

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
MINUTES OF THE 22ND REGULAR MEETING OF THE BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
JANUARY 16, 1987

Board chairman Bill Bowen called the meeting to order at 1:35 p.m. Other Board members present were Dr. Joe Nix, Mr. Winfred L. Thompson, Dr. Ron Hart, Mr. Louis Ramsay, Jr., and Mr. H. T. Moore. A quorum was present.

A number of visitors and guests were present. A complete listing is provided at Appendix A.

The Board approved the minutes of the November 20, 1986 meeting, as mailed, without objection.

PRESIDENT'S REPORT

John Ahlen called the Board's attention to the November and December Monthly Reports which were included in the Board meeting packet. The December Conference, "Winning the Race with Change," was well attended and received good reviews. The January 1987 issue of The Arkansas Entrepreneur had a comprehensive article on the Conference.

INVESTMENT COMMITTEE REPORT

Mr. H. T. Moore summarized the November 14 meeting of the Investment Committee (unapproved minutes at Appendix B). On that day the Committee heard four presentations; Micoil Corporation was ranked number one by the Committee. Jim Benham, vice president finance, completed the staff investigation of Micoil and made all the necessary statutory findings.

Mr. Benham said that Micoil Corporation, located in Conway, has developed and will implement several innovative technologies in the manufacture of inductor coils for the high-tech electronics industry. The company will target the military and commercial electronic markets that use surface-mounted technologies. Micoil's total financing package is \$500,000, with the Authority to provide \$150,000.

Mr. Benham read the seven conditions from Resolution 87-4 (Appendix C, page 2) which must be met before the Authority would proceed with the investment. In response to a question from Mr. Thompson regarding the number of employees at Micoil, Mr. Richard Dunlap, president of the firm, said that 30 to 35 employees would be hired locally over the next year.

Mr. H. T. Moore moved that the Board approve Resolution 87-4 to provide funding in the amount of \$150,000 to Micoil Corporation. The motion was seconded by Mr. Ramsay, and unanimously approved by the Board.

Mr. Moore summarized the Authority's Second Quarter Expenditure Report (Appendix D) and Second Quarter Investment Fund Report (Appendix E). These reports cover the period October-December 1986. Both reports were approved on a motion by Mr. Ramsay, seconded by Mr. Thompson.

PLANNING COMMITTEE REPORT

Mr. Thompson said that Dr. Marion was not present because of a State Board of Higher Education meeting in Helena. He said he and Dr. Marion had discussed earlier in the week the recent staff status report (Appendix F) concerning the review of applications for business incubators, potential funding status, and the option that the Authority proceed with funding three, rather than two, of them. The three projects would be (1) The Technical Enterprise Center, sponsored by the University of Arkansas at Little Rock; (2) The Institute for New Enterprise Formation, sponsored by Southern Arkansas University; and (3) North Arkansas Incubator System, sponsored by North Arkansas Community College. The amounts awarded for these projects would not exceed \$300,000 for the project in Little Rock; \$327,498 for SAU; and \$138,000 for Salem.

The sense of the Planning Committee is that the Authority proceed with the funding, as in the earlier cycle, to give the staff some authority to negotiate further with the applicants and be certain that all the requirements of the Authority have been met.

Mr. Thompson moved that the Board approve Resolution No. 87-3 (Appendix G) to fund the three incubators. Dr. Nix seconded the motion, which passed unanimously.

Mr. Bowen welcomed the visitors from Salem: Mayor Gary Clayton, Frank Burger from the Bank of Salem, and Mel Coleman of Radio KSAR. Mr. Thompson said how impressed the Committee was that a community the size of Salem, working with the community college system, had come up with such a good proposal.

RESEARCH COMMITTEE REPORT

Dr. Hart reviewed proposals for two applied projects and three basic projects which had been filed with the Board November 20 but

which had not been formally approved by the Board for forwarding to the Governor's Office (Appendices H through K).

The two applied projects deal with computer vision system applications in electronic assembly operations (cosponsored by Texas Instruments, Inc., and Baldwin Piano and Organ Company) and an assessment of forest damage as a result of acid rain (cosponsored by Weyerhaeuser Company) (Appendix H).

Matching funds from the National Science Foundation are expected in support of the basic proposal for a nuclear magnetic resonance (NMR) spectroscope at Fayetteville (Appendix I). With this device, Fayetteville will have an excellent facility for chemical structure analysis which is important to a variety of industries. The second basic project is a gene analysis laboratory for UAMS which will be used by investigators at the Medical School who are working on various aspects of genetic engineering (Appendix J). The third is a study on epidermal growth factors in the growth and phenotypic expression of leprechaunism by a researcher at UAMS (Appendix K).

The Research Committee suggested the request for release of funds for these proposals be sent to the Governor.

In addition, the Research Committee had two other resolutions to bring before the Board (see Appendix L for unapproved minutes of last Committee meeting). Referring to Resolution No. 87-1 (Appendix M) which provides for the reappointment of the Science Advisory Committee (SAC) of the Authority as a successor committee to the Arkansas EPSCoR Committee, Dr. Hart said one modification in the resolution is that the SAC be composed of ten members appointed from the Arkansas scientific community including the President of the Arkansas Academy of Science. This action will give representation to the professional community through the Arkansas Academy of Science. Dr. Hart moved that Resolution No. 87-1 be approved; Mr. H. T. Moore seconded the motion. The motion carried.

Resolution 87-2 (Appendix N) provides funding for three applied research grant proposals relating to three major industries in Arkansas.

Arkansas lost spinach as a crop (and five million dollars in revenue) due to a wild infection of the strain which grows best in the state. Proposal No. 86-A-0010 represents an effort to develop new strains of spinach resistant to the virus and thereby reestablish the spinach crop. The industry, in accordance with the Applied Research Grant Program joint venture with the Authority, is investing one dollar for every dollar the Authority invests.

