

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 85TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
JANUARY 15, 1999**

CALL TO ORDER

The meeting was called to order at 1:30 p.m. by Dr. Charles Hathaway, 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. Joel Anderson, Mr. William Dempsey, Dr. Mary Good, Ms. Catherine Janosky, Mr. Stephen Nipper, Mr. Ron Roberts, Dr. Harry Ward and Ms. Donna Young.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Mr. Bob Alvey, Ms. Sheryl Bollen, Mr. Jerry Buckingham, Mr. Roger Edwards, Mr. Michael Greer, Mr. Les Lane, Ms. Kelly Lyon, Dr. Herbert Monoson, Mr. Chuck Myers, Ms. Joyce Sadler.

Visitors included: Mr. Bill Dobbins, ADVENTURES in Excellence Program; Ms. Gerri Appleberry, Dumas High School.

APPROVAL OF MINUTES

Dr. Hathaway presented the minutes from the November 20, 1998. There being no corrections or additions, the minutes were accepted as distributed.

PRESIDENT'S REPORT

Dr. Ahlen introduced new employee Roger Edwards, who will be the Operations Administrator for the Manufacturing Extension Network.

Dr. Ahlen reported that Ms. Janosky had been re-appointed to the Board for a four-year term. Dr. Gene Aist is now the Department of Higher Education's designee on the Board. Dr. Aist replaces Dr. Ed Crowe, who is on a one-year sabbatical working with the Department of Education in Washington, DC.

The Governor's Office has created a Year 2000 project office. ASTA has a presence on this group because of its connection with manufacturing extension.

Dr. Ahlen reviewed the program portfolio provided to the Board. He stated that per a request at the last meeting, the total time spent on closed projects has been added to the database. This portfolio shows projects for the current fiscal year.

Dr. Ahlen brought to the Board a request for a motion to amend Resolution 99-12. He stated that in Resolution 99-12, which was approved at the November meeting, the wrong funding act was listed. The resolution listed Act 1356. It should have listed Act 562.

Mr. Nipper made a motion to amend Resolution 99-12 to show the correct Act. Dr. Ward seconded the motion; the Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

Dr. Joel Anderson presented the Research Committee Report. The Research Committee met and voted to present the Board the following proposals.

Draft Resolution 99-19 provides for the funding of one basic research proposal.

PROPOSAL NO. 99-B-13, "Improving Methods for Acoustical Determination of Porous Properties," by Dr. Carl Frederickson of the University of Central Arkansas, in the amount not to exceed \$13,608.00.

Draft Resolution 99-20 provides for the funding of two basic research proposals.

PROPOSAL NO. 99-B-14, "Regulation of Plant Defense Response by a Pathogen-Induced Transcription Factor," by Dr. Yinong Yang of the University of Arkansas, Fayetteville, in the amount not to exceed \$56,196.00.

PROPOSAL NO. 99-B-15, "Plant Biosynthesis of Antibodies for Human Immunotherapy," by Dr. J. Brad Murphy of the University of Arkansas, Fayetteville, in the amount not to exceed \$43,562

Draft Resolution 99-21 provides for the funding of one basic research proposal.

PROPOSAL NO. 99-B-18, "Effects of Endocrine Disruptors on Ram Sperm Fertilizability," by Dr.

Anne A. Grippo of Arkansas State University, in the amount not to exceed \$26,084.00.

Dr. Anderson made a motion for the approval of Draft Resolutions 99-19, 99-20 and 99-21. Dr. Ward seconded the motion. Discussion followed.

Mr. Roberts asked questions concerning the research proposals.

With each proposal, there is a funding amount listed and it is down to the penny. How is that determined?

A detailed budget is submitted.

How does the Board know that the amount requested is a sufficient amount to accomplish the research?

The Research Committee reviews every budget, sometimes cutting them back if needed. It was explained that these are looked at as start-up grants. The committee looks at if the project can get funding from other sources (federal, etc.).

Are there any mechanisms in place that ensure that the money is being spent on what the investigator said the project would do.

Yes, universities are audited. The Authority also requires final reports on projects.

There being no further discussion, the Board voted unanimously to approve Draft Resolutions 99-19, 99-20 and 99-21.

INVESTMENT COMMITTEE REPORT

Ms. Young presented the General Fund Expenditure Report for month ending December 31, 1998.

Ms. Young moved to accept the General Fund Expenditure Report as presented. Mr. Nipper seconded the motion; the Board gave its unanimous approval.

Ms. Young presented for the Board's information the Investment Fund Report for month ending November 30, 1998.

Draft Resolution 99-22 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) projects funded since November 20, 1998. There were a total of 7 projects funded.

