



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 103rd MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
100 MAIN STREET, LITTLE ROCK, AR
SEPTEMBER 20, 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 was present: Mr. Jonathan Davis, Dr. Mary Good, Mr. J. Wylie Harris, Ms. Cynthia Moten, Mr. Ron Roberts, Dr. Neil Rutger, Ms. Melinda Saunders, Dr. Harry Ward, and Mr. Rickey Williams.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Ms. Lydia Carson, Mr. Les Lane, Ms. Cathy Ma, Dr. Herbert Monoson, Mr. Chuck Myers, Mr. Brad Sims, Mr. James Watkins, and Ms. Rebecca Wright.

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

APPROVAL OF MINUTES

Mr. May presented for approval the minutes from the May 17, 2002 Board meeting and the June 14, 2002 Executive Committee meeting.

Mr. Roberts made a motion for the approval of the minutes. Dr. Good seconded the motion. The motion passed unanimously.

PRESIDENT'S REPORT

Dr. John Ahlen introduced two new staff members: Ms. Cathy Ma, Research Program Manager, and Mr. James Watkins, Finance Program Manager.

Dr. John Ahlen presented the President's report. He stated that a budget request for general revenue was submitted to the Budget Committee. Dr. Ahlen stated that the Legislative hearing then took place on the Strategic Plan. The staff was asked to simplify the program structure and certain metrics were recommended by the legislative staff. From this modification, two overall program structures emerged: Research and Commercialization, and Technology and the Manufacturing Extension Network. The Strategic Plan was revised in August and approved by the Legislature's Technology Committee. The plan will be reviewed again in December of 2003. The staff will begin collecting information based on the metrics for the review. These changes do not affect program responsibilities and how the Board operates and it does not change the program responsibilities of the three standing committees.

Dr. Ward asked if the Annual Report to the Governor would be revised to correspond to the budget request. Dr. Ahlen said no.

Dr. Ward asked if the program funds would be re-assigned. Dr. Ahlen stated that the budget request would not change. This provides a level of flexibility under performance budgeting that, in future years, would benefit the agency.

Dr. Ahlen stated that the recommended metrics have affected the Board Operating Plan. The staff will report generated information about those metrics back to the Board to practice at the Board level with what will have to be reported to the Governor and the Legislature in the future. Attempts have been made to convert the Operating Plan to better follow the information that will be recorded in the strategic plan.

The fiscal year Annual Report will not be changed. This report shows how agency funds were spent, not how the agency has met the metric requirements. The report in December 2003 will be on a different set of data than what is normally reported at the end of the fiscal year.

Mr. Roberts asked about page 4 of the Strategic Plan, which states that in FY03, \$1 million for three SCIP deals will deplete the funds. If this is so, how will \$1.1 million be acquired for the next year? Dr. Ahlen stated that it is part of the budget request that the General Assembly will consider in January.

Dr. Ahlen reported that the first Arkansas Venture Capital Forum was extremely successful. He stated that planning for the second Forum is in progress.

Dr. Ahlen reported that the Authority will be moving sometime in December and the January Board meeting will be held in the new building.

Dr. Monoson reported on the Winthrop Rockefeller Foundation Award. He stated that the Authority was awarded \$405,000 for the Innovative Teaching of Middle School Science project. A total of ninety-one applications were received for the \$500 mini-grants being offered. Eighty-five awards, totaling \$42,500, were approved. Forty-two counties are represented. Thirty-three counties did not respond to the announcement.

Dr. Monoson stated that for the \$6,000 STUART grant, twenty-two schools from seventeen counties applied. Five schools were awarded grants, totaling \$30,000.

Dr. Ahlen stated that the Manufacturing Extension Network has signed a contract with MEP MSI Management. The Board Policy Manual, page 2, Section 2, was revised due to this contract. The dollar amount that determines the contract being taken to the Executive Committee was raised from \$10,000 to \$25,000, which stays consistent with state policy. The revision in the Policy Manual reads: "Professional Service Contracts shall be approved by the Board of Directors except that (a) contracts in amounts more than \$5,000 and less than \$25,000 can be approved by the Executive Committee and (b) contracts in amounts less than \$5,000 can be approved by the President."

Mr. May stated that the Board would make a motion on this revision during the Industry Committee report.

INVESTMENT COMMITTEE

Mr. Harris presented the Investment Committee Report.

Mr. Harris stated that the Investment Committee reviewed three projects. The committee voted to recommend one project to the Board for approval.

Draft Resolution 03-01, a Technology Development Investment into Green Technologies, located in West Fork, Arkansas, in the amount of \$50,000, was presented to the Board.

The project, entitled "The Modal Reciprocating Pushrim Drive Wheelchair", is a proprietary development of Green Technologies that increases the usability and safety of standard manual wheelchairs by allowing reciprocating power strokes of the wheelchair pushrim.

This concept is a retrofittable wheel assembly, suitable for attachment on existing wheelchairs. This assembly consists of small cross section roller clutches and gears, which fit inside a wheel hub. This combination of gears and clutches converts reciprocating motion into rotary motion. The company received an SBIR Phase I award and is optimistic they will receive a Phase II award.

