



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
MINUTES OF THE 24TH REGULAR MEETING OF THE BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MAY 22, 1987

In the absence of the Board chairman and vice chairman, the meeting began at 1:45 p.m. under the direction of the secretary of the Board, Dr. Joe F. Nix. Other Board members present were Dr. Joycelyn Elders, Mr. Louis L. Ramsay, Jr., Mr. John Troutt, Mr. Jerry Webster, Dr. William Willingham, and Dr. Paul Marion. Board vice chairman, Mr. Winfred L. Thompson, subsequently joined the meeting.

Visitors included Mr. Walter May and Mr. W. J. (Jack) Williams, Jr., Wright, Lindsey, & Jennings; Mr. John Reed, Arkansas Gazette; and Mr. Rick Bowiec, President of the UALR Chapter of the Society of Physics Students. Also present as a guest of Dr. Nix, Mr. Brent Meriwether, a business major at Ouachita Baptist University.

Dr. Nix welcomed the new members of the Board: Mr. John Troutt, Jonesboro; Mr. Jerry Webster, Little Rock; and, returning to the Board, Dr. William Willingham, Pine Bluff.

The Board approved the minutes of the January 16 and March 5 meetings without objection.

PRESIDENT'S REPORT

Dr. Ahlen called the Board's attention to the February, March, and April Monthly Reports included in the meeting packet.

In April, the National Center for Toxicological Research celebrated its 15th anniversary as a federal laboratory, the completion of the roughly \$15 million renovation project on Building 53, and the announcement of a new NCTR associated universities' group headquartered in Little Rock at the University of Arkansas for Medical Sciences campus.

The Dean of Pharmacy at UAMS, Dr. Larry Milne, is the charter secretary-treasurer of NCTR Associated Universities, Inc. It is anticipated this group will provide access to the equipment-rich facility at NCTR for academic personnel from the region.

Dr. Ahlen said he was impressed with the remarkable work that had been done at NCTR, and suggested the Board might want to consider meeting at NCTR to see firsthand what had been done.

Mr. Ramsay said NCTR deserved a commendation from the people of Arkansas and from the Authority, and moved that the Authority adopt a resolution commending NCTR on its accomplishments. Dr. Elders seconded the motion, which passed unanimously.

Dr. Ahlen asked Alice Rumph Smith to report on legislation. Ms. Smith said U.S. Senator Dale Bumpers introduced the Competitiveness Enhancement Act of 1987 on April 7. The bill institutionalizes the Office of Productivity, Technology and Innovation, headed by Assistant Secretary of Commerce Bruce Merrifield, with which ASTA has close ties. The Authority provided a significant amount of information to Senator Bumpers' staff in the development of this legislation.

Several acts were passed during the General Assembly that affected the Authority, including the appropriation of \$1.8 million for the Basic and Applied Research Grant Programs and \$1 million for the Business Incubator Program authorized by Act 571. Act 210 amends the language of the enabling legislation to give a stronger focus on small businesses in Arkansas. It allows the Applied Research Grant Program to match two dollars for every dollar from a small business for an applied research project provided the business employs 50 or fewer people. Act 292 reappropriated funds from this biennium to the next biennium for business incubator and research projects that were approved and partially funded during this biennium. It also reappropriated the balance of the Investment Fund for the Seed Capital Investment Program. Copies of pertinent acts are attached at Appendix A.

A typed copy of Act 859, the original enabling legislation, with all the amending language from the 1985 and 1987 sessions, was also included in the Board meeting packet.

Dr. Ahlen referred to the appropriation and expenditure analysis (Appendix B). The analysis summarized expenditures for FY-86, appropriations and expenditures for FY-87 which will end in June, and appropriations and budget for FY-88 which will begin July 1. The budgeted figures for FY-88 include substantial deferments required by the Revenue Stabilization Act. Regarding the amounts allocated to A and B, Dr. Ahlen said the Authority was told to budget A plus 38 percent of B; and the figures listed under FY-88 Budget do so.

While there are no salary increases planned, the Regular Salaries line does include salaries for three new positions. The only position to be filled in the near future, that is after July 1, is a secretarial position. The other two positions are professional positions that will be phased in as the revenue picture becomes

more certain. One of these positions is in the research area; the new employee would work with Arkansas businesses that have potential to win Small Business Innovation Research Awards. In the interim, Alan Gumbel, Technology Transfer Program manager, has been working with companies seeking that kind of assistance. The other professional position is in the investment area. Jim Benham, vice president finance, and the Investment Committee have been working on rules for a new program that this employee will manage.

The Maintenance and Operation line is \$84,518 which is \$70,003 less than the \$154,521 that was appropriated in FY-87. In FY-86 the Authority spent about \$68,000. Mr. Ramsay asked whether the reduction would require a cut-back in normal operations of the Authority. The appropriations of FY-86 and FY-87 were adequate, Dr. Ahlen said. With the revenue shortfalls and the required cut-backs in spending, the actual expenditures for FY-86 were severely curtailed. However, all of the Authority's programs were implemented in that year with the support of the Governor.

The last item of Dr. Ahlen's report was the presentation of an Authority work plan for 1987-88. The five items on this work plan are to develop (a) a plan for the Arkansas science and technology corridor, (b) technology development advisory teams to take the availability of the Authority's programs to all parts of the state, (c) a coordinated approach to establishing an advanced manufacturing facility in the state, (d) a federal agenda for the Authority, and (e) a slide show about the Authority that is appropriate for use by members of the Board of Directors and staff.

INVESTMENT COMMITTEE REPORT

In Jim Benham's absence, Dr. Ahlen presented to the Board the quarterly reports for the Investment Fund and Third Quarter Expenditures (Appendix C). The quarterly reports were approved unanimously on a motion by Dr. Marion, seconded by Dr. Elders.

PLANNING COMMITTEE REPORT

Mr. Winfred Thompson presented the report for the Planning Committee. He explained that construction at Arkansas State University's incubator is nearing completion and that incubator operations are scheduled to begin July 1. ASU is developing policies and organizing the community advisory board.

The University of Arkansas Board of Trustees approved the development agreement and service agreement between UALR and Pryde, Roberts & Co. along with the contract between UALR and the City of Little Rock at the May 12 meeting. The Review and Advice Subcommittee of the Legislative Council approved the contract on

May 13, with supportive remarks from several legislators. Operations are already underway, and an official opening will be scheduled in June.

SAU was successful in obtaining a \$45,000 grant under the Jobs Training Partnership Act for an entrepreneurial networking program to supplement ASTA's funding. Equipment is being purchased, and project director Bob Graham is finalizing plans and the organization of their community advisory board. Official start-up date should be in early July.

The Memorandum of Agreement between North Arkansas Community College, Salem Industrial Development Corporation and ASTA has been executed and an exceptionally well-qualified project manager has been hired.

The focus of the Fayetteville incubator effort has been on several applicants for the incubator at the Biomass Research Center. The Engineering Experiment Station incubator is maintaining three tenants and is working with several new prospects.

The Authority will be hosting a meeting of all incubator project managers in late June. Staff will also draft amendments to the Business Incubator Program Rules for next biennium to include more community participation. The Planning Committee will review and recommend the revised rules to the Board of Directors at its next meeting.

RESEARCH COMMITTEE REPORT

Dr. Elders reported that the Research Committee met on Thursday, April 9, 1987 (see Appendix D). Two items of business are presented to the Board by the Committee. The first item of business seeks approval from the Board of Directors for amendments to the rules of the Basic Research Grant Program and the Applied Research Grant Program (Appendix E). The Committee endorsed these changes. Dr. Elders moved and Mr. Ramsay seconded a motion to approve the proposed amendments to the rules.

