



**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 34TH REGULAR MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY'S  
BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
JANUARY 20, 1989**

**CALL TO ORDER**

The meeting was called to order at 2:05 p.m. by Dr. Joe Nix, 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, Dr. Paul Marion, Dr. Donald Pederson, Dr. Winfred Thompson, Mr. John Troutt, Mr. Jerry Webster, and Dr. William Willingham.

Visitors included Ms. Carol Griffiee, Interstate News Service, and Mr. Walter May, Wright Lindsey & Jennings.

**APPROVAL OF MINUTES**

Dr. Nix presented the minutes from the November 18, 1988 Board meeting for approval. Dr. Elders moved the minutes be approved. Mr. Webster seconded the motion; the minutes were approved by unanimous vote.

**PRESIDENT'S REPORT**

Dr. Ahlen presented the president's report. Regarding the Corridor project, Dr. Ahlen stated the Executive Committee of the Board met (Appendix I -- Minutes of Executive Committee Teleconference, December 12, 1988) and approved the Memorandum of Agreement with the Jefferson Foundation and the draft proposal to the Arkansas Development Finance Authority. Dr. Ahlen said it was too early yet to report any specific results on the cooperative agreement.

**INVESTMENT COMMITTEE REPORT**

Mr. Bowen called the Board's attention to the Investment Committee Report and moved for its approval. Dr. Thompson seconded the motion; the Board approved the report.

**PLANNING COMMITTEE REPORT**

Mr. Troutt stated the Planning Committee met (Appendix II -- Minutes of Planning Committee, January 4, 1989) and discussed several items including: (1) A state constitutional amendment allowing equity investment by the Seed Capital Investment Program (SCIP); (2) Clarification of exemption of certain proprietary information under the SCIP from the Freedom of Information Act; (3) Extension of the R&D Tax Credit for businesses as an incentive for participation in the National Biotechnology Cooperative; and (4) A sales tax exemption for research equipment purchased by colleges and universities. Mr. Troutt reported the Committee agreed that while these issues are important, none are ready for legislative consideration during the 77th General Assembly. However, the Committee recommends further study to clarify the proposal for sales tax exemption on research equipment purchased by colleges and universities.

**RESEARCH COMMITTEE REPORT**

Dr. Elders reported the Research Committee met prior to the Board meeting (Appendix III -- Minutes of Research Committee, January 20, 1989) and recommends two proposals to the Board for approval.

**Draft Resolution No. 89-1**

Draft Resolution No. 89-1 provides for the funding of one applied research grant proposal: Proposal No. 88-A-0007, "Feather Meal for Wintering Beef Cows," by Dr. Arthur L. Goetsch of the University of Arkansas at Fayetteville in the amount not to exceed \$7,000. This project is cosponsored by Cargill, Inc., Pilgrim's Pride Corp., and River Valley By-Products in the amount of \$7,000. Dr. Pederson stated that this proposal is from the university of his affiliation. Dr. Elders moved for the approval of the resolution. Mr. Bowen seconded the motion; the Board unanimously approved the motion.

## Draft Resolution No. 89-2

Draft Resolution No. 89-2 provides for the funding of one basic research grant proposal: Proposal 88-B-0022, "Evaluation of tRNA Mutants in E.coli," by Dr. Scott Kirkconnell of Arkansas Tech University in the amount not to exceed \$22,500. Dr. Elders moved for approval of the resolution. Dr. Pederson seconded the motion; the Board unanimously approved the motion.

## Energy-Related Research Program

Dr. Ahlen reported that the Authority has received the expected \$300,000 from the Energy Escrow Fund which will be used to fund the Energy-Related Research Program. The funds were placed in a separate account within the Authority's Seed Capital Investment Fund. At the appropriate time, the Authority will secure the necessary signatures to withdraw the funds for the Energy-Related Research Program. This report is to confirm for the Minutes that the Board is aware of this transaction involving the receipt of funds and approves of the use of these funds for the Energy-Related Research Program.