Proposal No. 86-A-0011 deals with the poultry industry -- one of the largest and most rapidly growing industries in the state. The proposal is to develop vaccines against viruses

pathogenic to poultry, and the investigators are well recognized nationally and internationally.

In the last few years, the tomato crop in Arkansas has been significantly jeopardized by a viral infection. The investigators of Proposal No. 86-A-0009 hope to develop techniques to stem the increasing problem of wilt within in the tomato industry of Arkansas.

Dr. Hart moved for the adoption of Resolution 87-2. The motion was seconded by Mr. Ramsay, and carried unanimously.

In summation, Dr. Hart said the Research Committee has reviewed approximately 138 basic research proposals. Of those, 54 proved to be competitive after external peer review, and subsequently 18 were recommended for funding by the Research Committee or have been approved by the Board and forwarded for funding to the Governor's Office. At this time, three basic research proposals are on the Governor's desk.

Of the applied proposals, 11 were submitted; ten proved to be competitive; three have been funded; one funded proposal withdrawn; and two are on the Governor's desk. The Research Committee is recommending three additional proposals (as outlined above).

The rejection rate is high: it is very difficult for a proposal to get through the review process; through the Science Advisory Committee, the external peer review committee, the Research Committee, and finally through the Board of Directors.

However, the possible economic impact of the funded proposals is enormous. Any single proposal would in itself pay the entire cost of the program or \$1.8 million. If more than one proposal is successful, the return becomes even larger. Dr. Hart said he felt the probability of success is high and that he has been impressed by the quality of the proposals the Authority has received.

At the beginning of the Research Committee report, Dr. Ahlen said, Dr. Hart reviewed five proposals presented to the Board on November 20 (Appendices H through K). Because of the uncertainty of funds being available for those projects, Dr. Ahlen suggested on November 20 that the proposals be submitted to the Board by the Research Committee so the Committee could discharge its responsibility. The resolutions were filed but final action deferred pending the release of funds. There has been a priority assigned to those projects, but they have not been formally approved.

In view of the Board's approval of Resolution Nos. 87-5 through 8 (or those resolutions filed with the Board November 20), Dr. Nix made a motion that the Board formally approve funding and recommend release of funds to the Governor's Office, and that the projects be placed in sequence (as a block) before Resolution Nos. 87-1 through 4 which were approved earlier in the meeting.

In discussing the motion, Mr. Bowen said his understanding is that it is not the Board's intention to suggest to the Governor which projects should be funded in which order, that it should be left to his discretion.

Dr. Hart said he did not feel a priority should be given to any particular proposal among the eight proposals being forward to the Governor. Modifying his earlier motion, Dr. Nix suggested that the three basic and the five applied proposals be approved and that the Board recommend a release of funds for those projects. After additional discussion, the motion, as modified, was seconded by Mr. Ramsay.

To clarify the motion for the Board, Dr. Ahlen restated it as follows: the motion is to approve, contingent on the availability and the release of funds, five projects that were filed with the Board November 20. The recommendation is that those five, plus the three recommended for funding contingent on the availability and release of funds -- in Resolution No. 87-2 -- constituting a group of eight proposals, be forwarded to the Governor's Office with the Board's recommendation that the funds be released for those eight or, at the Governor's discretion, for as many of the eight for which funds might be available.

When put to the vote, the motion carried unanimously.

In the communication to the Governor, Dr. Nix asked that the importance of the fact that there are matching funds on the table be stressed. If the proposals do not get funding, a sizeable amount of money will not be channeled into research. Dr. Hart interjected that the deadline for the NMR facility is March 1.

The Governor's Office has been apprised of all of the federal awards and the nature of the applied research program and the industry match. Dr. Ahlen was confident the Governor's Office staff was aware of the situation.

OLD BUSINESS

Dr. Ahlen said that the Final Report on the 1986 Commission on the Future of the South, "Halfway Home And A Long Way to Go," had been sent to Board members. The Arkansas companion report prepared by The Jobs for Arkansas' Future Study Commission was included in the Board packet. Dr. Ahlen said this final report paralleled in many respects the Commission on the Future of the South report, and had contributions from a former member of the Authority's Board, Chuck Mimbs.

Mr. Ramsay said that in reading the report from the Southern Growth Policies Board, and noting the 10 objectives it is trying to achieve by 1992, it seemed that the Authority is working hand and glove to accomplish three or four of its objectives. These steps by the Authority, along with the help of others in the State

of Arkansas, will achieve some of the 10 regional goals. Hopefully, Arkansas will be a step ahead in trying to do what is recommended in the report. Economic development, the role of higher education, increasing the South's capacity to generate useful technology, home-grown businesses and industries are all issues the Authority is focusing on now. Mr. Ramsay said he was pleased to see the report and pleased to see what the Authority is doing can be very supportive of it.

Mr. Thompson said the Governor, in his Inaugural Address, specifically mentioned ASTA and the role it plays in economic development efforts. It is important to realize that the Governor has the Authority in mind and it is important for the Board to remember the obligation it has to carry out the Authority's work successfully for the next four years. The next biennium will be a difficult one for the state because of reduced revenues, but the Authority has an opportunity to make an impact in terms of increasing those revenues through economic development.

Mr. Bowen mentioned a recent newspaper article about the withdrawal by Battelle from the INTOX facility at Jefferson. It appears that there is nothing further the Authority could or should do.

NEW BUSINESS

Dr. Ahlen asked the Board's approval to publish the 1986 Annual Report with the minor changes that had been submitted by members of the Board as a result of a request for comments by mail. Kay Speed Kelly, the Authority's communications manager, anticipated the Report would be published in February or March.