Dr. Willingham asked what the underlying purpose was for amending the rules. Dr. Ahlen indicated that the changes were required by the new legislation authorizing the Authority to encourage businesses with fewer than 50 employees to participate in the program.

Dr. Willingham asked a follow-up question concerning the amendment to the basic research rules which had to do with the peer review of proposals. The change to the Basic Research Grant Program Rules was needed to clarify the role of the Research Committee of the Board of Directors in evaluating basic research proposals on a competitive basis. The existing language was adopted before the Board's Science Advisory Committee was constituted and before the

relationship between the Science Advisory Committee and the Board's Research Committee was well defined. The amendment to the single paragraph of the Basic Research Grant Program Rules clarifies the relationship and responsibility of the Research Committee.

The motion to adopt the proposed amendments to the rules was approved unanimously.

Dr. Willingham asked if material requiring a Board vote could be circulated to the Board in advance of the meeting so that members could become familiar with it. Dr. Ahlen answered that it was staff practice to include such material in a mailing two weeks before Board meetings. The material was not included in the mailing for this meeting, however, because the amendments are quite brief and because approval of the proposed rule changes is required to start the administrative rule-making process. The Board will have another opportunity to review the language of the rules after public hearings are held and after written comments on the rules are received. The Board will then be required to adopt final amendments. Dr. Ahlen indicated that efforts would be made to satisfy all Board members' needs for information well in advance of Board meetings.

Dr. Elders then directed the Board's attention to Resolution No. 87-9 (Appendix F). This resolution would provide the approval for funding a basic research grant proposal which seeks matching funds for the purchase of a nuclear magnetic resonance spectrometer by the University of Arkansas, Fayetteville. Dr. Nix provided some background information on the development of the resolution. The resolution deals specifically with Proposal No. 86-B-0069 which was thoroughly reviewed in the basic research grant solicitation in 1986. A draft resolution authorizing an award was filed with the Board of Directors on November 20, 1986. (Two other resolutions for basic research grant awards were also filed on that date.) This resolution, Resolution No. 87-7, was approved with eight other resolutions on January 16, 1987 contingent on the availability and release of funds. As it turned out, funds were released for five applied research projects and funds were not released for the three basic research proposals. Conversations and correspondence between Dr. Nix and both University of Arkansas personnel and the Governor led to the present opportunity -- for the Authority to provide reduced funding for the project, in the amount of \$94,500, matched by \$50,000 from the Governor's emergency fund, \$50,000 by the University, and approximately \$200,000 from federal sources.

Mr. Ramsay commended Dr. Nix and the Research Committee for the hard work that went into developing this new opportunity.

Dr. Elders moved the approval of Resolution No. 87-9. Mr. Ramsay seconded the motion. Dr. Willingham asked if in fact the project

was basic or applied in nature and whether it was simply an equipment purchase. Dr. Nix answered that the proposal offered a number of testable hypotheses and that the project was reviewed under the rules of the Basic Research Grant Program and received superior evaluations by scientific peers. The Board approved the motion unanimously.

OLD BUSINESS

Under old business, the Authority's 1986 Annual Report in its final printed form was presented to the Board. Dr. Ahlen noted the fine work of Ms. Kay Speed Kelly in the preparation of the report. Mr. Ramsay commented on its fine quality and readability. Dr. Elders moved that Ms. Kelly be recognized for her outstanding work. Mr. Ramsay seconded the motion which passed unanimously.

NEW BUSINESS

Dr. Ahlen said that Mr. Bowen had called shortly before the meeting was to begin and apologized for being unable to attend the Board meeting because of illness.

Dr. Ahlen said he had met with Mr. Bowen concerning the chairman's appointments to standing committees of the Board of Directors. A draft list of committees and committee assignments desired by Mr. Bowen was included with the meeting materials. Dr. Ahlen asked if the members of the Board would review the committees and committee assignments and make any comments. There were no suggestions. Dr. Ahlen asked if perhaps it would not be appropriate for the Board to accept the chairman's suggestions. Dr. Nix asked if it was appropriate for the Board to vote on these committee assignments. Dr. Ahlen said that it was not necessary and that the chairman of the Board had the authority to appoint members of the Board to committees and to appoint the chairmen of committees. However, since the chairman was not present, Dr. Ahlen felt that a motion endorsing the list would be proper. Dr. Elders moved to adopt the list and Dr. Marion seconded the motion which carried unanimously. The approved list is attached as Appendix G.

Dr. Ahlen explained that the Ad Hoc Nominating Committee which appears on the list is one which had not been formally created. Adoption of Resolution 87-10 (Appendix H) would formally establish the nominating committee as an ad hoc committee of the Board and would spell out its membership and its charge. Mr. Thompson moved to adopt Resolution No. 87-10. Dr. Elders seconded the motion which was approved unanimously.

Dr. Ahlen presented a summary of a meeting between Mr. Bowen and Messrs. Edgar Riddick, Joe Gillespie and Frank Humphreys. These

engineers strongly encouraged recognition of the Arkansas Academy of Mechanical Engineers by the Board of Directors. Mr. Bowen had asked that this be made an agenda item for discussion at the meeting. In Mr. Bowen's absence, Dr. Ahlen asked if the Board would endorse a staff effort to look into the matter and report at the next Board meeting. Mr. Ramsay made such a motion which was seconded by Dr. Elders and unanimously approved.

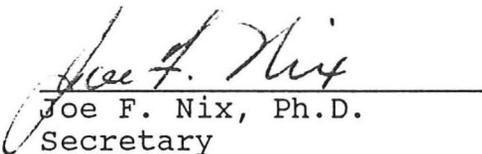
The Board tentatively agreed to have its next meeting on Friday, September 11, at 1:30 p.m. It was suggested that staff investigate the possibility of holding the Board meeting at NCTR.

The meeting adjourned at 3:00 p.m.

Respectfully submitted,

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

Approved by the Board of Directors on this 11th day of September, 1987.



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

State of Arkansas
76th General Assembly

A Bill

Regular Session, 1987
By: Joint Budget Committee

HOUSE BILL 1855

For An Act To Be Entitled

1 "AN ACT TO MAKE AN APPROPRIATION TO THE ARKANSAS SCIENCE AND
2 TECHNOLOGY AUTHORITY FOR MATCHING GRANTS TO PROMOTE BASIC AND
3 APPLIED RESEARCH PROGRAMS AT INSTITUTIONS OF HIGHER EDUCATION AND
4 FOR PROVIDING INCUBATOR FACILITIES UNDER THE AUSPICES OF ARKANSAS
5 COLLEGES AND UNIVERSITIES WHEREIN PRIVATE RESEARCHERS WOULD BE
6 ABLE TO WORK CLOSELY WITH UNIVERSITY RESEARCHERS; AND FOR OTHER
7 PURPOSES."
8

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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11 SECTION 1. APPROPRIATIONS - GENERAL IMPROVEMENT. There is hereby
12 appropriated to the Arkansas Science and Technology Authority, to be payable
13 from the General Improvement Fund or its successor fund or fund accounts,
14 the following:

15 (A) For providing matching grants to institutions of higher education
16 for promoting Basic and Applied Research Programs, the sum of...\$1,800,000.

17 (B) For providing Incubator Facilities under the auspices of Arkansas
18 colleges and universities to foster the growth of technology based enterpri-
19 ses, the sum of.....\$1,000,000.
20

21 SECTION 2. DISBURSEMENT CONTROLS. (A) No contracts may be awarded or
22 obligations otherwise incurred in relation to the project or projects
23 described herein in excess of the State Treasury funds actually available
24 therefore as provided by law. Provided, however, that the Institutions and
25 Agencies listed herein shall have the authority to accept and use grants and
26 donations including Federal funds, and to use its unobligated cash income,
27 and/or funds available to it, for the purpose of supplementing the said
28 State Treasury funds for financing the entire costs of said project or pro-
29 jects. Provided further, that the appropriations and funds otherwise pro-
30 vided by the General Assembly for maintenance and general operation of the

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1 said Institutions and Agencies shall not be used for any of the purposes set
2 out in this Act.

