



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 72ND MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MAY 17, 1996**

CALL TO ORDER

The meeting was called to order at 1:33 p.m. by Dr. Phillip Rayford, Chairman of the Board, in the first floor conference room of the 1515 Building in Little Rock.

A quorum of Board members was present and included: Dr. Roberta Bustin, Mr. Ray F. Cox, Jr., Dr. Charles Hathaway, Dr. James Hendren, Mr. Sam Hummelstein, Dr. Don Pederson, Mr. Jerry Stokes and Mr. John Troutt.

Staff members present included: Dr. John Ahlen, Mr. Jim Benham, Mr. Michael Hipp, Dr. Rich Kennedy, Mr. Chuck Myers, Ms. Julie Welch, Ms. Melissa Adams, Ms. Susan Collins, Mr. Bob Alvey, Mr. Les Lane, Ms. Beth Patterson, Ms. Joyce Sadler.

Visitors included: Ms. Kelly Lyon from the Governor's Office and Alice Rumph Smith from UAMS.

APPROVAL OF MINUTES

Dr. Rayford presented the minutes from the March 15, 1996 Board meeting for approval. Mr. Troutt made a motion for the approval of the minutes. Dr. Pederson seconded the motion. The Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen introduced two new employees to the Board. Les Lane, finance program manager and Beth Patterson, research program manager.

Dr. Ahlen brought to the Board's attention the final version of the state R&D plan.

EXECUTIVE COMMITTEE REPORT

Dr. Ahlen shared with the Board a framework for analysis and the budget request for the next biennium, which had been discussed at the Executive Committee meeting.

Dr. Ahlen stated that the framework analysis would help the staff in planning for the next biennium. The spreadsheet showed all programs currently at the Authority.

Before reviewing the budget, Dr. Ahlen discussed an issue that was raised at the Board meeting in March.

Dr. Ahlen stated that at the last Board meeting, the Board passed a motion not to fund any additional TTAG projects that concerned ISO9000 until questions members of the Board had about ISO9000 were resolved. During the executive committee meeting, presentations were made concerning the funding of projects that dealt with ISO9000. Dr. Ahlen stated that the staff's recommendation was to allow funding for TTAG projects that involve ISO9000.

After further discussion, Dr. Hendren moved that the Board consider for approval TTAG projects that involve ISO9000. Mr. Hummelstein seconded the motion; the Board gave its unanimous approval.

Dr. Ahlen reviewed the Authority's general revenue budget request for the 1997-99 biennium. Dr. Ahlen brought to the Board's attention the budget request for a proposed project, the Technology Inventions Program. A proposal for this program was prepared by the staff at the request of the Governor's Office. This program would award inventors with new and innovative inventions.

After reviewing the budget for the Technology Inventions Program, Board members expressed concern that the cost of running the program was greater than the awards that would be funded. It was suggested that the awards be eliminated and that the money be used to run the program.

The question was raised as to who would evaluate the applications received by this program. Mr. Benham suggested that if each inventor had to pay a \$100 fee up front, this would weed out those that did not have a valid or good invention. That money could then be used to pay outside evaluators.

After further discussion, Dr. Pederson made a motion that the awards line be eliminated in the Technology Inventions Program and those monies be moved to the M&O line. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Dr. Ahlen reviewed the budget request for the EPSCoR Program. The EPSCoR office is housed at the Authority with one full time employee. A new proposal was submitted to the National Science Foundation and the staff was waiting to hear if the proposal was approved. The Authority has funds to match the proposal in the event the proposal is funded.

The Executive Committee's recommendation was to institutionalize one position at the Authority. The reason being that if the NSF funds aren't awarded, there would be money in the budget to sustain one full time employee until the next EPSCoR competition is announced.

There being no further discussion, Dr. Pederson moved that the General Revenue portion of the budget be approved. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

Dr. Ahlen reviewed the general improvement portion of the budget. Dr. Ahlen pointed out that two additional items were included in the general improvement request, the Biomedical Biotechnology Center and the Material & Manufacturing Research Center. The Authority did not solicit proposals from the two organizations specifically. The Executive Committee heard presentations from both parties and recommended funds be included in the budget request.

Board members voiced concern about specifically listing the two projects in the budget request. It was stated that there might be other projects that come along that would be better than the two listed. Mr. Troutt stated that he would need more information on the two specific projects, he would have a problem putting them in the budget request.

