



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY
MINUTES OF THE 19TH REGULAR MEETING OF THE BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
AUGUST 21, 1986

Board chairman Louis Ramsay called the meeting to order at 1:30 p.m. Other Board members present were Dr. Joycelyn Elders, Dr. Joe Nix, Mr. Winfred Thompson, Dr. Paul Marion, Mr. William Bowen and Mr. Harry Truman Moore. This constituted a quorum.

The Board approved the minutes of its April 17 and June 19, 1986, meetings without objection.

PRESIDENT'S REPORT

Dr. John Ahlen, president of the Authority, introduced Kay Speed Kelly, the newest member of the Authority's staff. Mrs. Kelly is filling the position of research analyst formerly held by Sue Yarbrough. Mrs. Kelly is a former reporter for the Arkansas Democrat and the Arkansas Gazette; she was most recently employed by the Wright, Lindsey & Jennings law firm.

The Authority has been granted approval to fill two other staff vacancies, those of technology transfer program manager and secretary.

Dr. Ahlen noted that the Board has received monthly reports for May and June 1986 and that the July report is being prepared.

SOUTHERN TECHNOLOGY COUNCIL

Dr. Ahlen reported that Governor Clinton and Florida's Governor Graham have endorsed the creation of the Southern Technology Council, an organization comprised of states from the southeastern region of the country, and have co-sponsored resolutions of support at the meetings of the Southern Governors Association and the Southern Growth Policies Board.

Governor Clinton has appointed Dr. Ahlen and Mr. John Chamberlin, vice president of Arkansas Systems, Inc. of Little Rock, to serve as

Arkansas' two representatives to the Council. The 11 member states will provide financial support for the Council; the Authority--as the major entity responsible for developing the state's scientific and technological resources--will pay Arkansas' dues of \$5,000 a year for fiscal years 1987 and 1988.

Dr. Nix offered a motion authorizing these payments; Dr. Elders seconded the motion, and the Board unanimously approved the motion.

AUTHORITY'S SEARCH FOR NEW BUILDING

Dr. Ahlen reviewed the Authority's search for rental space in downtown Little Rock. He said the Authority is prepared to sign a lease and move across the street into what is now the Continental Building. He said that the owners of the building are committed to redevelop the building, using the Allison, Moses, Redden firm as redevelopers and building managers. He said that the staff had been working with the Department of State Building Services and was very close to finalizing the lease.

The one thing that would be given up in moving to the new facility would be a conference room of the quality of the current one. Dr. Ahlen said that the Continental Building should, after redevelopment, be such that members of the Board would be proud to have the Authority located in it.

CONTRACTS

The Board unanimously approved continuation of three contracts for professional services on a motion by Mr. Thompson, seconded by Mr. Bowen. A contract with the Little Rock law firm of Wright, Lindsey & Jennings would provide up to \$22,000 of legal fees and expenses to the Authority. A second contract, for up to \$18,000, provides for development of a comprehensive communications plan and other public relations services by Combs & Company, a public relations/marketing/advertising agency. A third contract, with the Gulf South Research Institute, would provide up to \$5,900 worth of technical assistance for the evaluation of the Authority's business incubator proposals.

CONFERENCE

Alice Smith, the Authority's vice president information, reported that Dr. D. Bruce Merrifield, assistant secretary for productivity technology and innovation of the U.S. Department of Commerce, has agreed to be the featured speaker at a conference the Authority is co-sponsoring with the University of Arkansas at

Little Rock's Small Business Development Center on December 8 and 9.

The theme of the conference will be "Winning the Race With Change: A Conference on the Role of Science and Technology in Arkansas' Economic Development." Mrs. Smith said that the first official announcement of the conference would be made at a conference of the Industrial Developers of Arkansas on September 17.

AUDIT AND FINANCIAL REPORTS

Noting that the Authority had "passed muster" in its latest audit report, Bill Bowen made a motion for the approval of the fourth fiscal quarter Investment Fund (Appendix A) and General Fund Expenditure (Appendix B) reports. Dr. Elders seconded the motion, which passed unanimously.

RESEARCH COMMITTEE REPORT

Dr. Nix and Dr. Elders, members of the Board's Research Committee, respectively presented the committee's recommendations for funding of five basic and three applied research projects and then called for approval of the committee's recommendations. The Board then unanimously approved Board Resolution Nos. 86-5 (Appendix C) on a motion by Dr. Marion, seconded by Mr. Bowen; and 86-6 (Appendix D) on a motion by Dr. Nix, seconded by Mr. Thompson, granting up to \$139,376 in funding for the basic research projects and up to \$122,882 in funding for the applied research projects, respectively.

