

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 324-9006

**MINUTES OF THE 63RD MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
SEPTEMBER 16, 1994**

CALL TO ORDER

The meeting was called to order at 1:37 p.m. by Mr. Jerry Webster, Chairman of the Board, in the fourth floor conference room of the Technology Building.

A quorum of Board members was present and included: Dr. Roberta Bustin, Mr. Danny Ford, Dr. Diane Gilleland, Mr. James Kelley, Dr. Don Pederson, Dr. Phillip Rayford, Dr. James Hendren, and Mr. John Troutt.

Staff members present included: John Ahlen, Jim Benham, Joe Gentry, Melissa Adams, Brock Patterson, Julie Welch, Joyce Sadler, Al Grijalva.

Visitors present included: Walter May, attorney with Wright, Lindsey & Jennings; Greg Billingsly with The Cutting Edge! Publications, Inc.; Jonathan Groves, reporter with the Arkansas Democrat-Gazette; Kevin Lewis, attorney with the Lewis Law Firm.

APPROVAL OF MINUTES

Mr. Webster presented the minutes from the May 20, 1994 and July 22, 1994 Board meetings for approval. Dr. Rayford made a motion for the approval of the May 20, 1994 minutes. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Dr. Pederson made a motion for the approval of the July 22, 1994 minutes. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen reported that the Governor's office would be filling the two Board vacancies left by Dr. Bates and Mr. Bridgforth soon.

Courtney Johnson-Woods, the Authority's Communications Manager, resigned to take another position.

Dr. Ahlen reported that, at the request of the Governor, he is heading the state's telecommunications project, which will take up a considerable amount of his time. Dr. Ahlen stated that he had spoken to several members of the Board as well as the Authority's Vice Presidents and that the Authority will continue running as it always has while he devotes more time to this project. Dr. Ahlen introduced Alan Gumbel, a former intern at the Authority, who will be working with him on the telecommunications project.

RESEARCH COMMITTEE

Dr. Rayford stated that the Research Committee met on August 30, 1994 and recommended for the Board's approval the following resolutions:

Draft Resolution 95-4 provides for the funding of one applied research project:

PROPOSAL NO. 95-A-01, "A Bayesian Approach to the Identification of Postal Address Components Utilizing Word Frequencies Derived from Expert Coded Corpora," by Dr. John R. Talburt of the University of Arkansas at Little Rock, in the amount not to exceed \$200.00. This project is cosponsored by Acxiom Corporation in the amount of \$202,484.00.

Dr. Gentry stated that this funding would enable the researcher to give a presentation at the Arkansas School for Mathematics and Sciences.

Dr. Rayford made a motion for the approval of Draft Resolution 95-4. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Draft Resolution 95-5 provides for the funding of one applied research project:

PROPOSAL NO. 95-A-02, "Determination of Optimal Meta-Level Key Construction Techniques for VLDB Applications," by Dr. Hal Berghel of the University of Arkansas, Fayetteville, in the amount not to exceed \$200.00. This project is

cosponsored by Acxiom Corporation in the amount of \$31,687.00.

Dr. Rayford made a motion for the approval of Draft Resolution 95-5. Mr. Troutt seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 95-6 provides for the funding of three basic research projects:

PROPOSAL NO. 95-B-21, "Plant Assimilation of Nitrate in Groundwater," by Dr. Raymond David Evans of the University of Arkansas, Fayetteville, in the amount not to exceed \$38,924.00.

PROPOSAL NO. 95-B-25, "Parallel Constraint Satisfaction for Multichip Module Packaging," by Dr. James M. Conrad of the University of Arkansas, Fayetteville, in the amount not to exceed \$36,946.00.

PROPOSAL NO. 95-B-30, "Heat and Mass Transfer in Capillary Porous Materials with Fully Coupled Transport Mechanism," by Dr. Michael Stewart of the University of Arkansas, Fayetteville, in the amount not to exceed \$26,806.00.

Dr. Rayford made a motion for the approval of Draft Resolution 95-6. Dr. Gilleland seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 95-7 provides for the funding of two basic research projects:

PROPOSAL NO. 95-B-28, "Immunity and Immunopathogenesis of the Chlamydial Disease," by Dr. Joseph U. Igietseme of the University of Arkansas for Medical Sciences, in the amount not to exceed \$37,975.00.

PROPOSAL NO. 95-B-45, "Adhesins of Targets for the Prevention of Staphylococcal Osteomyelitis," by Dr. Mark S. Smeltzer of the University of Arkansas for Medical Sciences, in the amount not to exceed \$35,222.00.

Mr. Troutt made a motion for the approval of Draft Resolution 95-7. Dr. Pederson seconded the motion. Dr. Rayford stated that UAMS was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution provides for the funding of one basic research project:

PROPOSAL NO. 95-B-46, "A Statistical Analysis of Heart Disease for Reducing the Cost of Rural Health Care," by Dr. Daniel J. Mundfrom of the University of Arkansas at Little Rock, in the amount not to exceed \$21,616.00.

Dr. Rayford made a motion for the approval of Draft Resolution 95-8. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

In other business, Dr. Rayford stated that at the May 20, 1994 Board meeting, thirteen basic research grants were awarded to graduate students for matching grants to Department of Energy traineeships. Some of the grant recipients have dropped out of the program leaving unexpended funds. The Department of Energy allows replacements to be named for these traineeships.

