



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 71ST MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MARCH 15, 1996**

CALL TO ORDER

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

A quorum of Board members was present and included: Dr. James Hendren, Mr. Sam Hummelstein, Ms. Catherine Janosky, Mr. Michael Murphy, Dr. Don Pederson, and Mr. Jerry Stokes.

Staff members present included: Dr. John Ahlen, Dr. Joe Gentry, Dr. Rich Kennedy, Mr. Chuck Myers, Ms. Julie Welch, Ms. Melissa Adams, Mr. Bob Alvey, and Ms. Joyce Sadler.

Visitors: Ms. Kelly Lyon from the Governor's Office, Carol Griffiee with Editorial Services, and Alice Rumph Smith from UAMS.

APPROVAL OF MINUTES

Dr. Rayford presented the minutes from the January 19, 1996 Board meeting for approval. Dr. Hendren 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 that the staff was involved in agency planning. A report would come later in the meeting.

Two vacancies within the agency, the research program manager and finance program manager, had been filled.

The Manufacturing Extension Network has advertised for several of their positions.

INVESTMENT COMMITTEE

Mr. Murphy presented the Investment Committee report for Mr. Troutt.

Mr. Murphy presented the FY96 Investment Fund Report for quarter ending December 31, 1995. Mr. Murphy moved to accept the fund report. Dr. Hendren seconded the motion; the Board voted unanimously to accept the report.

Mr. Murphy presented the financial report for the Manufacturing Extension Network project for the period ending January 31, 1996. Mr. Murphy moved to accept the fund report. Dr. Hendren seconded the motion; the Board voted unanimously to accept the report.

DRAFT RESOLUTION 96-20

Draft Resolution 96-20 will provide monies in the amount not to exceed \$27,500 for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program during the fourth quarter of state FY96.

Dr. Hendren made a motion for the approval of Draft Resolution 96-20. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 96-21

Draft Resolution 96-21 provides for the formal acceptance of Technology Transfer Grant (TTAG) projects funded since January 19, 1996. Four projects from Westark Community College in Fort Smith were funded during that period.

Mr. Murphy made a motion for the approval of Draft Resolution 96-21. Dr. Hendren seconded the motion.

Before the motion passed, there were questions raised about the types of projects being funded in the TTAG program.

Ms. Janosky stated that as she understood it, the rules and guidelines of the TTAG program state that its purpose is to improve products through the transfer of technical solutions to technology-based, industry-driven problems. She questioned why the Board would approve funds for a company to obtain ISO9000 training. She stated that ISO9000 is a matter of completing paperwork, not an issue of quality. Why should the Authority fund something that isn't providing technical solutions to problems?

Mr. Stokes agreed and also stated that it is not technology transfer when the company's technology base is not enhanced.

Dr. Ahlen stated that when the TTAG program was first proposed, there was a thorough reading of the language. As the staff began working on the Manufacturing Extension Project, which created a Coordinating Council, their recommendation was to loosen the rules to allow these kinds of projects to be funded. In particular ISO9000 because it is important training for their industry.

After further discussion, Dr. Ahlen suggested that the Board approve the projects that were brought before the Board in Draft Resolution 96-21, then make a motion that the Board would not fund any additional projects dealing with ISO9000 implementation until the concerns of the Board could be resolved.

There being no further discussion, the Board voted unanimously to approve Draft Resolution 96-21.

Ms. Janosky moved that the Board not fund any additional TTAG projects dealing with ISO9000 until the Board's concerns and questions have been answered. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Dr. Hendren suggested that a review of the what the purpose of the TTAG program and what it is doing now would be in order. He asked the staff to prepare a progress report for the next Board meeting.

DRAFT RESOLUTION 96-22

Draft Resolution 96-22 provides for the funding of the Arkansas Manufacturing Extension Network. This will allow the network to begin spending the year one award from the National Institute of Standards and Technology, in the amount of \$1,403,465.

The funding would be for the period of March 15, 1996 through November 30, 1996 for network activities at the following locations:

Arkansas Center for Technology Transfer,
University of Arkansas, Fayetteville, by Dr.
Collis Geren, in an amount not to exceed \$235,000;

Business and Industrial Institute, Westark
Community College, by Mr. Stephen D. Lease, in an
amount not to exceed \$199,900;

College of Science & Engineering
Technology/Graduate Institute of Technology,
University of Arkansas at Little Rock, by Dr.
Samuel A. Covington, in an amount not to exceed
\$235,000;

Center for Economic Development, Arkansas State University, by Mr. Joe Bork, in an amount not to exceed \$109,900; and

Center for Competitive Manufacturing, Southern Arkansas University Tech, Mr. Larry Owen, in an amount not to exceed \$109,900.

Mr. Murphy made a motion for the approval of Draft Resolution 96-22. Mr. Stokes seconded the motion; the Board gave its unanimous approval.

