

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 92<sup>ND</sup> MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
JUNE 6, 2000**

**CALL TO ORDER**

The meeting was called to order at 1:34 p.m. by Dr. Merlin Augustine, 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. Mary Good, Mr. J. Wylie Harris, Dr. Charles Hathaway, Mr. Joe Hudson, Mr. D.W. May, Ms. Sue McGowan, Mr. Ron Roberts, Ms. Melinda Saunders, Dr. Harry Ward.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Mr. Kevin Carr, Ms. Namratha Hegde, Mr. Les Lane, Mr. Richard Lollis, Dr. Herb Monoson, Mr. Chuck Myers and Mr. Tony Robinson.

**APPROVAL OF MINUTES**

Dr. Augustine presented the minutes from the March 17, 2000 Board meeting. Dr. Hathaway made a motion for the approval of the minutes. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

**PRESIDENT'S REPORT**

Dr. Ahlen reported that Board member Bill Dempsey had resigned from the Board. Mr. Dempsey retired from the Texarkana School District and had started a new job. Dr. Ahlen shared with the Board a letter from Mr. Dempsey.

Dr. Ahlen reported that Network staff member Roger Edwards resigned his position.

### **Program Portfolio**

Dr. Ahlen reviewed the Program Portfolio. Dr. Ahlen reminded Board members that the portfolio also included the TTAG reports showing those projects approved since the last Board meeting.

There being no questions or changes, the Board accepted the program portfolio as presented.

### **Board Policy Manual**

Dr. Ahlen reviewed the Board Policy Manual. Dr. Ahlen stated that policy manual had been updated to include section 6, which deals with the funding resolutions for the Technology Transfer Assistance Grant (TTAG) program. Dr. Ahlen stated that by including the language in the policy manual, the funding resolutions could be streamlined.

Dr. Ward made a motion for the approval of the Board Policy Manual. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

### **Draft Resolution 00-33**

Draft Resolution 00-33 would provide monies for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program. The funding would be in an amount not to exceed \$315,000 (\$115,000 for TTAG and \$200,000 for Network TTAG) for state fiscal year 2001.

Ms. Saunders made a motion for the approval of Draft Resolution 00-33. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

### **Draft Resolution 00-34**

Draft Resolution 00-34 would provide monies for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program. The funding would be in an amount not to exceed \$25,000 for the fourth quarter of state fiscal year 2000.

Mr. Roberts made a motion for the approval of Draft Resolution 00-34. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

### **Strategic Planning Framework**

Dr. Ahlen reviewed the strategic planning framework. He stated that the proposed budget request for the 2001-2003 biennium was included. The budget request lines were left blank in order to allow Board members the opportunity to discuss the amounts to be requested.

Board members felt that enough time was not given to allow them to review the budget request, ask questions and make a sound recommendation. They asked that the Executive Committee meet within two weeks of the Board meeting to review the budget and make any necessary recommendations.

After further discussion, Dr. Ward made a motion that the Executive Committee meet with staff within two weeks of the Board meeting to discuss the agency's budget request. Mr. May seconded the motion; the Board gave its unanimous approval.

### **Operating Guide**

Dr. Ahlen reviewed the Operating Guide. There being no discussion, Dr. Hathaway made a motion for the approval of the Operating Guide. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

### **INDUSTRY COMMITTEE REPORT**

Mr. May presented the Industry Committee Report.

Draft Resolution 00-32 would provide for the funding of six partnership agreements with the Arkansas Manufacturing Extension Network. The funding is for ten field staff positions at the following locations:

Four field staff positions at the Arkansas Center for Technology Transfer, University of Arkansas, Fayetteville, in an amount not to exceed \$473,570;

Two field staff positions at the Institute for Economic Advancement, University of Arkansas at Little Rock, in an amount not to exceed \$242,110;

One field staff position at the Center for Economic Development/College of Engineering, Arkansas State University in an amount not to exceed \$107,180;

One field staff position at the Center for Competitive Manufacturing, Southern Arkansas University Tech, in an amount not to exceed \$110,880;

One field staff position at the Center for Economic Development, Henderson State University, in an amount not to exceed \$115,180; and

One field staff position at Winrock International, in an amount not to exceed \$131,080.

