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**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

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

**MINUTES OF THE 100<sup>TH</sup> MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
TELECONFERENCE  
JANUARY 18, 2002**

**CALL TO ORDER**

The meeting was called to order by Dr. Harry Ward, Secretary of the Board at 1:30 p.m.. The meeting was held via teleconference, originating in the Authority's conference room.

A quorum of Board members participated, including: Dr. Joel Anderson, Mr. Jonathan Davis, Dr. Mary Good, Mr. J. Wylie Harris, Dr. Charles Hathaway, Ms. Sue McGowan, Ms. Cynthia Moten, Mr. Ron Roberts, Dr. Neil Rutger, and Mr. Rickey Williams.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Mr. Kevin Carr, Ms. Lydia Carson, Ms. To Chan, Dr. Herb Monoson, Mr. Chuck Myers, Ms. Amy Scivally and Ms. Alma Valley.

Visitors participating in the teleconference: Dave Spraker from the National Institute of Standards and Technology.

**APPROVAL OF MINUTES**

Dr. Ward presented the minutes from the November 16, 2001 Board meeting. Dr. Anderson made a motion for the approval of the minutes. Dr. Good seconded the motion.

Before voting, Mr. Harris asked that the minutes be revised to clarify his question concerning royalties. The minutes should state that Mr. Harris questioned the percentage of royalties that the Authority receives on projects, not what the universities receive.

The Board unanimously voted to approve the minutes, with the one revision.

## **PRESIDENT'S REPORT**

Dr. Ahlen reported that agency staff had met with the Department of Finance & Administration concerning the agency's budget cut.

The Authority's budget was reduced by \$54,000, which came out of the Technology Development line. The appropriation is now \$128,000. The agency also agreed not to fill the vacant Secretary/Receptionist position for six months.

## **INVESTMENT COMMITTEE**

Ms. McGowan presented the Investment Committee Report.

The SCIP Quarterly Report shows that the fund is currently at \$1.5 million, with \$2.4 million in loans and receivables.

The Authority staff met with Annett Pagan and Dick Udouj from Winrock International concerning wood manufacturers.

There is concern in the wood manufacturing community. Many of the manufacturers need marketing assistance, but there is no financial support for that kind of effort. TTAG is a source for technology transfer.

Winrock asked if the Authority would be willing to consider awarding TTAG funds to help manufacturers with marketing. The Investment Commitment agreed to bring this issue to the Board for discussion.

Dr. Ahlen stated that the staff's concern was that TTAG would become a marketing assistance program. The TTAG program's focus is technology. Marketing does not fit in.

Mr. Roberts stated that he was sure there were interests in the state that could make a valid argument for marketing. However, the Authority has a limited budget and should stay focused on science and technology.

There being no further discussion, Mr. Harris made a motion that the TTAG program not be used to provide marketing assistance. Dr. Hathaway seconded the motion; the Board unanimously agreed.

Ms. McGowan provided updates on three projects:

The Garlock project is proceeding well. Art-Exchange is at a break even point. They are currently looking for outside funding sources. The Authority was able to work details out

with UAMS on the Technology Development project approved by the Board. UAMS agreed to take two payments instead of one lump sum.

## **INDUSTRY COMMITTEE REPORT**

Mr. Roberts presented the Industry Committee report.

- Repayment of Disallowed Costs

The Network has appealed the disallowed costs with NIST. A decision on this appeal is forthcoming.

- High Risk Status

The Network staff is hopeful that the high-risk status will be removed. The state auditor completed the FY00 and FY01 audits. His report is due the end of March. The Network will request reimbursement for FY02 Quarter one and two this month. Because of the Network's high-risk status, it must submit back up documentation for the reimbursement request.

Of the 33 action items relating to the Network's high-risk status, all but four have been resolved.

- Performance Review

The final report on the Network's Center Performance has not been received. It has been forwarded to NIST Director Kevin Carr for his signature.

- Funding

Mr. Roberts reported that the Office of Management and Budget is finalizing the FY03 budget. It appears there will be a significant reduction in the MEP program.

## **RESEARCH COMMITTEE REPORT**

Dr. Ward presented the Research Committee report.

The Research Committee met to review the changes to the R&D Plan. Dr. Monoson invited comments from universities.

The original plan, developed in 1996, contained six main research areas: Advanced Materials; Agriculture, Food and Life Sciences; Biotechnology and Bioengineering; Environment; Manufacturing Systems; Transportation and Logistics.

Based on the suggestions received, the Committee recommended that the research areas be: Advanced Materials and Manufacturing Systems; Agriculture, Food and

Environmental Sciences; Biotechnology, Bioengineering and Life Sciences; Human Resource Development; Information Technology.

Dr. Good suggested moving Information Technology to the fourth spot.

There being no further discussion, Dr. Hathaway made a motion for the acceptance of the five research areas for the R&D plan. Mr. Davis seconded the motion; the Board gave its unanimous approval.

#### **NEW BUSINESS**

Dr. Ahlen reminded Board members that their Statement of Financial Interest forms were due to the Secretary of State's office by January 31.

Board members were reminded of the state's conflict of interest policy, which states that no member of Boards or Commissions could financially benefit from investments made by the Authority.

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 \$.29 per mile, plus meals and hotels when appropriate.

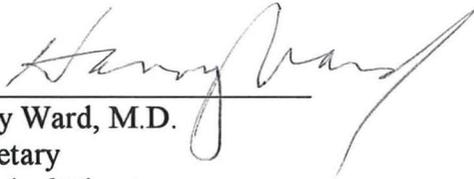
Dr. Hathaway made a motion that the expense reimbursement be authorized. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

The next Board meeting will be March 15.

#### **ADJOURNMENT**

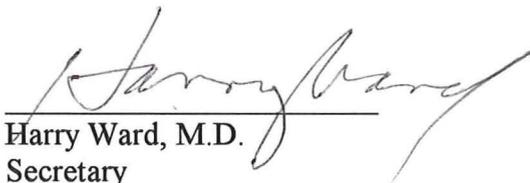
There being no further business to conduct, the meeting was adjourned at 2:10 p.m.

Respectfully submitted,



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Harry Ward, M.D.  
Secretary  
Board of Directors

**APPROVED** by the Board of Directors  
on this 15<sup>th</sup> day of March, 2002



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Harry Ward, M.D.  
Secretary  
Board of Directors