



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 87TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, ARKANSAS
MAY 21, 1999**

CALL TO ORDER

The meeting was called to order 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. Gene Aist, Dr. Joel Anderson, Dr. Merlin Augustine, Dr. Mary Good, Mr. Joe Hudson, Mr. D.W. May, Mr. Stephen Nipper and Dr. Harry Ward.

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

APPROVAL OF MINUTES

Dr. Hathaway presented the minutes from the March 19, 1999 meeting for approval. Mr. Nipper made a motion for the approval of the minutes. Mr. May seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen reported on the legislative session. The Authority's appropriation for the 2000-2001 biennium remained the same with allowances for inflation. The programmatic costs remained flat.

Act 821 was a general improvement appropriation request. It includes appropriation for EPSCoR, Manufacturing Extension Network and NASA Space Grant Consortium. Act 821 was amended to include \$500,000 for the ADVentures in Excellence project.

Beginning July 1, 1999, the Authority will begin accepting matching fund requests for the Arkansas Research Matching Fund (Act 1545).

Dr. Ahlen stated that legislation was also passed creating new work groups and boards that designate the Authority President as a member.

Dr. Hathaway, on behalf of the Board, asked Dr. Ahlen to identify an individual on the staff who will serve as the agency's second in command. Dr. Ahlen stated that Chuck Myers, Vice President Management Services, will serve as the agency's second in command and take care of day-to-day operations of the agency. Dr. Ahlen suggested that his title be changed to Executive Vice President to reflect this change in duties.

Dr. Hathaway asked that the title change be brought to the Board in the form of a motion at the next meeting.

RESEARCH COMMITTEE REPORT

Dr. Anderson gave the report for the research committee. He stated that the research committee had met and recommended for approval the following resolutions to the Board.

Draft Resolution 99-35 would provide for the funding of one applied research project.

PROPOSAL NO. 99-A-05, "Analysis of Particular Difficulties Associated with Induction Motor Drives," by Drs. Juan Carlos Balda, William P. Waite, and Terry W. Martin of the University of Arkansas, Fayetteville, in the amount not to exceed \$35,000.00. This project is cosponsored by Baldor in the amount of \$35,000.00.

Dr. Anderson made a motion for the approval of Draft Resolution 99-35. Mr. Nipper seconded the motion. Dr. Augustine stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 99-36 would provide for the approval of two basic research projects.

PROPOSAL NO. 99-B-21, "Finite-Temperature Properties of Ferroelectric Alloys," by Dr. Laurent Bellaiche of the University of Arkansas, Fayetteville, in the amount not to exceed \$55,070.00.

PROPOSAL NO. 99-B-26, "Enhancing Immune Memory in Old Individuals," by Dr. Jeannine M. Durdik of the

University of Arkansas, Fayetteville, in the amount not to exceed \$68,682.00.

Dr. Anderson made a motion for the approval of Draft Resolution 99-36. Dr. Ward seconded the motion. Dr. Augustine stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 99-37 would provide for the funding of one basic research project.

PROPOSAL NO. 99-B-29, "Newton-Krylov-Schwarz and Multilevel Parallel Implicit Solvers for Multigroup Radiation Transport Systems," by Dr. Nickolas S. Jovanovic of the University of Arkansas at Little Rock, in the amount not to exceed \$53,296.00.

Dr. Anderson made a motion for the approval of Draft Resolution 99-37. Dr. Ward seconded the motion. Dr. Anderson and Dr. Hathaway stated that UALR was the institution of their affiliation. The Board gave its unanimous approval.

Draft Resolution 99-38 would provide for the funding of three EPSCoR grant projects.

"Formation of an Arkansas Center for Membrane Transport," by Dr. Michael Jennings of the University of Arkansas for Medical Sciences, in the amount not to exceed \$47,251.

"Formation of a Center for Ultra-Fast Electronic-Photonic Material and Devices," by Dr. Gregory J. Salamo of the University of Arkansas, Fayetteville, in the amount not to exceed \$62,173.

"University-Industry Partnership for Enabling Advances in Telecommunication: A Semiconductor-Optical Interconnect Device Fabrication Facility Targeted Toward Enhanced Information Processing" by Dr. Mix Xiao of the University of Arkansas, Fayetteville, in the amount not to exceed \$139,268.

Dr. Anderson made a motion for the approval of Draft Resolution 99-38. Dr. Ward seconded the motion. Dr. Augustine stated UAF was the institution of his affiliation. Dr. Ward stated that UAMS was the institution of his affiliation. The Board gave its unanimous approval.

PROPOSED CHANGES TO RESEARCH GUIDELINES

Dr. Anderson reviewed proposed changes to the Basic and Applied Research Guidelines.

The changes include changing the RFP dates from three to two; funding research awards at 100% instead of 90-10; elimination of the Authority funding indirect costs associated with applied research projects; inclusion of a statement regarding the verification of final expenditure information; inclusion of proprietary information statement.

There being no discussion, Dr. Anderson made a motion for the approval of the proposed changes to the research guidelines. Dr. Ward seconded the motion; the Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Mr. Nipper presented the Investment Committee Report.