At Dr. Ahlen's suggestion, Dr. Gentry reported on the status of the basic and applied research proposals received to date. The deadline for submission of the proposals was January 15, 1989. A total of forty-two (42) proposals have been received; nineteen (19) of these are applied research proposals, and twenty-three (23) are basic research proposals. Four (4) of the proposals are energy-related and will be considered for funding under the Energy-Related Research Program. Dr. Ahlen stated he wrote the Governor and explained there is a greater demand for resources from this program than is currently available. Dr. Ahlen will continue to apprise the Governor of the funding needs for the applied and basic research programs.

## OLD BUSINESS

(With Dr. Ahlen's previous report of the Executive Committee meeting and Mr. Troutt's report of the Planning Committee meeting, old business items have already been addressed.)

## NEW BUSINESS

Alice Smith reported that three bills have been introduced to the legislature that will affect the Authority. The

first is House Bill 1062 by Representatives Bill Ramsey and Jodie Mahony which proposes to allow faculty participation in business incubators. The second bill is House Bill 1235 by Representatives Bob Arnold and Charlotte Schexnayder which proposes to establish the Centers for Applied Technology. The third bill is House Bill 1279 by Representatives Bob Arnold, Lloyd George, Myra Jones, and Charlotte Schexnayder, which is the authorizing legislation for the Technology Development Program.

#### EPSCoR Update

Dr. Nix reminded the Board that Arkansas could be part of a new round of EPSCoR funding from the National Science Foundation. However, involvement in EPSCoR would require a cash match of the federal funds, probably from state sources. Dr. Nix indicated the Governor's proposed Centers of Excellence program would be a way to make this match. He urged each Board member to lend his individual support to the Governor's program.

#### Code of Ethics Form/Statement of Financial Interest

Dr. Ahlen directed the Board's attention to the document explaining the new Standards of Conduct and Disclosure Act, the Code of Ethics form, and the Statement of Financial Interest form. Dr. Ahlen stated the two forms are to be filled out by each Board member and submitted to the Secretary of State by January 31, 1989.

#### Report of the Governor's Commission on Arkansas' Future

Dr. Ahlen called the Board's attention to the final report of the Governor's Commission on Arkansas' Future, entitled, "It's Our Move, Arkansas." Dr. Ahlen indicated the report is for the Board's perusal; it contains several recommendations concerning the legislation on which Ms. Smith reported. Items of special interest to the Board are found on pages 24, 44, and 45.

#### 1988 Report of the National Advisory Board of First Commercial Bank, N.A.

Mr. Bowen called the Board's attention to the 1988 Annual Report of the National Advisory Board of the First Commercial Bank which is entitled, "A Partnership for Arkansas." Mr. Bowen brought to the Board's attention the Conclusions and Recommendations section of the report (pgs. 13-14) which states,

"The National Advisory Board recommends and urges the Arkansas General Assembly to enact legislation chartering an Arkansas Enterprise Center as a non-profit, independent private/public partnership. ...

The National Advisory Board urges the Arkansas General Assembly to appropriate up to \$500,000 annually for the Center on a dollar-for-dollar matching basis with the private sector. ..."

Mr. Bowen invited the Authority's Board to carefully study the recommendation from First Commercial's Advisory Board, and if found worthy, to submit a statement or resolution supporting the recommendation to the 1989 General Assembly.

#### Next Board Meeting

Dr. Ahlen shared with the Board a suggestion from Mr. Ramsay that the Board consider setting a specific meeting date (such as the second Tuesday or third Friday of the month) and then schedule the year's meetings in advance. Dr. Ahlen reminded the Board that the Authority's enabling legislation requires four (4) Board meetings per year. The suggested 1989 meeting dates presented at the November 18, 1988 Board meeting were: January 20, March 17, May 19, September 15, and November 17. Dr. Nix invited discussion of the dates and Mr. Ramsay's suggestion.

After discussion, the Board decided to set the third Friday of the month as the official meeting day, and set March 17, September 15, and November 17 as regular quarterly meeting dates for the remainder of calendar year 1989. The date of May 19 is accepted as a tentative meeting date.