3 (B) The General Accounting Procedures Law, the State Purchasing Law,
4 the Revenue Stabilization Law, and other applicable fiscal laws of the State
5 shall be strictly complied with, with respect to use of any funds provided
6 by this Act.

7

8 SECTION 3. EMERGENCY CLAUSE. It is hereby found and determined by
9 the Seventy-Sixth General Assembly, that the Constitution of the State of
10 Arkansas prohibits the appropriation of funds for more than a two (2) year
11 period; that the effectiveness of this Act on July 1, 1987 is essential to
12 the operation of the agency for which the appropriations in this Act are
13 provided, and that in the event of an extension of the Regular Session, the
14 delay in the effective date of this Act beyond July 1, 1987 could work irre-
15 parable harm upon the proper administration and provision of essential
16 governmental programs. Therefore, an emergency is hereby declared to exist
17 and this Act being necessary for the immediate preservation of the public
18 peace, health and safety shall be in full force and effect from and after
19 July 1, 1987.

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4/2/87
APPROVED BY *[Signature]*
GOVERNOR

State of Arkansas
76th General Assembly
Regular Session, 1987

A Bill

HOUSE BILL 1327

By: Representatives Lipton, Schexnayder, Tullis,
Turner, Matthews

For An Act To Be Entitled

1 "AN ACT TO AMEND VARIOUS SECTIONS OF ACT 859 OF 1983, AS
2 AMENDED [ARK. STATS. 6-1601 ET SEQ.], TO AUTHORIZE A PROGRAM
3 OF ASSISTANCE TO SMALL BUSINESSES ENGAGING IN INNOVATIVE
4 RESEARCH; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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8 SECTION 1. Section 15 of Act 859 of 1983, as amended, the same being
9 Arkansas Statutes 6-1615, is hereby amended to read as follows:

10 "Section 15. In relation to its authorization under this Act to engage
11 in undertakings, programs, enterprises, and activities involving research and
12 development and other programs involving the establishment and encouragement
13 of scientific and technological research, The Authority shall have all the
14 powers necessary to carry out programs which include but are not limited to:

15 (a) funding basic research at Arkansas colleges and universities as spe-
16 cified in Section 16;

17 (b) stimulating applied research partnerships between private industry
18 and Arkansas colleges and universities and matching funds from private sour-
19 ces for proposed applied research projects as specified in Section 16;

20 (c) assisting small businesses in identifying and applying for funds
21 to conduct research and development work on innovative technical ideas;

22 (d) transferring knowledge and technology from college, university and
23 government laboratories to private industry; and

24 (e) creating, in cooperation with Arkansas colleges and universities,
25 facilities to foster the growth of technology-based enterprises.

26 In establishing and maintaining the programs authorized by this section, The
27 Authority may utilize monies drawn from the Investment Fund, and such other
28 monies as are lawfully available to The Authority for supporting its
29 purposes."

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1 SECTION 2. Section 16 of Act 859 of 1983, as amended, the same being
2 Arkansas Statutes 6-1616, is hereby amended to read as follows:

3 "Section 16. The Authority is hereby empowered to make such rules and
4 regulations as it may deem appropriate to enable it to create and fund a
5 program designed to promote basic and applied research at Arkansas colleges
6 and universities. In carrying out its functions under this section, the Board
7 may create such advisory committees as may be useful in evaluating research
8 proposals. The memberships of these advisory committees may include both
9 Directors and staff members of The Authority, and other persons drawn from
10 sources other than The Authority, all of whom shall serve at the pleasure of
11 the Board. Members of such advisory committees shall serve without
12 compensation for their membership on such committees, but shall be reimbursed
13 for any reasonable expenses incurred by them in the performance of duties
14 assigned by the Board.

15 (a) Any monies lawfully available to The Authority for the purpose of
16 supporting basic research at Arkansas colleges and universities shall in no
17 event defray more than sixty percent (60%) of the total cost of the proposed
18 basic research project being funded. The remaining forty percent (40%) of the
19 total cost of the proposed research project shall be funded by monies or in-
20 kind services provided by the college or university proposing the research
21 project.

22 (b) Any monies lawfully available to The Authority for the purpose of
23 creating applied research partnerships between private industry and Arkansas
24 colleges and universities shall in no event defray more than fifty percent
25 (50%) of the total cost of the proposed applied research project; provided,
26 however, that the contribution of The Authority may, in the Board's sole
27 discretion, defray up to sixty-six and two-thirds percent (66 2/3%) of the
28 total cost of a proposed applied research project if the Board finds that the
29 participating private industry is principally located in Arkansas and employs
30 fifty (50) or fewer persons. The proposed applied research project shall be
31 submitted by an Arkansas college or university, and the proposal shall state
32 that a percentage of the total cost of the proposed applied research project
33 will be provided by private sources in accordance with the matching provi-
34 sions of this subsection.] The Board shall approve for funding only those
35 posed applied research projects for which the Board finds that enhanced
36 employment opportunity within Arkansas will be a likely result."

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SECTION 3. It is the intention of this Act to amend such sections of Act 859 of 1983, as amended, the same being Arkansas Statutes 6-1601 et seq., as are specifically mentioned herein, and the remainder of said Act 859 of 1983, as amended, shall remain in full force and effect as enacted until the same shall be further amended or repealed.

SECTION 4. EMERGENCY. It is hereby found and determined by the General Assembly that it is essential to the technological development program of this State that small businesses be rendered all possible assistance in their efforts to fund research and development programs, and that the Arkansas Science and Technology Authority be given specific powers to render such assistance. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

Ch. Taylor
Charlotte L. Schenckler
G.W. Jernigan
B. J. Jellie
David Hill

W. J. ...
...

...
... OF THE HOUSE

3/13/87
APPROVED BY *[Signature]*
GOVERNOR

For An Act To Be Entitled

1 "AN ACT TO REAPPROPRIATE THE BALANCES OF CAPITAL IMPROVEMENT
2 APPROPRIATIONS FOR THE ARKANSAS SCIENCE AND TECHNOLOGY
3 AUTHORITY ; AND FOR OTHER PURPOSES."
4

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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7 SECTION 1. INVESTMENT FUND - CASH FUNDS. There is hereby appropriated to
8 the Arkansas Science and Technology Authority, to be payable from the
9 Investment Fund of the Arkansas Science and Technology Authority, or its suc-
10 cessor fund or fund accounts, the following:

11 (1) Effective July 1, 1987, the balance of the appropriation provided
12 in Item (A) of Section 1 of Act 640 of 1985 for making Seed Capital Investments
13 in high technology, in a sum not to exceed\$1,800,000.
14

15 SECTION 2. GENERAL IMPROVEMENT. There is hereby appropriated to the
16 Arkansas Science and Technology Authority, to be payable from the General
17 Improvement Fund or its successor fund or fund accounts for the
18 Arkansas Science and Technology Authority, the following:

19 (1) Effective July 1, 1987, the balance of the appropriation provided
20 in Item (A) of Section 1 of Act 595 of 1985 for providing matching grants to
21 institutions of higher education for promoting Basic and Applied Research
22 Programs, in a sum not to exceed\$519,029.

