

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

**MINUTES OF THE 39TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY'S
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
DECEMBER 8, 1989**

CALL TO ORDER

The meeting was called to order at 1:40 p.m. by Mr. John Troutt, vice chairman of the Board, in the conference room of the Department of Higher Education, Little Rock, Arkansas.

A quorum of Board members was present and included Mr. William Bowen, Dr. Paul Marion, Dr. Joe Nix, Dr. Betty Overton, Dr. Donald Pederson, Mr. Louis Ramsay, Dr. Winfred Thompson, Mr. John Troutt, Mr. Jerry Webster, and Dr. William Willingham.

Visitors attending the meeting included Ms. Carol Griffee, Editorial Services, Inc.; Mr. Felton Lamb, Venture Resources Inc.; and Mr. Walter May, Wright, Lindsey & Jennings.

The Authority's executive staff attending the meeting included Dr. John Ahlen, Mr. Jim Benham, Dr. Joe Gentry, and Ms. Alice Rumph Smith. Other staff members attending included Katherine Benefield, Al Grijalva, Anita Millard, Mary Moon, and Chuck Myers.

APPROVAL OF MINUTES

Mr. Troutt presented the minutes from the September 15, 1989 and the October 30, 1989 Board meetings for approval. Mr. Bowen moved the minutes be approved. Dr. Nix seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen directed the Board's attention to the President's Report and introduced Mr. Al Grijalva, the Authority's new research program coordinator. Mr. Grijalva was welcomed by the Board.

National Biotechnology Cooperative

Alice Smith and Mr. Bowen reported on their trip to Washington, D.C. (Dec. 2-7, 1989) where a forum was held to discuss the National Biotechnology Cooperative concept. Ms. Smith reported the meeting was very productive and the FDA and USDA showed great interest in the project. Ms. Smith said she would do a complete written report for the Board by early January, 1990.

EPSCoR

Dr. Ahlen reported that the Arkansas EPSCoR implementation proposal has been submitted to the National Science Foundation, and it is anticipated that announcements of awards will be made early in 1990.

INVESTMENT COMMITTEE REPORT

Mr. Webster presented for the Board's approval the Investment Fund Report for Quarter Ending September 30, 1989. There being no questions concerning the report, Mr. Webster made a motion for approval of the report. Dr. Nix seconded the motion; the Board gave its unanimous approval.

Mr. Webster also presented for the Board's approval the Fiscal Year 1990 General Fund Expenditure Report dated September 1989. There being no questions concerning the report, Mr. Webster made a motion for approval of the report. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

Two additional reports were presented for the Board's perusal: Report on the Energy Related Research Fund as of September 30, 1989, and the Report on the Authority's Projected Funding for the 90-91 Biennium. Dr. Ahlen discussed the Projected Funding for the 90-91 Biennium report with the Board.

PLANNING COMMITTEE REPORT

Mr. Troutt reported that the Planning Committee met (Appendix 1, Planning Committee Minutes, October 27, 1989) and heard presentations and requests from the existing incubators for continued project funding. The Committee requested recommendations from the Authority's staff in regard to continued funding for the existing incubators. Mr. Troutt asked Dr. Ahlen to report on those recommendations.

Dr. Ahlen reported there is approximately \$510,000 from the \$600,000 appropriation left to fund the on-going operations of existing incubators. Funding requests from the existing incubators totalled \$950,000. Dr. Ahlen cited Resolution No. 89-15 (approved by the Board on May 19, 1989) which provides the basis of a plan for the business incubator program for fiscal years 1989-1991. Dr. Ahlen reminded the Board that a provision of Resolution No. 89-15 was that the Authority would not solicit any new proposals under the business incubator program unless sufficient funding is provided for the solicitation.

Draft Resolution No. 89-25

Dr. Ahlen presented Draft Resolution No. 89-25 for the Board's consideration. Dr. Ahlen stated that Draft Resolution No. 89-25 provides funding for the Business Incubator Program for fiscal years 1990 and 1991 and allocates funds to (1) the University of Arkansas at Monticello in an amount not to exceed \$90,582 for continued operations of the Renaissance Center; (2) the University of Arkansas at Fayetteville in an amount not to exceed \$295,000 for continued operations of Genesis; (3) the Arkansas State University in an amount not to exceed \$133,000 for continued operations of the East Arkansas Business Incubator System; and (4) the Southern Arkansas University in an amount not to exceed \$67,000 for continued operations for the Business Center.

Dr. Ahlen stated that Draft Resolution No. 89-25 had not been approved by the Planning Committee because the Committee had no opportunity to meet and review the resolution. Therefore, the resolution would need to be discussed by the Board and a motion for approval of the resolution would need to be made by a member of the Board.