Assisted Enterprise	Application Description	TASP	TTAG Funds
Riverside Corporation Fort Smith, AR 99-TTAG-0016	Feasibility Study for Treatment of Non-Hazardous Ink Cleanup Water App. Rec'd 10/14/98	M & M Environmental	\$ 3,750
Wire Industries Dumas, AR 99-TTAG-0022	ISO 9000 Assistance App. Rec'd 11/17/98	Holliday Consulting	\$ 3,750
Capstan Inland Hazen, AR 99-TTAG-0023	QS 9000 Assistance App. Rec'd 11/20/98	UALR / MEP	\$ 3,750
AMDC Fayetteville, AR 99-TTAG-0024	SBIR Assistance App. Rec'd 11/25/98	AMDC	\$2,968.33
Universal Packaging Fort Smith, AR 99-TTAG-0025	ISO 14000 Assistance App. Rec'd 12/2/98	Westark College / MEP	\$ 3,750
George Fischer Sloan Little Rock, AR 99-TTAG-0026	ISO 9000 Assistance App. Rec'd 12/14/98	Westark College / MEP	\$ 3,750
Altronic Research Yellville, AR 99-TTAG-0027	ISO 9000 Assistance App. Rec'd 12/14/98	Westark College / MEP	\$ 3,750

Ms. Young made a motion for the approval of Draft Resolution 99-22. Dr. Ward seconded the motion. Dr. Hathaway and Dr. Anderson stated that one of the projects came from UALR, the institution of their affiliation. The Board gave its unanimous approval.

OLD BUSINESS

Mr. Lane reviewed the memo on the Seed Capital Investment Program, which Board members had requested. The memo gave a breakdown of the program's outcomes.

Board members asked how the Authority lets firms know that there is money available. The Authority does presentations at chambers of commerce and other organizations. The Authority has over the years developed a good working relationship with other agencies like AEDC, ADFA and SBDC, that helps to get the word out about eligibility of funds.

Mr. Lane reviewed proposed changes to the Technology Development Program in regards to royalty agreements. At the last meeting, the Board discussed the issue of royalty agreements and the fact that it prevented some applicants from being funded. The staff was asked to develop a proposal to change the policy.

The proposal outlined would provide flexibility for the Board to waive royalty agreements on a case-by-case basis.

Universities have limited financing available to assist with small-scale prototypes, developing commercialization plans and identifying possible market applications for new technologies developed within the university. Waiving the royalty agreements would help universities remove the barriers for commercialization.

After further discussion, the Board asked the staff to develop a formal resolution or motion and present it to the Board for consideration. They also asked that a set of guidelines be developed.

ADVENTURES IN EXCELLENCE PROGRAM

Board members heard a presentation on the ADventures in Excellence Program. Mr. Bill Dobbins, Director of the ADventures Program and Ms. Gerri Appleberry, an ADventures teacher at Dumas High School, made the presentation.

NEW BUSINESS

Dr. Hathaway reminded Board members that the next meeting was scheduled for March 19, 1999.

Dr. Ahlen reviewed the Board attendance policy. Legislation states that if a Board member misses three consecutive meetings, the Authority must inform the Governor's Office. The Governor can then choose to remove the Board member or excuse the absences.

Dr. Ahlen reviewed the expense reimbursement for Board members. Legislation states that the Board must, at its first regularly scheduled meeting of each calendar year, vote to authorize expense reimbursement for Board members. The expense reimbursement shall not exceed the rate established for state employees. The current mileage rate is \$.28 per mile, plus meals and hotels when appropriate.

Dr. Anderson made a motion that the expense reimbursement be authorized. Mr. Dempsey seconded the motion; the Board gave its unanimous approval.

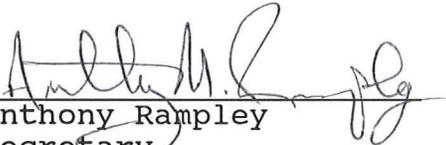
Dr. Hathaway reminded members that their Statement of Financial Interest forms must be filed with the Secretary of State's office by January 31, 1999.

Dr. Hathaway stated that he would be sending a letter to Board members outlining the rules concerning conflict of interest and how it applies to the Board.

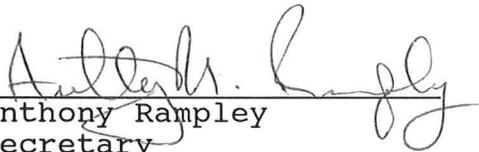
ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 3:25 p.m.

Respectfully submitted,


Anthony Rampley
Secretary
Board of Directors

Approved by the Board of Directors
on this 19th Day of March, 1999


Anthony Rampley
Secretary
Board of Directors