Dr. Pederson suggested that the budget lines for the Biomedical Biotechnology Center and the Material & Manufacturing Research Center be combined into one line and relabeled centers. The staff could then develop criteria and guidelines for this type of program.

After further discussion, Dr. Pederson moved that the two budget lines for the Biomedical Biotechnology Center and the Material & Manufacturing Center be combined into one general line and directed the staff to develop an appropriate budget request. Mr. Troutt seconded the motion. The Board gave its unanimous approval.

Dr. Hathaway made a motion for the approval of the General Improvement portion of the budget. Dr. Pederson seconded the motion. The Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

Dr. Pederson stated that the Research Committee met on April 30 and recommended to the Board the following projects.

Draft Resolution 96-23 provides for the funding of one applied research grant:

PROPOSAL NO. 97-A-02, "Incorporating Quality Factors into a Coupled Heat and Mass Transfer Model for Cooking Poultry Products," by Dr. Bradley P. Marks of the University of Arkansas, Fayetteville, in the amount not to exceed \$10,200.00. This project is cosponsored by Tyson Foods, Inc. in the amount of \$10,000.00.

Dr. Pederson made a motion for the approval of Draft Resolution 96-23. Dr. Hathaway seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

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

PROPOSAL NO. 97-A-03, "Optimizing Refrigeration," by Dr. Wilfred J. Braithwaite of the University of Arkansas at Little Rock, in the amount not to exceed \$54,710.00. This project is cosponsored by FMC, Inc. in the amount of \$54,518.00.

Dr. Pederson made a motion for the approval of Draft Resolution 96-24. Mr. Troutt seconded the motion. Dr. Hathaway stated that UALR was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 96-25 provides for the funding of one applied research grant:

PROPOSAL NO. 97-A-04, "Underplanting Beneath a Partial Overstory to Establish Cherrybark Oak Regeneration in a Minor Bottom of Southwestern Arkansas," by Dr. Jimmie L. Yeiser of the University of Arkansas at Monticello, in the amount not to exceed \$10,200.00. This project is cosponsored by the Ross Foundation in the amount of \$19,106.00.

Dr. Pederson made a motion for the approval of Draft Resolution 96-25. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

Draft Resolution 96-26 provides for the funding of three basic research grants:

PROPOSAL NO. 97-B-04, "Substitution Tilings and Address Structures," by Dr. Chaim Goodman-Strauss of the University of Arkansas, Fayetteville, in the amount not to exceed \$15,145.00.

PROPOSAL NO. 97-B-05, "Enhancement of Forward Four Wave Mixing by Optical Feedback in Dye Doped Organics," by Dr. Michael Henry of the University of Arkansas, Fayetteville, in the amount not to exceed \$53,788.00.

PROPOSAL NO. 97-B-06, "Physiological Ecology of Native Arkansas Snakes," by Dr. Steven J. Beaupre of the University of Arkansas, Fayetteville, in the amount not to exceed \$41,559.00.

Mr. Stokes had a question about funding basic research. In basic research resolutions, it states that the committee recommends research proposals that "have clear economic development potential and are ranked as being scientifically meritorious". Mr. Stokes asked if most of the basic research proposals truly have economic development potential and how that is measured.

Dr. Hathaway stated that the emphasis in basic research is on new faculty and granting them start up money. It was stated that basic research is basic research, you don't always know where it is going, but that it does serve a good purpose.

Dr. Pederson made a motion for the approval of Draft Resolution 96-26. Dr. Hendren seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 96-27 provides for the funding of four basic research grants:

PROPOSAL NO. 97-B-01, "Functional MRI of Rat Brain Using Echo Planar Imaging," by Dr. Richard A. Komoroski of the University of Arkansas for Medical Sciences, in the amount not to exceed \$20,520.00.

PROPOSAL NO. 97-B-07, "Investigation of the Mechanism of Telomerase," by Dr. Kevin D. Raney of the University of Arkansas for Medical Sciences, in the amount not to exceed \$37,497.00.

PROPOSAL NO. 97-B-08, "Role of Transcription Factor NFkB During Aging," by Dr. Usha Ponnappan of the University of Arkansas for Medical Sciences, in the amount not to exceed \$31,200.00.