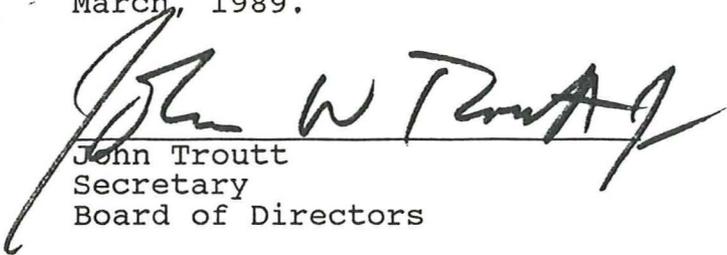
#### ADJOURNMENT

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

Respectfully submitted,

John Troutt  
Secretary  
Board of Directors

Approved by the Board of Directors on this 17th day of  
March, 1989.



John Troutt  
Secretary  
Board of Directors

JT:kb

## M I N U T E S

### EXECUTIVE COMMITTEE MEETING SCIENCE AND TECHNOLOGY AUTHORITY CONFERENCE ROOM DECEMBER 12, 1988 (Teleconference)

#### CALL TO ORDER

Dr. Joe Nix, Mr. H. T. Moore, and Dr. Win Thompson were in attendance. Mr. Bill Bowen stood by on a separate line because of technical difficulties, and Mr. John Troutt was unavailable. John Ahlen, Alice Smith, and Kay Kelly attended for the Authority's staff.

#### OLD BUSINESS

There was no old business.

#### NEW BUSINESS

The Committee had received copies of a draft memorandum of agreement between the Authority and the Jefferson Foundation and a draft proposal to the Arkansas Development Finance Authority (ADFA). John Ahlen reviewed a telephone conversation earlier in the day between himself and Walter May of the law firm Wright, Lindsey & Jennings. Mr. May had one question of substance concerning the documents and that question was whether the Authority would be a party to any contracts for professional services. John Ahlen explained to him that there was no intention of the Authority having any additional contractual relationship with Battelle or either of the two other organizations. Ahlen further briefed the Committee on a conversation with Messrs. Gieringer and Pierce, representing the Jefferson Foundation. They agree with the overall concept of the agreement and proposal, but they had some very specific questions about how the goals might be achieved. Their concerns will be addressed in a cover letter with the memorandum of agreement.

Staff answered a question about how the results of the proposed activities would be used by indicating that there were parallel uses for such information. These include providing information to Congress, which has indicated intense interest in U.S. biotechnology competitiveness; providing very specific information to Congress concerning a

national demonstration project related to biotechnology; and providing information for the state to use in promoting the resources of Central Arkansas and NCTR to the biotech industry.

The Executive Committee approved the memorandum of agreement and the proposal on a motion by H. T. Moore and seconded by Win Thompson. The motion indicated that the approval was subject to any specific concerns that Bill Bowen might have.

Mr. Bowen, who was on another line, relayed his strong support for the motion to John Ahlen and indicated that, given the pressing circumstances, we have no choice but to proceed.

#### ADJOURNMENT

The meeting was adjourned.

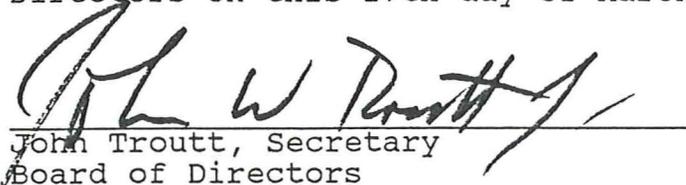
Respectfully submitted,



John W. Ahlen

JWA:mm/kb

Executive Committee Minutes approved by the Board of Directors on this 17th day of March, 1989.



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John Troutt, Secretary  
Board of Directors

## M I N U T E S

### PLANNING COMMITTEE MEETING SCIENCE & TECHNOLOGY AUTHORITY CONFERENCE ROOM JANUARY 4, 1989

#### CALL TO ORDER

Chairman John Troutt called the meeting to order. Committee members Dr. Win Thompson and Dr. Paul Marion were present.

#### OLD BUSINESS

The Committee heard a status report on the Business Incubator Program from staff member Chuck Myers. Committee members agreed in the subsequent discussion that ASTA should maintain its involvement in the incubators only to the extent that technology development is the focus. It was agreed that the state has gained from its support of all five incubators.

