



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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

**MINUTES OF THE 74TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
ARKANSAS ELECTRIC COOPERATIVES
LITTLE ROCK, AR
NOVEMBER 15, 1996**

CALL TO ORDER

The meeting was called to order at 1:34 p.m. by Dr. Roberta Bustin, Chair of the Board, in the Board Room of the Arkansas Electric Cooperatives in Little Rock.

A quorum of Board members was present and included: Mr. Mel Coleman, Dr. Ed Crowe, Dr. Charles Hathaway, Dr. James Hendren, Ms. Catherine Janosky, Mr. Stephen Nipper, Dr. Don Pederson, Dr. Phil Rayford, Senator Kevin Smith and Ms. Donna Young.

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

Visitors included: Ms. Julie Cullen with the Governor's Office; Ms. Susan Collins with Ventures in Education; Ms. Kim Reynolds with the National Institute of Standards and Technology in Washington, D.C.

APPROVAL OF MINUTES

Dr. Bustin presented the minutes from the September 20, 1996 Board meeting for approval. Dr. Pederson made a motion for the approval of the minutes. Ms. Young seconded the motion; the Board gave its unanimous approval.

Dr. Bustin presented the committee assignments for the upcoming year. The committee assignments were as follows:

EXECUTIVE COMMITTEE: Dr. Roberta Bustin,
Mr. Michael Murphy, Dr. Charles Hathaway, Dr. Don
Pederson and Ms. Catherine Janosky.

RESEARCH COMMITTEE: Dr. Don Pederson-Chair, Dr. Charles Hathaway, Dr. James Hendren, and Dr. Phil Rayford.

INVESTMENT COMMITTEE: Mr. Michael Murphy-Chair, Mr. Mel Coleman, Dr. Ed Crowe, Mr. Stephen Nipper, and Ms. Donna Young.

INDUSTRY COMMITTEE: Ms. Catherine Janosky-Chair, Mr. Sam Hummelstein, Mr. Dennis Littleton, and Mr. Jerry Stokes.

PRESIDENT'S REPORT

Dr. Ahlen reported on the following items.

The agency's revised budget request was submitted, based on what was discussed by the Board at its last meeting. The Authority's legislative budget hearing was in October. During that hearing, there was a question concerning the Manufacturing Extension Network and what determined the location of its field engineers. The staff provided that information to the legislator.

The Ventures in Education office, which was housed at the Authority, has moved its office to the campus of UAMS. The program has received a grant from the National Science Foundation. The money will be given to the Systemic Initiative Program at the Department of Higher Education, and then awarded to VIE. The Chair recognized Susan Collins, program administrator for VIE, and Senator Kevin Smith for comments about this change.

Ms. Collins thanked the Authority staff and Board for its support of the VIE program over the years.

Senator Smith also thanked the Authority for its support of VIE. He stated that the Authority had been an excellent steward of the program. Senator Smith also thanked Dr. Rich Kennedy and Ms. Joyce Sadler for their extraordinary efforts on behalf of the VIE Program during the past few months.

Dr. Ahlen introduced Kim Reynolds, Associate Regional Manager for the Manufacturing Extension Partnership-National Institute of Standards and Technology, to say a few words about MEP and the Arkansas Manufacturing Extension Network.

Ms. Reynolds reported the Manufacturing Extension Partnership's mission is to establish centers, like the Network, in states to provide support to manufacturers. Right now, there are at total of 60 MEP centers in all 50 states.

Ms. Reynolds stated that all MEP Centers have a sunset clause, which means that after a certain number of years, the center must sustain itself without federal funds. She

has been working with the Arkansas Manufacturing Extension Network to see how it can be sustained after federal funds are exhausted.

Dr. Ahlen reported that Emerging Technologies paid off its Seed Capital Investment loan. Emerging Technologies was the Authority's first Seed Capital investment in 1986.

RESEARCH COMMITTEE

Dr. Pederson presented for the Board's consideration one item.

The Authority received a request to change the principal investigator on Proposal 96-A-04, an applied research project from the University of Arkansas Fayetteville. Dr. Raja G. Kasilingam, who was principal investigator, is no longer with the university and they have requested that Professor Thomas L. Landers be named Principal Investigator.

Dr. Pederson stated that AT&T co-sponsored this project and is very interested in continuing it. Professor Landers has been involved with the project from the beginning, so it would not be a problem for him to take over.

Dr. Pederson made a motion to approve the request from UAF to name Professor Thomas L. Landers Principal Investigator for Proposal 96-A-04. Dr. Hathaway seconded the motion. Dr. Pederson stated that this request came from the institution of his affiliation. The Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Ms. Young presented the Investment Committee Report.

