



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 324-9006

**MINUTES OF THE 46TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY'S
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MAY 17, 1991**

CALL TO ORDER

The meeting was called to order at 1:31 p.m. by Mr. John Troutt, Chairman of the Board, in the conference room of the Department of Higher Education in Little Rock, Arkansas.

A quorum of Board members was present and included Dr. Joe Bates, Mr. Bill Bowen, Dr. Diane Gilleland, Dr. Don Pederson, Mr. Louis Ramsay, Mr. Jerry Webster, and Dr. William Willingham.

Staff members present included: Melissa Adams, John Ahlen, Jim Benham, Al Grijalva, Mary Kelly, Jacqui Klodt, Chuck Myers, Alice Smith, and Marion Staab.

Visitors included: Andrew Moreau from the Arkansas Democrat, Carol Griffiee from Interstate News Services, and Walter May from Wright, Lindsey & Jennings Law Firm.

APPROVAL OF MINUTES

Mr. Troutt presented the minutes from the March 15, 1991 meeting for approval. Dr. Bates moved that the minutes be approved. Dr. Gilleland seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen informed the Board that Marion Staab would be leaving ASTA. She has accepted a position with the Los Alamos National Laboratory in New Mexico. Dr. Ahlen stated that Ms. Staab's replacement would be at the next board meeting.

Dr. Ahlen introduced Mary Kelly, ASTA's new Communications Manager, to the Board.

Dr. Ahlen stated that Bill Dobbins, an intern from UALR, would be working for ASTA during the summer. He will be working on program indicators and evaluation of ASTA programs. He will make a presentation to the Board in September.

Dr. Ahlen recognized Jim Benham for a report on the challenge grant project. Mr. Benham requested from the Board a motion allowing the staff to work with Winrock International in handling the challenge grant monies. Mr. Benham stated that the staff had originally planned to work with the Wilowe Institute but some questions concerning the agreement have come up and, if plans do not work out with the Wilowe Institute, the staff would like to work with Winrock International. Mr. Ramsay made a motion for the approval of the staff's recommendation, Dr. Gilleland seconded the motion; the Board gave its unanimous approval.

Dr. Ahlen recognized Alice Smith for a report on the National Biotechnology Cooperative project. Ms. Smith stated she attended the Association to Biotechnology Companies annual meeting in Washington. Arkansas put together a display for the meeting outlining biotechnology efforts in the state.

A report was released by the FDA Blue Ribbon Panel to the Secretary of Health and Human Services concerning the health of FDA facilities and departments. In a subcommittee report, NCTR was written about very favorably. Even with the favorable remarks, the full committee recommended that, unless NCTR's research can be directly targeted to specific FDA needs, FDA should not continue to fund NCTR.

Ms. Smith reported that the draft business plan for the NBC project has been completed by Ernst & Young. The contract with Ernst & Young will expire on June 30.

ASTA BUDGET

Dr. Ahlen gave a presentation on the Authority's budget and appropriations. The level of funding for the next biennium, without deferments, is \$1,786,000 for basic and applied research. ASTA's operating budget is \$1,230,000. Dr. Ahlen discussed the funding for EPSCoR and Incubators. \$2 million was requested for the Business Incubator program, \$600,000 was appropriated. The \$600,000 would also be used to fund programs to help small businesses. Dr. Ahlen stated that \$600,000 is not enough money to run all the programs.

There was further discussion about how the programs would be funded with the limited amount of money appropriated. After this discussion, Dr. Ahlen brought before the Board three items that would give ASTA options for the remainder of the fiscal year.

The first item Dr. Ahlen presented to the Board for approval were guidelines for the Energy-Related Technology Development Program. Dr. Ahlen stated that the Technology Development Program was approved by the legislature in 1989, but has never been funded. Funding for this program in the amount of \$250,000 has been requested from AIDC's Petroleum Escrow Funds for Energy-Related Technology Development. Dr.

Ahlen stated that the funds have not yet been released by AIDC, but if the guidelines are approved by the Board now, the program can begin immediately after the funds are released.

After discussion by the Board, Dr. Gilleland moved to approve the guidelines as presented and also give the staff authority to proceed with the program when the money is appropriated. The motion was seconded by Mr. Ramsay; the Board gave its unanimous approval.

The next item brought before the Board was the Business Incubator Guidelines. Dr. Ahlen stated that, after discussion by the Executive Committee, it was decided that a recommendation would not be made but that it should be brought before the full Board. The guidelines would establish a policy to request proposals from the incubators to receive the funding that is available. The proposed guidelines state that the projects should be able to show the ability to leverage other sources of funding, both public and private. Dr. Ahlen stated that the Authority wanted to give the incubators the broadest range of possibilities to find funds. The authors of the proposals will be given a chance to make oral presentations to the investment committee and then the investment committee would make a recommendation to the full Board on which projects to fund.

After lengthy discussion, Dr. Pederson made a motion for approval of the Business Incubator Guidelines with the change of one sentence, the sentence would read: "each project should not consider using the Authority's funds for salaries or rent". Jerry Webster seconded the motion. The motion was passed unanimously.

The next item brought before the Board was Draft Resolution 91-20. This resolution would authorize ASTA to fund the material handling research center located at the University of Arkansas in Fayetteville. Current year funds could be used to fulfill this obligation. The Authority's match, which has been requested and endorsed by the Governor would be for up to \$300,000 to match private industry and federal funds for the center.