The National Biotechnology Cooperative was discussed briefly. This project is on hold until the FDA releases the Request for Proposals, originally due out on December 7. Mr. Troutt expressed support for Mr. Bowen and Mr. Ramsay in spearheading this project. Dr. Marion suggested that the Planning Committee would be the appropriate Board committee to keep informed of the progress of this project.

#### NEW BUSINESS

The Committee heard a report on the Governor's legislative proposals for ASTA. Copies of proposed legislation were distributed.

The following items were also considered by the Committee:

- a. A state constitutional amendment allowing equity investment by the Seed Capital Investment Program (SCIP);
- b. Clarification of exemption of certain proprietary information under the SCIP from the Freedom of Information Act;

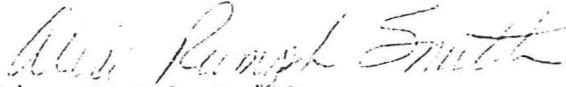
- c. Extension of the R&D Tax Credit for businesses as an incentive for participation in the National Biotechnology Cooperative; and
- d. A sales tax exemption for research equipment purchased by colleges and universities.

The Committee agreed that while these are important issues, none were ready for legislative consideration during the 77th General Assembly.

**ADJOURNMENT**

The meeting was adjourned with no formal actions being taken.

Respectfully submitted,



Alice Rumph Smith  
Vice President Information

ARS:mm/kb

Planning Committee Minutes approved by the Board of Directors on this 17th day of March, 1989.



John Troutt, Secretary  
Board of Directors

## M I N U T E S

### RESEARCH COMMITTEE MEETING DEPT. OF HIGHER EDUCATION, CONFERENCE ROOM JANUARY 20, 1989

#### CALL TO ORDER

Dr. Joycelyn Elders called the meeting to order at 1:10 p.m. Present were Committee members Dr. Don Pederson and Dr. William Willingham and ASTA staff members Dr. Joe Gentry and Dr. John Ahlen.

#### OLD BUSINESS

Dr. Gentry summarized the current status of the Basic and Applied Research Grant Programs. At the close of proposal solicitation on January 15, ASTA had 42 pending proposals requesting a total of \$1,066,144: 19 applied proposals for \$429,939 and 23 basic proposals for \$636,205. Of those 42 proposals, four, for a total of \$129,361, are energy-related and can be funded under the Energy Center, leaving proposals requesting \$936,783. At the moment, both Research Grant Programs have \$222,649 available.

Dr. Gentry explained that he had asked Dr. Ahlen to see if the Governor would release \$224,532 from the Capital Improvement Fund. Dr. Gentry said he could see at least 15 applied proposals and 6 basic proposals, requesting a total of \$447,181, that could be funded if the Capital Improvement Funds were released.

#### NEW BUSINESS

The Research Committee considered five proposals:

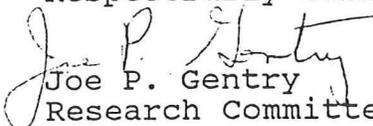
- \* 88-B-0019, Geologic Model of the Batson Gas Field of Johnson County, Arkansas, by Dr. Roy B. VanArsdale of the University of Arkansas at Fayetteville, \$59,200. The Committee tabled this proposal and will consider it for funding under the Center for Energy-Related Research.

- \* 88-B-0020, Modeling Surface Transport of Nutrients from land Treated with Broiler Litter, by Dr. D. R. Edwards and Dr. J. A. Ferguson of the University of Arkansas at Fayetteville, \$41,890. The Committee recommended deferring action on this proposal until the March meeting.
- \* 88-B-0022, Evaluation of tRNA Mutants in E. coli, by Dr. Scott Kirkconnell of Arkansas Tech University, \$20,590. Dr. Gentry explained that this proposal would promote cooperative research between Arkansas Tech and the University of Arkansas at Fayetteville. Dr. Willingham pointed out that the proposal provided an opportunity to demonstrate support for research at smaller, state-supported institutions. Dr. Pederson asked Committee members to consider awarding more than the requested amount to allow the researchers to pay the students involved in the project. Committee members agreed to recommend funding this project and to allow Dr. Gentry to negotiate the award in an amount not to exceed \$22,500.
- \* 88-A-0007, Feather Meal for Wintering Beef Cows, by Dr. Arthur L. Goetsch of the University of Arkansas at Fayetteville, \$7,000. Dr. Gentry called the attention of the Committee members to the proposal's good reviews and to the potential economic impact to the beef and poultry industries. Committee members recommended funding this proposal.
- \* 88-A-0008, Efficiency of Usage of Bermudagrass Fertilized with Sewage and Poultry Wastes by Ruminants, by Dr. Arthur L. Goetsch of the University of Arkansas at Fayetteville, \$10,000. The Committee deferred action on this proposal until the March meeting.

