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ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY

Minutes of the Second Regular Meeting of the Board of Directors  
Held in Governor's Conference Room, State Capitol  
Little Rock, Arkansas  
Friday, August 5, 1983, 1 P.M.

The second meeting of the Arkansas Science and Technology Authority was held at 1:00 P.M. in the Governor's Conference Room at the State Capitol Building. Dr. Ron Hart presided over the meeting. The minutes of the first meeting were approved and seconded by a voice vote. Following the reading of the minutes, Dr. Hart asked for a report of the various committees.

Rules and Procedures Committee:

Mr. Louis Ramsey, Chairman of the Rules and Procedure Committee, made the report. The committee felt the most pressing need was to hire a director and secretary. In addition to the director, an assistant director was also needed. It was felt that we should explore various methods of funding of staff as the proposed salary established by the legislature may not be adequate to hire a director of sufficient stature and caliber for leading the Authority, working with various universities, research and technology institutions, the legislature and private sector. The Authority would operate within the rules and guidelines as established for the Authority by the Legislature of the State of Arkansas and will have as its main objective that of advancing science and technology in the State of Arkansas through both research and funding endeavors.

Budget and Bond Committee:

Mr. Bill Bowen, Chairman, gave the report. This committee was asked to explore two questions: 1) How funding is to be dispersed? 2) Could the funds appropriated for the Authority be invested? It was reported that if the monies which were appropriated for the Authority were not used, they would be lost. The Authority could not invest its own funds, that they were primarily state funds and were already invested. It was discussed whether it was appropriate to supplement line item support and it was ruled that it is not appropriate or that line item support cannot be supplemented with state funds. It was reported, however, that the Authority may supplement with private funds or money generated by the Authority, but the salary was fixed by state rules and regulations.

Hiring of Staff Committee:

Dr. Win Thompson, Chairman of the committee, was absent but Dr. J. Elders read an advertisement drafted by Dr. Thompson which was discussed and reviewed by several members of the Authority and there was great concern with regard to the wording of the advertisement. It was felt that the word "research" should be included. Dick Nesbitt wished that the Authority would avoid becoming too restrictive in the beginning of the endeavor. Bill Bowen moved that the Authority move quickly in hiring as the law stated. He spoke of a candidate for the position of Director that he wished to nominate.

It was moved and seconded that the advertisement be adopted as written with the changes as recommended by members of the Authority. A second draft of the advertisement with the corrections recommended is enclosed with the minutes.

Advisory Committee:

Dr. Hart made the report of the Advisory Committee. He discussed ideas for the Arkansas Science and Technology Authority, reported that there was much interest in the Commission, that foundations should be looked to for possible funding and also that the Authority could provide contact for foundations and boards. He reported that the ASTA would look into the VA Hospital but felt that it was too early to investigate this at the present time. He discussed some of the advantages of income of the Authority which were to work with universities and colleges, work with fine arts, and work with vocational, technical, and other educational facilities. He felt it was important that we develop a solvent Authority such that we could then develop science and technology and to more directly focus our energy into improving science and technology for the entire state.

Several memoranda were submitted by various members of the Authority. Dr. Lothar Schafer presented a memoranda concerning the improvement of science and mathematics in schools throughout the state.

Rep. Lipton presented parts of a position paper: Science and Technology Moving Arkansas into the 21st Century.

Dr. Lothar Schafer further proposed exploring tax credit bills and to check enterprise zone legislation with the AIDC for possible funding. He presented a memoranda regarding tax credits for high technology companies. It was felt that this motion perhaps should be explored with the AIDC and should be considered further once we have hired a director.

Mr. Jerome McGee recommended developing cards for each of the ASTA members and that we try and seek a home base for the Authority.

Mr. Bart Lindsey moved that the meeting go into executive session to discuss the hiring of a director. The motion was seconded and the Authority went into session.

Executive Session:

Mr. Bowen recommended a Mr. Harper Boyd who was the Donaghey distinguished professor of marketing at UALR. Mr. Boyd has 40 books and publications. He is 61 years old and it was felt that Mr. Boyd had an excellent reputation in the community, he had good working relationships with the academic professions and that he certainly had sufficient scientific background to understand the needs and provide appropriate leadership for the Authority. Mr. Bowen made a motion that we speak to Mr. Harper Boyd about the position. This was seconded by Bart Lindsey. A committee was then appointed to communicate with Mr. Boyd. This committee was Louis Ramsay, Dr. Joe Nix, and Rep. Lipton. A meeting was scheduled for Thursday, August 18, at 1:00 PM to consider the appointment of Mr. Boyd should he accept the offer.

It was motioned that until Mr. Boyd was interviewed, that the advertisement for director would not be pursued.

