



**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 30TH REGULAR MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY'S  
BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
MAY 20, 1988**

**CALL TO ORDER**

The meeting was called to order at 1:33 p.m. by Dr. Winfred Thompson, Chairman of the Board, in the Conference Room of the Department of Higher Education, Little Rock, Arkansas. Board members present included Mr. William Bowen, Dr. Joycelyn Elders, Mr. Harry Truman Moore, Mr. Louis Ramsay, Mr. John Troutt, and Mr. Jerry Webster.

Visitors included Mr. Jim Keary, Arkansas Democrat.

Dr. Thompson told the Board that he could not be present to chair the entire meeting. Therefore, those business items requiring action by a quorum of the Board would be discussed and voted on first, and the order of the meeting would not necessarily follow the order listed on the agenda. After these business items have been addressed, Mr. Moore will chair the remainder of the meeting.

**APPROVAL OF MINUTES**

Dr. Thompson called the Board's attention to the minutes from the March 4, 1988 meeting (Appendix I). Mr. Ramsay moved the minutes be approved as distributed. Dr. Elders seconded the motion; the minutes were approved by unanimous vote.

**INVESTMENT COMMITTEE REPORT**

Mr. Moore called the Board's attention to the Investment Committee Report (Appendix II) and asked for any questions or comments. The General Fund report to date was given with the notation that ASTA is within its allotted expenditure amount for both the quarter and the year.

Dr. Thompson reiterated that ASTA has no funds invested in any financial institution in which a member of the Board is

a director or holds any position connected with that institution.

Mr. Moore moved for the approval of the Investment Fund and General Fund Reports; Mr. Webster seconded the motion; the report was unanimously approved by the Board.

#### Fiscal '87 Audit Report

Mr. Moore stated that the 1987 Audit Report by the Legislative Joint Audit Committee shows that the Authority is operating within good accounting guidelines as required by the state. Dr. Thompson commended the Authority's staff for the good audit report. Mr. William Parks, Fiscal Officer for the Authority, was commended for his work in this area.

#### RESEARCH COMMITTEE REPORT

In Dr. Hart's absence, Dr. Elders presented the Research Committee Report stating that the Research Committee met and reviewed three proposals. Two proposals (88-B-0007 and 88-B-0003) did not receive high enough reviews by the Research Committee and the outside reviewers to merit funding consideration.

#### Draft Resolution No. 88-11

Dr. Elders presented Draft Resolution 88-11 (Appendix III) for the Board's approval. Draft Resolution No. 88-11 provides for the funding of one applied research proposal:

PROPOSAL No. 88-A-0002, "Development of Industrial Nitro-Organic Syntheses," by Dr. Neil Allison and Dr. Norbert Pienta of the University of Arkansas, Fayetteville in an amount not to exceed \$40,740.

Dr. Elders moved that Draft Resolution 88-11 be approved by the Board. Mr. Ramsay seconded the motion. Dr. Ahlen requested that the motion allow for an addition to the resolution of inserting the company's name that is making the 1-2 matching fund investment. With this addition to the resolution, the Board unanimously approved the motion.

Addition to the Resolution No. 88-11:

This project is co-sponsored by Garrison Industries of El Dorado in the amount of \$20,377.

Dr. Thompson excused himself from the Board meeting, and Mr. Moore chaired the remainder of the meeting.

#### PLANNING COMMITTEE REPORT

(There was no Planning Committee Report.)

#### PRESIDENT'S REPORT

Dr. Ahlen directed the Board's attention to the President's Report (Appendix IV) and commented that Ms. Smith and Dr. Gentry gave a presentation to the Joint Interim Committee on Agricultural and Economic Development (May 19, 1988). Ms. Smith stated the Committee viewed an excerpt of the video "Science Is Golden." Informational booklets on the Authority's Applied and Basic Research Grant Programs were handed out to the Committee. The presentation was well received.

In addition, Dr. Ahlen stated that the Applied and Basic Research Grant Program booklets were also given to the Legislative Council. The applied research booklet identifies those counties that have benefited from ASTA's applied research projects; this is a total of 62 out of the 75 counties in Arkansas. The basic research booklet shows those areas of the economy that have benefited from ASTA's basic research projects. Dr. Ahlen said the final word from the Council's chairman, Representative Newman, was that ASTA was doing good and to keep it up.

Mr. Moore commended the Authority's staff for compiling the booklets showing the effects of the applied and basic research programs.