Both resolutions were contingent on the continued availability of state funds to finance the grants. Dr. Nix made a motion, seconded by Mr. Thompson, that the Authority give priority to funding the three applied research projects in the event the Authority receives a cut in its state appropriation due to a state revenue shortfall. This motion was approved by the Board.

Dr. Patricia Troth, the Authority's vice president research, told the Board that the reviewers consider the Authority's money as "seed research funding" to use in applying later for National Science Foundation research monies.

Dr. Paul Marion and other Board members urged the Authority to translate the esoteric names of the Authority's research projects into plain English and emphasize the "real world" effects of the research in the release of information to the public and news media.

VACANCIES ON BOARD

Dr. Ahlen notified the Board of the resignation of Dr. Marian Barr from the Board, leaving two vacancies on the Board. (Charles Mimbs resigned earlier.) The chairman suggested that the Authority write both Dr. Barr and Mr. Mimbs, expressing its appreciation for their service to the Board.

PLANNING COMMITTEE REPORT

Mr. Thompson reported that the Planning Committee has directed the Authority's staff to negotiate with the University of Arkansas at Fayetteville and Arkansas State University, the site of the Authority's two incubator projects, to complete the plans and contractual arrangements with the two universities' boards of trustees.

Mr. Thompson noted that the deadline for the second round of proposals for incubator projects is in the near future, that funds are available for one or more projects and that the committee is encouraging applications. He said that the committee is hoping for an early release of funds for the projects.

INDUSTRIAL DEVELOPERS OF ARKANSAS CONFERENCE IN SEPTEMBER

Dr. Ahlen notified the Board that the Industrial Developers of Arkansas (IDA) has invited Board members to attend its September 17 conference as IDA's special guests. Messers. Ramsay and Moore and Dr. Marion indicated they might be able to attend the conference.

NEXT MEETING DATE

Mr. Moore made a motion that the Board accept the invitation of the University of Arkansas at Fayetteville to hold the next Board meeting on Friday, October 3, in Fayetteville, the date of the hoped-for opening of the University's incubator facility. The motion was seconded by Dr. Elders, and approved by the Board. Mr. Thompson said the actual opening date for the facility is contingent on the release of some additional state funds. He said the University plans to invite the Governor and other dignitaries if the opening takes place as planned.

ELECTION OF NEW BOARD OFFICERS

The Board unanimously elected Mr. Bowen to serve as chairman and Mr. Thompson to serve as vice chairman. Dr. Nix was unanimously re-elected secretary. Mr. Bowen was nominated by Dr. Marion and seconded by Dr. Elders. Mr. Thompson was nominated by Dr. Nix and seconded Dr. Elders; and Dr. Nix was nominated by Dr. Elders and seconded by Dr. Marion.

Respectfully submitted,

Joe Nix, Ph.D.
Secretary, Board of Directors

Approved, as amended, by the Board of Directors on this 3rd day
of October, 1986.



Joe Nix, Ph.D.
Secretary, Board of Directors



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GENERAL FUND
FISCAL YEAR 1986
FOURTH QUARTER EXPENDITURE REPORT
APRIL - JUNE 1986

DESCRIPTION	BUDGET FOR QTR	EXP FOR QTR	% EXP FOR QTR	BUDGET FOR FY	EXP FOR YTD	% EXP FOR YTD
SALARIES	\$52,405.00	\$52,379.00	100%	\$203,815.00	\$203,789.00	100%
EMPLOYEE BENEFITS	\$11,676.82	\$10,327.08	88%	\$42,018.89	\$40,669.15	97%
POSTAGE & FREIGHT	\$611.70	\$1,160.70	190%	\$1,837.90	\$2,386.90	130%
T-PHONE T-GRAPH T-TYPE	\$658.03	\$760.59	116%	\$2,639.24	\$2,741.80	104%
PRINT & DUPLICATING	\$1,925.72	\$1,245.60	65%	\$5,422.79	\$4,742.67	87%
OFFICE EQUIP MAINTENANCE	\$290.00	\$16.44	6%	\$1,049.14	\$775.58	74%
RENT OFFICE & EQUIP	\$5,712.72	\$5,595.09	98%	\$22,257.61	\$22,139.98	99%
TRAVEL & SPONSORED MEET.	\$6,184.42	\$4,743.84	77%	\$23,161.89	\$21,721.31	94%
PROFESSIONAL FEES	\$26,963.00	\$26,838.64	100%	\$26,963.00	\$26,838.64	100%
CENTREX SERVICES	\$2,199.94	\$2,970.05	135%	\$7,573.62	\$8,343.73	110%
CONF & CONV FEES	\$993.00	\$570.00	57%	\$3,133.00	\$2,710.00	86%
INSURANCE PREMIUMS	\$0.00	\$0.00	---	\$392.00	\$392.00	100%
STATIONARY & OFFICE SUPPL	\$680.58	\$516.27	76%	\$4,164.53	\$4,000.22	96%
SUBSCRIPTIONS & Pubs	\$443.75	\$326.60	74%	\$2,486.60	\$2,369.45	95%
PURCHASE DP SOFTWARE	\$1,683.18	\$1,521.09	90%	\$2,411.88	\$2,249.79	93%
TRAVEL FUND	\$0.00	\$0.00	---	\$500.00	\$500.00	100%
CAPITAL OUTLAY	\$9,769.29	\$8,959.27	92%	\$22,500.00	\$21,689.98	96%
APPROPRIATION TOTAL	\$122,197.15	\$117,930.26	97%	\$372,327.09	\$368,060.20	99%