When the Authority resumed regular session, Dr. Hart reported for the press that a candidate had been discussed and a committee made of Dr. Nix, Mr. Ramsey, and Rep. Lipton was appointed for the purpose of recruiting the candidate and reporting back to the Authority as soon as possible.

The meeting was adjourned at approximately 3:00 P.M.

POSSIBLE GOALS AND DIRECTIONS OF THE ASTA AS EXPRESSED BY THE MEMBERS OF THE AUTHORITY

1. We should try to build on the base of our immediate resources within the state and try to capitalize on these resources:

Agriculture - work to attract a higher level of further processing of our principle agricultural commodities. Instead of exporting whole soybeans encourage the further processing of these products to their ultimate uses. (Soybean meal, oil-margarine, human consumption products, etc.) Likewise with rice, poultry products, cotton, beef cattle, etc.

ASTA should try to capitalize on the existing research institutions in the state and attempt to attract high technology industries in whatever field and match these industries to locate where the most complementary research institution is located. If certain industries refuse to come to Arkansas for reason(s) which we might correct, we should make the proper authority aware of these shortcomings.

Perhaps with judicious negotiation we might obtain the Roosevelt Road Veterans Unit for use as a revenue generator. Another need would be investigating the cost of purchasing the Rock Island Railroad line from Perryville to the Oklahoma line or to its western terminus with the Kansas City Southern, issuing bonds and leasing the line to some other railroad line. This line would provide service to industries along this corridor. If the right terms could be worked out this could be a revenue generator as well as providing needed service for agricultural and manufacturing industries.

There are some attempts being made in some meat packing plants in Southwest Arkansas to further process beef, pork and lamb as has been done in many of the poultry processing plants of the state. These are the types of efforts which ASTA should encourage.

2. The role of the ASTA should be to attempt to eliminate the brain drain and capital shortages of our great State. If we offer opportunities, we can have a great impact in these two areas. The opportunities are unlimited with our bonding authority. That is, we can assist in the formation of new companies, expand existing companies, and create a positive environment for the scientific and technological community that will lead to further growth and expansion.
3. The general goals and purpose of the Authority are to create within our state an atmosphere for the development of high technology activities. In order to do this, we must develop the necessary expertise and talent for this project. We should think of a wide range of potential high technology activities. This will require us to analyze and identify these activities. In connection with the screening and identification, we must consider:
  - (1) Implementation potential
  - (2) Economic and technical associations
  - (3) Financing
  - (4) Manpower
  - (5) Higher educational support

We must consider the operational requirements of high technology activities. We should take into consideration the fact that high technology activities may well evolve from existing structures and businesses. We should not overlook the existing activities of wood products, food products, textile manufacturing, transportation equipment, electrical equipment and fabricated metals. The companies active in these fields may spend a substantial sum for research and development in their respective areas.

We should attempt to develop an Authority that would encourage industry and developers to locate in Arkansas. We have all of the essential ingredients in our state, and if we can provide an atmosphere where high technology can be developed advantageously, it will be a great leap forward for our state.

4. The primary purpose of the legislation is to enable the authority to engage in activities that would assist in the establishment of science and technological research throughout Arkansas.

As we pursue the primary goal(s) of the authority, it is important that we keep in mind, first of all, where we are (as far as research capabilities) and where we want to go. It is also important that we keep in mind that the development of an expanded and healthy research capability can serve our state in many ways. The expansion of research capabilities, especially at our institutions of higher learning, can contribute greatly to the quality of graduate education. An increase in the quality of graduate education can have a direct effect on the quality of undergraduate education. In addition, increased research capabilities will help to provide a truly technical work force - persons who will be able to create and plug into the technologies of future decades.

There is a need for the research community of Arkansas to not only pursue basic research (foundation of new ideas) but to expand its capabilities in the area of applied research. We must have additional applied research to 1) solve problems unique to our state and 2) to provide support to business and industry.

An expanded research community should do three things:

- 1) contribute directly to the strengthening of education (particularly in the science and technology areas)
- 2) help create a truly technical work force
- 3) provide answers to questions unique to our state, and our business and our industrial community.

It appears that these things are the things that are needed in order to create and/or attract new technologically oriented industry to our state. It is important that we remember that the task set before us will be a long term one. It will require careful planning and the setting of priorities in order to accomplish our goal of increased science and technological research.

As far as the methods used to fund an expanded research effort, it appears that the authority has a great deal of latitude. It may be possible for us to use the bonding authority to capitalize on scientific and technological developments to create a funding base for the needed expansion. Obviously, the searching out and encouragement of such opportunities must be one of the first things we do following organization and development of a staff. As we search out these opportunities, we must search out patterns of operation, including the experience of other states then utilize every opportunity open to us, including present research capabilities at our institutions of higher learning, the National Center for Toxicological Research, and private industry.

