



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

**MINUTES OF THE 68TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
SEPTEMBER 15, 1995**

CALL TO ORDER

The meeting was called to order at 1:32 p.m. by Dr. Donald Pederson, Chairman of the Board, in the fourth floor conference room at the 100 Main Street Building in Little Rock.

A quorum of Board members was present and included: Dr. Roberta Bustin, Mr. Michael Murphy, Dr. Phillip Rayford, Mr. John Troutt, and Dr. John Spraggins.

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, Mr. Al Grijalva, Mr. Brock Patterson and Ms. Joyce Sadler.

APPROVAL OF MINUTES

Dr. Pederson presented the minutes from the May 19, 1995 Board meeting for approval. Mr. Troutt made a motion for the approval of the minutes. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

Dr. Pederson presented the minutes from the July 21, 1995 Board meeting for approval. Mr. Troutt 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 recent staff additions/changes at the Authority.

Michael Hipp was hired for the position of Vice President Information Technology.

Rich Kennedy has filled the Vice President EPSCoR position. Dr. Kennedy replaced Dr. Dan Lattin, who resigned to accept a position in South Dakota.

Julie Welch was promoted to the Vice President Manufacturing Extension position. She will be responsible for the operation of the Manufacturing Extension Network.

Dr. Ahlen also reported that he, Julie Welch and other members of the Manufacturing Resource Advisory Committee made a trip to the National Institute of Standards and Technology last week for a reverse site visit.

INVESTMENT COMMITTEE

Mr. Troutt presented the FY95 General Fund Expenditure Report and the Investment Fund Report, both for the quarter ending June 30, 1995. Also, the Energy & Technology Extension Network Clearinghouse Grant for the period June 1, 1995 to July 31, 1995.

Mr. Troutt made a motion for the approval of the reports. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 96-04

Draft Resolution 96-04 will 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 FY96.

Mr. Troutt made a motion for the approval of Draft Resolution 96-04. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 96-05

Draft Resolution 96-05 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) Projects funded since July 21, 1995. There were two projects funded, both from UAF/ACTT.

Mr. Troutt made a motion for the approval of Draft Resolution 96-05. Mr. Murphy seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

90-DAY EXTENSION REQUEST FOR UAMS

Mr. Benham reported that at its July 21, 1995 meeting, the Board approved a 90-day extension on Resolution 95-29, a technology development project with Mr. Dan Eaton from UAMS. The staff was continuing to negotiate the royalty agreement

with UAMS. If an agreement was not reached soon, the 90-day extension would expire before the next Board meeting in November. Therefore, the staff was requesting another 90-day extension on Resolution 95-29.

Mr. Troutt moved that the 90-day extension on Resolution 95-29 be granted. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

RESEARCH COMMITTEE

Dr. Rayford stated that the Research Committee met and recommended to the Board the following resolutions.

Draft Resolution 96-06 provides for the funding of one applied research grant:

PROPOSAL NO. 96-A-02, "Cost-Effective Solutions to Particular Difficulties Associated with Adjustable Speed Drives," by Dr. Juan Carlos Balda of the University of Arkansas, Fayetteville, in the amount not to exceed \$30,200.00. This project is cosponsored by Baldor Electric Company in the amount of \$30,000.00.

Dr. Rayford made a motion for the approval of Draft Resolution 96-06. Dr. Bustin seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 96-07 provides for the funding of one applied research grant:

PROPOSAL NO. 96-A-03, "Evaluation of a Methodology for the Transition from Structured to Object-Oriented Software Development," by Dr. Wei Li of the University of Arkansas, Little Rock, in the amount not to exceed \$200.00. This project is cosponsored by Acxiom Corporation in the amount of \$165,070.00.

Dr. Rayford stated that this proposal would provide an R&D Tax Credit.

Dr. Rayford made a motion for the approval of Draft Resolution 96-07. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

Draft Resolution 96-08 provides for the funding of one basic research grant:

PROPOSAL NO. 96-B-21, "Improving the Transient Boiling Processes Within the Accumulator and Compressor During Start-Up and Defrost of Heat

Pumps," by Dr. Darin W. Nutter of the University of Arkansas, Fayetteville, in the amount not to exceed \$30,346.00.

Dr. Rayford made a motion for the approval of Draft Resolution 96-08. Mr. Troutt seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 96-09 provides for the funding of three basic research grants:

PROPOSAL NO. 96-B-22, "Pathogenesis of Respiratory Syncytial Virus in Infection in HLA-transgenic Mice," by Dr. Martin J. Cannon of the University of Arkansas for Medical Sciences, in the amount not to exceed \$32,969.00.

PROPOSAL NO. 96-B-24, "Allergens Involved in Peanut Hypersensitivity," by Dr. Gary A. Bannon of the University of Arkansas for Medical Sciences, in the amount not to exceed \$35,550.00.

PROPOSAL NO. 96-B-26, "Pharmaceutical Production in Transgenic Tobacco," by Dr. Thomas J. Kelly, Jr., and Dr. Edwin J. Anderson of the University of Arkansas for Medical Sciences, in the amount not to exceed \$43,500.00.

