



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

100 Main Street, Suite 450, Little Rock, Arkansas 72201
Phone: (501) 324-9006 Fax: (501) 324-9012 <http://www.ark.org/asta>

**MINUTES OF THE 102nd MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
100 MAIN STREET, LITTLE ROCK, AR
May 17, 2002**

CALL TO ORDER

The meeting was called to order by Mr. D.W. May, Chairman of the Board at 1:30 p.m., in the Fourth Floor Conference Room at 100 Main Street in Little Rock, Arkansas.

A quorum of Board members were present: Dr. Merlin Augustine, Mr. Jonathan Davis, Mr. J. Wylie Harris, Dr. Charles Hathaway, Ms. Cynthia Moten, Mr. Ron Roberts, Dr. Neil Rutger, Ms. Melinda Saunders, Dr. John White and Mr. Rickey Williams.

Staff members present included: Ms. Melissa Adams, Mr. Kevin Carr, Ms. Tovia Chan, Mr. Les Lane, Dr. Herbert Monoson, Mr. Chuck Myers, Mr. Brad Sims, Ms. Rebecca Wright.

Visitors: Lorie Bernhardt, Office Automated Assistant, assistant to Dr. Rutger.

APPROVAL OF MINUTES

Mr. May presented the minutes from the March 15, 2002 Board meeting. Mr. May stated that at the last meeting, an announcement was made about monies being awarded to the Authority from the Winthrop Rockefeller Foundation for mini-grants to middle schools. Mr. May asked who would be making the decisions regarding who would receive these awards. Dr. Monoson explained that that a selection committee will determine the awards.

There being no further questions or comments, Mr. Roberts made a motion for the approval of the minutes. Dr. White seconded the motion. The motion passed unanimously.

PRESIDENT'S REPORT

Mr. Chuck Myers presented the President's report. For the FY00 and 01 audit report, there were no state findings and one federal finding was corrected. Both reports were reviewed and accepted by the legislative committee.

A draft copy of the Authority's annual report will be posted on the Authority website. The report will be submitted to the Board in September for formal approval.

Dr. White asked for clarification on goal six on page three of the Board Operating Plan: "To become more of an information agency." Mr. Myers stated that this goal included the new intranet that is in place for the staff, updating and utilizing the Authority's web page, and creating a secure web page for Board members to retrieve Board meeting pre-packets to eliminate paper. Mr. May stated that he understood the goal to be as a means of advertisement for the Manufacturing Extension Network. Mr. Myers stated that was also correct.

INVESTMENT COMMITTEE

Mr. Harris presented the Investment Committee Report.

Draft Resolution 02-04, a Seed Capital Investment into EdocAmerica in the amount of \$200,000, was presented to the Board for the second time. Mr. Harris shared an article from the Wall Street Journal. The article was about doctors prescribing medication over the Internet. In Arkansas, a doctor may not prescribe medication via the Internet or phone.

Mr. May asked how Acxiom, which has been using Edoc's services, views the company. Mr. Carr stated that there has been a positive response and Acxiom is still using the services. Mr. May asked if there were other companies interested in using the services. Mr. Carr stated that Tyson and Wal-Mart are in negotiations with Edoc.

Ms. Saunders asked why Edoc would be a better company rather than one that is from another state. Mr. Carr stated that Edoc would have a different approach from other similar companies. Dr. Rutger asked if each doctor needed to be licensed in the state. Mr. Carr said yes. If the company were to go nationwide, the doctors would need to be licensed in all 50 states.

Dr. Augustine asked how Arkansas' economy would be impacted. Mr. Carr said the company plans to hire 25-30 customer service and upper management employees in the next two years. Mr. Roberts added that although 25-30 employees would be hired, the wages would be at the Arkansas average. The state salary average would not be raised. He also stated that that the projected profits are outrageous and the state would not benefit from the profits.

Mr. May expressed two concerns: the doctors contacted expressed concerns about diagnosing the patient and prescribing medication via the internet, and the sudden decrease in the amount of funding requested. Mr. Carr stated that each of the doctors' comfort level was increased when the idea of referring the patient to his/her personal physician, if a diagnosis could not be made through e-mail. He also stated that Edoc was able to secure funds from other sources since the last Board meeting, so they lowered the amount of their request.

Mr. Roberts questioned the statement in the Investment Memorandum: "eDoc has secured 140 client companies headquartered in five states with employees located in over 20 states". Mr. Carr stated that it was a misprint. Edoc was trying to secure the 140 companies. Acxiom, who tested Edoc, is officially the only customer.

There being no further discussion, Mr. Davis made a motion for the approval of Draft Resolution 02-04. Mr. Williams recused himself. There was no second on the motion. The motion failed for lack of a second.

Les Lane extended an invitation to the Board members to attend the Arkansas Venture Capital Forum, scheduled for May 21, 2002 in Little Rock. Mr. Roberts commended Mr. Lane on his hard work on the forum. He stated that this was a watershed event and that it would not have been possible without the work of Les Lane.

INDUSTRY COMMITTEE REPORT

Mr. Roberts presented the Industry Committee report. He stated that the Cooperative Agreement was approved through December 2002 and the Manufacturing Extension Network would carry forward any unexpended funds after December.

The Network has been removed from high-risk status.