Mr. May made a motion for the approval of Draft Resolution 00-32. Dr. Good seconded the motion. Nine members voted yes, two abstained. Motion carried.

## RESEARCH COMMITTEE REPORT

Dr. Hathaway presented the Research Committee report.

Draft Resolution 00-35 would provide for the funding of seven basic research projects.

PROPOSAL NO. 00-B-20, "Molecular Markers for Mapping a Gene Affecting Fertility in the Chicken," by Dr. Douglas D. Rhoads of the University of Arkansas, Fayetteville, in the amount not to exceed \$41,510.

PROPOSAL NO. 00-B-22, "Effects of Increased Nutrient Concentrations on the Cycling of Dissolved Organic Matter in Stream Ecosystems," by Dr. Susan Ziegler of the University of Arkansas, Fayetteville, in the amount not to exceed \$64,490.

PROPOSAL NO. 00-B-23, "Modern Statistical Methods in Dendroclimatology," by Dr. Giovanni Petris of the University of Arkansas, Fayetteville, in the amount not to exceed \$20,691.

PROPOSAL NO. 00-B-25, "Rho Gtpases and Muscle Development," by Dr. Michael B. Ferrari of the University of Arkansas, Fayetteville, in the amount not to exceed \$22,851.

PROPOSAL NO. 00-B-26, "Design, Growth and Characterization of Quantum-well Dots for Their Applications Towards Far-IR and THz emitters," by Dr. Yujie J. Ding of the University of Arkansas, Fayetteville, in the amount not to exceed \$50,937.

PROPOSAL NO. 00-B-29, "Characterization of Plant Responses to an Insect Herbivore Oral Elicitor," by Dr. Kenneth L. Korth of the University of Arkansas, Fayetteville, in the amount not to exceed \$60,222.

PROPOSAL NO. 00-B-30, "Cloning and Expression of the CuA-Cytochrome c Domain of the Cytochrome c (cas3) Oxidase of *Bacillus subtilis*," by Dr. Dan J. Davis of the University of Arkansas, Fayetteville, in the amount not to exceed \$20,765.

Dr. Hathaway made a motion for the approval of Draft Resolution 00-35. Mr. Roberts seconded the motion. Dr. Augustine stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 00-36 would provide funding for one basic research project.

PROPOSAL NO. 00-B-34, "Female Sex Steroids: Relevance in Multiple Sclerosis," by Dr. Paul D. Drew of the University of Arkansas for Medical Sciences, in the amount not to exceed \$40,130.

Dr. Hathaway made a motion for the approval of Draft Resolution 00-36. Dr. Good seconded the motion. Dr. Ward stated that UAMS was the institution of his affiliation. Ten members voted yes, one abstained. Motion carried.

Draft Resolution 00-37 would provide funding for one basic research project.

PROPOSAL NO. 00-B-38, "Paleoseismology in Eastern Arkansas," by Dr. Haydar J. Al-Shukri of the University of Arkansas at Little Rock, in the amount not to exceed \$39,690.

Dr. Hathaway made a motion for the approval of Draft Resolution 00-37. Mr. Roberts seconded the motion. Dr. Hathaway and Dr. Good stated that UALR was the institution of their affiliation. Nine members voted yes. Two members abstained. Motion carried.

Draft Resolution 00-38 would provide funding for one basic research project.

PROPOSAL NO. 00-B-40, "Top-down and Bottom-up Interactions in Grasslands," by Dr. Matthew D. Moran of the Hendrix College, in the amount not to exceed \$21,007.

Dr. Hathaway made a motion for the approval of Draft Resolution 00-38. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

Dr. Ward noted that one of the proposals approved by the Board, proposal no. 00-B-29 from the University of Arkansas, Fayetteville, was a very original proposal. It detailed a very unique concept.

Research committee members complimented Dr. Monoson on his diligence in providing the committee with the information needed to make their decisions.

