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**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 37TH REGULAR MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY'S  
BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
SEPTEMBER 15, 1989**

**CALL TO ORDER**

The meeting was called to order at 1:40 p.m. by Dr. Joe Nix, 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, Mr. Harry Truman Moore, Dr. Betty Overton, Dr. Donald Pederson, Mr. Louis Ramsay, Dr. Winfred Thompson, Mr. John Troutt, and Mr. Jerry Webster.

Visitors attending the meeting included Mr. Ray Cox, Wright Lindsey & Jennings; Ms. Carol Griffiee, Editorial Services, 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, Jacqui Bradshaw, Andrea Harter, Anita Millard, and Chuck Myers.

**APPROVAL OF MINUTES**

Dr. Nix presented the minutes from the May 19, 1989 meeting for approval. Mr. Bowen moved the minutes be approved. Dr. Overton 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 Ms. Jacqueline Bradshaw, the Authority's new finance program manager. The Board welcomed Ms. Bradshaw.

## FY 1989 Audit Report

Dr. Ahlen stated that the Legislative Joint Auditing Committee filed the audit report of the Authority for the fiscal year ending June 30, 1989. There were no findings in that report.

## National Biotechnology Cooperative

Ms. Alice Smith reviewed for the Board the information provided in the President's Report on the National Biotechnology Cooperative project (Appendix I, President's Report, September 15, 1989).

Dr. Nix expressed his thanks to Ms. Smith, Dr. Ahlen, Mr. Bowen and Mr. Ramsay for their hard work on the project thus far.

In light of progress represented by the NBC project, Mr. Bowen encouraged Dr. Ahlen and Ms. Smith to begin meeting with the Authority's constituents in the Science and Technology Corridor.

## EPSCoR

Dr. Gentry reviewed the information provided in the President's Report on EPSCoR. On September 1, the Arkansas EPSCoR Committee submitted to the National Science Foundation a proposal to fund four centers: (1) Center for Protein Dynamics; (2) Arkansas Neurobiology Research Center; (3) Center for Cellular and Molecular Studies in Biological Aging; and, (4) Center for Laser Applications. The proposal has a two-year budget of \$3,920,705 and, if approved by NSF, will require an ASTA match of \$1,200,000. Dr. Gentry stated site visits are scheduled for October 16-17, 1989.

## Report on STC's European Tour

Dr. Ahlen directed the Board's attention to his report on the Southern Technology Council's European Tour. Dr. Ahlen reported his two most important findings were:

(1) The enthusiasm with which twelve European countries are tackling the removal of barriers to the movement of people, technology, and capital between countries. This was contrasted with the difficulty with which the United States is dealing with an educational crisis.

(2) The European communities program FAST (Forecasting and Assessment in Science and Technology) which might be a model for planning activities of the Science & Technology Authority.

### Report on Advanced Brake & Clutch Company

At the request of the Arkansas Industrial Development Commission, the Authority's staff has agreed to administer and monitor the expenditure of energy funds awarded to the Advanced Brake & Clutch Company. The award of funds is not part of any formal program at the Authority. The formal approval process involves the governor, the Joint Energy Committee, and the U.S. Department of Energy. At the meeting of the Joint Energy Committee, Dr. Ahlen pointed out that the Advanced Brake & Clutch project would not be formally evaluated by the Authority and approval of the project would not go to the Authority's Board of Directors. The funds would be administered under broad statutory power and would guarantee responsible expenditure of public funds.

### INVESTMENT COMMITTEE REPORT

Mr. H. T. Moore called the Board's attention to the Investment Fund Reports for Fiscal Year Ending June 30, 1989 and for the Quarter Ending June 30, 1989, in addition to the Energy Related Research Fund Report of June 30, 1989, and the Fourth Quarter Expenditure Report for Fiscal Year 1989. Mr. Moore stated there are no seed capital investment fund monies invested in any institution in which a Board member has any interest or ownership. There being no questions concerning the reports, Mr. Moore moved for approval of the reports. Mr. Ramsay seconded the motion; the Board gave its unanimous approval.