23 (2) Effective July 1, 1987, the balance of the appropriation provided
24 in Item (B) of Section 1 of Act 595 of 1985 for providing Incubator
25 Facilities under the auspices of Arkansas colleges and universities to foster
26 the growth of technology based enterprises, in a sum not to exceed...\$1,400,000
27

28 SECTION 3. DISBURSEMENT CONTROLS. (A) No contract may be awarded or
29 obligations otherwise incurred in relation to the project or projects
30 described herein in excess of the State Treasury funds actually available

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President of the Senate

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1 therefor as provided by law. Provided, however, that the Institutions and
 2 Agencies listed herein shall have the authority to accept and use grants and
 3 donations including Federal funds, and to use its unobligated cash income,
 4 and/or funds available to it, for the purpose of supplementing the said State
 5 Treasury funds for financing the entire costs of said project or projects.
 6 Provided further, that the appropriations and funds otherwise provided by the
 7 General Assembly for maintenance and general operation of the said
 8 Institutions and Agencies shall not be used for any of the purposes set out in
 9 this Act.

10 (B) The General Accounting Procedures Law, the State Purchasing Law, the
 11 Revenue Stabilization Law, and other applicable fiscal laws of the State, or
 12 their successors, shall be strictly complied with, with respect to use of any
 13 funds provided by this Act.

14
 15 SECTION 4. EMERGENCY CLAUSE. It is hereby found and determined by the
 16 Seventy-Sixth General Assembly, that the Constitution of the State of Arkansas
 17 prohibits the appropriation of funds for more than a two (2) year period; that
 18 the effectiveness of this Act on July 1, 1987 is essential to the operation of
 19 the agency for which the appropriations in this Act are provided, and that in
 20 the event of an extension of the Regular Session, the delay in the effective
 21 date of this Act beyond July 1, 1987 could work irreparable harm upon the
 22 proper administration and provision of essential governmental programs.
 23 Therefore, an emergency is hereby declared to exist and this Act being
 24 necessary for the immediate preservation of the public peace, health and
 25 safety shall be in full force and effect from and after July 1, 1987.

3/19/87
 APPROVED BY Bill Clinton
 GOVERNOR

ACT 890 1987

A Bill

State of Arkansas
76th General Assembly

Regular Session, 1987

By: Joint Budget Committee

AS ENGROSSED 2/24/87

As engrossed 3-25-87

As engrossed 4-3-87

SENATE BILL 250

For An Act To Be Entitled

1 "AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES AND
2 OPERATING EXPENSES OF THE ARKANSAS SCIENCE AND TECHNOLOGY
3 AUTHORITY FOR THE BIENNIAL PERIOD ENDING JUNE 30, 1989; AND
4 FOR OTHER PURPOSES."
5

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
7

8 SECTION 1. REGULAR SALARIES. There is hereby established for the
9 Arkansas Science and Technology Authority for the 1987-89 biennium, the
10 following maximum number of regular employees and the grades to be assigned to
11 the respective positions, and the maximum annual salaries for each such posi-
12 tion shall be determined in accordance with, but shall not exceed the maximum
13 annual amount for the grade assigned herein, as established in Section 5 of
14 Act 199 of 1969, as amended. Except for the purpose of determining the maximum
15 annual salary rate, which is to be applicable to each of the positions to which
16 a salary grade is assigned hereinafter, in accordance with the provisions of
17 Section 5 of Act 199 of 1969, as amended, all positions set forth herein shall
18 be exempt from other provisions of the Uniform Classification and Compensation
19 Act, or its successor, but shall not be exempt from the provisions of the
20 Regular Salaries Procedures and Restrictions Act, or its successor.

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11/2/87
by [unclear]

21	22	23	24	Item	Class	No.	Code	Title	No. of	Maximum Annual	
										Employees	1987-88
25	(1)	7600	SCIENCE & TECH FINANCIAL MGR	1	\$ 23,400	\$ 23,400					
26	(2)	7601	SCIENCE & TECH RESEARCH MGR	1	\$ 28,600	\$ 28,600					
27	(3)	7602	SCIENCE & TECH SECRETARY I	1	\$ 14,300	\$ 14,300					
28	(4)	7334	AR SCIENCE & TECH AUTH DIRECTOR	1		GRADE 26					
29	(5)	7356	ASTA FINANCE SPECIALIST	1		GRADE 23					
30		7357	ASTA RESEARCH GRANT SPECIALIST	1							

AS ENGROSSED 2/24/87

As engrossed 3-25-87

S.B. 250

As engrossed 4-3-87

1	(6) 7345 AR SCIENCE & TECH AUTH PROJECT MGR	1	GRADE 20
2	(7) 7335 AR SCIENCE & TECH AUTH ASST DIR	1	GRADE 19
3	(8) 7342 AR SCIENCE & TECH AUTH RSCH PRJ ANLST	2	GRADE 18
4	(9) 7336 AR SCIENCE & TECH AUTH SECRETARY	<u>2</u>	GRADE 11
5	MAX NO. OF EMPLOYEES		12

6 SECTION 2. APPROPRIATIONS - STATE. There is hereby appropriated, to the
 7 Arkansas Science and Technology Authority - State, to be payable from the
 8 State General Services Fund Account, for personal services and operating
 9 expenses of the Arkansas Science and Technology Authority - State for the
 10 biennial period ending June 30, 1989, the following:

11	ITEM	FISCAL YEARS	
12	NO.	1987-88	1988-89
13	(01) REGULAR SALARIES	\$ 296,088	\$ 296,088
14	(02) PERSONAL SERV MATCHING	62,520	62,520
15	(03) MAINT. & GEN. OPERATION		
16	(A) OPER. EXPENSES	\$ 84,518	\$ 91,518
17	(B) CONF. & TRAVEL	6,940	6,940
18	(C) PROF. FEES	26,838	26,838
19	(D) CAPITAL OUTLAY	1,000	1,000
20	(E) DATA PROCESSING	<u>0</u>	<u>0</u>
21	TOTAL MAINT. & GEN. OPER.	119,296	126,296
22	(04) BUSINESS INCUBATOR AND BASIC/ APPLIED RESEARCH GRANTS	<u>314,000</u>	<u>414,000</u>
24	TOTAL AMOUNT APPROPRIATED	<u>\$ 791,904</u>	<u>\$ 898,904</u>

26 SECTION 3. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
 27 authorized by this Act shall be limited to the appropriation for such agency
 28 and funds made available by law for the support of such appropriations; and
 29 the restrictions of the State Purchasing Law, the General Accounting and
 30 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
 31 Procedures and Restrictions Act, or their successors, and other fiscal control
 32 laws of this State, where applicable, and regulations promulgated by the
 33 Department of Finance and Administration, as authorized by law, shall be
 34 strictly complied with in disbursement of said funds.

36 SECTION 4. LEGISLATIVE INTENT. It is the intent of the General

As engrossed 4-3-87

1 Assembly that any funds disbursed under the authority of the appropriations
 2 contained in this Act shall be in compliance with the stated reasons for which
 3 this Act was adopted, as evidenced by the Agency Requests, Executive
 4 Recommendations and Legislative Recommendations contained in the budget
 5 manuals prepared by the Department of Finance and Administration, letters, or
 6 summarized oral testimony in the official minutes of the Arkansas Legislative
 7 Council or Joint Budget Committee which relate to its passage and adoption.

8

9 SECTION 5. CONTRACT RESTRICTIONS. The agency, board, commission, depart-
 10 ment or institution to whom funds are appropriated by this Act shall not enter
 11 into any contract for any professional or consultant services which shall
 12 extend for more than twenty (20) actual working days or the total compensation
 13 exceeds five thousand dollars (\$5,000) during any one fiscal year without
 14 first seeking the advice of the Arkansas Legislative Council. Provided
 15 further, that all contracts for professional or consultant services shall be
 16 submitted monthly to the Chief Fiscal Officer of the State for reporting to
 17 the Legislative Council.