Ms. Janosky asked what the measure of success for the network would be. She stated that with her company, getting in-time answers to questions is slim. Is the purpose of the network really benefiting Arkansas?

Ms. Welch, Vice President Manufacturing Extension, stated that the network has to be self sufficient in six years. If the network doesn't perform in year one, it will not receive funding in year two. The performance of the network and its field engineers will be closely monitored.

It was asked how the network will get the word out about its services. Ms. Welch stated that the network planned a marketing campaign. Eventually, the field engineers will meet with manufacturers, make cold calls, etc.

OLD BUSINESS

Dr. Pederson reported the Board the morning meeting of the Executive Committee. The discussion centered around the planning that the staff has been doing the past several weeks. He asked Dr. Ahlen to report on what the staff has been doing.

Dr. Ahlen stated that the staff met with a consultant, Belden Daniels, in the fall to discuss the agency and what direction it should in the future. It was discussed that the Authority would like to be more "business-like" and that it should begin thinking about developing a business plan.

Two questions needed to be answered by the staff: (1) Who is your customer? and (2) What is your mission?

It was decided that the customer was "the firm", which enjoys rapid growth and high value added. The firm's well being is based on the quality of employees, availability of capital and technology.

After looking at the goals for the agency, the staff decided not to develop a business plan.

The staff looked at what the agency used to be and what it is in the current biennium and what it will be in the future. This had to do with staff, budget, program, and Board. Currently, the staff is not appropriately arranged to handle the present and future changes.

Dr. Ahlen stated that in the past, the Authority had focused on four basic programs: research, seed capital, technology development and TTAG. As the years have passed, the Authority has become involved in additional programs/projects, such as EPSCoR, Ventures in Education, manufacturing extension and telecommunications. These programs/projects are hardly ever brought to the Board's attention, but are playing an important role in the Authority.

Dr. Ahlen stated that as the Authority deals with the changes in the agency, the staff will need the Board's involvement. Dr. Ahlen made the following suggestions.

Because of the size of the Manufacturing Extension Network, the new Board members from the manufacturing sector should be appointed to a newly formed committee, the Industry Committee. This committee will be able to provide oversight to the Manufacturing Extension Network and to its Manufacturing Resource Advisory Committee.

The Executive Committee needs to be reactivated and take a more active role in the activities of the Authority. Dr. Ahlen asked that the Executive Committee work with the staff over the next couple of months on the upcoming budget request and for what the staff has planned for the future.

After further discussion, the following motions were made:

Mr. Murphy moved that an Industry Committee be formed, with the Chairman appointing the appropriate members to that committee. Dr. Pederson seconded the motion; the Board gave its unanimous approval.

Dr. Rayford appointed the following members to the Industry Committee: Catherine Janosky - Chair, Sam Hummelstein, Jerry Robinson, Jerry Stokes.

Dr. Rayford also appointed Ray Cox, Jr. to the Investment Committee.

Dr. Pederson moved that the Executive Committee be activated and provide staff with advice on goal setting and budget. Also, include the chair of the Industry Committee with the Executive Committee. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

NEW BUSINESS**EPSCoR POLICY AND PROCEDURES**

Dr. Rich Kennedy, Vice President for EPSCoR, presented a draft of policies and procedures for the EPSCoR Committee. He stated that in the new proposal submitted to the National Science Foundation calls for the restructure of the committee to include more involvement of the Board.

Dr. Pederson moved for the adoption of the EPSCoR policies and procedures. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

PROJECTS

Dr. Ahlen brought to the Board's attention three projects. He stated that these projects might be included in the budget request for the agency.

The first project is "A Consortium for Synthesis, Processing and Testing of Cubic Boron Nitride, Diamond, and Diamond-like Carbon (DLC) Coatings for Cutting Tools, and Related Tribological Applications. This project is being developed by the Materials and Manufacturing Research Laboratory at the University of Arkansas, Fayetteville.

The next project is the Technology Inventions Program, which is being developed in response to an inquiry from Representative Frank Willems.

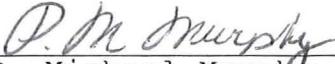
The final project is from the UAMS Biomedical Biotechnology Center, which is headed by Dr. Timothy O'Brien of UAMS. Dr. Ahlen directed the Board's attention to a letter that was sent to the Board by Dr. O'Brien and Alice Rumph Smith Associate Director of the Center.

After further discussion, Dr. Pederson moved that the three projects be referred to the Executive Committee, who will decide on how to deal with these projects. Mr. Murphy seconded the motion; the Board gave its unanimous approval.

ADJOURNMENT

With no further business to conduct, the meeting was adjourned at 2:40 p.m.

Respectfully submitted,



P. Michael Murphy
Secretary
Board of Directors

APPROVED by the Board of Directors
on this 17th day of May, 1996



P. Michael Murphy
Secretary
Board of Directors