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**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 69TH MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
UNIVERSITY OF ARKANSAS AT LITTLE ROCK  
LITTLE ROCK, ARKANSAS  
NOVEMBER 17, 1995**

The Board of Directors of the Arkansas Science & Technology Authority met on Friday, November 17, 1995, on the campus of University of Arkansas at Little Rock. The morning session consisted of a tour of the Baum Decision Support Center. Lunch was attended by Board members and ASTA staff. Following lunch, the business portion of the meeting was held.

**CALL TO ORDER**

The meeting was called to order at 1:30 p.m. by Dr. Phillip Rayford, Chairman of the Board, in the Arkansas Room of the Donaghey Student Center.

A quorum of Board members was present and included: Dr. Roberta Bustin, Dr. Charles Hathaway, Dr. James Hendren, Mr. Michael Murphy, Dr. John Spraggins, Mr. John Troutt, and Mr. Jerry Webster.

Staff members present included: Dr. John Ahlen, Mr. Jim Benham, Dr. Joe Gentry, Mr. Michael Hipp, Dr. Rich Kennedy, Mr. Chuck Myers, Ms. Julie Welch, Ms. Melissa Adams, Mr. Bob Alvey, Ms. Susan Collins, Mr. Al Grijalva, Mr. Brock Patterson and Ms. Joyce Sadler.

Visitors: Ms. Alice Rumph Smith from the University of Arkansas for Medical Sciences.

**APPROVAL OF MINUTES**

Dr. Rayford presented the minutes from the September 15, 1995 Board meeting for approval. Dr. Hathaway made a motion for the approval of the minutes. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

## **PRESIDENT'S REPORT**

Dr. Ahlen reported on the new planning project the staff has undertaken.

Belden Daniels visited with the staff on November 2nd & 3rd. As a result of that meeting, the staff has reached some preliminary conclusions that, over the next six months, will be shared with the Board. Dr. Ahlen stated that the staff has begun drafting a new agency plan that will look more like a business plan.

Dr. Ahlen stated that the staff would be tackling three specific tasks:

- Characteristics of the Arkansas firm, ASTA's primary customer. The preliminary thinking is that the real customer of ASTA has characteristics of rapid growth, high value added and being part of primary industry.
- Review of the Authority's mission statement. The Authority's mission statement is good, but needs some fine-tuning.
- Authority-wide goals. Instead of looking at individual programmatic goals, the staff will be looking at goals for the agency as a whole.

Dr. Ahlen stated the staff has had several meetings concerning the new plan. The Board will be informed at future meetings as to the progress of this project.

## **INVESTMENT COMMITTEE**

Mr. Webster presented the FY96 General Fund Expenditure Report for the quarter ending September 30, 1995. Mr. Webster made a motion for approval of the report. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

Mr. Webster presented the Investment Fund Report, for the quarter ending September 30, 1995, for approval. Mr. Webster made a motion for the approval of the report. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

Mr. Webster presented the Expenditure Report for the Arkansas Manufacturing Extension Network. Mr. Webster made a motion for the approval of the report. Dr. Bustin seconded the motion; the Board gave its unanimous approval.

**DRAFT RESOLUTION 96-10**

Mr. Webster asked Julie Welch to explain Resolution 96-10.

The funds in this resolution, \$665,260, will be used as a match for a cooperative agreement that is being negotiated with the National Institute of Standards and Technology (NIST). Arkansas' Manufacturing Extension Network will receive \$1.4 million from NIST in 1996-97 and \$12 million in the next six years.

The staff is currently negotiating the cooperative agreement and it should be signed sometime in December. Start-up and operating plans will also be developed over the next 120 days.

The first-year funding from NIST will support field engineers at five sites: University of Arkansas, Fayetteville; Westark Community College, Fort Smith; University of Arkansas at Little Rock; Arkansas State University, Jonesboro; and SAU-Tech, Camden. The field engineers will provide direct technical assistance to Arkansas industry.

Dr. Hathaway expressed concern that field engineers are hired and placed in these sites, but fail to ask what industry really needs.

Ms. Welch stated that the staff had done extensive industry analysis. At her recent meeting with NIST officials, they stated that Arkansas extensive industry needs information. They stated that Arkansas knew their industry better than most states.