18

19 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
 20 Seventy-Sixth General Assembly, that the Constitution of the State of Arkansas
 21 prohibits the appropriation of funds for more than a two (2) year period; that
 22 the effectiveness of this Act on July 1, 1987 is essential to the operation of
 23 the agency for which the appropriations in this Act are provided, and that in
 24 the event of an extension of the Regular Session, the delay in the effective
 25 date of this Act beyond July 1, 1987 could work irreparable harm upon the
 26 proper administration and provision of essential governmental programs.
 27 Therefore, an emergency is hereby declared to exist and this Act being
 28 necessary for the immediate preservation of the public peace, health and
 29 safety shall be in full force and effect from and after July 1, 1987.

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/s/ Howell

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4/13/87
 APPROVED BY T. W. Blanton
 GOVERNOR

President of the Senate
 Governor
 Speaker of the House



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
 APPROPRIATION & EXPENDITURE ANALYSIS
 MAINTENANCE & OPERATION

	FY-86 EXPENDITURES	FY-87 APPROPRIATIONS	FY-87 EXPENDITURES*	FY-88 APPROPRIATIONS	FY-88 BUDGET
	-----	-----	-----	-----	-----
REGULAR SALARIES	\$203,789.00	\$229,736.00	\$204,415.16	\$296,088.00	\$288,566.46
MAINTENANCE & OPERATION	\$68,129.51	\$154,521.00	\$75,000.00	\$84,518.00	\$84,420.00
PERSONAL SERVICES	\$40,669.15	\$55,000.00	\$31,817.71	\$62,520.00	\$62,300.00
TRAVEL & CONFERENCE FEES	\$6,943.92	\$24,303.00	\$10,000.00	\$6,940.00	\$6,700.00
PROFESSIONAL FEES & SERVICES	\$26,838.64	\$57,757.00	\$46,450.00	\$26,838.00	\$26,800.00
CAPITAL OUTLAY	\$21,689.98	\$7,600.00	\$7,576.11	\$1,000.00	\$1,000.00
RESEARCH GRANTS	-----	-----	-----	\$314,000.00	\$60,232.00
TOTAL	\$368,060.20	\$528,917.00	\$375,258.98	\$791,904.00	\$530,018.46

* INCLUDES ACTUAL EXPENSES THROUGH APRIL 30, 1987 WITH EXPENDITURES FOR THE FINAL TWO MONTHS OF THE FISCAL YEAR PROJECTED.

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
 APPROPRIATION & EXPENDITURE ANALYSIS
 PROGRAM FUNDS

	1985-87 BIENNIUM APPROPRIATION	1985-87 BIENNIUM APPROPRIATION ALLOTMENT	1985-87 BIENNIUM ALLOTMENT EXPENDED	1987-89 BIENNIUM APPROPRIATION
	-----	-----	-----	-----
SEED CAPITAL INVESTMENT PROGRAM	\$1,800,000.00	\$1,800,000.00	\$150,000.00	-----
BASIC & APPLIED RESEARCH PROGRAM	\$1,800,000.00	\$869,229.00	\$824,759.00	\$1,800,000.00
BUSINESS INCUBATOR PROGRAM	\$1,900,000.00	\$1,847,418.00	\$690,000.00	\$1,000,000.00
TOTAL	\$5,500,000.00	\$4,516,647.00	\$1,664,759.00	\$2,800,000.00

INVESTMENT FUND REPORT

Quarter Ending March 31, 1986

Beginning Balance Money Mkt Accts:		\$	184,545.79
Net Earned Money Mkt Accts:			<u>31,848.42</u>
Ending Balance Money Mkt Accts:			
Nat'l Bank of Arkansas	26,185.01		
Union Nat'l Bank	99,219.45		
1st American Bank	64,001.51		
Metropolitan Nat'l Bank	<u>24,988.24</u>		216,394.21
Total Interest Earned:			28,201.69
Money Mkt Accts	2,096.40		
CD Accts	22,232.04		
Investments:			
ARTECH	<u>3,873.25</u>		
Total Principal Earned:			3,714.05
ARTECH	<u>3,714.05</u>		
Total P & I Earned:			31,915.74
less expenses:			
Check printing charge			<u>- 67.32</u> **
Net Paid Into Money Mkt Accts:			<u>31,848.42</u> *
Total CD Accts:			<u>1,595,000.00</u>
Total Cash Balance Investment Fund:		\$	<u>1,811,394.21</u>

* All interest earned and repayment of principal is paid into the money market accts.

** Total check printing charges all money market accounts. This is a non-reimbursable expense.



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

GENERAL FUND
FISCAL YEAR 1987
THIRD QUARTER EXPENDITURE REPORT
JANUARY - MARCH 1987

DESCRIPTION	BUDGET FOR QTR	EXP FOR QTR	% EXP FOR QTR	BUDGET FOR FY	EXP FOR YTD	% EXP FOR YTD
SALARIES	\$51,292.26	\$50,380.47	98%	\$222,266.46	\$144,713.36	65%
EMPLOYEE BENEFITS	\$13,200.00	\$8,876.80	67%	\$55,000.00	\$26,130.35	48%
POSTAGE & FREIGHT	\$1,100.00	\$300.00	27%	\$10,400.00	\$3,316.68	32%
T-PHONE T-GRAPH T-TYPE	\$1,525.00	\$1,725.79	113%	\$5,850.00	\$3,219.83	55%
PRINT & DUPLICATING	\$5,000.00	\$1,178.11	24%	\$19,124.00	\$2,950.21	15%
OFFICE EQUIP MAINTENANCE	\$1,100.00	\$78.75	7%	\$4,300.00	\$819.29	19%
RENT OFFICE & EQUIP	\$8,400.00	\$11,039.48	131%	\$31,350.00	\$21,917.62	70%
TRAVEL & SPONSORED MEET.	\$17,250.00	\$4,598.37	27%	\$64,803.00	\$12,477.39	19%
PROFESSIONAL FEES	\$14,500.00	\$6,415.00	44%	\$57,757.00	\$6,450.00	11%
CENTREX SERVICES	\$2,250.00	\$3,648.32	162%	\$9,000.00	\$6,652.30	74%
CONF & CONV FEES	\$1,700.00	\$5,524.00	325%	\$6,820.00	\$6,736.00	99%
INSURANCE PREMIUMS	\$401.00	\$525.00	131%	\$401.00	\$525.00	131%
STATIONERY & OFFICE SUPPL	\$2,550.00	\$1,990.90	78%	\$9,450.00	\$3,110.79	33%
SUBSCRIPTIONS & PUBS	\$900.00	\$860.71	96%	\$2,900.00	\$1,418.15	49%
PURCHASE DP SOFTWARE	\$1,250.00	\$175.26	14%	\$4,500.00	\$454.35	10%
TRAVEL FUND	\$0.00	\$0.00	---	\$500.00	\$0.00	0%
CAPITAL OUTLAY	\$1,900.00	\$268.12	14%	\$7,600.00	\$572.61	8%

APPROPRIATION TOTAL	\$124,318.26	\$97,585.08	78%	\$512,021.46	\$241,463.93	47%

UNAPPROVED MINUTES
OF THE
RESEARCH COMMITTEE MEETING
APRIL 9, 1987

The Research Committee met at 9:00 a.m. on Thursday, April 9, 1987, in the Authority's office. Dr. Ron Hart, Chairman, Dr. Joycelyn Elders, Dr. Joe Nix, and Joe Gentry, staff member, were present. David Ivers, Arkansas Democrat, and Kay Kelly, staff member, attended as visitors.

Proposed rules amendments as required by Act 210 of 1987 were discussed. Changes were suggested, and will be mailed out to Committee members for review.

Three applied research proposals were discussed:
"Characterization of the Plasma in Timex Sputtering System," by Alois J. Adams; "Rate and Timing of Pix Applications for Improved Nitrogen Management of Cotton," by J. Scott McConnell; and "Evaluation of Japanese White x New Zealand White Rabbit Crosses," by Jerry M. Rakes. Pending availability of funds, the proposal "Rate and Timing of Pix Applications for Improved Nitrogen Management of Cotton," by J. Scott McConnell was recommended for funding.