INVESTMENT FUND REPORT

Quarter ending June 30, 1986

Total Money Market Accts:		\$ 274,299.17
Union Nat'l Bank	93,106.98	
1st American Bank	91,217.64	
Metropolitan Nat'l Bank	<u>89,974.55</u>	
Total Interest Earned:	<u>35,648.31</u>	*
Money Mkt Accts	3,516.17	
CD Accts	32,132.14	
Total CD Accts:		<u>1,595,000.00</u>
Total Cash balance Investment Fund:		\$ <u>1,869,299.17</u>

* All interest earned is paid into the Money Market Accts.



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RESOLUTION NO. 86-5

PROVIDING THE APPROVAL FOR THE FUNDING OF THREE APPLIED RESEARCH GRANT PROGRAM PROPOSALS BY THE BOARD OF DIRECTORS OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY.

WHEREAS, Act 859 as amended empowers the Arkansas Science & Technology Authority to establish and administer an Applied Research Grant Program; and

WHEREAS, Act 595 includes an appropriation of \$1,800,000 for funding basic and applied research in Arkansas' colleges and universities; and

WHEREAS, proposals were solicited in accordance with rules and guidelines for the Program; and

WHEREAS, proposals were reviewed for eligibility and completeness by the Authority's staff; and evaluated on the basis of scientific merit by peers in an appropriate field of science; and

WHEREAS, the Science Advisory Committee recommends, and the Authority's Research Committee concurs, that no proposal shall be funded without first receiving at least one evaluation from a peer outside the State of Arkansas; and

WHEREAS, the Research Committee is committed to recommending to the Board of Directors those proposals that have clear economic development potential and are ranked as having the best science; and

WHEREAS, the Research Committee finds that it is appropriate for the Authority to fund only proposals that are of limited time duration;

NOW THEREFORE BE IT RESOLVED;

THAT the Arkansas Science & Technology Authority's Board of Directors approves for funding the following proposals:

PROPOSAL NO. 86-A 0001, "Enhancing the Economic Viability of Rice Production in Arkansas by Characterizing Quality Losses Due to Moisture Absorption," by Terry J. Siebenmorgen of the University of Arkansas at Fayetteville and co-sponsored by Abbott Laboratories, Riceland Foods and Dickey-john Corporation in an amount to be negotiated but not to exceed \$34,655.

PROPOSAL NO. 86-A-0005, "Development of Large-Scale Monoclonal Antibody Production," by Collis R. Geren of the University of Arkansas at Fayetteville and co-sponsored by Pel-Freez of Rogers, Arkansas in an amount to be negotiated but not to exceed \$63,227.

PROPOSAL NO. 86-A-0007, "Customer Designed Furniture by Computer," by George E. Marsh of the University of Arkansas at Fayetteville and co-sponsored by Artisti-Craft, Inc. of Mena, Arkansas in an amount to be negotiated but not to exceed \$25,000.

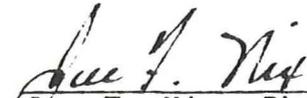
THAT the Authority's staff may negotiate, in consultation with and concurrence by the Research Committee, individual award amounts not to exceed the amounts requested in the identified proposals and in the aggregate not to exceed \$122,882.