**ADJOURNMENT**

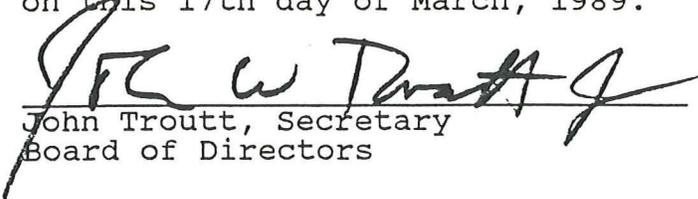
The meeting adjourned at 1:40 p.m.

Respectfully submitted,

  
Joe P. Gentry  
Research Committee Member

JPG:ms

Research Committee Minutes approved by the Board of Directors  
on this 17th day of March, 1989.

  
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John Troutt, Secretary  
Board of Directors



**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**RESOLUTION NO. 89-1**

**PROVIDING THE APPROVAL FOR THE FUNDING OF ONE APPLIED RESEARCH GRANT PROPOSAL BY THE BOARD OF DIRECTORS OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY.**

WHEREAS, Sections 15-3-101 through 15-3-123 of the Arkansas Code of 1987 Annotated empower 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, Act 890 of 1987 includes an appropriation of \$414,000 for fiscal year 1988-89 for funding business incubators and basic and applied research in Arkansas' colleges and universities; and

WHEREAS, there are sufficient unencumbered funds in the aforementioned appropriations; 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:**

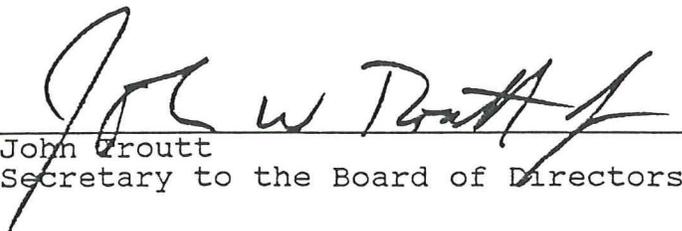
THAT the Arkansas Science & Technology Authority's Board of Directors approves for funding the following proposal:

PROPOSAL NO. 88-A-0007, "Feather Meal for Wintering Beef Cows," by Dr. Arthur L. Goetsch of the University of Arkansas at Fayetteville in the amount not to exceed \$7,000. This project is cosponsored by Cargill, Inc., Pilgrim's Pride Corp., and River Valley By-Products in the amount of \$7,000.

**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 January, 1989.

  
\_\_\_\_\_  
John Croutt  
Secretary to the Board of Directors



**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**RESOLUTION NO. 89-2**

**PROVIDING THE APPROVAL FOR THE FUNDING OF ONE BASIC RESEARCH GRANT PROPOSAL BY THE BOARD OF DIRECTORS OF THE ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY.**

WHEREAS, Sections 15-3-101 through 15-3-123 of the Arkansas Code of 1987 Annotated empower 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, Act 890 of 1987 includes an appropriation of \$414,000 for fiscal year 1988-89 for funding business incubators and basic and applied research in Arkansas' colleges and universities; and

WHEREAS, there are sufficient unencumbered funds in the aforementioned appropriations; and

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

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

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

WHEREAS, the Research Committee is committed to recommending to the Board of Directors those proposals that have clear economic development potential and are ranked as 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-B-0022, "Evaluation of tRNA Mutants in E.coli," by Dr. Scott Kirkconnell of Arkansas Tech University in the amount not to exceed \$22,500.

**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 as amended.

APPROVED by the Board of Directors  
on this 20th day of January, 1989.

  
\_\_\_\_\_  
John Troutt  
Secretary to the Board of Directors