Dr. Nix moved that the report be approved with the changes submitted; Mr. Thompson seconded it. The motion carried.

The Secretary of State's annual request for Code of Ethics forms from the members of the Board has been received. Mr. Jack Williams, Wright, Lindsey & Jennings, said the form must be filed with the Arkansas Secretary of State during the month of January. The filing is required by law because the Authority is a state agency which receives and spends state funds; its members are in a rule-making capacity with regard to science and technology. The Code of Ethics prohibits Board members from using either position or information obtained by serving on the Board for personal gain. Code of Ethics forms were distributed to Board members present, and will be mailed to those not in attendance.

With reference to the current legislative session, Dr. Ahlen said he did not anticipate any formal agenda for the Board. The situation is different from two years ago when the new programs that came to the Authority were at the initiative of the Governor and were part of his overall economic development program.

There is planning activity and there may be some adjustments to previous legislation, but Dr. Ahlen did not anticipate any new programs given the tight budget situation. As the Authority's staff is monitoring the session, any proposals concerning or having an effect on the Authority will be brought to the Board's attention. If this happens, Board Members might be asked to work with local legislators in the Authority's best interests. Dr. Nix asked whether there will be a request for money for research. Dr. Ahlen said that a request has been made for \$1.8 million for the basic and applied research program, and paperwork has been initiated for reappropriation of the unawarded funds from the current biennium which is standard practice for funds in the capital improvement fund.

Regarding the next meeting date and the meeting dates for 1987, Dr. Ahlen asked that Board members consult the calendar and suggested dates included in the Board packet. Mr. Ramsay suggested that Board members write or call within the week to comment on the suggested dates.

Dr. Ahlen said that Patricia Troth, vice president research, would be leaving the Authority at the end of the month. Dr. Troth will join her husband who has taken a job in Michigan. Her successor will begin February 2. In addition, a staff member has been hired to work on the technology transfer program.

Dr. Ahlen commended Dr. Troth's work in establishing, implementing and managing the Basic and Applied Research Grant Programs, and in doing a fine job for the Authority on a day-to-day basis. Mr. Bowen suggested a motion supporting a proclamation to that effect, to be framed and provided to Dr. Troth. The motion was made by Mr. Ramsay, seconded by Mr. Moore, and carried unanimously, after which Dr. Troth received an appreciative round of applause.

Mr. Bowen observed that the Authority was organized in the summer of 1983 under the leadership of Dr. Hart, and that leadership continued ably by Mr. Ramsay. The budget was a modest \$250,000 in the beginning. At the same time in Austin, Texas, Admiral Inman was gathering an estimated \$22 million and two jets for use in his efforts at high-tech development in Texas.

The contrast is marked. Since that time, Admiral Inman has left, his efforts at development in some disarray. The Authority, however, has just approved eight projects, with a total funding of \$1.2 million. Dr. Hart advises that if one succeeds, it more than equals the funding. The Authority was mentioned favorably in the Governor's State of the State message which suggests that the Authority is moving along as well or better than the Board originally thought.

January 16, 1987

The meeting was adjourned at 2:35 p.m.

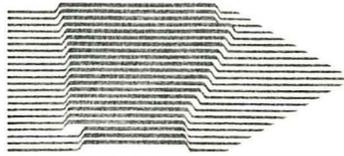
Respectfully submitted,

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

Approved by the Board of Directors on this 22nd day of May, 1987.



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



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

VISITORS PRESENT AT THE
MEETING OF THE BOARD OF DIRECTORS,
JANUARY 16, 1987

NAME

AFFILIATION

Wayne Waggoner

Waggoner & Company

Walter E. May

Wright, Lindsey & Jennings

John Reed

Arkansas Gazette

Sheldon Spent

Arkansas Democrat

Frank Durga

Dark of Salem

Mel Coleman

Radio KSAR, Salem, AR

GARY G. Clayton

MAYOR - SALEM

JIM WILLIAMSON

CONWAY DEVELOPMENT CORP.

RICHARD D. DUNLAP

MICOIL CORPORATION

Barbara Leimer

Micoil Corporation

JIM BREWER

CONWAY CORPORATION

UNAPPROVED MINUTES
OF THE
INVESTMENT COMMITTEE MEETING
NOVEMBER 14, 1986

On November 14, at 1:00 P.M., the Arkansas Science & Technology Authority's Investment Committee met in the second floor board room of the First Commercial Bank Building located at 200 Main Street, Little Rock, Arkansas. Committee members attending the meeting were Committee Chairman Bart Lindsey and H. T. Moore. Staff members attending were John Ahlen, Pat Troth and Jim Benham.

It was noted that the staff has been laboring under a very heavy workload and feels the strain of dealing with the business pressures of the entrepreneurs who need assistance.

The four proposals being heard today, as well as working with legal counsel in negotiating the closing of the ARTECH investment, have consumed most of the staff's time for the past six weeks.

The four projects are seeking a total of over \$500,000 in financial commitments from the Authority. Each proposal is unique and has its own constraints, needs and timetables.

Staff has been working on the findings that the Authority is required to make by statute. No fatal flaws have been found, however, these findings are not yet complete.

One might view these presentations as premature for this reason, but this is part of the review process and has been moved up to accommodate the entrepreneurs who have agendas and schedules different from the Authority.

The Investment Committee needs to be satisfied that the statutory investigation is thorough and complete and be aware that the investigation of each proposal takes time. The Authority cannot provide any project with a quick fix for cash.

Further, the Committee needs to balance the specific risks that are inherent in the types of projects that come to the Authority with the overall public benefits derived from the Seed Capital Investment Program.

