



**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

200 Main Street, Suite 210, Little Rock, Arkansas 72201 (501) 371-3554

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
MINUTES OF THE ELEVENTH REGULAR MEETING OF THE BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
JANUARY 25, 1985

The January 25, 1985 meeting of the Board of Directors of the Arkansas Science & Technology Authority was called to order by the chairman, Louis Ramsay at 1:00 p.m.

Members present were Mr. Bill Butler, Dr. Jocelyn Elders, Dr. Phyllis Garnett, Dr. Ronald W. Hart, Mr. Bart Lindsey, Mr. Jerome McGee, Dr. Joe Nix, Dr. Paul Noland, Mr. Louis Ramsay, Mr. Sam Richardson, Mr. Win Thompson, and Dr. William Willingham.

Mr. Ramsay once again pointed out how fortunate the Authority's Board of Directors was to have had Dr. Hart as its first chairman.

The minutes of the December 14, 1984 meeting of the Board of Directors were approved as mailed without objection.

Mr. Ramsay reported that in keeping with the desire of the Board of Directors he delivered to Governor Clinton a letter presenting the sense of the Authority's Board on the subject of clinical toxicology, as this sense was expressed in Representative John Lipton's motion of December 14, 1984.

John Ahlen presented the Executive Director's report. He directed the Board's attention to the November and December monthly reports which had been distributed prior to the meeting and reported that he and Alice Smith had continued working in January on the Authority's portion of the Governor's economic development plan with Belden Daniels, the Governor's staff, and personnel from other agencies. Dr. Ahlen reported that Representative Lipton had prepared for introduction a draft resolution concerning the establishment of a biomedical technology facility dealing with toxicology. The resolution directs the Authority to develop a complete and comprehensive plan and study which details the development of biomedical toxicology in Arkansas. (The resolution was introduced by Representative Lipton as House Concurrent Resolution 9.) Dr. Ahlen indicated that there were two pieces of draft legislation that would be discussed later in the meeting by Mr. Daniels. In response to a question from Dr. Garnett, Dr. Ahlen said that he would inform Board members of the changing status of the two draft bills once they had been introduced and that he would not hesitate to call on Board members for their assistance in working with the Arkansas General Assembly.

Mr. Belden H. Daniels, President of the Counsel for Community Development, was introduced and asked to deliver his presentation on the Authority's legislation. Mr. Daniels reported that the draft legislation contains everything that was wanted. He then began a review section-by-section of the bill to amend the Authority's enabling legislation (Act 859 of 1983). Mr. Daniels said that the Board would be restructured and reduced from 16 members to 11 members and that it was his feeling that the Governor, in making reappointments to the Board, would build on the strength already demonstrated by Board members. The Authority's bonding power would be removed for two reasons: (1) The Authority cannot fund risk with securities and (2) there is companion legislation creating the Arkansas Development Finance Authority which will issue bonds for the state. There would be additional powers for the Authority in areas of applied and basic research and seed capital. In response to a question about whether seed capital was just for high technology enterprises, Mr. Daniels said that there was no such limitation on the Authority's seed capital program and that the funds were intended for innovative technology. Dr. Ahlen further indicated that the specific language in the bill called for funding scientific and technological projects which in turn were defined very broadly. Mr. Daniels went on, in connection with the seed capital program, by explaining that the legislation creates two new funds. Because of constitutional considerations revenue of the state would be appropriated into an Endowment Fund and would be segregated from earned income of the state that is derived from interest. Interest earned on the Endowment Fund would be appropriated by the legislature to an Investment Fund. Seed capital investments would be made from the Investment Fund. It would be possible for the legislature to appropriate interest money from the state treasury directly to the Investment Fund for seed capital investments by the Authority. Mr. Daniels indicated that the draft legislation has the highest state-of-the-art financing for basic and applied research on the one hand and seed capital on the other hand. The basic and applied research program is innovative and was developed in cooperation with the Department of Higher Education. Mr. Daniels indicated that there is a good fit between the Authority and the Department.

Mr. Daniels digressed at this point to discuss a tax credit bill that would permit a 33% tax credit for donations of funds and equipment to research programs in colleges and universities. The qualified research programs would be defined by the Authority and the Department of Higher Education. A similar tax credit would be provided to donations and sales below cost of equipment to colleges, universities, vocational and technical schools, and public primary and secondary schools. The donations would have to be for qualified educational programs defined by the Department of Higher Education, the Vocational and Technical Division and the General Education Division.

Mr. Daniels closed by indicating that the Governor had introduced a holistic package of legislation, but he cautioned that the appropriations to the Authority must be sufficient to make the Authority's programs successful. There is no substitute for strong financial backing. Dr. Hart reinforced this by saying that Arkansas may be no better off than it is--even with great legislation--if the state appropriation is not sufficient for the Authority to complete its tasks.

There was a considerable period spent on clarification of specific sections of the Authority's legislation. The Board agreed to modify language so as to broaden participation in the basic and applied research program.

Dr. Hart made the following motion:

The Board of Directors of the Arkansas Science & Technology Authority, without qualification, strongly endorses Governor Clinton's economic development program as presented to the 1985 Arkansas legislature, and specifically endorses, as modified, "The Act to Amend Act 859 of 1983; to enable the Arkansas Science & Technology Authority to provide financial assistance to technology-based industries; to enable the Authority to promote basic and applied research in Arkansas colleges and universities; declaring an emergency; and for other purposes." Further, the Board requests that sufficient funding be appropriated to accomplish said legislation.

Mr. McGee seconded the motion, which passed unanimously. Mr. Ramsay indicated that Chuck Mimbs, who was unable to attend the meeting, wanted to go on record as endorsing the proposed legislation.

Dr. Ahlen was called on to discuss meeting dates for the Board of Directors. Dr. Ahlen pointed out that the previously scheduled meeting on March 8 had been moved back to March 22. There will be no meeting March 8. All 1985 board meetings are scheduled for Fridays. The meeting dates for 1985 are as follows:

March 22, 1985  
May 3, 1985  
June 28, 1985  
August 23, 1985  
October 4, 1985  
November 29, 1985

There was a brief discussion concerning the number of personnel that would be added to the Authority's staff. Dr. Ahlen explained that the Board had recommended a request for an additional three professionals and one support person and that the executive

recommendation endorsed the request for three professionals and added two additional professionals. The total additional staff would be five professionals. Concern was raised about the lack of additional support personnel to handle the anticipated increase in clerical workload. It was pointed out by Phyllis Johnston of the Governor's office that the executive recommendation had already been made. Dr. Garnett indicated that altering the budget request at this time would be extremely difficult.

Mr. Richardson, from Texarkana, said that since the draft bill concerning the Authority requires 11 Board members, he would be willing to volunteer and surrender his position on the Board of Directors because of transportation difficulties. Mr. Ramsay responded by thanking Mr. Richardson for such a gracious offer and pointed out that if and when the legislation passes the decision on Board appointments would be the Governor's.

Mr. McGee made a brief presentation on the need for a certificate of recognition to be awarded by the Arkansas Science & Technology Authority. A duplicate of the certificate was reviewed by the Board. Dr. Ahlen indicated that the certificates were available and that guidelines for awarding them were being developed.

The meeting adjourned at 2:50 p.m. The next regularly scheduled meeting of the Board of Directors is March 22, 1985 in Little Rock.