



**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 76<sup>TH</sup> MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
100 MAIN BUILDING  
LITTLE ROCK, AR  
MARCH 21, 1997**

**CALL TO ORDER**

The meeting was called to order at 1:40 p.m. by Mr. Michael Murphy, Chairman of the Board, in the fourth floor conference room of the 100 Main Building in Little Rock.

A quorum of Board members was present and included: Dr. Merlin Augustine, Mr. William Dempsey, Dr. Charles Hathaway, Dr. James Hendren, Ms. Catherine Janosky, Mr. Dennis Littleton, Dr. Don Pederson, Mr. Anthony Rampley, Mr. Jerry Stokes, 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, Mr. Al Grijalva, Ms. Kelly Lyon, Mr. Les Lane and Ms. Joyce Sadler.

Visitors included: Senator Kevin Smith.

**ANNOUNCEMENTS**

Mr. Murphy introduced three new members to the Board of Directors. Dr. Merlin Augustine from Fayetteville, Mr. William Dempsey from Texarkana, and Mr. Anthony Rampley from Jonesboro.

Mr. Murphy recognized Dr. James Hendren for the election of a new chair. It was explained that a new chair needed to be elected due to the fact that Dr. Roberta Bustin, who was chair, had been replaced on the Board.

Dr. Hendren stated that the nominating committee offered for consideration the following slate of officers for the remaining term. Mr. Michael Murphy for Chairman and Dr. Charles Hathaway for Vice Chairman/Secretary.

Dr. Hendren made a motion for the approval of the officers. Ms. Janosky seconded the motion; the Board gave its unanimous approval.

Mr. Murphy assigned the three new Board members to committees. Dr. Augustine was assigned to the investment committee, Mr. Dempsey to the research committee and Mr. Rampley to the investment committee.

#### **APPROVAL OF MINUTES**

Mr. Murphy presented for approval the minutes from the January 17, 1997 Board meeting. Dr. Pederson made a motion to approve the minutes. Mr. Littleton seconded the motion; the Board gave its unanimous approval.

#### **RESEARCH COMMITTEE REPORT**

Dr. Pederson presented Draft Resolution 97-20 for approval. The resolution provides for the approval of funding of two NSF EPSCoR projects.

"Formation of an Arkansas Center for Membrane Transport" by Dr. Michael Jennings at the University of Arkansas for Medical Sciences in the amount of \$491,139.

"Formation of a Center for Ultra-Fast Electronic-Photonic Material and Devices" by Dr. Gregory Salamo of the University of Arkansas at Fayetteville in the amount of \$508,861.

Dr. Pederson made a motion for the approval of Draft Resolution 97-20. Dr. Hathaway seconded the motion. Dr. Pederson and Dr. Augustine stated that UAF was the institution of their affiliation. The Board gave its unanimous approval.

#### **PRESIDENT'S REPORT**

Dr. Ahlen reported that Dr. Joe Gentry, Vice President Research, would retire effective April 1. Dr. Ahlen stated that the position had been advertised and Jim Benham would oversee the hiring.

The Manufacturing Resource Advisory Committee met in February to discuss year two plans for the Manufacturing Extension Network. The Office of the Inspector General conducted a pre-audit of the Network. The Authority has not received the written report of that audit. The National Institute of Standards and Technology will conduct the first annual review of the Network on April 4.

The EPSCoR Committee met over two meetings to discuss future plans. EPSCoR also had an "EPSCoR Day at the Legislature" at the Capitol. Researchers set up displays in the Capitol Rotunda and answered questions for legislators.

The Authority's appropriation acts passed in the legislature and have been signed by the Governor.

Mr. Murphy recognized Senator Smith for an update on legislative activities.

Senator Smith stated that \$3 million for EPSCoR had been included in the Authority's General Improvement appropriation.

Senator Smith also reported on the introduction of Senate Bill 322, sponsored by Smith and Representative Thomas Courtway. This bill, if passed, would establish the Arkansas Biotechnology and Training Act of 1997. Senator Smith stated that this legislation was important for agriculture and economic development in the state. Arkansas is the 13<sup>th</sup> state to introduce this type of legislation.

#### **INVESTMENT COMMITTEE REPORT**

Ms. Young presented the Investment Committee Report.

The Board reviewed two financial statements. One was the Seed Capital Investment Fund Report through February 28, 1997 and a current list of the Authority's CDs and Seed Capital investments.