Mr. Nipper presented the General Fund Expenditure Report and the Investment Fund Report.

Mr. Nipper moved for the acceptance of both reports. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 99-32

Draft Resolution 99-32 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) projects funded since March 19, 1999. There were a total of six projects funded.

Assisted Enterprise	Application Description	TASP	TTAG Funds
Safe Food Corporation Fayetteville, AR 99-TTAG-0034	SBIR Assistance App. Rec'd 3/11/99	Safe Food Corporation	\$ 3,750
WatchFrog, Inc. Fayetteville, AR 99-TTAG-0035	Product Development Assistance App. Rec'd 3/18/99	UAF	\$ 3,090
Nivlem, Inc. Pine Bluff, AR 99-TTAG-0036	Product Development Assistance App. Rec'd 3/26/99	UAF	\$ 3,525
Space Photonics, Inc. Fayetteville, AR 99-TTAG-0037	SBIR Assistance App. Rec'd 4/1/99	Space Photonics, Inc.	\$3,426

Agricultural Research Initiatives, Inc. Harrison, AR 99-TTAG-0038	SBIR Assistance App. Rec'd 4/14/99	Agricultural Research Initiatives, Inc.	\$ 3,750
InvoTek, Inc. Alma, AR 99-TTAG-0039	SBIR Assistance App. Rec'd 4/29/99	InvoTek, Inc.	\$ 1,008

Mr. Nipper made a motion for the approval of Draft Resolution 99-32. Dr. Augustine seconded the motion. Dr. Augustine stated that two of the projects were from UAF, the institution of his affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 99-33

Draft Resolution 99-33 will provide monies for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program during the first quarter of state fiscal year 2000. The funding is in an amount not to exceed \$35,000.

Mr. Nipper made a motion for the approval of Draft Resolution 99-33. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 99-34

Draft Resolution 99-34 would provide for the Seed Capital investment of \$200,000 into ProphetLine, Incorporated located in Little Rock.

Les Lane explained that ProphetLine, Incorporated provides inventory management and control software for companies. If approved, the company will use the seed capital money to provide working capital to enhance sales and marketing of ProphetLine's point of sale and retail management software.

Mr. Nipper made a motion for the approval of Draft Resolution 99-34. Dr. Anderson seconded the motion; the Board gave its unanimous approval.

TECHNOLOGY DEVELOPMENT GUIDELINES

The Board reviewed the draft technology development guidelines. The guidelines were developed after a discussion that concerned offering a zero royalty agreement in the program.

There being no discussion, Mr. Nipper made a motion for the approval of the Technology Development guidelines. Mr. May seconded the motion; the Board gave its unanimous approval.

INDUSTRY COMMITTEE REPORT

Mr. May presented the Industry Committee report.

Draft Resolution 99-31 provides approval for the funding of seven partnership agreements with the Arkansas Manufacturing Extension Network. The funding is for the following organizations:

Two field staff positions at the Arkansas Center for Technology Transfer, University of Arkansas, Fayetteville, in an amount not to exceed \$196,000;

Two field staff positions at the Business and Industrial Institute, Westark College, in an amount not to exceed \$196,000;

Two field staff positions at the College of Science & Engineering Technology/Graduate Institute of Technology, University of Arkansas at Little Rock, in an amount not to exceed \$196,000;

One field staff position at the Center for Economic Development/College of Engineering, Arkansas State University in an amount not to exceed \$98,900;

One field staff position at the Center for Competitive Manufacturing, Southern Arkansas University Tech, in an amount not to exceed \$98,900;

One field staff position at the Center for Economic Development, Henderson State University, in an amount not to exceed \$98,900; and

One field staff position at Winrock International, in an amount not to exceed \$98,900.

Mr. May made the motion for the approval of Draft Resolution 99-31. Dr. Anderson seconded the motion; the Board gave its unanimous approval.

DRAFT RESOLUTION 99-39

Draft Resolution 99-39 provides for the formal acceptance of Network Technology Transfer Assistance Grant (TTAG) projects funded since March 19, 1999. There were a total of nine projects funded.

Assisted Enterprise	Application Description	TASP	TTAG Funds
Ft Smith Rim and Bow Ft Smith, AR 99-NTTAG-03	Marketing Assistance App. Rec'd 1/19/99	Winrock/ Harry Watt	\$3,750
Capital Structures Ft Smith, AR 99-NTTAG-04	Marketing Assistance—Review and Recommendations App. Rec'd 1/19/99	Winrock/ Harry Watt	\$3,750
Cold Extrusion of America Jacksonville, AR 99-NTTAG-05	Evaluation for Bio-Remediation App. Rec'd 1/15/99	ACTT-- Mark Swaney	\$3,750
J & R Pallets, Inc. Springdale, AR 99-NTTAG-06	Design an Incinerator App. Rec'd 2/10/99	ACTT—Mark Swaney	\$3,750
White River Hardwoods/ Woodworks, Inc Fayetteville, AR 99-NTTAG-07	Incorporate Foreign Languages into Design Software App. Rec'd 1/07/99	ACTT/ Robin Craft	\$3,746
Pro-Line Cabinets Garfield, AR 99-NTTAG-08	Software Design—Automate shop drawings and cutting specifications App. Rec'd 3/31/99	Terry Gregory, Cabinet Vision	\$3,750
Advanced Construction Systems Bryant, AR 99-NTTAG-09	Process Improvement—Existing Methods & Operational Strategies App. Rec'd 4/15/99	Winrock/ Harry Watt	\$3,750
Wood Designs Bentonville, AR 99-NTTAG-10	Software Design—Automate shop drawings and cutting specifications App. Rec'd 4/15/99	Winrock/ Terry Gregory	\$3,750
Inland Container Ft Smith, AR 99-NTTAG-12	Environmental and Safety Assessment and Contingency Planning App. Rec'd 4/5/99	Garnett Wise	\$3,750