Dr. Ahlen asked the Board to note the column by Mr. John Brummett of the Arkansas Gazette in which good comments were made about the Authority. Dr. Ahlen further noted the handouts for the Board being an updated listing of Board members and sample news articles for the Board's review.

ASTA's new staff member, Ms. Megan Delamar, was introduced to the Board. As Finance Program Manager, Ms. Delamar will be assisting Mr. Jim Benham in the Seed Capital Investment Program.

#### OLD BUSINESS

##### Report on the Science and Technology Corridor (Appendix V)

Commenting on the Science and Technology Corridor materials, Dr. Ahlen stated that he held meetings in Pine Bluff and Little Rock with area business leaders and with utility executives to review the Corridor strategy and to receive questions from those attending the meetings. From these questions and comments, Dr. Ahlen said he felt the next step for the Corridor will be preparing a detailed plan of action to take back to each community and the utility executives. Referring to the map showing the institutions that originally defined the Corridor in 1982, Dr. Ahlen stated that a number of suggestions had been made to change the size and shape of the Corridor; the map does not show an outline around the Corridor. This should allow any institution that wishes to participate to do so without regard to an artificial boundary being put around the Corridor.

Dr. Ahlen said he has received correspondence from the Governor supporting the Corridor's public sector agenda and will begin working with the Governor's Office to put together some specific items.

Dr. Ahlen commented that the private leaders have been apprised of the Corridor concept and their interest is stimulated. Therefore, it is clear that the Authority needs to provide the leadership for the next step which is to develop a more detailed plan of action that lists specifics as to what the utility executives and private sector participants can do to help implement the Corridor plan.

Mr. Bowen requested that a study be undertaken to address the possibility of including the University of Central Arkansas as part of the Corridor by illustration on the Corridor map, and that a recommendation be provided in this regard at the next Board meeting.

## Report on Coordinating Office Effort

Reporting on the Coordinating Office effort, Ms. Smith stated that funding is still a problem. A reinvigoration of the EPSCoR project is underway. Senator Rockefeller has proposed that EPSCoR begin again in the original 5 states, so another 3 million dollars could be coming from NSF with the same provisions that were attached before, which were (1) showing a plan of how the funds would be spent, and (2) securing a dollar for dollar matching fund. This 3 million will be distributed over a 5 year period. Now that ASTA is established and has its research programs implemented, it is in a good position to benefit from this new EPSCoR funding.

There was an amendment put on the National Bureau of Standards Authorization Bill that would create a new Under Secretary of Technology. This will be known as the Technology Administration in the Department of Commerce. In the next 2-4 years we should see a lot of new programs similar to our own that will be implemented by the Federal Government.

The National Science Foundation Authorization Bill has several new programs, aside from the EPSCoR program, for basic research. The NSF Authorization Bill also adds 50 million dollars for renovation of research facilities that will require a 1-1 nonfederal match. A priority has been established to distribute the funds more geographically instead of concentrating the funds within the same top 50 universities. Research facilities at minority institutions have been targeted to receive 10 percent of all the funds allocated, and the University of Arkansas at Pine Bluff has been named as a potential beneficiary. Ms. Smith said she would communicate this information to UAPB.

There is a new SBIR program that is aimed at university faculty; it encourages faculty to take part in applied research with new, small businesses. ASTA's SBIR Program and Applied Research Program will benefit from this. The researcher would get a grant, or a combination of a grant and a forgivable loan. The forgivable loan would depend upon whether the results were commercially applicable or not.

The Truck and Bus Safety Act has come out of the Senate and is in the House. The Act establishes truck brakes as the number one safety issue in America today, and it is being reviewed by the Public Works Committee on which Congressman

Hammerschmidt is the ranking member. Congressman Hammerschmidt and his staff are enthusiastic about an opportunity to directly benefit a company in his district.

ASTA has been working closely with Roger Iverson of the Advanced Brake and Clutch Company in Fayetteville; the company officials met yesterday (May 19) for the first time with representatives of Arkansas' trucking companies. It was a successful meeting.

New ideas for technology development programs continue and should result in new opportunities for the next year.

Ms. Smith reported that Allen Hermann will be receiving from SDI \$200,000 a year for the next two years for his research in superconductivity. Ms. Smith visited the Strategic Defense Initiative Office at the Pentagon during her trip to Washington in March, and was able to influence this connection.