Dr. Rayford made a motion that the EPSCoR Committee be permitted to name replacements for the balance of awarded traineeship funds. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

INVESTMENT COMMITTEE

Mr. Kelley called the Board's attention to the FY94 General Fund Expenditure Report and the Investment Fund Report for the quarter ending June, 1994.

Mr. Kelley made a motion for the acceptance of the two financial reports. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 95-9

Mr. Kelley brought before the Board Draft Resolution 95-9, which would provide monies for Southern Innovations, Inc. in Batesville. Mr. Benham stated that this project first came to the Authority under the Technology Transfer Assistance Grant (TTAG) program and is now applying under the Technology Development Program, in the amount of \$50,000, for an "electronic commode facility."

Mr. Benham stated that this project has received FDA approval. Southern Innovations, Inc. has contracted with a company in California to market the device. The company anticipates being able to produce approximately 25,000 units. Mr. Benham stated that this device would be beneficial to the disabled and elderly. Ms. Welch stated that the company anticipates 100-200 jobs being created.

After further discussion, Mr. Kelley made a motion for the approval of Draft Resolution 95-9. Mr. Ford seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 95-10

Draft Resolution 95-10 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) Projects funded in the first quarter of FY1995. There were five projects with a total funding amount of \$17,279.

Mr. Kelley made a motion for the approval of Draft Resolution 95-10. Mr. Ford seconded the motion. Dr. Pederson stated that four of the projects were submitted by UAF, the institution of his affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 95-11

Draft Resolution 95-11 provides for the seed capital investment in Cutting Edge! Publications, Inc. in the amount of \$10,500. Mr. Benham stated that Cutting Edge! provides on-line computer services for customers.

After further discussion, Mr. Kelley made a motion for the approval of Draft Resolution 95-11. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 95-12

Draft Resolution provides for the seed capital investment in Fink & Company, Inc. located in Hope, Arkansas, in the amount of \$85,000.

Mr. Benham stated that Fink & Company manufactures leisure toy products, including puzzles, modeling clay, drawing pencils, etc. The money that the Authority is investing would be used to expand its manufacturing capabilities and product development. Fink & Company anticipates doubling its employment.

After further discussion, Mr. Kelley made a motion for the approval of Draft Resolution 95-12. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 95-15

Draft Resolution 95-15 would provide monies in an amount not to exceed \$27,500 for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program during the second quarter of state fiscal year 1995.

Mr. Kelley made a motion for the approval of Draft Resolution 95-15. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

OLD BUSINESS

Draft Resolutions 95-13 and 95-14 commended Dr. Joe Bates and Mr. Bill Bridgforth for their work as members of the Board of Directors.

Mr. Kelley made a motion for the approval of Draft Resolution 95-13. Dr. Rayford seconded the motion; the Board gave its unanimous approval.

Mr. Ford made a motion for the approval of Draft Resolution 95-14. Mr. Kelley seconded the motion; the Board gave its unanimous approval.

NEW BUSINESS

Dr. Ahlen informed the Board that due to Courtney Woods resignation, the completion of the annual report had been delayed. Dr. Ahlen stated that it would be completed as soon as possible.

Dr. Ahlen stated that the staff would be making changes to the Authority's bylaws and those changes would be brought to the Board at the November Board meeting.

ELECTION OF OFFICERS

Mr. Troutt presented the Nominating Committee report. The committee nominated the following officers for the upcoming year: Donald Pederson, Chairman; Phillip Rayford, Vice Chairman; Danny Ford, Secretary. Mr. Troutt made a motion for the approval of the nominations. Mr. Kelley seconded the motion; the Board gave its unanimous approval.

CORRESPONDENCE

Dr. Ahlen called the Board's attention to a letter from Dr. Win Thompson, President of the University of Central Arkansas. In his letter, Dr. Thompson invited the Board to hold a Board meeting at UCA sometime next Spring. Dr. Ahlen stated that he would discuss this with the new Chairman.

Next item of correspondence was from Dr. Donald Pederson concerning the EPSCoR committee. Dr. Pederson requested that the committees that report to the Board have an attendance policy similar to the one used by the Board of Directors.

Dr. Ahlen suggested that the staff develop bylaws, similar to the Authority's, for advisory committees that report to

the Board and present them at the next meeting. The Board was in agreement with this suggestion.

Dr. Ahlen read a letter from the Governor thanking ASTA for its efforts in providing assistance to small businesses.

LOCK BOX APPROVAL

Mr. Benham asked the Board's approval for the list of people that are allowed access to the Authority's bank lock box. The staff members listed are Jim Benham, John Ahlen, Ed Sartain, Julie Welch, and Chuck Myers.

Dr. Pederson made a motion for approval. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

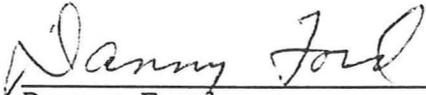
NEXT MEETING DATE

Mr. Webster reminded the Board that the next meeting would be November 18, 1994. Dr. Pederson invited the Board members to Fayetteville for the next meeting.

ADJOURNMENT

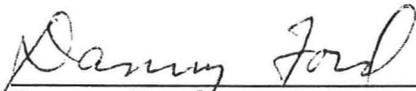
With no further business to conduct, the meeting was adjourned at 2:14 p.m.

Respectfully submitted,



 Danny Ford
 Secretary
 Board of Directors

APPROVED by the Board of Directors
 on this 18th day of November, 1994



 Danny Ford
 Secretary
 Board of Directors