The company has requested \$50,000 from the Authority. The company has requested that the funds be awarded over two years, \$25,000 in 2002 and \$25,000 in 2003. The terms of this investment authorizes the Arkansas Science & Technology Authority to collect up to a 5% royalty from revenues generated by the technology development investment for a maximum period of 10 years.

Mr. May asked how the part was being manufactured. Mr. Lane stated that it is similar to a metal bearing assembly.

Mr. May stated that he was concerned with how the \$50,000 would be spent since the company has already received \$100,000 from SBIR NIH. Mr. Lane explained that the funds would be used for salary, tooling costs, semi-custom wheel development, consulting costs for stress analysis and marketing.

Dr. Good asked if the company had any protection on the intellectual property. Mr. Lane stated that a patent was in process.

There being no further discussion, Dr. Good made a motion to approve the resolution. Mr. Williams seconded the motion. The motion passed unanimously.

INDUSTRY COMMITTEE REPORT

Mr. Roberts presented the Industry Committee report.

Mr. Roberts stated that the Manufacturing Extension Network is no longer in transition status. A new NIST MEP account manager, Aimee Dobrzeniecki, has been assigned to work with the Network. Mr. Roberts extended his thanks to the staff for their hard work.

Mr. Roberts reported that the Network requested \$495K in reimbursements from NIST for FY02 operations. A total of \$934K was available for reimbursement, but the Network did not have the cost share needed to request the full amount.

Network performance is good relative to goals and comparative data. The Network has good impact with relatively low federal funding. For several impact measures, the Network ranks in the 75th percentile or better among all MEP centers. The Network received \$317,000 in revenue in FY02. This resulted from attention to aged receivables as well as from increased project fees.

The Center's annual performance review will be conducted by teleconference on October 11, 2002.

Mr. Roberts reported that the Network has negotiated a project with MEP Management Services, Inc., a consulting company that has expertise with NIST, to increase the Network's federal funding through increased partner cost share. The amount due to MEP MSI, if successful, would be 10% of the additional funding received not to exceed \$25,000. If, during the course of the project, MEP MSI identifies opportunities for cost share greater than \$250,000, the Authority could request an amendment to the contract to include MEP MSI's assistance in documentation and approval of this cost share. If MEP MSI identifies cost share such that 10% exceeds the Network's appropriation for consulting services (\$50,000), the Network would need to request and receive an appropriation increase prior to amending the contract.

Mr. Roberts stated that this contract required State Purchasing approval and Board approval, due to the amount, before Dr. Ahlen could sign the contract.

Mr. Roberts made a motion to approve the contract. Dr. Good seconded the motion. The motion passed unanimously.

Mr. Roberts reported on 360vu, a new NIST program. All NIST MEP centers must implement this program. 360vu is a brand carried by centers committed to and held accountable to mutually agreed upon professional performance and delivery standards. The brand includes a business approach, set of services, and certification process. The focus is to develop a long-term strategic relationship between the center and the client to help clients take a big picture look at their company to plan strategic long-term, integrated improvements. The only product so far from this program is Lean Manufacturing. Ms. Carson will attend training concerning 360vu.

Mr. Roberts reported that the staff has begun work on forming a Network Advisory Committee.

Mr. May extended congratulations to the Industry Committee for the tremendous improvement of the Network.

Mr. Roberts moved to approve the change to the Policy Manual discussed earlier. Dr. Good seconded the motion. The motion passed unanimously.

RESEARCH COMMITTEE REPORT

Dr. Ward presented the Research Committee report.

The Research Committee met and approved to recommend to the Board the FY 2003 EPSCoR Committee nominations.

Dr. Ward made a motion to approve the nominees. Mr. Roberts seconded the motion. The motion passed unanimously.

NEW BUSINESS

Dr. Ahlen stated that the Annual Report would be released after the meeting.

Mr. May presented the nominations for the slate of officers for the upcoming year. The nominations were as follows: Dr. Harry Ward – Chairman, Dr. John White – Vice Chairman, and Mr. Ron Roberts – Secretary.

Dr. Rutger moved to accept the nominations. Mr. Harris seconded the motion.

Dr. Ward stated that he was currently serving as Chair of another group and was unsure if he could accept the nomination to Chair the Authority's Board at this time. He asked if the Board could table the nominations until the November meeting.

Dr. Rutger withdrew his original motion.

Dr. Good made a motion to table the nominations until the November meeting. Mr. Davis seconded the motion. The motion passed unanimously.

Mr. May announced that the next Board meeting would be November 15.

Dr. Rutger issued an invitation to the Board to hold the November meeting in Stuttgart at the Dale Bumpers National Rice Research Center.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 2:30 p.m.

Respectfully submitted,



Ron Roberts
Secretary
Board of Directors

APPROVED by the Board of Directors
on this 15th day of November, 2002



Ron Roberts
Secretary
Board of Directors