

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 42ND MEETING OF THE
ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY'S
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MAY 17, 1990**

CALL TO ORDER

The meeting was called to order at 10:10 a.m. by Mr. Harry Truman Moore, Chairman of the Board, in the Baxter Room of the Capital Hotel, Little Rock, Arkansas.

A quorum of Board members was present and included Mr. William Bowen, Dr. James Hendren, Dr. Paul Marion, Mr. Harry Truman Moore, Dr. Joe Nix, Dr. Betty Overton, Dr. Don Pederson, Mr. John Troutt, Mr. Jerry Webster, and Dr. William Willingham.

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 Melissa Adams, Jacqui Klodt, Anita Millard, Chuck Myers, Stacie Nunn and Marion Staab.

Visitors attending the meeting included Ms. Carol Griffiee from Editorial Services, Inc. and Ms. Judith Palmer from the Arkansas Democrat.

APPROVAL OF MINUTES

Mr. Moore presented the minutes from the March 16, 1990, meeting for approval. Mr. Bowen moved that the minutes be approved. Mr. Troutt 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 asked Alice Smith to give the Board an update on the progress of the National Biotechnology Cooperative project.

Ms. Smith gave results from the questionnaires sent to firms concerning NBC.

Fourteen percent of the firms responded to the survey. Of the 14% that responded, 77% agreed that there is a need for the National Biotechnology Cooperative. The following are other points that came out of the survey:

1. The survey responses were evenly distributed geographically and by size of the firms.
2. The largest response came primarily from firms with 60-150 employees.
3. The largest response was from firms located on the East Coast and in Mid-America.
4. Companies that responded to the survey were most interested in the following three features:

- * Regulatory Assistance
- * Centralized Scientific Support Services
- * Technology Transfer Assistance

92 companies indicated they would come to NBC if those services were offered.

Ms. Smith also stated that Ernst & Young has requested an extension on completing the final report.

Ms. Smith stated a follow-up announcement may be made sometime around the beginning of June. The Board will be notified when an exact date has been set.

Ms. Smith reported that Bill Bowen, Louis Ramsay, and the NBC project team met with Senator Dale Bumpers and members of his staff in Washington on May 3rd to brief them on the NBC project.

Mr. Bowen stated that Senator Pryor and a senior staff member from Representative Beryl Anthony's office were also present. Mr. Bowen believed that this is a positive sign, in that it shows a genuine interest on the part of Senator Pryor and Representative Anthony.

It was suggested by Mr. Bowen that ASTA and the Board reach the other members of the state's congressional delegation to obtain total support for the project.

INVESTMENT COMMITTEE REPORT

Mr. Webster brought before the Board a motion to increase the Authority's legal contract with Wright, Lindsey and Jennings Law Firm in the new total amount of \$7,500.

Mr. Webster made a motion to approve the increase of the legal contract. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

Mr. Webster stated that the Investment Committee met on May 17 (Appendix 1, Investment Committee Minutes, May 17, 1990). The Investment Committee recommended for approval the following items.

Mr. Webster brought before the Board the Investment Fund Report for the quarter ending March 30, 1990. Mr. Webster pointed out that this fund report reflects a \$175,000 loan

made to Artek Systems and approved by the Board at its January 19, 1990 meeting.

Mr. Webster made a motion to approve the investment fund report. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 90-11

Draft resolution 90-11 provides for the proper management and disbursement of monies of the Investment Fund of the Arkansas Science and Technology Authority.

Mr. Webster made a motion for the approval of Draft Resolution 90-11. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

MICOIL CHARGE-OFF

The next investment item brought before the Board was a motion to charge-off the investment in Micoil. The amount of the charge-off would be \$139,828.48. Mr. Webster requested that this be left in an active charge-off status.

Mr. Webster made motion to approve the charge-off of Micoil. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

PLANNING COMMITTEE REPORT

Mr. Troutt presented the planning committee report to the Board. Mr. Troutt stated that the committee has been concentrating on the Business Incubator Program. Mr. Troutt asked Chuck Myers to give a report on the incubators.

