



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 77TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
ARCSYS
LITTLE ROCK, AR
MAY 16, 1997**

CALL TO ORDER

The meeting was called to order at 2:14 p.m. Mr. Michael Murphy, Chairman of the Board, in the Board Room of ARCSYS in Little Rock.

A quorum of Board members was present and included: Dr. Merlin Augustine, Mr. William Dempsey, Dr. Ed Crowe, Dr. Charles Hathaway, Dr. James Hendren, Mr. Sam Hummelstein, Ms. Catherine Janosky, Mr. Stephen Nipper, Dr. Don Pederson, Mr. Anthony Rampley and Ms. Donna Young.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Mr. Bob Alvey, Mr. Jim Benham, Ms. Sheryl Bollen, Dr. Rich Kennedy, Mr. Les Lane, Dr. Herb Monoson, Mr. Chuck Myers, Ms. Cassie Tavorn and Ms. Julie Welch.

Visitors included: Ms. Alice Rumph Smith with UAMS.

APPROVAL OF MINUTES

Mr. Murphy presented for approval the minutes from the March 21, 1997 Board meeting. Dr. Hendren made a motion to approve the minutes. Mr. Hummelstein seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Jim Benham submitted his resignation, effective May 16. He resigned to accept a position in the private sector.

The current funding phase of the EPSCoR program will be completed the end of June. Joyce Sadler, administrator for the program, will become a member of the ASTA staff in September.

ASTA's General Improvement Fund appropriation for the upcoming biennium was signed by the Governor. Appropriation amounts approved were: \$1,100,000 for MEP; \$300,000 for VIE; \$2,000,000 for EPSCoR; \$150,000 for NASA.

The staff is currently going through some changes. Offices are being moved in order to bring program functions closer together. The staff will be reviewing the advisory committees for EPSCoR and MEP. Nominations will be made to the committees and brought the Board for approval.

The five goals discussed by the Board at the last meeting have not changed, and the staff will be working towards those goals in the coming months.

At September's meeting, the Board will begin discussions on the Board mission statement. The mission statement must be submitted to the legislature early in 1998.

Dr. Ahlen stated that the nominating committee would be activated by Mr. Murphy. The committee will make their recommendations for officers at the September meeting.

Dr. Ahlen announced that he had been appointed an American Society of Mechanical Engineers (ASME) International State-Federal Technology Executive Fellow. He will be assisting Dr. Jack Gibbons, director of the Office of Science and Technology Policy (OSTP). Dr. Ahlen stated that Chuck Myers would be in charge of the day to day operations of ASTA while he is in Washington.

RESEARCH COMMITTEE REPORT

Draft Resolution 97-25 provides for the funding of three Basic Research Grants:

PROPOSAL NO. 98-B-02, "Predicting the Transient, High Frequency Vibrations of Structures," by Dr. Robert R. Reynolds of the University of Arkansas, Fayetteville, in the amount not to exceed \$29,495.00.

PROPOSAL NO. 98-B-03, "Development of a DNA Labeling Reagent," by Dr. Kenneth D. Turnbull of the University of Arkansas, Fayetteville, in the amount not to exceed \$36,396.00.

PROPOSAL NO. 98-B-04, "Extended Relational Systems for New Application: Design & Implementation," by Dr. Antonio Badia of the University of Arkansas,

Fayetteville, in the amount not to exceed \$54,710.00.

Dr. Pederson made a motion for the approval of Draft Resolution 97-25. Dr. Hendren seconded the motion. Dr. Pederson and Dr. Augustine stated that UAF was the institution of their affiliation. The Board gave its unanimous approval.

Before voting, Ms. Janosky expressed concern about the laymen's summaries that have been provided to the Board. She stated that the summaries currently provided by researchers do not adequately explain the purpose of their research. The layman's summaries were supposed to simplify the proposals, but they haven't. The researcher should be able to tell the Board more about the project.

After further discussion, it was decided that researchers would be required to submit a two page maximum abstract of research proposals. The guidelines would be modified and brought to the Board for approval.

Draft Resolution 97-26 provides for the funding of three Basic Research grants.

PROPOSAL NO. 98-B-07, "Analysis and Development of Signal Processing Strategies for Cochlear Implants," by Dr. Philipos C. Loizou of the University of Arkansas at Little Rock, in the amount not to exceed \$26,495.00.

PROPOSAL NO. 98-B-08, "Active Sound Cancellation (ASC) in Corporate Luxury Aircraft," by Dr. Andrew B. Wright of the University of Arkansas at Little Rock, in the amount not to exceed \$29,980.00.

PROPOSAL NO. 98-B-09, "High-Resolution Conodont Biostratigraphy, Sequence Stratigraphy, and Event Stratigraphy of the Middle Ordovician Joachim Dolomite in the Ozark Region of Northern Arkansas," by Dr. Stephen A. Leslie of the University of Arkansas at Little Rock, in the amount not to exceed \$23,716.00.

Draft Resolution 97-27 provides for the funding of one basic research grant.

PROPOSAL NO. 98-B-10, "Molecular Interference with the Mosquito's Vector Potential," by Dr. David F. Grant of the University of Arkansas for Medical Sciences, in the amount not to exceed \$40,994.00.

Dr. Pederson made a motion for the approval of Draft Resolution 97-26 and 97-27. Dr. Hendren seconded the motion. Dr. Hathaway stated that UALR was the institution of his affiliation. There were 11 members voted yes, 1 member voted no. The motion passed.