Therefore, the Committee should also look at factors that go beyond the statutory findings of a specific project. For example, the Authority probably cannot afford to invest in all of the projects that it considers because of the responsibility to prudently manage the limited amount in the investment fund. The projects in which the Authority invests must be carefully selected and should be the projects that best promote the purposes of the Authority and best benefit Arkansas.

The Committee can greatly assist the Authority by helping to set priorities for projects so the entrepreneurs know their standing and so the staff investigations can be completed accordingly.

It would be premature for the Committee to make any final decisions today.

Four companies made presentations to the Committee. The Committee will rank in order of priority, the companies in which staff should direct its investigation. Proposals were heard from the following companies:

1. (TCIS) Tele-Communications Information Systems, Inc.
Fayetteville, Arkansas.
2. Energy Techniques, Inc. Fayetteville, Arkansas
3. Doss Spin Tool Magnolia, Arkansas
4. Micoil Corporation Cape Girardeau, Missouri

After the presentation by Energy Techniques, John Ahlen informed the Committee of a commitment he made at a meeting with representatives of Energy Techniques, the AIDC and the Northwest Arkansas Economic Development District on September 12, 1986. John said that if the staff's due diligence showed that Energy Techniques was a good investment, then he would ask for a special meeting of the Board and ask the Investment Committee to consider a 50:50 dollar match for the project.

Due to bad weather conditions the meeting adjourned at 4:00 PM.

JTB/ct

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-4

PROVIDING FOR THE SEED CAPITAL INVESTMENT OF MONIES FROM THE INVESTMENT FUND OF THE AUTHORITY IN A TECHNOLOGY-BASED ENTERPRISE IN ARKANSAS.

WHEREAS, ACT 859 OF 1983, as amended (the "Act"), authorizes the Authority to participate in the initial capitalization of technology-based enterprises through purchases of their qualified securities;

WHEREAS, pursuant to the Act, the Authority has created the Seed Capital Investment Program (the "Program") to foster the formation and development of innovative, technology-based business enterprises that will stimulate the economy of Arkansas through increased employment and leveraging of private investment;

WHEREAS, MICOIL, Inc. ("MICOIL") has submitted an application under the Program requesting a loan in the amount of \$150,000 to provide a portion of its initial capitalization;

WHEREAS, MICOIL projects that its initial capitalization will require a total of \$500,000, of which \$50,000 will be provided by MICOIL's principal and \$300,000 is reasonably expected to be available from sources other than the Authority;

WHEREAS, MICOIL qualifies as an "enterprise" as defined by the Act, in that its principal place of business is located in Conway, Arkansas and it proposes to engage in manufacturing and the provision of services involving a significant amount of technology;

WHEREAS, based upon MICOIL's application and the results of an investigation conducted by the Authority's staff, the Board hereby finds that:

- (1) the proceeds of the requested loan will be used only to cover a portion of MICOIL's initial capitalization,
- (2) MICOIL has a reasonable chance of success,
- (3) the Authority's participation in MICOIL's initial capitalization is necessary to the company's success because sufficient funding is unavailable in the traditional capital markets or, if available, could be obtained only on terms that would substantially hinder MICOIL's prospects for success,

- (4) MICOIL has the reasonable potential to create a substantial amount of primary employment within Arkansas,
- (5) MICOIL's principal has committed to make substantial financial and time commitments to the company,
- (6) the loan requested by MICOIL constitutes a "qualified security" under the Act,
- (7) there is a reasonable possibility that the Authority will recoup at least its initial investment in MICOIL, and
- (8) MICOIL will enter into binding commitments with the Authority to supply such financial and other data as are required under the Act and to submit to such management control on the part of the Authority as the Board, through its Investment Committee, deems prudent for the protection of the Authority's investment; and

WHEREAS, MICOIL'S application for a loan complies in all respects with the requirements of the Act and the rules governing the Program;

NOW THEREFORE, BE IT RESOLVED;

THAT the application [Project No. 86-S-0026] of MICOIL, Inc. for an initial capitalization loan in the amount of \$150,000 is hereby approved; provided, however, that prior to the Authority's disbursement of loan proceeds, MICOIL shall:

- (1) provide proof of its incorporation under the laws of the State of Arkansas,
- (2) demonstrate that its principal has contributed not less than \$50,000 in cash and equipment to MICOIL's initial capitalization,
- (3) obtain financing or binding commitments for financing from sources other than the Authority in an amount not less than \$300,000, which monies shall be applied to MICOIL's initial capitalization,
- (4) enter into a lease agreement covering the facilities that will house MICOIL's operation,
- (5) show evidence of the employment of key management personnel,
- (6) show evidence of the equipment owned by MICOIL's principal and valued in excess of \$200,000 which will be provided for MICOIL's use in its business operations, and

(7) MICOIL's principal shall personally guarantee his indebtedness to the Authority

all of which shall be provided or done to the Authority's satisfaction.

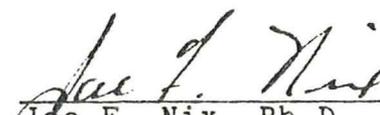
THAT the Investment Committee of the Board is hereby authorized on behalf of the Authority to prepare loan documents covering the transaction authorized hereby, which documents shall meet all requirements contained in the Act and shall include such provisions as, in the judgment of the Committee, are necessary or desirable to protect the Authority's investment in MICOIL. The Committee is further authorized on behalf of the Authority to negotiate with MICOIL such terms, including interest rate and maturity date, as are appropriate to the loan authorized hereby.

THAT the President of the Authority is hereby authorized on behalf on the Authority to execute and deliver all documents relating to the loan authorized hereby.

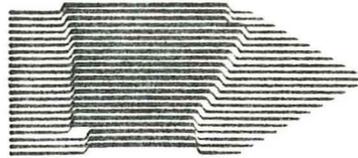
BE IT FURTHER RESOLVED;

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 16th day of January, 1987.