Mr. Moore stated the Investment Committee met at 1:00 p.m., on September 15, (Appendix 2, Investment Committee Minutes, September 15, 1989) and discussed Energy Techniques' status and request for an extension of time in which to comply with the contingencies set forth in Resolution No. 88-18. Based on the Investment Committee's recommendation, Mr. Moore moved that Energy Techniques' request for an extension of approval time be denied. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

Mr. Moore introduced a motion to the Board for the authorization of a lock box at First Commercial Bank for the safekeeping of original investment documents and other Authority purposes. Mr. Webster seconded the motion; the Board gave its unanimous approval.

### PLANNING COMMITTEE REPORT

Mr. Troutt presented for the Board's consideration the draft Business Incubator Program Rules. Only one change was made in the program rules. Mr. Troutt stated that section 4.1.11 was repealed to comply with ACT 29 of 1989 which provides

for the participation of faculty and staff of state supported institutions of higher education in business incubators. Mr. Troutt moved for approval of the rules. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

#### RESEARCH COMMITTEE REPORT

In Dr. Willingham's absence, Dr. Pederson gave the Research Committee Report. Dr. Pederson called the Board's attention to the Minutes of the Public Hearing for the Centers for Applied Technology Program and stated there were no persons at the meeting that spoke for or against the Centers' proposed rules. There being no further discussion of the Centers' rules, Dr. Pederson moved for approval of the rules. Dr. Overton seconded the motion; the Board gave its unanimous approval.

#### OLD BUSINESS

##### Coordination of State Agency Efforts in Economic Development

Dr. Ahlen directed the Board's attention to the December 15, 1988 report on the activities of the Small Business and Industries Subcommittee of the Joint Interim Committee on Agriculture and Economic Development. This report lists the economic development activities of state agencies and institutions of higher learning. Dr. Ahlen stated that the Authority's staff continues to study this complicated issue.

#### NEW BUSINESS

##### STC Report: Turning to Technology, A Strategic Plan for the Nineties

With respect to planning, Dr. Ahlen stated a copy of the Southern Technology Council's report, "Turning to Technology, A Strategic Plan for the Nineties," was distributed to the Board. Dr. Ahlen invited the Board to consider this report. He pointed out that Mr. Troutt had indicated the Planning Committee's interest in thoroughly reviewing the report's recommendations, possibly at a Planning Committee retreat later in the year.

## FY 1989 Annual Report

The final draft of the Authority's FY 1989 Annual Report was presented for the Board's consideration. Ms. Andrea Harter, communications manager for the Authority, asked the Board to review the report and relay any suggestions or corrections to the report by September 21. Dr. Thompson moved for approval of the report subject to changes by the Board members prior to September 21. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

## Election of Officers

Dr. Thompson gave the Nominating Committee's report. The Committee nominated Mr. H. T. Moore as chairman of the Board, Mr. John Troutt as vice chairman of the Board, and Dr. William Willingham as secretary of the Board. There being no other nominations, Dr. Pederson moved for approval of the nominations; Dr. Overton seconded the motion. The Board voted unanimous approval of the slate.

## Next Meeting Date

The next meeting of the Board of Directors was set for 1:30 p.m. on November 17, 1989 at the Department of Higher Education in Little Rock.

## Resolution Commending Dr. Joe Nix

Mr. Troutt moved that a resolution commending Dr. Nix for his service to the Board be presented for approval at the November 17 Board meeting. Mr. Bowen seconded the motion. The Board gave its unanimous approval.

## Host Dinner Honoring U.S. &amp; Soviet Delegates

Dr. Ahlen shared with the Board a letter from Stephen Hayes, president of American Center for International Leadership. The ACIL will be conducting a workshop for senior scientists from the United States and the Soviet Union concerning the handling and safe disposal of toxic wastes. The workshop is to be held at NCTR on October 19-23, 1989, and Dr. Ron Hart will be coordinating the workshop activities. Mr. Stephens requested that the Authority consider hosting a dinner honoring both the Soviet and U.S. delegates. Dr. Ahlen asked for the Board's recommendation concerning this request.

Mr. Ramsay enthusiastically moved that the Authority host the dinner. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

MINUTES

September 15, 1989

<b>APPENDICES</b>
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1. President's Report, September 15, 1989
2. Minutes, Investment Committee, September 15, 1989

**ADJOURNMENT**

There being no further business, the meeting adjourned at 2:35 p.m.

Respectfully submitted,

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

Approved by the Board of Directors  
on this 8th day of December, 1989.

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

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