



423 Main Street, Suite 200
Little Rock, Arkansas 72201

www.asta.ar.gov

Phone: 501.683.4400
Fax: 501.683.4420

**MINUTES OF THE 118TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
MAY 20, 2005
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order at 1:32 p.m. by Dr. John White, Chairman of the Board, in the second floor conference room of the Arkansas Science & Technology Authority.

A quorum of Board members was present and included: Mr. David Eberdt, Dr. Steve Floyd, Dr. Collis Geren, Mr. Robert Hall, Mr. Gordon Knetzer, Ms. Sue McGowan, Dr. Gary Phillips, Dr. Neil Rutger, Dr. Harry Ward and Mr. Rickey Williams.

Staff members present: Ms. Melissa Adams, Dr. John Ahlen, Ms. Lydia Carson, Ms. Tovia Chan, Mr. Les Lane, Ms. Cathy Ma, Dr. Gail McClure, Mr. Chuck Myers and Mr. JJ Watkins.

Visitors included: Mr. Bob Trevino, Liaison in the Governor's Office.

APPROVAL OF MINUTES

Dr. White presented for approval the minutes from the January 21, 2005 and March 18, 2005 meeting. Dr. Rutger made a motion for the approval of both minutes. Dr. Ward seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen reviewed the Operating Report. The financial information was updated. Dr. Ahlen reported that the staff worked with the Board to get their plan in line with the performance based metrics established by the legislature. The performance based budget was repealed by the legislature. Therefore, the Board's performance measures and indicators are the only ones now listed in the operating report.

Dr. Ahlen also pointed out that the operating report included budgets for the grants received from the Winthrop Rockefeller Foundation. Dr. Ahlen stated that the Board would need to give the staff permission to spend funds out of these grants.

The budgets listed are for WRF Entrepreneurial Arkansas, WRF Transition Middle School Science Project and Models for Growth: Using Minigrants to Improve Science Education and to Connect the Arkansas Community Foundation Affiliates to Public Schools. The last grant was reviewed by the Legislative Council on May 20, 2005.

There being no further discussion, Dr. Floyd made a motion to accept the operating report, including giving staff permission to spend funds out the budgets of the grants awarded to the Authority by the Winthrop Rockefeller Foundation. Dr. Geren seconded the motion; the Board gave its unanimous approval.

Dr. Ahlen reviewed the Authority Report for the Third Quarter. Dr. Ahlen stated that there was some good activity reported in the document. Dr. Ahlen stated that he believes the information outlined in the report shows the work of the Authority is critical to the state's economy.

INDUSTRY COMMITTEE REPORT

Mr. Robert Hall presented the Industry Committee Report.

Arkansas Manufacturing Solutions has received approval for their renewal package from January 1, 2005 through June 30, 2005.

A funding request of \$941,110 was submitted to NIST for the period of July 1, 2005 through June 30, 2006.

The Industry Committee has reviewed the AMS Strategic Plan. The plan was developed by taking results from the Needs Analysis Survey of Arkansas Manufacturers, AMS Staff SWOT, impact surveys and from the AMS strategy retreat. Mr. Hall stated that the strategic plan would also be reviewed by the field staff.

AMS plans to contract with a marketing/communications firm to help keep the program on track. AMS will also be conducting Lean Office Training for the staff.

Mr. Hall reported that the AMS Advisory Committee needs to be formalized. This would entail developing a charter that would be approved by the Board, with advisory committee members being held to the same attendance rules as the Board. Mr. Hall stated that a charter would be drafted and presented to the Board at its September meeting.

Draft Resolution 05-06

Mr. Hall presented Draft Resolution 05-06 for consideration.

Draft Resolution 05-06 would provide approval for the funding in an amount not to exceed \$1,029,412 for field staff and AMS Director activities and \$20,250 for partner activities at the following locations:

Three field staff positions at the GENESIS Technology Incubator, University of Arkansas, Fayetteville, in an amount not to exceed \$353,347;

One AMS Director's position and three field staff positions in an amount not to exceed \$430,370 and one graduate student in an amount not to exceed \$10,250 at the Institute for Economic Advancement, University of Arkansas at Little Rock;

One field staff position at the Delta Center for Economic Development, Arkansas State University in an amount not to exceed \$124,044;

One field staff position at Southern Arkansas University Tech, in an amount not to exceed \$121,651;

Sponsorship of the Arkansas Institute for Performance Excellence program at the Arkansas Institute for Performance Excellence in an amount not to exceed \$5,000; and

Sponsorship of a manufacturing conference conducted by the Arkansas Department of Economic Development in an amount not to exceed \$5,000.

Dr. Ward made a motion for the approval of Draft Resolution 05-06. Ms. McGowan seconded the motion; the Board gave its unanimous approval.

AMS Web Development Agreement with FLEX360

Mr. Hall presented a request for AMS to engage in a professional services agreement with FLEX360 to develop a new website for AMS. AMS requested quotes from five companies and received four, including one from FLEX360. Of the four companies, two provided quotes that would meet the needs of AMS. AMS chose the quote from FLEX360. Mr. Knetzer stated that the committee felt one of the advantages of choosing FLEX360 was that the staff could easily make changes and additions to the website.