Dr. Ward made a motion for the approval of Draft Resolution 99-39. Dr. Augustine seconded the motion and stated that three of the projects funded were from UAF, the institution of his affiliation. The Board gave its unanimous approval.

DRAFT RESOLUTION 99-40

Draft Resolution 99-40 will provide monies for funding recommended projects under the Network Technology Transfer Assistance Grant (TTAG) Program during the first quarter of state fiscal year 2000. The funding is in an amount not to exceed \$50,000.

Mr. May made a motion for the approval of Draft Resolution 99-40. Dr. Good seconded the motion; the Board gave its unanimous approval.

AMENDED RESOLUTION 99-05

Mr. May stated that Resolution 99-05, which was approved by the Board in July of 1998, was being brought to the Board for an amendment. The amendment would reflect the new legislation for this appropriation. The new legislation is Act 271 of 1999, which authorizes the Arkansas Science &

Technology Authority to use federal funds for the Manufacturing Extension Network award.

Mr. May made a motion for the approval of amended Resolution 99-05. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

AMENDED RESOLUTION 99-06

Mr. May stated that Resolution 99-06, which was approved by the Board in July of 1998, was being brought to the Board for an amendment. The amendment would reflect the new legislation for this appropriation. The amendment would state: "Act 271 of 1999, Section 6, Item 06, includes a field Miscellaneous Fees of \$544,770 for the Arkansas Manufacturing Extension Network."

Mr. May made a motion for the approval of amended Resolution 99-06. Dr. Good seconded the motion; the Board gave its unanimous approval.

Mr. May expressed concern about the Network and the accountability of the field engineers and marketing of the Network. He stated that one field engineer can't be expected to get the word out about the Network, there needs to be an advertising plan.

Dr. Ward stated that the research committee had also expressed concern about getting the message out to industry about the agency. The committee was also concerned that industry didn't have any information about programs offered by the agency.

Dr. Ahlen stated that Kelly Lyon, the Network's marketing manager, resigned. The staff was looking at new approaches to marketing the agency and the network. He stated that the staff would update the Board on this issue.

OLD BUSINESS

RESOLUTION 99-30

Dr. Ahlen reported on Resolution 99-30, which was approved by the Board at the May meeting. Dr. Ahlen reported that all the conditions requested by the Board had been met.

CONFLICT OF INTEREST

Dr. Ahlen reviewed conflict of interest with the Board. Dr. Ahlen stated that the legislation is very specific about conflict of interest. An example would be that a board member could not personally receive a grant from the Authority, but the Board member's institution could receive

a grant. Board members are allowed to vote on projects from their institutions, but they must note their affiliation for the record.

BOARD OPERATING GUIDE

Dr. Ahlen reviewed the Board Operating Guide and the Board/Commission Annual Report, which must be submitted to the Legislative Council. The operating guide outlines the mission, function and goals of the Board.

Dr. Hathaway asked that the staff prepare updates on if the Board's goals for the year are being met. Dr. Ahlen stated that that information would be included in the agency's annual report.

There being no further discussion, Dr. Ward made a motion for the approval of the operating guide. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

NEW BUSINESS

RESIGNATION

Dr. Hathaway informed the Board that Catherine Janosky had resigned from the Board. Dr. Good made a motion that a resolution thanking Ms. Janosky for her service on the Board be drafted and presented at the next Board meeting. Dr. Augustine seconded the motion; the Board gave its unanimous approval.

NOMINATING COMMITTEE

Dr. Hathaway appointed William Dempsey and Stephen Nipper to the Nominating Committee. Dr. Hathaway will chair the committee. They will present their report at the September Board meeting.

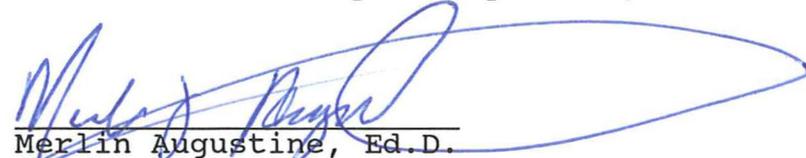
NEXT MEETING DATE

Dr. Hathaway reminded Board members that the next meeting would be September 17, 1999. Dr. Hathaway asked that Dr. Ward host the meeting at UAMS.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned.

APPROVED by the Board of Directors
on this 17th day of September, 1999.



Merlin Augustine, Ed.D.
Vice Chairman
Board of Directors