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**MINUTES OF THE 126TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
JANUARY 19, 2007
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order by Ms. Sue McGowan, Chair of the Board, in the second floor conference room of the Arkansas Science & Technology Authority.

A quorum of Board members was present and included: Dr. Steve Floyd, Dr. Collis Geren, Mr. Robert Hall, Mr. Johnny Hooks, Mr. Paul Horney, Mr. Patrick Hutton, Mr. Gordon Knetzer, Mr. Paul Mastro, Dr. Gary Phillips (via phone), and Dr. Steve Seidman.

Staff members present: Ms. Melissa Adams, Dr. John Ahlen, Ms. Tovia Chan, Dr. Gail McClure, Mr. Chuck Myers, Mr. Chris Snider, Dr. Steve Stanley and Mr. Gregory Williams.

Guests included: Mr. Watt Gregory and Dr. James Hendren; members of Accelerate Arkansas.

APPROVAL OF MINUTES

Ms. McGowan presented for approval the minutes from the November 17, 2006 Board meeting. Dr. Geren made a motion for the approval of the minutes. Mr. Knetzer seconded the motion; the Board gave its unanimous approval.

PRESENTATION: ACCELERATE ARKANSAS' LEGISLATIVE AGENDA

Ms. McGowan recognized Dr. James Hendren and Mr. Watt Gregory, members of Accelerate Arkansas. Dr. Hendren and Mr. Gregory gave a brief presentation on the legislative priorities for Accelerate Arkansas.

PRESIDENT'S REPORT

Dr. Ahlen reported that Dr. Neil Rutger has retired and relocated to California. He submitted his resignation from the Board and the Governor's Office has been notified.

There are several Board members whose terms have expired. The Governor's Office has been informed of the situation.

Sarah Agee is the Authority's new liaison in the Governor's Office.

Dr. Ahlen introduced two new staff members. Gregory Williams has filled the position of Systems Coordination Analyst. Jason McClure is the new STEM intern.

Dr. Ahlen reported that the Authority's budget is in good shape.

INDUSTRY COMMITTEE REPORT

Mr. Robert Hall presented the Industry Committee report.

The federal government is operating under a continuing resolution through February. AMS is fully funded through February 27th, it will be okay budget wise.

The committee reviewed the proposed new agreement with Stone Ward, which would provide marketing and communications assistance to AMS. The committee felt that Stone Ward had done a good job of meeting its requirements in the agency's first agreement with them. The committee voted to recommend the new agreement with Stone Ward, for a period between January 19 and June 30, 2007.

Dr. Floyd made a motion to approve the agreement between the Authority and Stone Ward. Mr. Hutton seconded the motion; the Board gave its unanimous approval.

Mr. Hall reported that the staff is currently working with the Attorney General's office on the collection of two delinquent accounts. The accounts are with companies that are still in operation. The committee suggested using a collection agency and Lydia Carson is looking into the costs of using a collection agency.

The committee reviewed and recommends for approval one debt write-off in the amount of \$375. The staff has determined that this debt is uncollectible.

Mr. Hutton moved that the proposed debt write-off be approved. Dr. Seidman seconded the motion; the Board gave it unanimous approval.

INVESTMENT COMMITTEE REPORT

Mr. Patrick Hutton presented the Investment Committee report.

The committee met on January 3, 2007 and reviewed financial reports and one resolution.

Mr. Hutton presented for the Board's review the Seed Capital Investment Report, Seed Capital Investment Portfolio Report and the TTAG Activity Report.

There being no questions, Mr. Horney made a motion to accept all three reports as presented. Dr. Geren seconded the motion; the Board gave its unanimous approval.

Draft Resolution 07-04

Draft Resolution 07-04 would certify an In House Research Tax Credit for the following application:

Application No. 9831, "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by BioBased Systems in the amount of \$894,879 in expenses eligible for \$295,310.07 in tax credits.

Mr. Hutton made a motion for the approval of Draft Resolution 07-04. Mr. Mastro seconded the motion; the Board gave its unanimous approval.

Draft Resolution 07-05

Draft Resolution 07-05 would provide Technology Development monies for the following application:

Application No. 07-TDP-02, "UAMS BioVentures Roundtable" by UAMS BioVentures, in an amount up to \$10,000.

Mr. Hutton made a motion for the approval of Draft Resolution 07-05. Mr. Knetzer seconded the motion; the Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

Dr. Collis Geren presented the Research Committee Report.

Dr. Geren reported that the committee had one item to review for this meeting and voted via email.

Draft Resolution 07-06 would provide funding for the following proposals, which were recommended by the STEM Advisory Committee:

07-WRF-ROBO03, "Mid-South's BEST," submitted by Dr. Dianne Langford of Mid-South Community College in the amount not to exceed \$15,000.

07-WRF-ProDev08, "Middle School Physical Science Inquiry," submitted by Belinda Robertson of Arkansas Center for Mathematics and Science Education, University of Central Arkansas in the amount not to exceed \$7,000.

07-WRF-STEM_Partnership02, "Weather and Weather Patterns," submitted by Kathy Prophet of Hellstern Middle School, Springdale Public Schools in the amount not to exceed \$1,500.

Dr. Geren, on behalf of the committee, made a motion for the approval of Draft Resolution 07-06. Dr. Seidman recused himself because one of the proposals was submitted by his institution. The motion passed.

Dr. McClure reported on the Research Day at the Legislature, which was held on January 16 in the Rotunda of the State Capitol. Several organizations/institutions participated including EAST, Arkansas Biotechnology Institute, UALR, UAF, ASU, Virtual Incubation and Arkansas Department of Economic Development.

OLD BUSINESS

Dr. Ahlen stated that at its last meeting, the Board approved a motion directing the staff to draft a letter to the Governor requesting \$1.9 million for research matching. The letter was drafted and sent to the Governor's Office.

NEW BUSINESS

Expense Reimbursement Authorization

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.

Dr. Floyd moved to authorize expense reimbursement for Board members. Dr. Seidman seconded the motion; the Board gave its unanimous approval.

Board Attendance Policy

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.

Statement of Financial Interest

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

Next Meeting Date

The next Board meeting is scheduled for March 16, 2007.

ADJOURNMENT

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

Respectfully submitted,



Paul Mastro
Secretary
Board of Directors

APPROVED by the Board of Directors
on this 16th day of March, 2007.



Paul Mastro
Secretary
Board of Directors