BE IT FURTHER RESOLVED:

THAT given the overall fiscal condition of the state, approval of this resolution is clearly contingent on the availability and release of funds to support these specific projects; and

THAT all of the above policies are subject to the action of the Board of Directors within the framework established by Act 859 of 1983 as amended.

APPROVED by the Board of Directors
on this 21st day of August, 1986.



Joe F. Nix, Ph.D.
Secretary of the Board of Directors

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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RESOLUTION NO. 86-6

PROVIDING THE APPROVAL FOR THE FUNDING OF FIVE BASIC RESEARCH GRANT PROGRAM PROPOSALS BY THE BOARD OF DIRECTORS OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY.

WHEREAS, Act 859 as amended empowers the Arkansas Science & Technology Authority to establish and administer a Basic Research Grant Program; and

WHEREAS, Act 595 includes an appropriation of \$1,800,000 for funding basic and applied research in Arkansas' colleges and universities; and

WHEREAS, proposals were solicited in accordance with rules and guidelines for the Program; and

WHEREAS, proposals were reviewed for eligibility and completeness by the Authority's staff; reviewed for scientific merit by the Authority's Science Advisory Committee; and evaluated and ranked on the basis of scientific merit by a panel of internal and external peers in the appropriate fields of science; and

WHEREAS, the Science Advisory Committee recommends, and the Authority's Research Committee concurs, that (1) no proposal shall be funded without first receiving at least one evaluation from a peer outside the State of Arkansas, and (2) no proposal shall be funded if its average rank score is less than 7.5 on a scale of 10; and

WHEREAS, the Arkansas Legislative Council advises the Authority to give funding priority to those proposals which have clear economic potential that will create jobs, providing the proposals satisfy the conditions listed above; and

WHEREAS, the Research Committee is committed to recommending to the Board of Directors those proposals that have clear economic development potential, are ranked as having the best science, and carry on the effort of the National Science Foundation's Experimental Program to Stimulate Competitive Research among Arkansas' young investigators; and

WHEREAS, the Research Committee finds that it is appropriate for the Authority to fund only proposals that propose research efforts which clearly test a scientific hypothesis; and

WHEREAS, there are proposals which have not completed the review process from the April 14, 1986 solicitation that may be eligible for funding;

NOW THEREFORE BE IT RESOLVED;

THAT the Arkansas Science & Technology Authority's Board of Directors approves for funding the following proposals:

PROPOSAL NO. 86-B-0124, for research which is at the interface of science and medicine and which has the potential to initiate entirely new lines of diagnostic medicine, "Magnetic Resonance Imaging of Metabolites," by Richard A. Komorski of the University of Arkansas for Medical Sciences.

PROPOSAL NO. 86-B-0086, for research addressing an area, mineral nutrition of fish, for which very little information exists, and which should benefit both aquatic animal researchers as well as those who formulate fish feeds, "Mineral Interactions in Channel Catfish Nutrition," by Delbert Gatlin III, of the University of Arkansas at Pine Bluff.

PROPOSAL NO. 86-B-0089, for research addressing a host-parasite that may be detrimental to bait-fish farming in Arkansas, "Transmission of Pleistophora ovariae in the Golden Shiner," by Stanley E. Trauth of Arkansas State University.

PROPOSAL NO. 86-B-0112, for research which would document the food web interactions of plankton, macroinvertebrates and fish and thus the transfer of energy to higher trophic levels, "Zooplankton Resources in Ozark Headwater Streams," by Arthur V. Brown of the University of Arkansas at Fayetteville.

PROPOSAL NO. 86-B-0082, for research that would search for evidence of prehistoric earthquakes near Enola, Arkansas and for evidence of surficial geologic faulting and thus a determination of future potential earthquakes, "Earthquake Hazards Evaluation of Enola, Arkansas," by Roy B. VanArsdale of the University of Arkansas at Fayetteville.

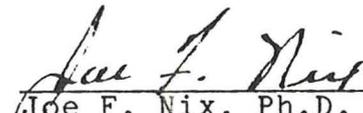
THAT the Authority's staff may negotiate, in consultation with and concurrence by the Research Committee, individual award amounts not to exceed the amounts requested in the identified proposals and in the aggregate not to exceed \$139,376; and

BE IT FURTHER RESOLVED:

THAT given the overall fiscal condition of the state, approval of this resolution is clearly contingent on the availability and release of funds to support these specific projects; and

THAT all of the above policies are subject to the action of the Board of Directors within the framework established by Act 859 of 1983 as amended.

APPROVED by the Board of Directors
on this 21st day of August, 1986.



Joe F. Nix, Ph.D.
Secretary of the Board of Directors