Chuck Myers reported that he and Jim Benham recently visited each incubator in the state. They asked the incubator managers to fill out a questionnaire prepared by the staff. The questionnaire was designed to give the ASTA staff information on what the goals are for the incubators and what type of services they are capable of providing.

Conclusions drawn from the interviews with the incubator managers and from the questionnaire were: (1) the incubators are geographically positioned to serve the state's small business needs; (2) each incubator is unique in its type and delivery of services; (3) the present business incubator program cannot provide small business assistance needs.

Mr. Myers stated that the incubator managers recognize the need to develop a more comprehensive program for the incubator clients. They also agree that a stronger focus needs to be placed on graduating successful companies.

Mr. Myers and Mr. Benham are working on rules for a "Business Innovation System" program that would address the gaps that are in the current incubator program.

Mr. Troutt stated that Mr. Myers and Mr. Benham will have a draft of the new set of rules for the Business Incubator program for the board members at the next board meeting.

RESEARCH COMMITTEE REPORT

Dr. Willingham stated the Research Committee met on Tuesday, May 15, 1990 (Appendix 2, Research Committee Minutes, May 15, 1990) and recommended for approval the following resolutions.

DRAFT RESOLUTION 90-12

Draft Resolution 90-12 provides for the funding of two proposals:

PROPOSAL NO. 90-B-24, "Doped PECVD SIPOS Films and their Hetero- and Isotype Junction Devices," by Dr. Simon S. Ang of the University of Arkansas, Fayetteville, in the amount not to exceed \$42,632.00.

PROPOSAL NO. 90-B-29, "Quantum Statistics of Non-Classical States" by Dr. Reeta Vyas of the University of Arkansas, Fayetteville, in the amount not to exceed \$39,794.00.

Dr. Willingham made a motion for approval of Draft Resolution 90-12. Mr. Troutt seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 90-13

Draft Resolution 90-13 provides for the funding of the following proposal:

PROPOSAL NO. 90-B-26, "Developing Therapeutic Approaches in an Animal Model of Retinopathy of Prematurity," by Dr. John S. Penn of the University of Arkansas for Medical Sciences, in the amount not to exceed \$40,000.00.

Dr. Willingham made a motion for approval of Draft Resolution 90-13. Dr. Nix seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 90-14

Draft Resolution 90-14 provides for funding of the following proposal:

PROPOSAL NO. 90-B-36, "A User Interface Management System for Computer-Based Instruments," by Dr. Gary A. Anderson of the University of Arkansas at Little Rock, in the amount not to exceed \$37,425.00.

Dr. Willingham made a motion for the approval of Draft Resolution 90-14. Dr. Hendren seconded the motion. Dr. Overton stated that UALR was the institution of her affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 90-15

Draft Resolution 90-15 provides for funding of the following proposal:

PROPOSAL NO. 90-B-38, "Effect of Dietary Pectin on Serum Cholesterol Distribution in Type I Diabetics," by Dr. Komalam Jairaj of the University of Arkansas at Pine Bluff, in the amount not to exceed \$42,362.00.

Dr. Willingham made a motion for the approval of Draft Resolution 90-15. Mr. Hendren seconded the motion. Dr. Willingham stated that UAPB was the institution of his affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 90-16

Draft Resolution 90-16 provides for funding of the following proposal:

PROPOSAL NO. 90-EB-30, "Deposition of Semiconductor-Grade Metal Selenide and Telluride Films (e.g. CuInSe₂ and CdTe) for Subsequent Solar Cell Applications by Novel Low Cost, Intermediate Temperature (200-500°C), and Atmospheric Pressure Solid and Liquid Phase Chemical and Electrochemical Techniques," by Dr. Robert D. Engelken of Arkansas State University, in the amount not to exceed \$36,127.68.