A question was raised concerning the CDs. The Board asked if the staff looks for the best rates around the state on CDs. The Board asked the staff to bring the policy for buying CD's to the Board for review and possible reconsideration.

Draft Resolution 97-18 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) projects funded since January 17, 1997. There were a total of six projects funded.

Ms. Young made a motion for the approval of Draft Resolution 97-18. Dr. Hendren seconded the motion. Dr. Pederson and Dr. Augustine stated that three of the TTAG projects came from UAF, the institution of their affiliation. The Board gave its unanimous approval.

Draft Resolution 97-19 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 third quarter of state fiscal year 97.

Ms. Young made a motion for the approval of Draft Resolution 97-19. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

#### **DRAFT TTAG GUIDELINES**

Ms. Young asked Mr. Benham to explain the Draft TTAG Guidelines.

Mr. Benham explained that the Authority has designated the TTAG program as a cash match for the federal grant for the Manufacturing Extension Network. Because of the matching requirement, it will be necessary for the resource providers to provide evidence of a company's cash match for each TTAG project. Mr. Benham stated that the guidelines were drafted so that future applicants would know up front that they would be required to submit this information in order to qualify.

The Board discussed whether to cap the number of non-match projects done every year or say that preference would be given to those projects whose companies had a cash match. Dr. Pederson stated that whatever conditions the staff or Board felt were needed, that it be included in the guidelines.

After further discussion, Ms. Young made a motion for the approval of the Draft TTAG guidelines. Mr. Littleton seconded the motion; the Board gave its unanimous approval.

#### **INDUSTRY COMMITTEE REPORT**

Ms. Janosky reviewed the no-cost extension for the Manufacturing Extension Network. She stated that the start-up for the Network was taking longer than expected. Resolution 96-22, which approved funding for the network for a period from March 15, 1996 through November 30, 1996 needed to be extended. The network requested a no-cost extension to May 31, 1997, which NIST approved. In order for the Authority to continue spending funds, Resolution 96-22 would need to be amended to show the extension date of May 31, 1997.

There being no discussion, Ms. Janosky moved that Resolution 96-22 be amended to show that the funding period was extended to May 31, 1997. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

#### **MEP BUDGET - MODERNIZATION FORUM**

The next item concerned the Modernization Forum, which the network is considering joining. Ms. Janosky stated that the

Modernization Forum is a lobbying group for the Manufacturing Extension Partnership and that Arkansas is the only state that is not a member. The membership dues are \$17,500.

Ms. Janosky stated that members of the industry committee were apprehensive about paying that amount of money to join the organization. She stated that the committee requested that Julie Welch ask the director of the Modernization Forum to speak to the Board at its next meeting. The Board agreed.

#### **DRAFT RESOLUTION 97-11**

Draft Resolution 97-11 provides for the funding of infrastructure support for the Arkansas Manufacturing Extension Network. This will provide funding for Winrock International and Henderson State University for infrastructure support. They will be integrating their extension programs into the network.

Ms. Janosky made a motion for the approval of Draft Resolution 97-11. Mr. Stokes seconded the motion; the Board gave its unanimous approval.

#### **OLD BUSINESS**

##### **MOTION TO AMEND RESOLUTION 95-16**

Resolution 95-16 approved the expenditure of grant funds for an Energy and Technology Extension Network Clearinghouse. The resolution approved the expenditure of funds **not to exceed \$200,000**. Dr. Ahlen stated that interest had accrued in this account, which put the account over \$200,000. Dr. Ahlen asked that the Board move to amend the resolution so that any interest accrued in this account could also be used for this project.

Dr. Hathaway moved that Resolution 95-16 be amended to show that any interest accrued on this account can be spent. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

#### **NEW BUSINESS**

Draft Resolutions 97-21, 97-22, 97-23, and 97-24 were commendations for Dr. Joe Gentry, who was retiring from ASTA as Vice President Research, and Dr. Roberta Bustin, Dr. Phil Rayford, and Mr. Mel Coleman, whose terms expired on the Board.

Mr. Littleton made a motion for the approval of the four resolutions. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

Mr. Murphy reminded the Board that the next meeting date was May 16, 1997.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 2:35 p.m.

Respectfully submitted,



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

**Approved** by the Board of Directors  
on this 16<sup>th</sup> day of May, 1997



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