The meeting was adjourned at 11:30 a.m.

Proposed
Rules Amendment
May 22, 1987

BASIC RESEARCH GRANT PROGRAM
RULES

- 1.0 GENERAL INFORMATION
 - 1.1 PROGRAM NAME
 - 1.2 PURPOSE
 - 1.3 AUTHORIZATION
- 2.0 PROGRAM DESCRIPTION
 - 2.1 TYPE OF AWARD
 - 2.2 DEFINITIONS
- 3.0 ELIGIBILITY
 - 3.1 CRITERIA
 - 3.2 CONFLICT OF INTEREST
- 4.0 APPLICATION PROCESS
 - 4.1 APPLICATION
 - 4.2 PROPRIETARY INFORMATION
- 5.0 EVALUATION
 - 5.1 CRITERIA
 - 5.2 PROPOSAL REVIEW
 - 5.3 AWARDS
- 6.0 AWARDS LETTER

BASIC RESEARCH GRANT PROGRAM
RULES

1.0 GENERAL INFORMATION

The Arkansas Science & Technology Authority was created by Act 859 of 1983 (Amended by Act 409 of 1985 and Act 210 of 1987) and given the mission to bring the benefits of science and advanced technology to the people and the State of Arkansas. Programs established by ~~Act-409-of-1985~~ this Statute require the Authority to adopt certain rules for carrying out its mission.

1.1 PROGRAM NAME

These rules govern the Science & Technology Authority's Basic Research Grant Program.

1.2 PURPOSE

The purpose of the Basic Research Grant Program is to promote and fund basic research at Arkansas colleges and universities.

1.3 AUTHORIZATION

The Basic Research Grant Program is authorized by Section 16(a) of Act 859 of 1983 as amended by Act 409 of 1985 and Act 210 of 1987, the same being Arkansas Statute 6-1616(a). The power to make rules governing this program is granted by Section 4 of Act 859 of 1983 as amended by Act 409 of 1985 and Act 210 of 1987, the same being Arkansas Statute 6-1604.

2.0 PROGRAM DESCRIPTION

The Arkansas Science & Technology Authority supports a competitive cash-matching grant program for basic research. The goals of the basic research grant program are to promote and support the growth and

development of Arkansas scientists and to enhance the status of science and technology in Arkansas colleges and universities.

2.1 TYPE OF AWARD

The Board of Directors of the Science & Technology Authority awards grants to qualified applicants.

The Authority is authorized to defray up to, but not more than, sixty percent (60%) of the total cost of the basic research project being funded. The remaining forty percent (40%) of the total cost of the proposed research project must be funded by cash or in-kind services provided by the college or university proposing the research project.

2.2 DEFINITIONS

For the purpose of the Authority's basic research grant program the following words and phrases have the following definitions.

2.2.1 "Basic research" shall mean any original investigation for the advancement of scientific or technological knowledge.

2.2.2 "In-kind services" shall mean scientific or technological equipment and/or supplies, release time, and indirect costs at fifty percent (50%) of the predetermined Health and Human Services rate.

2.2.3 "Officially submitted" shall mean a project proposal which has been submitted by an office of an Arkansas college or university that is legally empowered to accept grants on behalf of a qualified applicant.

2.2.4 "Qualified applicant" shall mean a designated individual associated with an Arkansas college or university.

3.0 ELIGIBILITY

Applicant eligibility will be determined on the basis of the following criteria:

3.1 CRITERIA

- 3.1.1 The proposed project must be scientific and/or technological in nature and must promote the purpose of the Authority to provide the benefits of science and/or advanced technology to the State of Arkansas and its people.
- 3.1.2 The proposal must address an area of basic research.
- 3.1.3 The proposal must be officially submitted by an Arkansas college or university.
- 3.1.4 The Arkansas college or university officially submitting the grant application must assure funding for not less than forty (40%) of the total cost of the proposed research by cash monies or in-kind services.
- 3.1.5 The proposals must be submitted by an announced deadline date to be considered for a given solicitation.

3.2 CONFLICT OF INTEREST

No Director, officer or employee of the Authority for purpose of personal gain, shall have or attempt to have, directly or indirectly, any interest in any contract or agreement of the Authority in connection with the basic research program of the Authority.

It shall not be a conflict of interest for the Authority to permit any college or university with which a Director of the Authority is affiliated to participate in any program of the Authority provided that such Director shall promptly disclose the nature of the affiliation to the Board of Directors.

4.0 APPLICATION PROCESS

Application for a basic research grant shall be in a format prescribed by the Authority. The following information shall be included:

4.1 APPLICATION

- 4.1.1 A Project Summary and Cover Sheet which contains the following information:

- 4.1.1.1 Name of the college or university applying for basic research funds;
- 4.1.1.2 Name of the principal investigator;
- 4.1.1.3 Name and mailing address of the institutional contract officer;
- 4.1.1.4 Mailing address of the principal investigator;
- 4.1.1.5 Telephone number of the institutional contract office;
- 4.1.1.6 Telephone number of the principal investigator;
- 4.1.1.7 Title of the project proposal;
- 4.1.1.8 Amount of funds requested from the Authority;
- 4.1.1.9 Technical abstract;
- 4.1.1.10 Dated signature of the institutional contracting official;
- 4.1.1.11 Signature of the principal investigator, department and date.
- 4.1.2 A statement of the specific objectives to be attained by the proposed project.
- 4.1.3 A review of the literature pertinent to the proposed research, including an assessment of previous research efforts.
- 4.1.4 A clearly-described implementation plan for the accomplishment of the project. This should include a description of the proposed activities, including experimental design and methods, timetable, and information detailing the availability of supporting facilities, equipment, and personnel necessary to the attainment of the project's objectives.
- 4.1.5 A detailed budget for the coming year including personnel, fringe benefits, equipment, supplies, travel, indirect costs, and estimates of support requirements in future years, if any.
- 4.1.6 A statement addressing the extent to which the proposed research will establish or build upon an established institutional base of research capability.

- 4.1.7 A statement detailing the source and amount of the required matching funds.
- 4.1.8 A statement of plans for future support of the research from sources other than the Authority. This section should include identification of the specific funding sources to be approached and likely titles of the proposals to be submitted.
- 4.1.9 A description of the qualifications of the personnel to be involved in the proposed project. Relevant information would include the academic credentials of key professionals, a listing of recent publications in accepted professional journals, and the record of current and past grant support received in the area.
- 4.1.10 A statement that a final summary report will be submitted to the Authority within 60 days after expiration of the award. The final summary report shall include:
- 4.1.10.1 A topic sentence stating the project's major thesis;
- 4.1.10.2 The primary objectives and scope of the project;
- 4.1.10.3 The techniques or approaches used only to the degree necessary for comprehension;
- 4.1.10.4 The findings and implications stated as concisely as possible.
- 4.1.11 Other information as requested by the Board of Directors.
- 4.2 PROPRIETARY INFORMATION
- Proprietary information in a basic research proposal will be maintained subject to the limitations of the Freedom of Information Act.
- 5.0 EVALUATION
- Applications meeting the eligibility requirements will be evaluated on the basis of the following criteria:
- 5.1 CRITERIA
- 5.1.1 The scientific merit of the proposal, including the quality and importance of the proposed research, and the suggested research procedures.

