



423 Main Street, Suite 200
Little Rock, Arkansas 72201

www.asta.ar.gov

Phone: 501.683.4400
Fax: 501.683.4420

**MINUTES OF THE 127TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
MARCH 16, 2007
AEROSPACE EDUCATION CENTER
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order by Ms. Sue McGowan, Chair of the Board, in the meeting room of the Aerospace Education Center in Little Rock.

A quorum of Board members was present and included: Dr. Linda Beene, Dr. Collis Geren, Mr. Robert Hall, Mr. Gordon Knetzer, Mr. Paul Mastro, Dr. Gary Phillips and Dr. Steve Seidman.

Staff members present: Ms. Melissa Adams, Dr. John Ahlen, Ms. Lydia Carson, Ms. Stephanie Johnson, Dr. Gail McClure, Mr. Chuck Myers, Mr. Chris Snider, Dr. Steve Stanley and Ms. Sharon Whitlock.

APPROVAL OF MINUTES

Ms. McGowan presented for approval the minutes from the January 19, 2007 Board meeting. Dr. Geren made a motion for the approval of the minutes. Dr. Seidman seconded the motion; the Board gave its unanimous approval.

INDUSTRY COMMITTEE REPORT

Mr. Robert Hall presented the Industry Committee Report.

AMS participated in a pilot of MEP's new Choice for Growth service, which will be part of a suite of Eureka! Winning Ways growth services offered through MEP and developed in partnership with Doug Hall.

The FY2008 state appropriation for AMS would provide for the addition of one project manager. The staff will decide after July 1 if or when to fill this position.

AMS staff is working with the Information Network of Arkansas on the ability to access statistics from the AMS website. A link was provided to AMS, but the reports did not contain any data. AMS continues to work with INA on this issue.

The AMS Advisory Council has lost one member. The staff is working on finding a replacement.

Debt Write-Off

Mr. Hall reported that the committee had planned to present a request for a debt write-off totaling \$7,800 for Bancroft Industries. The staff was notified that the company filed for Chapter 11 bankruptcy, but has since been informed that the company has not filed for bankruptcy.

Mr. Hall stated that rather than proceed with the debt write-off, the committee would like to pursue this debt using a collection agency. The staff has researched using a collection agency and there would be a 25% fee if the money was collected.

After further discussion, the Board agreed to take the debt write off request off the table and pursue collection of the debt through a collection agency.

The Attorney General's office has informed AMS that there are bench trials scheduled in June for the two other delinquent cases; HMC and SFI.

INDUSTRY COMMITTEE MEETING

Dr. Gary Phillips presented the Investment Committee Report.

SCIP Fund Quarterly Report/TTAG Activity Report

The Board reviewed the SCIP Fund Quarterly Report and TTAG Activity Reports. There being no questions, Dr. Phillips, on behalf of the Investment Committee, moved for acceptance of the two reports. The Board gave its unanimous approval.

Draft Resolution 07-07

Draft Resolution 07-07 would provide for the investment of monies under the Technology Development Program for the following application:

Application No. 07-TDP-03, "STTR Gap Funding: Precision Multi-Site Cellular Dosing using a Membrane-Based Laminar Flow Device" by Minotaur Technologies, in an amount not to exceed \$50,000; with the first disbursement of \$20,750 coming from fiscal year 2007 and the second disbursement of no more than \$29,250 coming from fiscal year 2008.

Minotaur Technologies, LLC is a biophotonics company whose mission is to develop new laser-based instrumentation. In their proposed project, Minotaur will determine the feasibility of using instead of a low-cost commercially available frequency doubled or frequency tripled Nd:YAG laser in place of the Ti:S laser.

The company is seeking funding from the Authority to continue work on their latest project between Phase I and Phase II STTR funding.

Dr. Phillips, on behalf of the Investment Committee, made a motion for the approval of Draft Resolution 07-07. Dr. Geren abstained. The motion passed.

Draft Resolution 07-08

Draft Resolution 07-08 would provide for the investment of monies under the Seed Capital Investment Program for Agricultural Research Initiatives, Inc. (ARI) in an amount not to exceed \$97,551.

This project involves the reintroduction of a biocontrol fungus CGA or the product Lockdown. The biocontrol agent is used to control the rice weed Northern Jointvetch, which is used to target weeds during later growth stages resulting in significant rice production costs. This is true in the Clearfield rice system, which is growing in popularity.

Dr. Stanley stated that after the Investment Committee met; one of the Clearfield Rice was banned, which would cut the company's business by half.

Dr. Seidman asked about the fact that bioherbicide is in the public domain and does that make the company vulnerable to competition.

Dr. Geren stated that this was a unique application to Arkansas. It would be beneficial to rice producers.

Dr. Phillips stated that he had some concerns after the Investment Committee met. Clearfield 131 rice is not very prevalent in northeast Arkansas and didn't think the ban would be very effective. Also, there are other products like this one that produce better results.

Dr. Ahlen stated that if there is uncertainty among the Board about funding this project, it might be worth having an open discussion about the Board's preference. The project could be tabled until the May Board meeting.

Dr. Stanley stated that was one option; however, this particular pool of funds need to awarded before the end of the fiscal year. He stated that he might be able to find other companies to consider for funding, but there were no guarantees.

Board members asked if this product could go forward without the Authority's funding. Dr. Stanley responded that he was not sure.

After further discussion Dr. Phillips, on behalf of the Investment Committee, made a motion for the approval of Draft Resolution 07-08. Dr. Geren abstained. The motion passed.