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



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

GENERAL FUND
FISCAL YEAR 1987
SECOND QUARTER EXPENDITURE REPORT
OCTOBER - DECEMBER 1986

DESCRIPTION	BUDGET FOR QTR	EXP FOR QTR	% EXP FOR QTR	BUDGET FOR FY	EXP FOR YTD	% EXP FOR YTD
SALARIES	\$59,840.97	\$53,452.91	89%	\$222,266.46	\$94,332.89	42%
EMPLOYEE BENEFITS	\$14,350.00	\$8,907.54	62%	\$55,000.00	\$17,253.55	31%
POSTAGE & FREIGHT	\$600.00	\$2,001.10	334%	\$10,400.00	\$3,016.68	29%
T-PHONE T-GRAPH T-TYPE	\$1,525.00	\$427.69	28%	\$5,850.00	\$1,494.04	26%
PRINT & DUPLICATING	\$5,000.00	\$1,463.50	29%	\$19,124.00	\$1,772.10	9%
OFFICE EQUIP MAINTENANCE	\$1,100.00	\$260.14	24%	\$4,300.00	\$740.54	17%
RENT OFFICE & EQUIP	\$8,400.00	\$6,721.96	80%	\$31,350.00	\$10,878.14	35%
TRAVEL & SPONSORED MEET.	\$17,250.00	\$5,072.91	29%	\$64,803.00	\$7,879.02	12%
PROFESSIONAL FEES	\$14,500.00	\$35.00	0%	\$57,757.00	\$35.00	0%
CENTREX SERVICES	\$2,250.00	\$1,489.47	66%	\$9,000.00	\$3,003.98	33%
CONF & CONV FEES	\$1,720.00	\$927.00	54%	\$6,820.00	\$1,212.00	18%
INSURANCE PREMIUMS	\$0.00	\$0.00	---	\$401.00	\$0.00	0%
STATIONARY & OFFICE SUPPL	\$2,550.00	\$800.54	31%	\$9,450.00	\$1,119.89	12%
SUBSCRIPTIONS & PUBLS	\$400.00	\$188.45	47%	\$2,900.00	\$557.44	19%
PURCHASE DP SOFTWARE	\$1,250.00	\$74.34	6%	\$4,500.00	\$279.09	6%
TRAVEL FUND	\$0.00	\$0.00	0%	\$500.00	\$0.00	0%
CAPITAL OUTLAY	\$1,900.00	\$304.49	16%	\$7,600.00	\$304.49	4%
APPROPRIATION TOTAL	\$132,635.97	\$82,127.04	62%	\$512,021.46	\$143,878.85	28%

INVESTMENT FUND REPORT

Quarter ending December 31, 1986

Total Money Market Accts:		\$ 184,545.79
Nat'l Bank of Arkansas	25,901.91	
Union Nat'l Bank	98,303.38	
1st American Bank	36,157.78	
Metropolitan Nat'l Bank	<u>24,182.72</u>	
Total Interest Earned:	<u>28,592.47</u>	*
Money Mkt Accts	2,899.93	
CD Accts	24,380.04	
Investments:		
ARTECH	1,312.50	
Total Principal Repayment Investments:	<u>1,216.60</u>	*
ARTECH	1,216.60	
Total CD Accts:		<u>1,595,000.00</u>
Total Cash balance Investment Fund:		\$ <u>1,779,545.79</u>

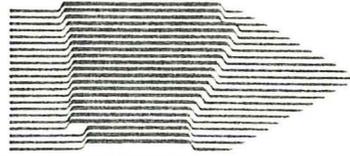
* All interest earned and repayment of principal is paid into the Money Market Accts.

STAFF STATUS REPORT
OF THE
BUSINESS INCUBATOR PROGRAM
JANUARY 8, 1987

Developments since the November 21 Board of Directors meeting are as follows. No awards were made at that meeting due to the uncertainty of the release of funds for the Business Incubator Program. Verbal assurances had been received from the Governor's office in December that funds would be released for the incubator projects. In the meantime, the leaders involved in the University of Arkansas-Little Rock proposal, the top-ranked proposal by the committee, had received a commitment from private investors to put in \$200,000 for the seed capital fund which was originally expected to come from the City of Little Rock. With that commitment, and the new information that the City's commitment of \$200,000 must be designated as operating capital, the Authority's original award amount would exceed the total project request of \$700,000.

Therefore, the Authority has the option of funding the UALR proposal at the level of \$300,000. This frees \$200,000 which could be reallocated to a third project, after funding the number two ranked proposal from Southern Arkansas University at the level of \$327,498. The optional third project would be the number three ranked proposal from North Arkansas Community College.

ARS

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-3

PROVIDING THE APPROVAL FOR THE FUNDING OF THREE BUSINESS INCUBATOR PROGRAM PROPOSALS BY THE BOARD OF DIRECTORS OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY.

WHEREAS, Act 859 of 1983 as amended empowers the Arkansas Science & Technology Authority to create, in cooperation with Arkansas colleges and universities, facilities to foster the growth of technology-based enterprises; and

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

WHEREAS, a preliminary review of the proposals was conducted by the Authority's staff; and reviewed for merit by the Authority's Planning Committee; and evaluated by the Gulf South Research Institute which has professional expertise with business incubators; and

WHEREAS, Act 595 of 1985 includes an appropriation of \$1,900,000 for establishing Incubator Facilities under the auspices of Arkansas colleges and universities to foster the growth of technology-based enterprises; and

WHEREAS, the uncommitted balance in the aforementioned appropriation is \$827,498;

WHEREAS, the Planning Committee is committed to recommending to the Board of Directors those proposals that further the goals of the Authority by demonstrating clear economic development potential and the highest probability of success;

NOW, THEREFORE BE IT RESOLVED;

