed late in 2006 with the remainder reviewed two years later.

The other activities can be evaluated by the Board and can be carried after the submission of annual report from the Corporation.

III. Budget (including estimation of personnel costs), income and expenditure planning, capital planning

Budget:	as shown in Appendix 1
Income and expenditure planning:	as shown in Appendix 3
Capital planning:	as shown in Appendix 4

IV. Limitation on short-term loans

Limitation on short-term loans is one billion yen. This is done when the receipt of management grants is delayed, and when there is a need to respond to contingencies etc.

V. Plan for transferring or mortgaging of important assets

The Corporation has no plan for transferring or mortgaging of its important assets.

VI. Use of surplus fund

Should there be surplus fund, the Corporation shall apply said funds to the improvement of the research operations and to the development of the research infrastructure.

VII. Other items related to operations management stipulated by the ordinance of Cabinet Office

1. Facilities and equipment planning

As shown in Appendix 2

2. Personnel planning

1) Policy

- i) The Corporation shall endeavor to curb the increase of the number of permanent employees through the improvement in its operations management.
- ii) The Corporation shall conduct flexible and agile staff assignment in preparation for the enhancement and diversification of its business.

2) Personnel indicators

At the end of the effective period of this medium-term plan, the number of full-time staff members (not including that of fixed-term employees) shall be or less than 23 as compared to 18 at the beginning of the plan.

* Fixed-term employees shall be placed in addition.

3) Matters related to the disposal of reserve fund

None

Appendix 1: Budget for FY2005/2006-FY2008/2009

		(¥ mil)
Items	Amount	
Revenues		
Subsidy for Operation		15,439
Subsidy for Construction		19,408
Donation		10
total		<u>34,856</u>
Expenses		
Operating Expenses		12,816
[Personnel Expenses		[3,880
General Administrative Operating Expenses]		8,936
Administrative Expenses		2,623
[Personnel Expenses		[1,092
Contract and Temps		157
Running expenses]		1,373
Construction Expenses		<u>19,408</u>
Other		10
total		<u>34,856</u>

Notes:

Due to rounding-off, total amounts and sums of each item in both columns do not necessarily correspond to each other.

Salary estimation

Estimated total amount for base salary, allowances and extra-hour payment for the executives and other administrative staff will be 3,730 million ¥en during the medium-term period.

Calculation of Subsidy for Operation

The base amount is the total operating budget for FY2005/2006 and FY2006/2007.

Estimated amounts for FY2007/2008 and later are calculated based on the following formula and the assumptions:

$$\begin{aligned}
 \text{[Amount of subsidy for operation]} = & \\
 & \text{[Personnel expenses for administration]} + \\
 & \text{[Personnel expenses for temporary staff]} + \\
 & \text{[Expenses for operation + Expenses for administration]} \times \text{[CPI]} + \\
 & \text{[Extraordinary items]}
 \end{aligned}$$

$$\text{[Personnel expenses for administration]} =$$

[Base salary, etc.] +
[Pension and health insurance] +
[Special allowance for kids] +
[Retirement bonus]

[Personnel expenses for temporary staff] = Total amount of previous year

[Base salary, etc.] =

([Salary for the executives (previous year)] +
[Base salary for administrative staff (previous year)] +
[Allowances for Salary administrative staff (previous year)] +
[Extra-hour payments (previous year)]) x
[1 + annual raise ratio]

[Expenses for Operation] =

[Expenses for Operation (previous year)] x
[Political Priority]

[Expenses for Administration] =

[Expenses for Administration (previous year)] x
[Improvement of Efficiency] x
[Political Priority]

[CPI] : Consumer Price Index of the previous year

[Extraordinary items] : expenses caused by regulation change, etc.

[Improvement of Efficiency] : As a result of saving efforts, 0.99 is tentatively assumed in these calculations.

[Political Priority] : Necessity of expansion, good evaluation results, etc.

Appendix 2: Construction Plan for FY2005/2006

The OIST Promotion Corporation will continue land development and facility construction at the Onna campus site aiming to start the use of facilities at the end of the time period.

Budget for construction during the time period is shown below.

(¥ mi)

Items	Budget	Source of Budget
Hakuun-so Renovation	330	Subsidy for Construction
Land development	1,983	Subsidy for Construction
Building construction	<u>12,040</u>	Subsidy for Construction
Infrastructure facility	<u>4,078</u>	Subsidy for Construction
Land acquisition	977	Subsidy for Construction

Note:

These figures are total of the budget for FY2005 through FY2007, not the whole total during the effective period of the medium-term plan.

Due to rounding-off, total amounts and sums of the above do not necessarily correspond to "Construction expenses" in Appendix 1 and "Cash Inflow from Subsidy for Construction" in Appendix 4.

FY2008/2009 and thereafter, new research buildings and facilities will be constructed in view of the implementation of the operation necessary to achieve the medium-term objectives.

Appendix 3: Estimated Income Statement for FY2005/2006-FY2008/2009

		(¥ mil)
Items	Amount	
Expenses		
Ordinary Expenses		18,214
Operating Expenses		12,816
Personnel Expenses		3,880
General Administrative Operating Expenses		8,936
Administrative Expenses		2,623
Personnel Expenses		1,092
Contract and Temps		157
Running Expenses		1,373
Other		10
Depreciation		2,765
Finance Charges		--
Extraordinary Items		--
Revenues		
Subsidy for Operation		15,439
Donation		10
Reversal of Depreciation		2,765
Extraordinary Items		--
Net Profit		0
Reversal of Reserve for Specific Objectives		--
Gross Profit		0

Note:

Due to rounding-off, total amounts and sums of each item in both columns do not necessarily correspond to each other.

Appendix 4: Estimated Cash Flow Statement for FY2005/2006-FY2008/2009

		(¥ mil)
Items	Amount	
Cash Outflow		
Cash Outflow for Operation		15,449
Cash Outflow for Investment		<u>19,408</u>
Cash Outflow for Financing		0
Carry-over for the next period		0
Cash Inflow		
Cash Inflow from Operation		15,449
[Cash Inflow from Subsidy for Operation]	<u>15,439</u>
Cash Inflow from Donation		10
Cash Inflow from Investment		<u>19,408</u>
[Cash Inflow from Subsidy for Construction]	<u>19,408</u>
Cash Inflow from Financing		0
Carry-over from the previous period		0

Note:

Due to rounding-off, total amounts and sums of each item in both columns do not necessarily correspond to each other.