The Network received a letter from NIST stating that it had been determined that the Network did not owe NIST money related to fiscal year 1998 audit findings. Previously, NIST had requested repayment of \$173,211.96. After further review, NIST determined that the Network was under reimbursed a total of \$46,041.62. Other accounting areas had been identified, including an audit finding for fiscal year 2001, but the amount shown above would help offset the amount owed by the Network. It appears that the Network will owe NIST only about \$9,500.

All action items tied to the Network's transition status have been completed. However, the Network, nor any other center, has been removed from transition status. NIST has indicated that they are unsure when any center will be taken off transition status.

Mr. Roberts presented Draft Resolution 02-05 for approval. The resolution would provide for the funding of five partnership agreements totaling \$997,476.00. Mr. Roberts made a motion for the approval of Draft Resolution 02-05. Dr. White seconded the

motion. Dr. Augustine stated that UAF was the institution of his affiliation. The motion passed unanimously.

A discussion concerning non-Board members being teleconferenced in to Board meetings to participate was held. Mr. Roberts suggested that Dr. Ahlen and the staff make the decision whether to bring the matter to the Board for consideration.

RESEARCH COMMITTEE REPORT

Dr. Monoson briefed Board members on the mini-grants for middle school teachers and the Science Teaching Using Audience Response Technology (STUART) grants.

Dr. Monoson reported that the Authority had received an award, totaling \$405,000, from the Winthrop Rockefeller Foundation for projects geared towards using new teaching methods with K-12 students in math and science.

Mini-grants of \$500 will be awarded to middle-school science teachers to purchase consumables that will assist in hands-on learning of science principles.

STUART grants of \$6000 will be awarded to middle-school science teachers to purchase equipment that will allow teachers to immediately see the results of instruction. Dr. Monoson stated he contacted the Arkansas Department of Education (ADE), ten science centers around the state, and all education cooperatives to assist in getting the information to teachers.

Dr. Monoson stated that the announcement went out late in the semester so applications are slow to come in. There are 13 applications for mini-grants and four applications for STUART grants at the time of the Board meeting. The applications are available on the Authority's website.

Dr. Monoson met with a company from Denton, TX that demonstrated their version of a classroom participation system which would be used for the STUART grants. If this company were chosen, the benefits would include portable equipment and a discount on the equipment.

Mr. May asked how much will be spent for the STUART grant. Dr. Monoson said that \$30,000.00 would be provided over three (3) years for equipment. The mini-grants will have \$135,000.00 per year for three (3) years.

Mr. May asked if there is a time constraint for the mini-grant. Dr. Monoson stated that he would like to see the mini-grants in place by the beginning of the 2002-03 school year.

Dr. Augustine stated that the staff should ensure that schools and students in need participate in this program.

Mr. Roberts asked for clarification of the amount of mini-grants per year. Dr. Monoson stated that there would be 200 mini-grants per year for three (3) years.

Mr. Roberts asked when Dr. Monoson was notified of the availability of the grants and why there are very few applications. Dr. Monoson said the award was given in April. There was a lot of effort and time put into getting the word out.

Dr. White asked when the teachers learned of the grants. Dr. Monoson said that the announcement was made a few weeks before the Board meeting.

Mr. May asked when the deadline is and could it be changed. Dr. Monoson said the deadline is June 14, 2002, and that the Authority set the deadline, not the Winthrop Rockefeller Foundation. The deadline could be changed if necessary.

Mr. Williams asked if the teachers are familiar with the technology. He is concerned that they may not be familiar with the system. Dr. Monoson stated that there is a website available to teachers. Mr. Williams stated that if the process is beta-tested, teachers would talk and get the word out faster if it is successful. Dr. Monoson stated that he had not considered this option. However, if the process is successful, it will be another tool for teachers.

Dr. Monoson stated that three (3) unsolicited Applied Research Grants have been submitted by UALR. One is for the continuation of a laboratory. This one requires no funds from the Authority. Acxiom is interested in a tax credit. The other two grants need a match requirement but Dr. Monoson is unsure if the funding will be available.

NEW BUSINESS

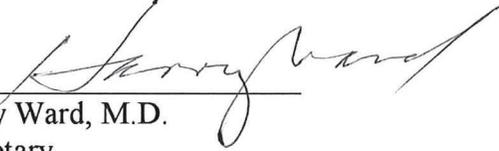
Mr. May stated there are a couple of items that may require Board action before the end of the state fiscal year, which is June 30. Because the Board would not meet again until September, Mr. May stated the Executive Committee could meet and resolve any issues on behalf of the Board. There being no discussion, Dr. White made a motion that the Executive Committee act on the Board's behalf on any items that should come up before the end of the fiscal year. Mr. Roberts seconded the motion. The motion passed unanimously.

Mr. May appointed himself, Dr. Augustine and Dr. Hathaway to the nominating committee. The committee will make their recommendations for Board officers at the September meeting.

ADJOURNMENT

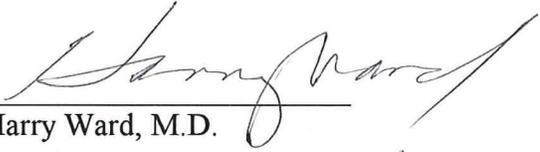
There being no further business to conduct, the meeting was adjourned at 2:25 p.m.

Respectfully submitted,



Harry Ward, M.D.
Secretary
Board of Directors

APPROVED by the Board of Directors
on this 20th day of September, 2002



Harry Ward, M.D.
Secretary
Board of Directors