Dr. Ward made a motion for the approval of a professional services agreement with FLEX360. Ms. McGowan seconded the motion; the Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Ms. McGowan presented the Investment Committee Report.

Draft Resolution 05-07

Draft Resolution 05-07 would provide the authorization to grant funds for projects under the Technology Transfer Assistance Grant Program. The resolution would provide funding in an amount not to exceed \$404,352 (\$154,352 TTAG/TGD and \$250,000 AMS TTAG) for state fiscal year 2006.

Ms. McGowan made a motion for the approval of Draft Resolution 05-07. Dr. Geren seconded the motion; the Board gave its unanimous approval.

Professional Services Contract with Wright, Lindsey & Jennings

Ms. McGowan stated that the staff is in the process of renewing the Authority's professional services contract with law firm Wright, Lindsey & Jennings. The staff requested that the contract be increased from \$5,000 to \$10,000 for the next biennium. This increase would allow the staff flexibility in using legal services when needed rather than deferring legal services until the next fiscal year.

Ms. McGowan made a motion to approve the Professional Services Contract with Wright, Lindsey & Jennings, in the amount of \$10,000. Mr. Knetzer seconded the motion; the Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

Dr. Rutger presented the Research Committee Report.

Dr. Rutger presented the FY2006 EPSCoR Advisory Committee nominees:

Dr. Thomas J. Flammang – National Center for Toxicological Research
(Replaces Dr. Bob Heffling)

Mr. Brad Greenway – Arkansas Department of Economic Development
(Replaces Mr. Jim Blakley)

Dr. Mary Good – University of Arkansas at Little Rock

Dr. Elizabeth Hood – Arkansas State University (Replaces Dr. Hector Flores)

Dr. Peter Iyere – University of Arkansas at Pine Bluff

Dr. John Long - Henderson State University

Dr. Gail McClure – Arkansas Science & Technology Authority

Dr. Robert McGehee – University of Arkansas for Medical Sciences
(Replaces Dr. Tim O'Brien)

Dr. George Ransford – Inspec Foams, Inc. (Replaces Dr. David Nelms)

Mr. Phillip Stafford – University of Arkansas, Fayetteville
Dr. John Talburt – Acxiom
Dr. Karen Wheeler – Arkansas Department of Higher Education

Dr. Rutger moved for the acceptance of the FY2006 EPSCoR Advisory Committee nominees. Mr. Phillips seconded the motion; the Board gave its unanimous approval.

Dr. Rutger reported that during their meeting, the research committee discussed BioBased Systems, which is a company developing insulation that uses soybeans rather than oil. The company was seeking R&D tax credits. Some issues arose concerning this request and the committee deferred this until a later date. Dr. Ahlen added that the company is moving here from out of state and had applied for R&D tax credits that were developed two years ago and geared towards knowledge based companies. This presented some problems that are being handled by the Authority staff.

Funding for Math Specialist/Draft Resolution 05-09

Dr. Floyd stated that the Department of Higher Education was concerned about securing matching funds to support math specialists at math and science centers around the state. There was discussion that there may be some EPSCoR funds available in the Authority's budget for these specialists.

Dr. Ahlen stated that the Authority has had funding to support EPSCoR research activities around the state. The current EPSCoR project was approved at time when the Authority had no matching funds. In the last session, some money was appropriated and there was interest in whether the Authority Board would want to deal with those funds for ARMF.

Dr. Geren stated that he has submitted a formal request for ARMF funds for the component in the NSF EPSCoR proposal that deals specifically with K-6 science specialists. A total of \$184,829 is needed for year two of the project.

Dr. Ahlen stated that the staff had prepared Draft Resolution 05-09 for the Board's consideration. Draft Resolution 05-09 would approve matching funding for the project:

Proposal No. 05-ARMF-01, "Arkansas EPSCoR Research Infrastructure" by Dr. John Hehr of the University of Arkansas, Fayetteville and Dr. L.D. Milne, University of Arkansas for Medical Sciences, Little Rock, in the amount not to exceed \$184,829. This project is funded federally by a National Science Foundation grant in the amount of \$369,658.

Dr. Ward made a motion for the approval of Draft Resolution 05-09. Dr. Floyd seconded the motion; the Board gave its unanimous approval.

NEW BUSINESS

Draft Resolution 05-08

Draft Resolution 05-08 was drafted for Dr. Merlin Augustine, who recently stepped down from the Board.

Dr. Floyd made a motion for the approval of Draft Resolution 05-08. Dr. Ward seconded the motion; the Board gave its unanimous approval.

Nominating Committee

Dr. White appointed the following Board members to serve on the nominating committee: Dr. Harry Ward, Chair; Dr. John White; Mr. Buzz May.

Legislative Update/Assignment of Duties

Dr. Ahlen reviewed the Authority's Assignment of Duties for fiscal year 2006.

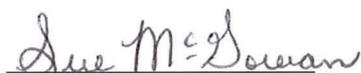
Next Meeting Date

The next Board meeting is scheduled for September 16, 2005.

ADJOURNMENT

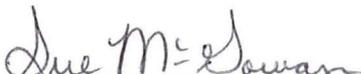
There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,



Sue McGowan
Secretary
Board of Directors

APPROVED by the Board of Directors
On this 14th Day of October, 2005



Sue McGowan
Secretary
Board of Directors