- 5.1.2 The competence of the professional personnel involved in the project as evidenced by relevant academic training, research, publications.
- 5.1.3 The availability of administrative support and resources necessary to ensure a reasonable probability of project success.
- 5.1.4 The soundness of the implementation plan and the likelihood that the project objectives will be achieved.
- 5.1.5 The probability that the requested support will result in the permanent and significant enhancement of the institution's research capabilities.
- 5.1.6 The potential of the proposed project for attracting support from sources other than the Authority.
- 5.1.7 The overall probability of success of the proposed project.
- 5.2 PROPOSAL REVIEW
- 5.2.1 Each proposal shall be initially reviewed by a member of the Authority staff to determine that eligibility requirements have been met.
- 5.2.2 ~~The Chairman of the Board of Directors of the Authority shall appoint a peer review committee to review and evaluate eligible proposals. The Research Committee of the Board of Directors shall be responsible for review and evaluation of each eligible proposal. The peer review committee shall consist of a director of the Authority, a staff member and individuals. The research committee shall select reviewers~~ whose expertise in specific scientific/technological areas will aid in the evaluation of each basic research proposal.
- 5.2.3 Each eligible proposal will be reviewed and evaluated in terms of the purposes of the basic research program, the evaluation criteria, and the adequacy of the requested level of funding.
- 5.2.4 The Authority will make every effort to complete the review and evaluation process within 90 days after the deadline for receipt of solicited proposals.
- 5.3 AWARDS
- The final decision to commit funds to an applicant shall be made by the Board of Directors of the

Authority. The decision to fund/decline will be based on information derived from the review process and its accompanying criteria and the Board's own interpretation of the accompanying information. The Board's decision shall be final.

6.0

AWARDS LETTER

Cash awards will be distributed by the Authority on the recommendation of the Board of Directors based on terms and conditions agreed upon by the Board of Directors of the Authority and the submitting college or university.

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

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

FILED with the Secretary of State on
the _____ day of _____, 1987.

William H. Bowen
Chairman of the Board of Directors

Proposed
Rules Amendment
May 22, 1987

APPLIED RESEARCH GRANT PROGRAM
RULES

- 1.0 GENERAL INFORMATION
 - 1.1 PROGRAM NAME
 - 1.2 PURPOSE
 - 1.3 AUTHORIZATION
- 2.0 PROGRAM DESCRIPTION
 - 2.1 TYPE OF AWARD
 - 2.2 DEFINITIONS
- 3.0 ELIGIBILITY
 - 3.1 CRITERIA
 - 3.2 CONFLICT OF INTEREST
- 4.0 APPLICATION PROCESS
 - 4.1 APPLICATION
 - 4.2 PROPRIETARY INFORMATION
- 5.0 EVALUATION
 - 5.1 CRITERIA
 - 5.2 PROPOSAL REVIEW
 - 5.3 AWARDS
- 6.0 AWARDS LETTER

APPLIED RESEARCH GRANT PROGRAM
RULES

1.0 GENERAL INFORMATION

The Arkansas Science & Technology Authority was created by Act 859 of 1983 and given the mission to bring the benefits of science and advanced technology to the people and the State of Arkansas. Programs established by Act 409 of 1985 required the Authority to adopt certain rules for carrying out its mission. Act 210 of 1987 required the amendment of these rules.

1.1 PROGRAM NAME

These rules govern the Science & Technology Authority's Applied Research Grant Program.

1.2 PURPOSE

The purposes of the Applied Research Grant Program are to create applied research partnerships between private industry and Arkansas colleges and universities in order to stimulate the transfer of science and technology between private industry and Arkansas colleges and universities, and to provide a cash match to Arkansas colleges and universities for contributions of funds and equipment from private industry and other private sources.

1.3 AUTHORIZATION

The Applied Research Grant Program is authorized by Section 16(b) of Act 859 of 1983 as amended by Act 409 of 1985 and Act 210 of 1987, the same being Arkansas Statute 6-1616(b). The power to make rules governing this program is granted by Section 4 of Act 859 of 1983 as amended by Act 409 of 1985 and Act 210 of 1987, the same being Arkansas Statute 6-1604.

2.0 PROGRAM DESCRIPTION

The Arkansas Science & Technology Authority supports a competitive cash-matching grant program for applied research. The goal of the applied research grant program is to stimulate the transfer of science and technology in Arkansas by enhancing opportunities for research partnerships between Arkansas colleges and universities and businesses or industries by providing matching funds for academic-industrial cooperative research efforts.

Both solicited and unsolicited proposals will be accepted from individuals or groups for funding of applied research which is sponsored and officially submitted by an Arkansas college or university.

2.1 TYPE OF AWARD

The Board of Directors of the Science & Technology Authority awards matching cash grants to qualified applicants.

The Authority is authorized to defray up to, but not more than, fifty percent (50%) of the total cost of the applied research project being funded. The remaining fifty percent (50%) of the total cost of the proposed research project shall be funded with cash or new machinery and equipment provided by a business or industry cosponsoring the proposed research project; however, the Authority may defray up to sixty-six and two-thirds percent (66 2/3) of the total cost of the applied research project if the participating private industry is principally located in Arkansas and employs fifty (50) or fewer persons.

2.2 DEFINITIONS

For the purposes of the Authority's applied research grant program, the following words and phrases have the following definitions.

2.2.1 "Applied research" shall mean any activity which seeks to utilize, synthesize, or apply existing knowledge, information or resources to the resolution of a specified problem, question or issue.

2.2.2 "Industry" shall include, but not be limited to, manufacturing facilities, warehouses, distribution facilities, repair and maintenance facilities, agricultural facilities, and corporate management offices for industry.

- 2.2.3 "Machinery and equipment" shall mean tangible personal property used in connection with a Qualified Education Program or a Qualified Research Program, which has been approved for a tax credit under rules and regulations prescribed by the Department of Finance and Administration.
- 2.2.4 "New" means the machinery and equipment is state of the art machinery and equipment which (1) has never been used except for normal testing by the manufacturer to insure that the machinery or equipment is of a proper quality and in good working order or (2) has been used by the retailer or wholesaler solely for the purpose of demonstrating the product to customers for sale.
- 2.2.5 "Officially submitted" shall mean a project proposal which has been submitted by an office of an Arkansas college or university which is legally empowered to accept grants on behalf of a qualified applicant.
- 2.2.6 "Qualified applicant" shall mean a designated individual associated with an Arkansas college or university.

3.0 ELIGIBILITY

Eligible applications will be evaluated on the basis of the following criteria:

3.1 CRITERIA

- 3.1.1 The proposed project must be scientific and/or technological in nature and must promote the purpose of the Authority by providing the benefits of science and/or advanced technology to the State of Arkansas and its people.
- 3.1.2 The proposal must address an area of applied research.
- 3.1.3 The proposal must be cosponsored and officially submitted by an Arkansas college or university.
- 3.1.4 The Arkansas college or university officially submitting the grant application must assure that ~~not less than fifty percent (50%) of the total cost of the proposed research project is funded by cash or new machinery and equipment provided by a private business source or industry.~~ will fund the proposed research project with cash or new machinery and equipment in an amount not less than fifty percent (50%) of the total cost [thirty-three and one-third percent (33 1/3%) when the participating private industry is principally located in Arkansas and employs fifty (50) or fewer persons].

3.1.5 The proposal must be submitted by a deadline date, if a deadline date is established and announced for a particular solicitation.

3.2 CONFLICT OF INTEREST

No Director, officer or employee of the Authority for purpose of personal gain, shall have or attempt to have, directly or indirectly, any interest in any contract or agreement of the Authority in connection with the applied research program of the Authority.

It shall not be a conflict of interest for the Authority to permit any college or university with which a Director of the Authority is affiliated to participate in any program of the Authority provided that such Director shall promptly disclose the nature of the affiliation to the Board of Directors.