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

PROPOSAL NO. 86-I-0010, "The Technical Enterprise Center" a public/private partnership formed to establish an incubator facility in the Continental Building in downtown Little Rock to serve young, growing firms in central Arkansas; sponsored by the University of Arkansas-Little Rock, and managed under a contractual agreement with the Little Rock Enterprise Center Company, a subsidiary of Pryde, Roberts and Company of Washington, D.C., for a sum to be negotiated but not to exceed \$300,000;

PROPOSAL NO. 86-I-0009, "The Institute for New Enterprise Formation: A Business Incubator Program for Southern Arkansas," sponsored by Southern Arkansas University, incorporating long-needed small business development assistance, a Small Business Investment Corporation comprised of a consortium of South Arkansas banks, and sustained incubator support services for a seven county region that has experienced a sagging economy in recent years; for a sum to be negotiated, but not to exceed \$327,498.

PROPOSAL NO. 86-I-0007, "North Arkansas Business Incubator System," sponsored by North Arkansas Community College and drawing on the strong community leadership of Salem, in Fulton County, to enhance the development and success rate of technology-based companies and to provide support services to increase the survival rate of small businesses in the area; for a sum to be negotiated, but not to exceed \$138,000.

THAT the Authority shall negotiate conditions of awards in consultation with and concurrence by the Planning Committee; and

BE IT FURTHER RESOLVED:

THAT the Authority, through its staff, will monitor the implementation of the projects for compliance with Authority guidelines and directives; 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 16th day of January, 1987.



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

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-5

PROVIDING THE APPROVAL FOR THE FUNDING OF TWO APPLIED RESEARCH GRANT 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, there are sufficient unencumbered funds in the aforementioned appropriation; 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 appropriate fields of science; and

WHEREAS, the Science Advisory Committee recommends, and the Authority's Research Committee concurs, that no proposal shall be funded without being reviewed by at least three peers, one of whom shall be from 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 being scientifically meritorious; 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-0006, "Computer Vision System Applications in Quality Assurance and Process Control in Electronic Assembly Operations," by Joseph S. Wrobel of the University of Arkansas at Fayetteville and co-sponsored by Texas Instruments Inc. in the amount of \$45,000 and Baldwin Piano and Organ Company in the amount of \$5,000 in an amount to be matched and negotiated by the Authority staff but not to exceed \$47,875.

PROPOSAL NO. 86-A-0008, "Contrasting Acidic Deposition and Nutrient Pools in An Undisturbed Forest and a Young Pine Plantation in The Ouachita Mountains," by R. Scott Beasley of the University of Arkansas at Monticello and cosponsored by Weyerhaeuser Company in the amount of \$31,000 in an amount to be matched and negotiated by the Authority staff but not to exceed \$31,000.

THAT the individual award amounts not exceed the amounts requested in the identified proposals and in the aggregate not exceed \$78,875.

BE IT FURTHER RESOLVED:

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.

FILED by the Board of Directors on
the 20th day of November, 1986.

APPROVED by the Board of Directors
on this 16th day of January, 1987.



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

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-7

PROVIDING THE APPROVAL FOR FUNDING ONE BASIC RESEARCH GRANT PROGRAM PROPOSAL THAT WILL MATCH FUNDS FOR THE PURCHASE OF ONE NUCLEAR MAGNETIC RESONANCE SPECTROSCOPE BY THE DIRECTORS OF THE SCIENCE AND 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, there are sufficient unencumbered funds in the aforementioned appropriation; 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 form 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 Research Committee is committed to recommending to the Board of Directors those proposals that are ranked as having the best science, and carry on the effort of the National

Science Foundations's Experimental Program to Stimulate Competitive Research; 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, the University of Arkansas at Fayetteville has the research capability to address cutting edge technology which is presently limited by the availability of appropriate equipment; and

WHEREAS, there are continuing opportunities for educational enhancement not only for chemistry but for other related sciences in the use of the proposed equipment far outlasting the cutting edge life span of the proposed equipment; and

WHEREAS, the Research Committee, the Science Advisory Committee, and panels of external and internal expert reviewers through the first and second round of grant applications have conscientiously fulfilled the will and spirit of the resolution of the Joint Legislative Committee; and

WHEREAS, the proposed research will have long-term economic impact, through educational enhancement, furtherance of general knowledge, and encouragement of general research expertise within the State of Arkansas;

NOW THEREFORE BE IT RESOLVED;

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

PROPOSAL NO. 86-B-0069, for the purchase of a nuclear magnetic resonance spectrometer which is vital to the expansion of the research of users in research areas relevant to national interests including membrane biophysics, neurobiological responses produced by ion-transport, electron transport by membrane components, organometallic synthesis, catalysis and the development of S-33 NMR spectroscopy as an analytical tool, "Matching Funds for the Purchase of a 300 MHz Nuclear Magnetic Resonance Spectrometer," by James F. Hinton of the University of Arkansas at Fayetteville.

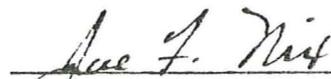
THAT the Authority's staff may negotiate, in consultation with and concurrence by the Research Committee, the individual award amount not to exceed \$194,500.

BE IT FURTHER RESOLVED:

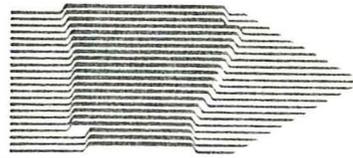
THAT all of the above policies are subject to the action of the Board of Directors within the framework established by Act 859 of 1983 as amended.

FILED by the Board of Directors on
the 20th day of November, 1986.

APPROVED by the Board of Directors
on this 16th day of January, 1987.