Dr. Ahlen reported that Jim Benham received a call from a gentleman in West Virginia requesting information about ASTA's Seed Capital Program after he heard about ASTA's good reputation.

Dr. Ahlen explained that these are the kinds of small success stories that are building Arkansas' reputation nationally and in this area, but are not normally reported in the newspapers nor to the Board.

Mr. Moore suggested these accomplishments be documented by ASTA in some way and made available should it be needed.

Mr. Bowen requested that a status report on the Associated University at NCTR be given at the next Board meeting.

#### Carnegie Foundation Report

Referring to the Carnegie Foundation Report that was distributed at the last Board meeting, Dr. Ahlen said Dr. Ward questioned the staff that conducted the study as to why the Medical Sciences Campus was not mentioned in the report. Dr. Ward received a letter from Ernest Boyer, president of the Carnegie Foundation, which said it was clear that UAMS constituted a "peak of excellence" in professional education for Arkansas; for that reason it was not included in the report. Dr. Ward thought it would be appropriate to point this out to the Board.

**NEW BUSINESS**

## Next Board Meeting

The next Board meeting is tentatively scheduled for September 9, 1988 at which the annual election of officers will take place. If a need arises during the summer months that requires the Board's attention, a special meeting of the Board will be called.

Draft Resolution No. 88-8  
(Appendix VI)

Dr. Ahlen presented Draft Resolution No. 88-8 which provides for the establishment of an Ad Hoc Nominating Committee consisting of not more than three past chairmen of the Board whose purpose is to meet and propose a slate for the annual elections. The members of the Ad Hoc Nominating Committee are Dr. Hart, Mr. Ramsay, and Mr. Bowen. Mr. Webster moved for the resolution's approval by the Board. Mr. Ramsay seconded the motion; the Board unanimously approved the motion.

Draft Resolution No. 88-9  
(Appendix VII)

Mr. Moore presented for the Board's approval Draft Resolution No. 88-9 which provides for recognition of the accomplishments of Dr. Winfred L. Thompson. Mr. Troutt moved for approval of the resolution; Dr. Elders seconded the motion. The Board unanimously approved the motion. Mr. Moore extended the Board's appreciation and congratulations to Dr. Thompson for his work with the Board and his accomplishments in the educational field.

Draft Resolution No. 88-10  
(Appendix VIII)

Mr. Moore presented Draft Resolution No. 88-10 which provides for recognition of the accomplishments of Dr. Joycelyn Elders. Mr. Bowen moved for approval of the resolution; Mr. Webster seconded the motion. The Board unanimously approved the motion. Mr. Moore extended the Board's appreciation and congratulations to Dr. Elders for her many accomplishments and very fine work as a member of the Board.

## FY 1988 Annual Report

Ms. Kay Kelly reported that the 1988 Annual Report should be completed by mid-summer. The Draft 1988 Annual Report will be sent to each Board member for comment prior to the September meeting. The report will need the Board's formal approval at the September meeting.

## Presentations to Civic Clubs

Mr. Moore suggested that, after receiving the 1988 Annual Report and other materials that ASTA has provided (the video tape and the information booklets on the Applied and Basic Programs), the Board members would have adequate information to make presentations to civic clubs and other organizations as a way of sharing information about ASTA and its impact on Arkansas' economy. Mr. Bowen suggested that a list of ASTA success stories be compiled to be used with these kinds of presentations as well.

ASTA Agenda For '89 Legislative Session  
(Appendix IX)

Dr. Ahlen called the Board's attention to the memorandum regarding ASTA's Agenda for the 1989 Legislative Session. The memo outlines funding priorities and new initiatives for the Authority in the 1989-91 biennium and the Authority's budget request for fiscal years 1990 and 1991.

Dr. Ahlen said the item of highest priority for funding will be the basic and applied research programs which are the core of the Authority's work.

Dr. Ahlen explained that budget requests are due to the Governor before the next Board meeting in September, and it is essential to receive the Board's input in this process. Therefore, Dr. Ahlen asked that each Board member review the memorandum and report his/her comments or suggestions within the next week.

Mr. Bowen, commented that the need for a constitutional amendment (page 6 of Appendix IX) is a very important action and steps should be taken to present this item for legislative approval as soon as possible. Dr. Ahlen said the Authority would contact the Legislative Council and request advice on this matter.