Draft Resolution 97-28 provides for the funding of two EPSCoR grant projects. Dr. Pederson stated that the National Science Foundation has approved the projects and the paperwork is in order and on the way to ASTA. This resolution provides the matching funds for the two projects.

"Formation of an Arkansas Center for Membrane Transport," by Dr. Michael Jennings of the University of Arkansas for Medical Sciences, in an amount up to the total unmatched funding of \$187,284 from available funds authorized by Act 386 of 1995.

"Formation of a Center for Ultra-Fast Electronic-Photonic Material and Devices" by Dr. Gregory J. Salamo of the University of Arkansas, Fayetteville, in an amount up to the total unmatched funding of \$256,455 from available funds authorized by Act 386 of 1995.

Dr. Pederson made a motion for the approval of Draft Resolution 97-28. Dr. Hendren seconded the motion. Dr. Pederson and Dr. Augustine stated that UAF was the institution of their affiliation. The Board gave its unanimous approval.

Draft Resolution 97-29 would provide funding for the following project.

"ADventures in Excellence Expansion Project" by Susan Collins, of the Arkansas Delta Foundation, in the amount of \$150,000 from the available funds.

Dr. Pederson stated that this program originated under EPSCoR and has been very successful in its five years. The program has moved from ASTA to the Arkansas Delta Foundation.

Dr. Pederson made a motion for the approval of Draft Resolution 97-29. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

INDUSTRY COMMITTEE REPORT

Ms. Janosky reported that the Industry Committee met before the Board meeting and heard a presentation from Jack Russell, director of the Modernization Forum. Mr. Russell was asked to make a presentation in response to the Board's request at its last meeting for more information on the organization. The Modernization Forum is funded solely by dues membership. It is a trade association for the Manufacturing Extension Partnership centers around the country.

After hearing Mr. Russell's presentation, the committee voted to recommend to the full Board that the Manufacturing Extension Network join the Modernization Forum.

There being no discussion, Ms. Janosky moved that funds be released for payment of dues to the Modernization Forum. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Ms. Janosky presented for approval Draft Resolution 97-30. This resolution would provide funding for partners of the Arkansas Manufacturing Extension Network for year two operations. The amount funded for six partner organizations totals \$1,232,063.00.

Ms. Janosky made a motion for the approval of Draft Resolution 97-30. Dr. Augustine seconded the motion. Dr. Pederson and Dr. Augustine stated that one of the funded partners, UAF, was the institution of their affiliation. Dr. Hathaway stated that one of the funded partners, UALR, was the institution of his affiliation. The Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Ms. Young reviewed the General Fund Expenditure Report and Investment Fund report. There were no questions from the Board.

Draft Resolution 97-31 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) projects funded since March 21, 1997. There were at total of two projects funded.

Ms. Young made a motion for the approval of Draft Resolution 97-31. Mr. Nipper seconded the motion. Dr. Pederson and Dr. Augustine stated that one of the projects funded was

from UAF, the institution of their affiliation. The Board gave its unanimous approval.

Draft Resolution 97-32 will provide monies in an amount not to exceed \$55,000 for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program during the first quarter of state fiscal year 98.

Ms. Young made a motion for the approval of Draft Resolution 97-32. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

Ms. Young stated that during a recent meeting, the Investment Committee discussed alternative investments for ASTA's cash reserves.

The committee is still in the process of determining which investments the agency can consider utilizing. There would be criteria that the investments would have to meet before being considered. Ms. Young asked the Board to discuss and outline what criteria they felt would be most important when considering investments.

Mr. Murphy stated that there might be a problem with investing funds from a state agency outside the state of Arkansas. It was suggested that bids be put out to banks who want to compete for the CD's.

After further discussion, the Board listed the four items that they felt should be met when considering investments. 1) Rates; 2) Staggering maturities; 3) Keep percentage of portfolio inside the state; 4) Federal instruments can still be considered.

Ms. Young stated that the committee would work with the staff in composing a proposal and bring the proposal to the Board for consideration.

NEW BUSINESS

LOGISTICS INSTITUTE

Dr. Pederson stated that the four individuals representing the Logistics Institute at University of Arkansas, Fayetteville met with Dick Barclay in the Governor's Office concerning the release of funds for the institute.

The institute, formerly called the Materials Handling Center, was funded by the Authority two years ago. Another \$600,00 was appropriated to ASTA, but there had been no release of funds to date.

Representatives from Global Concepts, Lucent Technologies talked to the Governor's Office about the value of the

organization and the assistance it provided to companies in the state. They asked that the appropriated money be released. The only way the money can be released is if ASTA makes the request.

Dr. Pederson asked the Board to consider drafting a letter requesting the release of those funds. The Board requested that a written proposal be provided.

After further discussion, Ms. Young made a motion that the Board direct the staff to draft a letter to the Governor requesting the release of funds for the Logistics Institute. Dr. Pederson seconded the motion; the Board gave its unanimous approval.

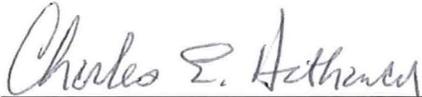
NEXT MEETING DATE

Mr. Murphy reminded the Board that the next Board meeting would be September 19, 1997.

ADJOURNMENT

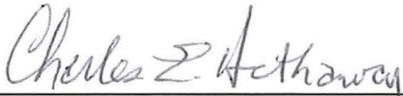
There being no further business to conduct, the meeting was adjourned at 3:22 p.m.

Respectfully submitted,



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

APPROVED by the Board of Directors
on this 19th Day of September, 1997



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