Dr. Willingham made a motion for the approval of Draft Resolution 90-16. Dr. Pederson seconded the motion, the Board gave its unanimous approval.

NEW BUSINESS

NEXT MEETING DATE

Mr. Moore reminded the Board of the next scheduled Board of Directors meeting on September 21. The election of officers will be held at this meeting.

Mr. Moore moved that Louis Ramsay, Bill Bowen and Joe Nix serve on the nominating committee. Dr. Willingham seconded the motion; the Board gave its unanimous approval. Mr. Moore said they would be contacted at a later date with further instructions.

"PLAN FOR THE 1991-1993 BIENNIUM AND BEYOND"

Dr. Ahlen presented to the Board the "Plan for the 1991-1993 Biennium and Beyond." If approved, this plan would be submitted at the next Arkansas legislative session.

The first item discussed was the salaries of the President and Vice-Presidents, which at present are classified positions. Dr. Ahlen requested that the Board approve changing these positions to an unclassified status (grade 99) and the salaries be raised. The plan states this would result in an overall budget increase of \$82,833.00 over a continuing level.

Dr. Ahlen stressed to the Board the staff that is in place now are very capable and knowledgeable people. To keep this sort of staff in place, the Authority must be able to offer them a salary that is competitive.

Dr. Ahlen also stated that the Authority will request the addition of three staff positions: Accountant, Senior Communications Manager and Technology Program Manager.

Dr. Ahlen directed the Board's attention to the budget and explained each subject area and the amounts proposed. The budget plan lists the proposed amounts to be spent in each program.

The first item discussed was the establishment of an eminent scientist and engineer program. Dr. Ahlen stated that eventually it could support 30 eminent research positions at three campuses in the state: UAF, UAMS and UALR. Dr. Ahlen said the program would be phased in over a period of three years. The amount funded would be \$100,000 per position per year. The budget request is for \$1 million for FY 92 and \$2 million for FY 93 from the General Revenue Fund.

A discussion was held about an item in the budget allowing ASTA to provide scholarships to engineering students. Dr. Ahlen explained that scholarships would initially be offered to freshman and sophomore students majoring in engineering and science. Dr. Ahlen stated that it is important that college students are able to pursue their interest in engineering and science, but in some cases, students cannot finish their studies because of lack of funds. A majority of engineering and science graduates are coming from other countries. More graduates need to be coming from American colleges and universities.

Before the Board voted to approve the plan, the Board members expressed concern about the funding of scholarships through ASTA. Dr. Paul Marion stated that the Department of Higher Education has in the past submitted proposals for scholarship money to the legislature and they were not passed. He also said that there are a number of programs already in place which are not being funded adequately. Dr. Marion also stated that attempts have been made in past years to request more scholarship money, but all attempts have failed.

Dr. Overton also expressed concern about ASTA handling scholarships. Dr. Overton felt that it should be a school's

responsibility. She felt that ASTA should concentrate on other areas that may be more easily funded.

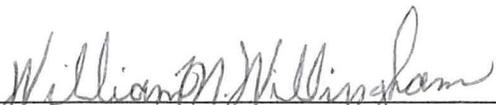
The Board agreed that the concept of scholarships should be left in but that ASTA should encourage another agency to take action on this.

Dr. Marion made a motion to approve the plan except for the scholarships, Mr. Bowen seconded the motion. An amendment to this motion was offered by Dr. Joe Nix: to approve the plan, leaving in the concept of scholarships and encouraging another agency to take the lead on this effort, The amendment was accepted and the amended motion was seconded by Mr. Bowen. The motion was put to a vote. The motion passed with a vote of 5 in favor and 4 against.

ADJOURNMENT

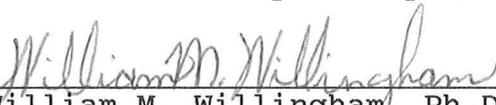
With no further business to conduct, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,



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

Approved by the Board of Directors
on this 21st day of September, 1990.



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

WMW:mra