Mr. Bowen made a motion for the approval of draft resolution 91-20. Dr. Pederson seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Mr. Webster called the Board's attention to the Investment Fund Report for the quarter ending March 31, 1991, and the FY91 General Fund Expenditure Report for quarter ending March 31, 1991. There being no questions concerning the reports, Mr. Webster made a motion to approve the two

reports. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

In the absence of Dr. Betty Overton, Dr. Pederson presented the Research Committee report. Dr. Pederson reported that the Research Committee met on May 9 and recommended for the Board's approval the following resolutions:

Draft Resolution 91-13 provides for matching funds for the NASA Space Training Grant in the amount not to exceed \$75,000 with the fiduciary responsibility at the University of Arkansas at Little Rock.

Dr. Pederson made a motion to approve Draft Resolution 91-13. Mr. Bowen seconded the motion. The Board gave its unanimous approval.

Draft Resolution 91-14 provides for the funding of two basic research proposals:

PROPOSAL NO. 90-B-11, "In Vivo ¹⁹F MR Studies of Fluoro Analogues of Porphyrin and Chlorin Photosensitizers Related to Photodynamic Therapy," by Dr. Subbaraya Ramaprasad of the University of Arkansas for Medical Sciences, in the amount not to exceed \$27,000.00.

PROPOSAL NO. 92-B-22, "Brain Metabolism in Alzheimer's Disease Using Localized in Vivo NMR Spectroscopy," by Dr. Parekkat Mohanakrishnan and Dr. Paul R. Jolles of the University of Arkansas for Medical Sciences, in the amount not to exceed \$24,625.00.

Dr. Pederson made a motion to approve Draft Resolution 91-14. Mr. Bowen seconded the motion. Dr. Bates stated that UAMS was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 91-15 provides for the funding of one basic research proposal:

PROPOSAL NO. 92-B-14, "Optimizing Nuclear Transfer for the Production of Bovine Transfers," by Dr. Charles Rosenkrans, Jr., of the Agriculture Experiment Station, University of Arkansas, Fayetteville, in the amount not to exceed \$28,690.00.

Dr. Pederson made a motion to approve Draft Resolution 91-15. Mr. Bowen seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 91-16 provides for the funding of one basic research proposal:

PROPOSAL NO. 92-B-20, "Micromachining and Microsensor Development," by Dr. R. Calvin Goforth of the University of Arkansas, Fayetteville, in the amount not to exceed \$36,625.00.

Dr. Pederson made a motion to approve Draft Resolution 91-16. Dr. Willingham seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 91-17 provides for the funding of two basic research proposals:

PROPOSAL NO. 92-B-26, "Computational Simulation of Fluid Flow: Application to the Human Lung and Beyond," by Dr. Jeffrey R. Hammersly and Dr. Rama N. Reddy, of the University of Arkansas at Little Rock, in the amount not to exceed \$27,775.00.

PROPOSAL NO. 92-B-28, "Use of Neural Network Computing in the Study of Structural Analysis of Polymers and Plastics," by Dr. Jeffrey A. Darsey of the University of Arkansas at Little Rock, in the amount not to exceed \$25,710.00.

Dr. Pederson made a motion to approve Draft Resolution 91-17. Mr. Bowen seconded the motion; the Board gave its unanimous approval.

Draft Resolution 91-18 provides for the funding of one applied research proposal:

PROPOSAL NO. 92-A-03, "Defatted Rice Bran- Feeding Value for Cattle," by Dr. Arthur L. Goetsch of the Agricultural Experiment Station, University of Arkansas, Fayetteville, in the amount not to exceed \$8,500.00. This project is cosponsored by Riceland Foods, Inc., in the amount of \$8,500.00.

Dr. Pederson made a motion to approve Draft Resolution 91-18. Dr. Willingham seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 91-19 provides for the funding of one applied research proposal:

PROPOSAL NO. 92-A-04, "Development of Improved Processes Technology for the Manufacture of Carboxylic Acid Chlorides," by Dr. John R. I. Eubanks of Arkansas College, Batesville, in the amount not to exceed \$21,007.00. This project is cosponsored by Arkansas Eastman Company in the amount of \$21,007.00.

Dr. Pederson made a motion to approve Draft Resolution

91-19. Mr. Bowen seconded the motion, the Board gave its unanimous approval.

NEW BUSINESS

Mr. Troutt appointed Mr. Bowen, Mr. Ramsay, and Mr. Moore to the nominating committee.

Dr. Ahlen has communicated with Dr. Farris Womack from the University of Michigan and asked him to provide dates in July and August that he would be available to speak to the Board. Mr. Troutt stated that if a date could be worked out, he would call a special meeting.

Mr. Troutt stated that the next scheduled meeting date for the Board would be September 20, 1991.

Mr. Troutt presented Marion Staab a certificate of recognition for her services to ASTA and EPSCoR.

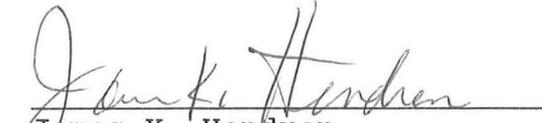
CHRIS COBURN PRESENTATION

Chris Coburn from Battelle presented a report on R&D trends in the country. This included trends in federal, state and university research funding.

ADJOURNMENT

With no further business to conduct, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,


James K. Hendren
Secretary
Board of Directors

Approved by the Board of Directors
on this 20th day of September, 1991


James K. Hendren
Secretary
Board of Directors