#### **INVESTMENT COMMITTEE REPORT**

Mr. Joe Hudson provided the Investment Committee report.

Mr. Hudson stated that the Investment Committee met on May 25, 2000 to consider two proposals.

The Committee voted not to recommend the proposal from POSID for funding. The company was unable to reach the levels set by the staff and did not provide all the necessary information.

The Committee voted to recommend one Seed Capital Investment project to the full Board. Draft Resolution 00-39 would provide the Seed Capital Investment into Vision Technologies, Inc. of Rogers. Vision Technologies is involved in the development and marketing of aviation imaging systems used for maintenance and safety inspections.

The amount of funding for this project would total \$500,000. The company would receive the funds in three installments, after certain conditions are met:

- (1) provide proof of a finished product ready to go to market within 90 days of signed agreement for first disbursement of \$200,000.00;
- (2) provide proof of sales of 100 units to receive the second disbursement of \$150,000.00; and

- (3) provide proof of an additional 100 units of sales and another investment of \$100,000.00 for the third disbursement of \$150,000.00.

Mr. Hudson stated that the committee was very impressed with the proposal and the product. He also complimented the staff on their work. He stated that the staff provided a lot of good information on this project. A lot of background work was done and provided to the committee.

Mr. Roberts emphasized to the staff the importance of ensuring that all conditions are met before releasing funds. He stated that it was very important that the staff keep a close eye on this.

There being no further discussion, Mr. Hudson made a motion for the approval of Draft Resolution 00-39. Ms. McGowan seconded the motion; the Board gave its unanimous approval.

#### **NEW BUSINESS**

Mr. Harris asked about recent newspaper articles concerning Senator Kevin Smith and funds that the Authority and the Department of Higher Education were attempting to have returned. Mr. Harris asked if Senator Smith was ever a member of the Authority Board.

Dr. Ahlen stated that Senator Smith was an ex-officio member of the Board, which meant that he had no voting privileges. Until the Legislative session in 1999, the General Assembly appointed one member from the House and Senate to serve as ex-officio members of Boards and Commissions. That was eliminated during the 1999 Legislative session.

#### **Nominating Committee**

Dr. Augustine appointed himself and Dr. Hathaway to the Nominating Committee. They will present their recommendations for officers at the September Board meeting.

#### **Next Meeting Date**

Dr. Augustine reminded Board members that the next meeting was September 15, 2000.

#### **Joyce Sadler**

Dr. Ahlen reported that Authority staff member Joyce Sadler passed away unexpectedly on May 3, 2000. Joyce worked for the Authority for nine years and was the institutional memory for the EPSCoR program. Dr. Ahlen stated that

Joyce's passing was a great loss for the staff. In honor of Ms. Sadler, Dr. Augustine asked the staff to prepare a resolution to be given to her family.

### **Arkansas Research Matching Fund**

Dr. Ward brought up the issue of the Arkansas Research Matching Fund and the fact that there are proposals pending, but the Research Committee did not act on them because there were a couple of projects that were questionable in meeting the criteria for the program.

Dr. Ward stated that the concept of asking the State of Arkansas to be a state match for these funds is critical. Submitting a proposal for funds when a match is not required compromises the purpose of the program. The program was intended to help those researchers that need a match in order to receive a federal grant.

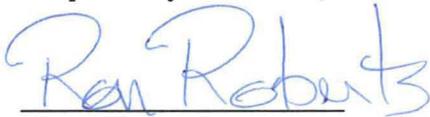
Dr. Good stated that this situation needed to be resolved as quickly as possible so that no fundable grants are overlooked.

Dr. Good made a motion that the Research Committee be instructed to resolve this issue within the next two weeks so that the ARMF proposals can be awarded. Dr. Ward seconded the motion; the Board gave its unanimous approval.

### **ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 2:50 p.m.

Respectfully submitted,



Ron Roberts  
Secretary  
Board of Directors

Approved by the Board of Directors  
On this 15<sup>th</sup> day of September, 2000.



Ron Roberts  
Secretary  
Board of Directors