Ms. Young presented the FY97 General Fund Expenditure Report and Investment Fund Report for the quarter ending September 30, 1996. Ms. Young moved to accept the report. Mr. Coleman seconded the motion; the Board gave its unanimous approval.

Draft Resolution 97-10 provides for the acceptance of Technology Transfer Assistance (TTAG) projects funded since September 20, 1996. There were four projects funded totaling \$14,591.

Ms. Young made a motion for the approval of Draft Resolution 97-10. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

OLD BUSINESS

Dr. Ahlen stated that since the staff submitted a level budget request, the agency's planning activities had been accelerated. For this reason, Dr. Ahlen asked if the Board would agree to let the staff work with the executive committee in the planning process. The Board agreed.

There was discussion among the Board and staff concerning the approval of projects and the amount of information provided to members on the projects they are asked to vote on. Ms. Janosky raised the question of the Board approving projects and some members not always knowing exactly what the project is or what economic impact it will have on the state. She stated that not enough information is given on research projects.

Dr. Hathaway stated that there needs to be a balance between those things that are seen as pure research and those things which the Board can see in the not so distant future as real applications. The Authority's research committee is a combination of university and industry, which can provide a balance between pure research and application-oriented research.

Dr. Ahlen reported on a strategic plan being undertaken by the Department of Higher Education. He stated that the committee he is serving on, which deals with research and public service, has dealt with the question of pure research and application-oriented research. Their discussions lead to them beginning to see that there is a paying customer for all the research that goes on in higher education. But, sometimes, people lose sight of who is the customer.

Dr. Hathaway stated that Ms. Janosky's concern was legitimate. It would not be right for the committee to say "support us because we do good things."

Dr. Ahlen suggested that there might have to be some fundamental changes in the way the Board does business. He explained that the Board has three committees that are designed not to duplicate each other's work. The committees were designed to make Board meetings more effective by putting a certain level of trust in the committees to thoroughly review projects and then bring them to the full Board, so there wouldn't have to be a lot of re-investigating of each project at the full Board meeting. He stated that the staff relies on the committee's work, which does require a level of trust among the committees.

Dr. Hendren stated that he personally spends six to eight hours reviewing research proposals before the research committee meets. It takes a lot of time to study the proposals, and you don't always completely understand each

proposal, but there is always someone else on the committee who does understand it and can explain it.

Dr. Hendren stated that the job of the committee is to evaluate all of the proposals to see which has potential for future funding, which ones are good science, which might have something to do with Arkansas and pick out the best research. The other committees do the same thing when they look at projects.

He stated that the full Board can't always do that, but it doesn't mean that the Board shouldn't understand all the programs.

Ms. Janosky asked why couldn't committees tell the Board why a project is good. It is hard to vote on something just on the fact that someone's says it is a good project.

Dr. Hendren suggested that some kind of methodology be created to explain the programs and different funding mechanisms to the Board so they can have a better understanding.

Dr. Pederson suggested that the it would be a good idea to have laymen's summaries for the research projects.

After further discussion, Dr. Pederson moved that it be required that all research proposals include a laymen's summary. Ms. Janosky seconded the motion; the Board gave its unanimous approval. It was decided that this motion would also include those research proposals that were submitted to the Authority on the October 15, 1996 deadline.

NEW BUSINESS

Dr. Ahlen presented the draft annual report for discussion. Mr. Coleman moved that the annual report be printed and released. Ms. Janosky seconded the motion; the Board gave its unanimous approval.

Dr. Bustin reviewed the proposed meeting dates for 1997. The dates were as follows: January 17, March 21, May 16, September 19 and November 21.

Ms. Young issued an invitation to the Board to meet in Fort Smith. She stated she would contact Steve Lease at Westark Community College's Business and Industrial Institute about meeting at their new facility.

Dr. Hendren extended an invitation for the Board to meet at the new ARKSYS facilities in Little Rock.

ADJOURNMENT

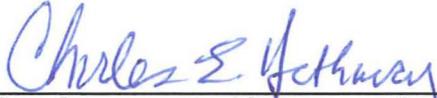
There being no further business to conduct, the meeting was adjourned at 2:55 p.m.

Respectfully submitted,



Charles E. Hathaway, Ph.D.
Secretary
Board of Directors

Approved by the Board of Directors
on this 17th day of January, 1997.



Charles E. Hathaway, Ph.D.
Secretary
Board of Directors