4.0 APPLICATION PROCESS

Application for an applied research grant shall be officially submitted in a format prescribed by the Authority. The following information shall be included:

4.1 APPLICATION

- 4.1.1 A Project Summary and Cover Sheet which contains the following information:
 - 4.1.1.1 Name of the college or university applying for applied research funds;
 - 4.1.1.2 Name of the principal investigator;
 - 4.1.1.3 Name and mailing address of the institutional contract officer;
 - 4.1.1.4 Mailing address of the principal investigator;
 - 4.1.1.5 Telephone number of the institutional contract office;
 - 4.1.1.6 Telephone number of the principal investigator;
 - 4.1.1.7 Title of the project proposal;
 - 4.1.1.8 Amount of funds requested from the Authority;
 - 4.1.1.9 Technical abstract;

- 4.1.1.10 Dated signature of the institutional contracting official;
- 4.1.1.11 Signature of the principal investigator, department and date.
- 4.1.2 A statement of the specific objectives to be attained by the proposed project and a description of how these objectives relate to the State's economic development interests.
- 4.1.3 A review of the literature pertinent to the proposed research, including an assessment of previous research efforts.
- 4.1.4 A clearly described implementation plan for the accomplishment of the project. This should include a description of the proposed activities, including experimental design and methods, timetable, and information detailing the availability of supporting facilities, equipment, and personnel necessary to the attainment of the project's objectives.
- 4.1.5 A detailed budget for the coming year including personnel, fringe benefits, equipment, supplies, travel, indirect costs, and estimates of support requirements in future years, if any.
- 4.1.6 A statement detailing the source and amount of the required matching funds.
- 4.1.7 A statement of plans for future support of the research from sources other than the Authority. This section should include identification of the specific funding sources to be approached and likely titles of the proposals to be submitted.
- 4.1.8 A description of the qualifications of the personnel to be involved in the proposed project. Relevant information would include the academic credentials of key professionals, a listing of recent publications in accepted professional journals, and the record of current and past grant support received in the area.
- 4.1.9 A statement that a final summary report will be submitted to the Authority within 60 days after expiration of the award. The final summary report shall include:
- 4.1.9.1 A topic sentence stating the project's major thesis;

- 4.1.9.2 The primary objectives and scope of the project;
- 4.1.9.3 The techniques or approaches used only to the degree necessary for comprehension;
- 4.1.9.4 The findings and implications stated as concisely and informatively as possible.
- 4.1.10 Other information as requested by the Board of Directors.
- 4.2 PROPRIETARY INFORMATION
- Proprietary information in an applied research proposal will be maintained subject to the limitations of the Freedom of Information Act provided that the proprietary information is clearly identified.
- 5.0 EVALUATION
- Applications meeting the eligibility requirements will be evaluated on the basis of the following criteria:
- 5.1 CRITERIA
- 5.1.1 The scientific merit of the proposal, including the quality and importance of the proposed research, and the suggested research procedure.
- 5.1.2 The competence of the professional personnel involved in the project as evidenced by relevant academic training, research and publications.
- 5.1.3 The availability of administrative support and resources necessary to ensure a reasonable probability of project success.
- 5.1.4 The soundness of the implementation plan and the likelihood that the project objectives will be achieved.
- 5.1.5 The potential of the project to enhance the transfer of science and technology between academia and business or industry.
- 5.1.6 The commercial feasibility of the proposed research within 2 years, 5 years, and 10 years.
- 5.1.7 The capacity of the proposed project to enhance employment opportunities in the State of Arkansas.
- 5.1.8 The capacity of the project to attract private investment.

- 5.1.9 The capacity of the project to attract support from sources other than the Authority.
- 5.1.10 The overall probability of success of the proposed project.
- 5.2 PROPOSAL REVIEW
- 5.2.1 Each proposal shall be initially reviewed by a member of the Authority staff to determine that eligibility requirements have been met.
- 5.2.2 ~~The Chairman of the Board of Directors of the Authority shall appoint a peer review committee to review and evaluate eligible proposals. The Research Committee of the Board of Directors shall be responsible for review and evaluation of each eligible proposal. The peer review committee shall consist of a director of the Authority, a staff member and individuals~~ The Research Committee shall select reviewers whose expertise in specific scientific or technological areas will aid in the evaluation of applied research proposals.
- 5.2.3 Each eligible proposal will be reviewed and evaluated in terms of the purposes of the applied research program, the evaluation criteria, and the adequacy of the requested level of funding.
- 5.2.4 The Authority will make every effort to complete the review and evaluation process within 90 days of the receipt of an unsolicited proposal or within 90 days of any deadline for receipt of solicited proposals.
- 5.3 AWARDS
- The final decision to commit funds to an applicant shall be made by the Board of Directors of the Authority. The decision to fund/decline will be based on information derived from the review process and its accompanying criteria and the Board's own interpretation of the accompanying information. The Board's decision shall be final.
- 6.0 AWARDS LETTER
- Cash awards will be distributed by the Authority on the recommendation of the Board of Directors based on terms and conditions agreed upon by the Board of Directors of the Authority and the submitting college or university.

~~November-67-1985~~
May 22, 1987

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

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

FILED with the Secretary of State on
the _____ day of _____, 1987.

William H. Bowen
Chairman of the Board of Directors

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

RESOLUTION NO. 87-9

PROVIDING THE APPROVAL FOR FUNDING ONE BASIC RESEARCH GRANT PROGRAM PROPOSAL THAT WILL MATCH FUNDS FOR THE PURCHASE OF ONE NUCLEAR MAGNETIC RESONANCE SPECTROMETER 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 571 of 1987 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, 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," was filed with the Board on November 20, 1986 in accordance with all applicable laws, rules, and policies of the Board; and

WHEREAS, the Board approved Resolution No. 87-7 on January 16, 1987 to provide funds not to exceed \$194,000 contingent on the availability and release of funds; and

WHEREAS, sufficient funds were not available for funding this project during the 1985-1987 biennium; and

WHEREAS, the Board finds that a significant new opportunity exists to move ahead with this project because the Governor's Office and the University of Arkansas have committed to provide additional matching funds in the amount of \$100,000 to this project; and

WHEREAS, all findings of the Board elaborated in Resolution No. 87-7 are incorporated by reference herein;

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 \$94,500.

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.

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



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

COMMITTEES AND COMMITTEE MEMBERS

Executive Committee

William Bowen - Chairman
Winfred Thompson
Joe Nix
Ron Hart
Louis Ramsay

Ad Hoc Nominating Committee

Ron Hart
Louis Ramsay

Investment Committee

H. T. Moore - Chairman
Louis Ramsay
Jerry Webster
Jim Benham - Staff

Planning Committee

Winfred Thompson - Chairman
Paul Marion
William Willingham
John Troutt
Alice Smith - Staff

Research Committee

Ron Hart - Chairman
Joycelyn Elders
Joe Nix
Joe Gentry - Staff

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

RESOLUTION NO. 87-10

PROVIDING FOR THE ESTABLISHMENT OF AN AD HOC NOMINATING COMMITTEE BY THE BOARD OF DIRECTORS OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY.

WHEREAS, Act 409 of 1985 as amended requires the annual election of the officers from the members of the Authority's Board of Directors; and

WHEREAS, the Bylaws of the Arkansas Science & Technology Authority require the Board of Directors to prescribe by resolution the name, charge, and number of members of committees;

NOW, THEREFORE, BE IT RESOLVED THAT THE FOLLOWING MOTION SHALL BE RECOGNIZED AS POLICY FOR THE BOARD OF DIRECTORS, THEREIN:

THAT there is established a Nominating Committee as an ad hoc committee of the Board of Directors, composed of no more than two past chairmen of the Board, appointed by the Chairman to provide guidance and counsel to the Authority's Board of Directors; that the Nominating Committee shall submit its report to the Board at the Board's next regularly scheduled meeting; and that the Nominating Committee shall cease to exist upon its submitting to the Board of Directors its nominating report.

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

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