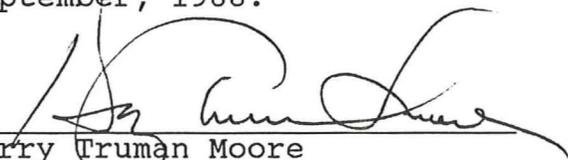
**ADJOURNMENT**

There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Harry Truman Moore  
Secretary  
Board of Directors

Approved by the Board of Directors on this 9th day of September, 1988.

  
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Harry Truman Moore  
Secretary  
Board of Directors

HTM:kb



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**RESOLUTION NO. 88-8**

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

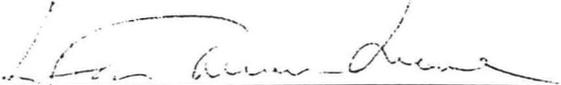
WHEREAS, Act 409 of 1985 as amended requires the annual election of the officers from the members of the Authority's Board of Directors; and

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 not more than three 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 20th day of May, 1988.

  
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Harry Truman Moore  
Secretary, Board of Directors



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**RESOLUTION NO. 88-9**

**Providing for the Recognition of Winfred L. Thompson, Ph.D.**

*Whereas Dr. Winfred L. Thompson has well served the State of Arkansas as a Board member of the Arkansas Science & Technology Authority since its inception;*

*Whereas as chairman of the Planning Committee, Dr. Thompson guided the establishment of five business incubators around the state, and currently serves as Board Chairman;*

*Whereas Dr. Thompson has established a record of leadership in higher education in his positions with both Arkansas State University and the University of Arkansas, Fayetteville; and*

*Whereas Dr. Thompson has been recently selected to lead the University of Central Arkansas as its 7th President;*

**Now Therefore Be It Resolved:**

*That the Board of Directors of the Arkansas Science & Technology Authority recognizes with great pride the outstanding accomplishments of Dr. Winfred L. Thompson and bestows good wishes for continued success.*

**APPROVED** by the Board of Directors  
on this 20th day of May, 1988.

**Harry Truman Moore**  
Secretary, Board of Directors



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**RESOLUTION NO. 88-10**

**Providing for the Recognition of Joycelyn Elders, M.D.**

*Whereas Dr. Joycelyn Elders has well served the State of Arkansas as a Board member of the Arkansas Science & Technology Authority since its inception;*

*Whereas Dr. Elders has provided invaluable scientific expertise as a member of the Research Committee in the funding of 34 basic and applied research grant projects;*

*Whereas Dr. Elders has had a distinguished career in medicine, both as a practitioner and a researcher; and in education, as a Professor of Pediatric Endocrinology at the University of Arkansas for Medical Sciences;*

*Whereas Governor Bill Clinton selected Dr. Elders to be Director of the Arkansas Department of Health; and in her short tenure as Director, she has been willing to speak out on controversial public health issues that are important to our state;*

**Now Therefore Be It Resolved:**

*That the Board of Directors of the Arkansas Science & Technology Authority recognizes with great pride the outstanding accomplishments of Dr. Joycelyn Elders and bestows good wishes for continued success.*

**APPROVED** by the Board of Directors  
on this 20th day of May, 1988.

**Harry Truman Moore**  
Secretary, Board of Directors



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**RESOLUTION NO. 88-11**

**PROVIDING THE APPROVAL FOR THE FUNDING OF ONE APPLIED RESEARCH GRANT 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 an Applied 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**, 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 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:**

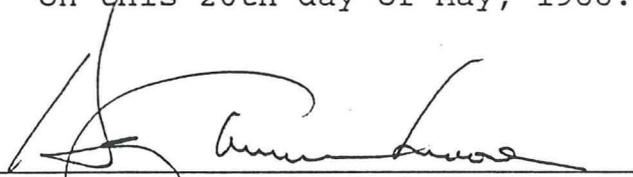
**THAT** the Arkansas Science & Technology Authority's Board of Directors approves for funding the following proposal:

PROPOSAL NO. 88-A-0002, "Development of Industrial Nitro-Organic Syntheses," by Dr. Neil Allison and Dr. Norbert Pienta of the University of Arkansas, Fayetteville in an amount not to exceed \$40,740. This project is co-sponsored by Garrison Industries of El Dorado in the amount of \$20,377.

**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 as amended.

**APPROVED** by the Board of Directors  
on this 20th day of May, 1988.

  
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Harry Truman Moore  
Secretary to the Board of Directors