Draft Resolution 07-09

Draft Resolution 07-09 would provide for the investment of monies under the Seed Capital Investment Program for Arkansas Power Electronics International in an amount not to exceed \$97,551.

APEI has developed a high-temperature pulse width modulation controller, HTPWM04 – essentially the “brains” behind a number of the power electronic converters under development at APEI. One of the present primary markets for high temperature electronics is the down-hole oil exploration industry, in which the depth of oil wells is directly proportional to an increase in ambient temperature.

Dr. Stanley reported that the Authority has done TTAG and Technology Development projects with APEI. They currently have 22 employees.

If approved, the requested funding would be used to transfer the technology developed from the R&D platform to the commercial market. The investment would be used to help implement marketing preparations, solidify customer relations, select and target specific industry niches, perform cost analysis and prepare for low volume manufacturing.

Dr. Phillips, on behalf of the Investment Committee, made a motion for the approval of 07-09. Dr. Geren abstained. The motion passed.

Draft Resolution 07-10

Draft Resolution 07-10 would provide for the investment of monies under the Seed Capital Investment Program for American Defense Components Technologies in an amount not to exceed \$97,551.

ADCT produces laminated shims, rings and spacers for Department of Defense contracts. The shims are made of high tech laminated structures of metal that look and act like solid plate but that are able to be easily peeled to any desired thickness.

The cost of the machinery used to fabricate the products was beyond ADCT's reach, so they developed their own customized equipment. This has expanded their ability to compete in other markets.

ADCT is seeking a seed capital investment to help with expansion. The investment will be used primarily for the purchase of additional equipment that will expand the number and type of contracts ADCT can compete.

Dr. Stanley stated that ADCT is located in an area of the state that has been underserved by the Authority. Although this investment may have little impact on the economy of that area, if successful it could increase the Authority's presence in the area.

Dr. Phillips, on behalf of the Investment Committee, made a motion for the approval of Draft Resolution 07-10. The Board gave its unanimous approval.

Draft Resolution 07-11

Draft Resolution 07-11 would provide certification of tax credits for the following ADED project:

ADED Project No. 10323, "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by Arkansas Power Electronic International, Inc. in the amount of \$1,218,178.79 in expenses eligible for \$401,999.00 in tax credits.

Dr. Phillips, on behalf of the Investment Committee, made a motion for the approval of Draft Resolution 07-11. Dr. Geren abstained. The motion passed.

RESEARCH COMMITTEE REPORT

Dr. Collis Geren presented the Research Committee report.

EPSCoR Nominations

Dr. Geren presented two nominations for the EPSCoR committee. Mr. Tom Chilton has been nominated to replace Brad Greenway. Dr. Edgar Garcia Rill has been nominated to serve as an ex-officio member.

Dr. Geren, on behalf of the Research Committee, moved to accept the nominations of Mr. Tom Chilton and Dr. Edgar Garcia Rill. The Board gave its unanimous approval.

Draft Resolution 07-12

Draft Resolution 07-12 would provide approval for the funding of professional development fellowships and resource center workshops for the following proposals:

07-WRF-SumAcademy01, "RISE: Research in Science and Engineering," submitted by Dr. Srinivas Ramaswamy of the University of Arkansas at Little Rock, in the amount not to exceed \$10,000.

07-WRF-ProDev09, "Physical Science," submitted by Mary Crisp of Southern Arkansas University, in the amount not to exceed \$7,000.

07-WRF-ProDev10, "STEM Professional Development and Summer Training for Teachers," submitted by Stephanie Almond and Dr. Shelton Fitzpatrick of Math and Science Center, University of Arkansas at Pine Bluff, in the amount not to exceed \$4,500.

07-WRF-ProDev11, "Data: Improving Grade 4-8 (DIGS II) submitted by Dr. Cynthia Miller of Delta Institute of Math & Science Education, Arkansas State University, in the amount of \$7,000.

07-WRF-ProDev12, "Data: Exploring Space and Technology," submitted by Jannie Trautwein of Rural Institute of Math & Science Education, Arkansas State University, in the amount of \$7,000.

07-WRF-STEM_Partnership03, "Our Place in the Universe," submitted by Dwight Daugherty of Cabot High School in the amount not to exceed \$1,500.

07-WRF-STEM_Partnership05, "Science Buds- Partnership Between Elementary Science (Kindergarten through Fourth Grade) and High School Science (Seventh through Twelfth Grade)," submitted by Quin Johnson of Kirby High School in the amount not to exceed \$1,500.

Dr. Geren, on behalf of the Research Committee, made a motion for the approval of Draft Resolution 07-12. The Board gave its unanimous approval.

NEW BUSINESS

Legislative Update

Dr. Ahlen provided the Board with an update on the legislative session.

The package of bills from Accelerate Arkansas is moving along. The bills include appropriations for the Authority and the research universities.

The Authority has two appropriation bills. The personnel committee will meet next week and the Authority's bills are on the agenda. The staff is also trying to amend the Governor's Letter, incorporating changes that have been requested.

The bill dealing with the conflict of interest of Board members went to committee and came out of committee with a split vote. One of the issues was that the legal staff removed the language saying that manufacturers would pay for services. This created confusion among committee members, who were concerned that others could extract portions of the language in the bill and use it for other purposes. The bill's sponsor has asked that the language be put back in. The staff will follow this bill closely.

Next Meeting Date

Ms. McGowan reminded Board members that the next Board meeting was scheduled for May 18, 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 18th day of May, 2007.



Paul Mastro
Secretary
Board of Directors