PROPOSAL NO. 97-B-10, "Use of OctreoScan as a Sensitive Diagnostic Tool for Meningiomas," by Dr. W. Bruce Cherny of the University of Arkansas for Medical Sciences, in the amount not to exceed \$7,200.00.

Dr. Pederson made a motion for the approval of Draft Resolution 96-27. Dr. Hathaway seconded the motion. Dr. Rayford stated that UAMS is the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 96-28 provides for the funding of two basic research grants:

PROPOSAL NO. 97-B-02, "Genetic Distance and Evolution of the Micropterids as Determined by Mitochondrial DNA Analysis," by Dr. Ronald L. Johnson of Arkansas State University, in the amount not to exceed \$20,100.00.

PROPOSAL NO. 97-B-03, "High Resolution Infrared Laser Spectroscopy," by Dr. Scott W. Reeve of Arkansas State University, in the amount not to exceed \$28,713.00.

Dr. Pederson made a motion for the approval of Draft Resolution 96-28. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Draft Resolution 96-29 provides for the funding of one basic research grant:

PROPOSAL NO. 97-B-11, "Nodule Gene Isolation by Promoter Trapping in *Lotus corniculatus*," by Dr. Robert G. Gregerson of Lyon College, in the amount not to exceed \$23,700.00.

Dr. Pederson made a motion for the approval of Draft Resolution 96-29. Dr. Hendren seconded the motion. Dr. Bustin stated that Lyon College is the institution of her affiliation. The Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Mr. Troutt presented the FY96 General Fund Expenditure Report for quarter ending March 31, 1996. Mr. Troutt moved to accept the fund report. Mr. Hummelstein seconded the motion; the Board gave its unanimous approval.

Mr. Troutt presented the Investment Fund Report for quarter ending March 31, 1996. Mr. Troutt moved to accept the report. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 96-30

Draft Resolution 96-30 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) projects funded since March 15, 1996. There were two projects funded during the time period, one from Henderson State University and one from Westark Community College.

Mr. Troutt made a motion for the approval of Draft Resolution 96-30. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 96-31

Draft Resolution 96-31 would provide monies in the amount not to exceed \$27,500 for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program during the first quarter of state fiscal year 1997.

Mr. Troutt made a motion for the approval of Draft Resolution 96-31. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 96-32

Draft Resolution 96-32 would provide funding for the following Technology Development project: Application No. 96-ETDP-01, "Development of Commercially Available Solar Siding Employing a Lenticular Film for Energy Concentration and Angle Discrimination," submitted by Marcus C. Langston, P.E., of the University of Arkansas, Fayetteville, in an amount not to exceed \$50,000.

Mr. Benham stated that Mr. Langston developed a solar siding for houses. The application received a positive review from NIST.

Mr. Troutt made a motion to approve Draft Resolution 96-32. Dr. Hathaway seconded the motion. Dr. Pederson stated that UAF is the institution of his affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 96-33

Draft Resolution 96-33 would provide monies through the Seed Capital Investment Program in the amount of \$225,000 for Venisect, Inc.

Mr. Benham stated that Venisect was originally funded by the Authority for prototype development. The device that was developed is a machine used to obtain blood or dispense drugs, with the use of a laser instead of a needle. The company is now ready to commercialize the product. Venisect

is currently working with the Food and Drug Administration on approval of the device. It also has exclusive rights from a Massachusetts Hospital on the method developed for obtaining the blood. A condition of the investment is that Venisect will assign to the Authority all patent rights.

Mr. Troutt made a motion for the approval of Draft Resolution 96-33. Dr. Pederson seconded the motion. Mr. Cox stated that he would abstain from voting because his law firm represents UAMS on certain patent matters, some of which involve Dr. Stephen Flock who is a principle in this project. The Board voted to approve Draft Resolution 96-33.

INDUSTRY COMMITTEE REPORT

Mr. Sam Hummelstein presented the Industry Committee's report for Ms. Catherine Janosky.

Mr. Hummelstein presented the expenditure report for the Arkansas Manufacturing Extension Network.

Mr. Hummelstein moved that the report be accepted. Dr. Pederson seconded the motion; the Board gave its unanimous approval.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 3:22 p.m.

Respectfully submitted,


 P. Michael Murphy
 Secretary
 Board of Directors

Approved on this 20th day
 of September, 1996


 P. Michael Murphy
 Secretary
 Board of Directors