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

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-8

PROVIDING THE APPROVAL FOR FUNDING THE ESTABLISHMENT OF A GENE ANALYSIS LABORATORY CONSISTING OF THREE RESEARCH INSTRUMENTS BY THE 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, there are sufficient unencumbered funds in the aforementioned appropriation; 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 form 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 Research Committee is committed to recommending to the Board of Directors those proposals that are ranked as having the best science, and carry on the effort of the National Science Foundations's Experimental Program to Stimulate Competitive Research especially among young scientists; 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, the University of Arkansas for Medical Sciences has a critical mass of research personnel addressing timely issues of gene structure, function and regulation which require state-of-the-art research techniques which are becoming limited by the adequacy of available analytical equipment; and

WHEREAS, there are continuing opportunities for educational enhancement across the multitude of disciplines comprising the study of medical sciences in the presence and availability of the gene analysis laboratory far outlasting the cutting-edge life span of the proposed equipment; and

WHEREAS, the Research Committee, the Science Advisory Committee, and panels of external and internal expert reviewers through the first and second round of grant applications have conscientiously fulfilled the will and spirit of the resolution of the Joint Legislative Committee; and

WHEREAS, the proposed research will have long-term economic impact, through educational enhancement, furtherance of general knowledge, and encouragement of general research expertise within the State of Arkansas;

NOW THEREFORE BE IT RESOLVED;

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

PROPOSAL NO. 86-B-0021, for the establishment of a gene analysis laboratory which will provide the analytical equipment required to accomplish state-of-the-art basic research in gene structure, function and regulation, "Analysis of Gene Structure and Function," by Charles D. Liarakos of the University of Arkansas for Medical Sciences.

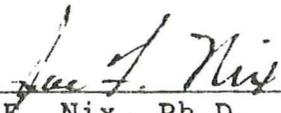
THAT the Authority's staff may negotiate, in consultation with and concurrence by the Research Committee, the individual award amount not to exceed \$281,500.

BE IT FURTHER RESOLVED:

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.

FILED by the Board of Directors
on the 20th day of November, 1986.

APPROVED by the Board of Directors
on this 16th day of January, 1987.



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

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-6

PROVIDING THE APPROVAL FOR THE FUNDING OF ONE BASIC RESEARCH GRANT PROGRAM PROPOSAL 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, there are sufficient unencumbered funds in the aforementioned appropriation; 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; evaluated on the basis of scientific merit by a panel of internal and external peers in the appropriate field of science; and evaluations reviewed by the Authority's Science Advisory Committee; 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 Authority has given priority to those proposals which have clear economic development potential that will create jobs and that satisfy the above conditions as recommended by the Arkansas Legislative Council; and

WHEREAS, the Research Committee is committed to recommending to the Board of Directors those proposals that 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;

NOW THEREFORE BE IT RESOLVED;

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

PROPOSAL NO. 86-B-0058, "Role of Epidermal Growth Factor in Growth and Phenotypic Expression of Leprechaunism," by J. Paul Frindik of the University of Arkansas for Medical Sciences.

THAT the Authority's staff may negotiate, in consultation with and concurrence by the Research Committee, the individual award amount, which is not to exceed the \$37,560 requested in the identified proposal; and

BE IT FURTHER RESOLVED:

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.

FILED by the Board of Directors
on the 20th day of November, 1986.

APPROVED by the Board of Directors
on this 16th day of January, 1987.



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

UNAPPROVED MINUTES
OF THE
RESEARCH COMMITTEE MEETING
JANUARY 16, 1987

The Research Committee met at 11:45 a.m. on Friday, January 16, 1987 in the Authority's office. Dr. Ron Hart, Chairman, Dr. Joycelyn Elders, and Patricia Troth, staff member, were present. Dr. Joe Nix was not present. Sheila Yount, Arkansas Democrat, attended as a visitor.

Three applied research proposals were discussed: "Genetic and Cultural Control Methods for Spotted Wilt Virus in Tomato," by S. Jeffrey Scott et al, "Revitalizing the Arkansas Spinach Industry," by Monroe J. Goode and Teddy E. Morelock, and "Application of Chicken Antiviral Factors as Vaccines Against Viruses Pathogenic to Poultry," by Craig E. Whitfill. All three proposals were recommended for funding. The economic development potential of each proposal was recognized.

The meeting adjourned at 12:30 p.m.

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-1

PROVIDING FOR THE REAPPOINTMENT OF THE SCIENCE ADVISORY COMMITTEE OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY AS THE SUCCESSOR COMMITTEE TO THE ARKANSAS EPSCoR COMMITTEE.

WHEREAS, the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCoR) has funded basic research in Arkansas; and

WHEREAS, these activities in Arkansas conducted under the influence of the Arkansas EPSCoR Committee were highly successful and gave the Committee valuable experience; and

WHEREAS, the formal National Science Foundation program ceased to function in Arkansas in March 1986; and

WHEREAS, the Arkansas Science & Technology Authority has been authorized to implement a Basic and Applied Research Grant Program designed in part to continue EPSCoR at the state level;

NOW, THEREFORE BE IT RESOLVED;

THAT the Arkansas Science & Technology Authority's Board of Directors reappoints a Science Advisory Committee to advise the Board on the Authority's Basic Research Grant Program; and

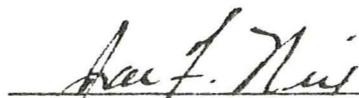
THAT the Science Advisory Committee shall be composed of ten members appointed by the Chairman of the Authority's Board of Directors from the scientific community in the State of Arkansas including the President of the Arkansas Academy of Science. An eleventh member shall be appointed by the Chairman of the Authority's Board of Directors from the staff of the Authority. The chairman of the Board of Directors shall appoint the chairman of the Science Advisory Committee; and

THAT the term of the members of the Science Advisory Committee shall be for one year, corresponding to the term for officers of the Authority's Board of Directors; that members of the Science Advisory Committee are eligible for reappointment to successive terms; and

BE IT FURTHER RESOLVED:

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 by Act 409 of 1985.