Dr. Thompson made a motion for approval of Draft Resolution No. 89-25. Mr. Bowen seconded the motion.

Dr. Overton, speaking on behalf of the University of Arkansas at Little Rock, expressed serious concern regarding the nonfunding for continued operations of the campus' business incubator project. The Board held lengthy discussion regarding Dr. Overton's concerns. Dr. Ahlen explained that after hearing UALR's presentation for continued funding, the conclusion was that UALR's presentation represented a new initiative, not a continuation of the existing project.

Dr. Marion called for the vote. Mr. Troutt asked the Board to vote by a show of hands. Six (6) Board members voted for approval of the resolution, with the Chairman indicating his support of the motion. Three (3) Board members voted against the resolution. Mr. Troutt stated the motion was approved.

Draft Resolution No. 89-27

Dr. Ahlen presented for the Board's consideration Draft Resolution No. 89-27 which provides funding for a business incubator proposal:

PROPOSAL NO. 89-I-0002, "The Institute for Innovative Business Development" an incubator program sponsored by the University of Arkansas at Pine Bluff to form new businesses and create additional jobs for the citizens of Pine Bluff and Jefferson County; for a sum to be negotiated, but not to exceed \$240,000.

Dr. Thompson made a motion for approval of the resolution. Dr. Marion seconded the motion. Dr. Willingham stated that UAPB was the institution of his affiliation. Mr. Troutt called for the vote by a show of raised hands. Eight (8) Board members voted for approval of the resolution, with the Chairman indicating his support of the motion. One (1) Board member voted against the resolution. Mr. Troutt stated the motion was approved.

RESEARCH COMMITTEE REPORT

Dr. Willingham stated that the Research Committee met (Appendix 2, Research Committee Minutes, December 8, 1989) just prior to the Board meeting and recommends for the Board's approval Draft Resolution No. 89-26. The resolution provides for the funding of one applied research grant proposal:

PROPOSAL NO. 90-A-01, "Design and Implementation of an Expert System for Proposal Preparation for Automated Building Controls," by Dr. Sandra C. Parker of the University of Arkansas, Fayetteville, in the amount not to exceed \$27,342. This project is cosponsored by Energy Techniques, Inc., in the amount of \$14,637.

Dr. Willingham made a motion for approval of the resolution. Dr. Overton seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval of the resolution.

OLD BUSINESS

Draft Resolution No. 89-23

Mr. Troutt presented for the Board's approval Draft Resolution No. 89-23. The resolution provides for the commendation of Dr. Joe F. Nix. Mr. Troutt read the resolution to the Board. Mr. Ramsay made a motion for approval of the resolution; Mr. Bowen seconded the motion. The Board gave its unanimous approval. Mr. Troutt presented the resolution to Dr. Nix.

NEW BUSINESS

Suggested Meeting Dates for 1990

Dr. Ahlen directed the Board's attention to the suggested meeting dates for 1990. All meetings will begin at 1:30 p.m. in the Conference Room of the Department of Higher Education. Dr. Ahlen stated that the Authority's staff would poll the members prior to each meeting for confirmation of attendance.

Draft Resolution Providing for Funding of NBC Project

Dr. Nix made a motion that the Authority draft a resolution which provides for funding of the National Biotechnology Cooperative Project in an amount not to exceed \$500,000. Mr. Ramsay seconded the motion; the Board gave its unanimous approval.

Research Committee Planning Session

Dr. Nix suggested that the Research Committee meet in the Spring of 1990 to consider long-range plans and possible revamping of the research program. The Board took note of this suggestion.

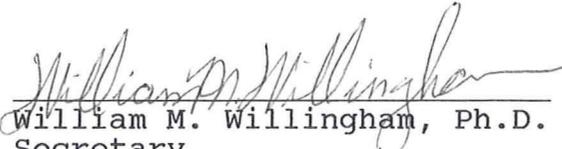
R&D Spending in Arkansas

Mr. Bowen cited the Arkansas Democrat article of November 19, 1989 entitled, "R&D Funding Soars Since '85; Still Ranks Low," and asked the Authority's staff to research the figures presented in the article in regard to Arkansas' ranking in R&D spending. Mr. Bowen asked that a report be given to the Board on this subject at the Board's next meeting in January 1990.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:07 p.m.

Respectfully submitted,



William M. Willingham, Ph.D.
Secretary
Board of Directors

Approved by the Board of Directors
on this 19th day of January, 1990.



William M. Willingham, Ph.D.
Secretary
Board of Directors

WMW:kb