Mr. Troutt made a motion for the approval of Draft Resolution 96-09. Dr. Bustin seconded the motion. Dr. Rayford stated that UAMS was the institution of his affiliation. The Board gave its unanimous approval.

NEW BUSINESS

ANNUAL REPORT

Dr. Ahlen presented to the Board for their consideration the 1995 annual report.

Bob Alvey, Communications Manager, shared with the Board the new style that would be used for the annual report.

Mr. Murphy made a motion for the printing and release of the annual report. Dr. Rayford seconded the motion; the Board gave its unanimous approval.

NOMINATING COMMITTEE

Mr. Troutt stated that the nominating committee offered for consideration the following slate of officers for the upcoming year: Dr. Phillip Rayford, Chairman; Dr. Roberta Bustin, Vice Chairman; and Mr. Michael Murphy, Secretary.

Mr. Troutt made a motion for the approval of the slate of officers for the upcoming year. Dr. Pederson seconded the motion; the Board gave its unanimous approval.

CONSULTANT

Dr. Ahlen stated that in 1984, the Science & Technology Authority and the Arkansas Development Finance Authority together hired a consultant, Belden Daniels, to help put together then Governor Clinton's economic development package that was submitted to the 1985 General Assembly.

In 1990, Mr. Daniels was invited back to Arkansas to update the Authority on how its programs looked compared to work he had done in other states concerning economic development that was built around science and technology programs.

Dr. Ahlen proposed to the Board that Mr. Daniels be invited back to meet with the Authority staff during this planning phase and assess where the state and the Authority's programs fit compared to similar programs in other states. Dr. Ahlen stated that the staff would like to proceed with a professional services contract with Mr. Daniel's firm, in the amount of \$6,800, with the Board's approval.

Mr. Troutt made a motion to allow the staff to proceed with preparing a professional services contract, in the amount of \$6,800, with Mr. Belden Daniels and his firm. Dr. Rayford seconded the motion; the Board gave its unanimous approval.

THE PLAN FOR THE 1997-99 BIENNIUM

Mr. Myers presented to the Board a draft version of the Plan for the 1997-1999 biennium.

Mr. Myers stated that in the last legislative session, there were several Acts passed that affected the Authority. Some of the items included: the incorporation of Ventures in Education, math and science education, and telecommunications into the Authority; the addition of the Manufacturing Extension Network in the General Improvement Act of the Authority and the authorization to add three new manufacturing sector members to the Authority's Board.

Mr. Myers stated that an organizational chart was being developed that would incorporate the additions of VIE, Telecommunications, EPSCoR, and the Manufacturing Extension Network.

Two things that Mr. Myers pointed out in the plan were (1) the indicators used by the staff to track where Arkansas is compared to other states and (2) the direct program indicators for the Authority and its programs.

One indicator was highlighted by Dr. Rayford, was that Arkansas ranks 50th in the number of employed Ph.D. scientists and engineers per 1000 workers.

Dr. Ahlen stated that the staff had looked at the mission, role and scope of the agency and had modified programmatic measures to address these types of statistics.

Dr. Ahlen stated that there are many things that contribute to the rankings and the Authority's programs are only a small part. In the Authority's 11-year history, the success stories the agency has seen with researchers at colleges and universities are those researchers receiving a great deal of follow-on funding. Despite that, the state continues to rank low. The Authority now has more relevant program measures to track and has begun doing so.

Dr. Ahlen then went through the plan with the Board members, and asked the Vice Presidents to discuss the programs that they manage.

Julie Welch reiterated to the Board the trip that was made by she and other members of the Manufacturing Resource Advisory Committee to the National Institute of Standards of Technology concerning the Manufacturing Extension Network proposal. Ms. Welch stated that if the state receives the award, it would bring about \$12 million into the state over the next six years.

Rich Kennedy provided the Board with an update on the upcoming EPSCoR proposal submission.

Chuck Myers introduced some of the staff members that work with him. They included staff members who handle data collection, fiscal and secretarial staff.

After reviewing the plan, Dr. Ahlen stated that if the Board members had any changes or suggestions for the plan, then they should notify the staff.

PUBLICATIONS

Dr. Ahlen stated that Dr. Pederson had provided three publications for the Board's review. Two of the publications dealt with EPSCoR and one dealt with research at the University of Arkansas, Fayetteville.

Dr. Spraggins stated that these types of research and development reports can to some extent dampen the effects of the statistics that were discussed earlier. Other questions could be asked, such as what kind of percentage change has Arkansas had over time, how is the state moving relative to the rest of the country, and is the state falling behind.

NEXT MEETING DATE

Dr. Rayford reminded the Board that the next meeting would be November 17, 1995.

ADJOURNMENT

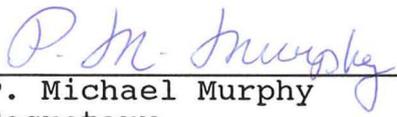
With no further business to conduct, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,



P. Michael Murphy
Secretary
Board of Directors

APPROVED by the Board of Directors
on this 17th day of November, 1995



P. Michael Murphy
Secretary
Board of Directors