APPROVED by the Board of Directors
on this 16th day of January, 1987.



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

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

RESOLUTION NO. 87-2

PROVIDING THE APPROVAL FOR THE FUNDING OF THREE APPLIED RESEARCH GRANT 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, there are sufficient unencumbered funds in the aforementioned appropriation; 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 appropriate fields of science; and

WHEREAS, the Science Advisory Committee recommends, and the Authority's Research Committee concurs, that no proposal shall be funded without being reviewed by at least three peers, one of whom shall be from 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 being scientifically meritorious; 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-0009, "Genetic and Cultural Control Methods for Spotted Wilt Virus in Tomato," by S. Jeffrey Scott, Rose Gergerich and Wayne Montgomery of the University of Arkansas at Fayetteville and co-sponsored by the South Arkansas Fair & Marketing Association in the amount \$7,500 and the Bradley County Chamber of Commerce in the amount of \$3,000 to be matched and negotiated by the Authority staff but not to exceed \$10,500.

PROPOSAL NO. 86-A-0010, "Revitalizing the Arkansas Spinach Industry," by Monroe J. Goode and Teddy E. Morelock of the University of Arkansas at Fayetteville and co-sponsored by Allen Canning Company of Siloam Springs, Arkansas in the amount of \$49,610 to be matched and negotiated by the Authority staff but not to exceed \$49,610.

PROPOSAL NO. 86-A-0011, "Application of Chicken Antiviral Factors As Vaccines Against Viruses Pathogenic to Poultry," by Craig E. Whitfill of the University of Arkansas at Fayetteville and co-sponsored by the Arkansas Poultry Federation in the amount of \$10,000 to be matched and negotiated by the Authority staff but not to exceed \$10,000.

THAT the individual award amounts not exceed the amounts requested in the identified proposals and in the aggregate not exceed \$70,110.

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 the 16th day of January, 1987.



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



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 371-3554

M E M O R A N D U M

TO: Board of Directors
Arkansas Science & Technology Authority

FROM: John W. Ahlen *ja*
President

DATE: February 24, 1987

SUBJECT: January 1987 Monthly Report

ADMINISTRATION

The Authority's Board met Friday, January 16, in Little Rock. Six members were present. The Board formally approved three basic and five applied proposals for forwarding to the Governor with a request for a release of funds. In addition, it approved a resolution for a seed capital investment in Micoil Corporation, Conway, and a resolution to fund three new business incubators in Little Rock, Salem and Jonesboro.

GENERAL -- Dr. Patricia Troth left her duties as vice president research January 31. She will join her husband who has taken a position in Michigan. Her successor, Dr. Joe Gentry, will begin February 2. Alan Gumbel, a former intern of the Authority, began his duties as technology transfer manager January 26.

FINANCE

GENERAL -- On January 23, Jim Benham, vice president finance, met with Mr. Jim Robinson, an associate with Financial Management, Inc., of Little Rock. They discussed how the Authority and Financial Management, Inc., could establish a working relationship.

SEED CAPITAL INVESTMENT PROGRAM -- Mr. Benham visited ARTECH in Clarksville on January 7, and met with Mr. Jim Brewer, Conway Corporation, and Mr. Jim Williamson, First State Bank & Trust, in Conway January 27 to discuss the closing for the Micoil investment, which will probably take place in February.

RESEARCH

APPLIED RESEARCH GRANT PROGRAM -- At the Research Committee meeting January 16, three applied proposals were discussed and recommended for funding. The Board formally approved the proposals at the Board meeting that day.

Oral notification was received that funds for five applied research projects would be released. It is unlikely that funds will be available for three remaining applied research projects.

The Applied Research Grant Program for the 85-87 biennium closed on January 15. Four proposals that were received before the deadline remain to be acted upon.

INFORMATION

GENERAL -- Governor Clinton included proposed amendments to the Authority's enabling legislation as part of his legislative package which was announced on Monday, January 19. These amendments specifically authorize the Authority to provide assistance to small businesses seeking funds through the federal Small Business Innovation Research Program. H.B. 1327 (amending the Authority's enabling legislation) was introduced on January 29. Alice Rumph Smith will monitor legislative committee meetings with special attention to economic development and higher education issues.

John Ahlen and Alice Rumph Smith traveled to Pine Bluff on January 7 to meet with representatives of the Jefferson County Industrial Foundation.

BUSINESS INCUBATOR PROGRAM -- The Business Incubator Program moved forward when the Authority received oral notification that funds would be released for the second and final round of incubator proposals. Awards were made at the January 16 Board meeting.

Arkansas State University held ground-breaking ceremonies on January 27 for their East Arkansas Business Incubator System (EABIS) to be located in the Jonesboro Industrial Park. John Ahlen spoke at the ceremonies and was also invited to address the Jonesboro Rotary Club that day.

COMMUNICATIONS -- In mid-January Kay Speed Kelly, ASTA's communications manager, completed work on the agency's 1986 Annual Report and turned it over to Combs & Company for design work. The report should be printed sometime in late February or early March.

Ms. Kelly attended two workshops on desktop publishing presented by rival computer companies in connection with researching the cost-efficiency of purchasing software to produce the Authority's newsletter and annual report in-house.

D.C. AGENDA -- With a new Democratic Senate, the Authority's D.C. agenda is developing rapidly. Already, staff of Senator Bumpers has proposed institutionalizing the division in the U.S. Department of Commerce which the Authority deals with frequently. It has been proposed that a Center for State and Local Initiatives for Productivity, Technology and Innovation be funded within Commerce and with regional field offices to assist state programs such as the Authority.