5. As I review Act 859 - which created the Arkansas Science and Technology Authority, and taking note of the composition of said Authority - I am encouraged by the potential that the Authority has for serving the people of Arkansas. It is my understanding that the Authority is to develop and maintain an environment within the State that will attract high technology industry; thereby, affording the people of Arkansas access to a higher quality of life (measured in economic terms).

To accomplish its mission, as I perceive it, it is my opinion that the Authority will have to involve itself in a variety of activities. One of these activities, which is thought to be essential, is to encourage high quality science training and science education programs in the State. This should be comprehensive - at the primary, secondary, and tertiary levels.

Early on, I would like to see the Authority set up summer institutes in strategic areas of the State. The objective of these institutes would be to provide science enrichment programs for high ability secondary school students and secondary school science teachers.

I think that this kind of activity comes within the purview of Act 859. Moreover, the cost of such programs vis-a-vis the long-term benefit will be nominal.

6. The original Task Force which examined the needs and direction of the state in science and technology stressed that research is the key to many of the economic and growth problems which Arkansas must face in the next decade. My concept of the mission of the Science and Technology Authority is to encourage, promote and fund basic research programs resulting in technology application and trained personnel available to "high-tech" industry.

For the state as a whole, it is imperative that basic research be supported statewide with emphasis on universities and research institutions. Without this base there can not be the development of the next step, technology, the process of applying knowledge gained through scientific endeavors. High-tech industries feed off the scientific knowledge generated by basic research and then applied in practical endeavors.

Certainly a long-range goal of research will be in the attraction and development of industries which utilize the expertise and knowledge of researchers. Essentially, all major industries which may be attracted to the state have a need for technically-trained personnel to manage sophisticated equipment and operations. In recent months, several representatives of industry have indicated that a major factor in site selection was the availability of highly-trained, technical personnel. The support of educational research, thus enhancing the quality of academic programs will result in the training of scientifically-trained individuals sought by industries. It has been pointed out that one technical staff job calls for support from several "blue-collar" level jobs and thus improving the overall job market.

The process of basic research and the application of resulting knowledge is a slow process which must be supported, often times for many years, before economic benefits are realized. However, should the science component of the Authority be lost, then we can hope to do little more

7. In my judgment, the Arkansas Science and Technology Authority should take a narrow view of its mission in one respect and a broad view in another.

The view should be narrow in that the authority should not attempt to fill the role of an economic or industrial development administration nor be in a competitive relationship with the Arkansas Industrial Development Commission. Neither should the authority allow itself to move toward roles more appropriate to an educational institution. The task should be the encouragement and cultivation of a science and technology resource base, and that only, in the state. The view should be broad in that the authority should explore, in conjunction with existing institutions, all options in both the public and private sectors for increasing that scientific and technology resource base of the state.

A realistic appraisal of the base from which we start must confess it to be starkly and woefully inadequate compared with most areas of the nation and indeed as compared to other states in the southwest. The sophistication of our scientific and technological education, and our research efforts and capabilities are, with few exceptions, at rudimentary levels.

My conviction is that the authority cannot be successful and Arkansas cannot hope to make any significant strides in scientific and technological areas until there is a substantial improvement in our educational system at the secondary and collegiate levels. For that reason, I am inclined to think that the authority should concentrate its initial efforts upon the improvement of our educational system in the areas of science and advanced technology. Whether this should be accomplished by advocacy, by the solicitation and parcelling

out of resources, or by some other means, I am not yet certain. However, in order to succeed at all we will need to be exceedingly cautious not to be ensnared by competing regional, economic, or institutional interests but to look rather to the statewide interests.

The first director will necessarily be crucial in setting the direction of the authority, and for that reason the selection of the person for that position is a major initial responsibility of the Board.

Appendix 2

REVISED DRAFT OF ADVERTISEMENT

The State of Arkansas invites applications for the positions of Director and Assistant Director of the Arkansas Science and Technology Authority. The aim of the authority is to promote the development of the science and technology research resource base throughout the State of Arkansas. The authority will work closely with Arkansas colleges and universities, the National Center for Toxicological Research, Federal and private research facilities, and other agencies of the State of Arkansas.

The director will report to the 16-member Board of Directors appointed by the Governor. A background in some aspect of science and technology is desirable as is an advanced degree in an appropriate field. Organizational skills will be crucial, and experience in working with state or federal agencies of a similar nature, as well as the private sector are a marked advantage. The person selected will be the first person to hold this position and will have flexibility in developing a new authority.

Applications and resumes should be addressed to \_\_\_\_\_, P.O. Box \_\_\_\_\_, Little Rock, Arkansas \_\_\_\_\_, and must be received no later than \_\_\_\_\_. The State of Arkansas is an equal opportunity employer.

Date: 30 day response time,