Ms. Welch also stated that the Network anticipates working with AIDC, which is a network partner, on annual industry needs assessments. The Network also has partnerships and liaison relationships with other trade associations and councils throughout the state, and the Network will draw information on industry needs from them.

There being no further discussion, Mr. Webster made a motion for the approval of Draft Resolution 96-10. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

**DRAFT RESOLUTION 96-11**

Draft Resolution 96-11 provides for the formal acceptance of Technology Transfer Grant (TTAG) projects funded since September 15, 1995. Dr. Hathaway made a motion for the approval of Draft Resolution 96-11. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

**DRAFT RESOLUTION 96-12**

Draft Resolution 96-12 provides for the investment of technology development funds into Twenty-First Century Engineering, Inc. in Fayetteville. Mr. Webster asked Mr. Benham to explain this resolution.

Mr. Benham stated that in March the Board approved the a technology development program investment of \$50,000 in Twenty-First Century Engineering, Inc. At that time, the staff attempted to negotiate with the University of Arkansas, Fayetteville, which owned the rights to the technology used by Twenty-First Century. The staff was never able to negotiate an agreement with UAF and the resolution was allowed to expire after 90 days.

Ali Manesh of Twenty-First Century Engineering developed a similar technology that appears to be an improvement over the university's technology. The new technology utilizes fiber-optic technology for weight cell that is a basic measuring device with multiple applications. UAF has written the Authority stating that the new technology is not an infringement on their technology. The technology has received positive technical reviews from NIST.

Mr. Benham stated that, if approved, the Authority would invest \$50,000 in technology development funding.

There being no further discussion, Mr. Webster made a motion for the approval of Draft Resolution 96-12. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

**NEW BUSINESS****COMMITTEE ASSIGNMENTS**

Dr. Rayford reviewed the committee assignments and assigned chairs for each committee.

**PROPOSED MEETING DATES**

Dr. Rayford presented the meeting dates for 1996. The dates will be: January 19, March 15, May 17, September 20, and November 15.

**ASTA ENDOWMENT FUND**

Dr. Hathaway stated that at the May Board meeting in Batesville, formal action was taken by the Board to close an existing account at Winrock International. The funds in the account were transferred to the Friends of the Arkansas School for Mathematics and Sciences, and will remain there

until the Board decides what to do with the money. At that meeting, Dr. Hathaway pledged \$250 to the fund and urged each member to do the same.

Dr. Hathaway volunteered, with the Board's permission, to write past Board members and ask them to make a donation to the fund. Jim Benham was asked to explain the fund.

Mr. Benham stated that the Authority established the Arkansas Science & Technology Endowment Fund which will be administered by the Arkansas Community Foundation. The Arkansas School for Mathematics and Sciences (ASMS) Board of Trustees will make decisions on project funding.

The purpose of the fund will be to provide funds for projects that the ASMS Board of Trustees deem worthy. That could include helping a student with personal needs, travel costs to attend meetings/seminars, or on projects for which other monies are not available.

Mr. Benham stated that there is a \$10,000 minimum balance to keep the fund open and to be able to start funding projects. So far, the Authority has \$8700. The documents necessary to open the fund have been finalized and are ready for signature.

After further discussion, the Board agreed that Dr. Hathaway would write to past Board members and request a donation.

#### **FOCUS GROUPS**

Dr. Hathaway stated that one of the responsibilities as Board members was to provide advice and guidance on science and technology in the state. Things happen over the evolution of laws in the state where built-in incentives tend to support the industry of the day and in some ways does not address the varying degrees of industry of current times.

Dr. Hathaway stated that because the state is rapidly changing, it would be helpful if the staff would bring together focus groups to look at how the development of new industries in Arkansas can be enhanced.

Dr. Hathaway asked the staff to begin working on this project. He also made the Baum Center available for these efforts.

Mr. Troutt suggested contacting Kentucky to identify types of projects in which they are involved.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,

  
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P. Michael Murphy  
Secretary  
Board of Directors

**APPROVED** by the Board of Directors  
on this 19th day of January, 1996.

  
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P. Michael Murphy  
Secretary  
Board of Directors