

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 51ST MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MARCH 27, 1992**

CALL TO ORDER

The meeting was called to order at 1:30 p.m. by Dr. William Willingham, Chairman of the Board.

A quorum of Board members were present and included: Mr. William C. Bridgeforth, Dr. Diane Gilleland, Mr. James V. Kelly, Dr. Don Pederson, Dr. Phillip Rayford, Mr. John Troutt and Mr. Jerry Webster.

Staff members present included: John Ahlen, Jim Benham, Joe Gentry, Julie Mira - Intern, Chuck Myers, Joyce Sadler, Ed Sartain and Cassie Tavorn.

Visitors present were Walter May from Wright, Lindsey, Jennings Law Firm.

Dr. Willingham introduced two new Board members. Mr. William C. Bridgeforth from Pine Bluff, who replaces Louis Ramsay and Mr. James V. Kelly from El Dorado, who replaces Mr. Bowen. Dr. Willingham also stated that Mr. John Troutt had been appointed to a second term.

APPROVAL OF MINUTES

Dr. Willingham presented the minutes from the January 17, 1992 Board meeting for approval. Dr. Ahlen noted that there was a grammatical error on page two of the executive committee minutes and that it had been corrected. Mr. Troutt made a motion for the approval of the minutes with the correction. Mr. Webster seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen presented the final draft of the ASTA Plan to the Board. Dr. Ahlen noted one change to the plan. On page three, the dollar amount for the EPA/EPSCoR project was changed from \$1.2 million to \$1.5 million.

Dr. Willingham stated that the executive committee had met and discussed the plan. Dr. Willingham made a motion to approve the plan. Mr. Bridgeforth seconded the motion; the Board gave its unanimous approval.

RESEARCH COMMITTEE

Dr. Pederson submitted to the Board for approval Draft Resolution 92-10. This resolution would approve 10 EPSCoR/Department of Energy traineeships. The traineeships have been discussed by a series of committees, including the research committee which reviewed the 10 proposals being presented to the Board.

Mr. Troutt made a motion to approve the 10 traineeships listed in Draft Resolution 92-10. Dr. Pederson seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

R&D TAX CREDIT APPLICATION

Dr. Pederson brought before the Board for consideration an R&D Tax Credit application from an individual. Dr. Pederson stated that the Executive Committee met and reviewed the application and recommended that it not be approved because it does not meet the rules that are currently in effect. The rules state that money contributed and spent and for which tax credit is requested, should be part of a research proposal that has been reviewed and approved by the Authority's Board of Directors. The tax credit that is being requested was not part of a research proposal reviewed and approved by the Board of Directors.

Mr. Troutt made a motion to deny the R&D tax credit application. The motion was seconded by Mr. Bridgeforth; the Board voted unanimously to deny the application.

R&D TAX CREDIT GUIDELINES

Dr. Pederson stated that new R&D tax credit guidelines had been drafted and were being submitted to the Board for approval. The new guidelines would clarify qualifications for an R&D tax credit. In the past, only companies who contributed cash or equipment to ASTA's applied research program were eligible for an R&D tax credit.

The new guidelines would explain how individuals could apply for R&D tax credit. In order to be eligible, the individual would be required to submit to ASTA a proposal on a specific project with a detailed budget. The proposal would then be reviewed by the research committee. If the proposal is found to have merit, the proposal will be brought to the full Board for consideration. If the proposal is approved, that individual would qualify for the R&D tax credit.

Dr. Pederson made a motion to approve the new R&D Tax Credit Guidelines. Dr. Gilleland seconded the motion; the Board gave its unanimous approval.

OLD BUSINESS

Mr. Troutt made a motion to adopt a resolution of appreciation to Bill Bowen and Louis Ramsay for their dedicated service to ASTA. Dr. Gilleland seconded the motion; the Board gave its unanimous approval.

TECHNOLOGY DEVELOPMENT

The legislature established the Technology Development program in 1989, but no money was appropriated for the program in 1989 or 1991. The first step in formally implementing the program was taken by the Board six months ago when draft rules for the technology development program were presented.

ASTA was awarded a \$250,000 energy grant from oil overcharge funds administered by the Governor's office and AIDC. Because they are energy funds, all technology development projects that are awarded money must be energy related. In preparing the proposal to AIDC for the funds, the staff modified the draft technology development program rules passed by the Board as the guidelines for use under this grant.

Three substantive changes were made to the rules on page 2, paragraph 2.2.1: "idea" was changed to laboratory/workshop; "prototype" was changed to workshop/early startup; and "early business" was changed to late startup/scaleup.

Dr. Ahlen asked the Board to approve the draft Technology Development Program rules with these changes incorporated.

Mr. Webster made a motion to approve the changes to the Technology Development Program rules. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

NEW BUSINESS

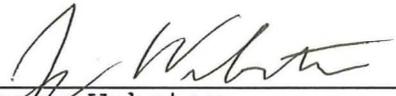
Dr. Willingham reminded the Board that the next meeting would be May 15, 1992.

Dr. Pederson stated that NSF had notified the state that EPSCoR would be funded in the next round. Dr Pederson asked for a status report on the matching funds for EPSCoR. Dr Ahlen stated that he had not heard any news concerning the matching funds.

ADJOURNMENT

With no further business to conduct, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,



Jerry Webster
Secretary
Board of Directors

APPROVED by the Board of Directors
on this 15th day of May, 1992



Jerry Webster
Secretary
Board of Directors