



423 Main Street, Suite 200
Little Rock, Arkansas 72201

www.asta.ar.gov

Phone: 501.683.4400
Fax: 501.683.4420

**MINUTES OF THE 128TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
MAY 18, 2007
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order by Ms. Sue McGowan, Chair of the Board, in the Authority's conference room.

A quorum of Board members was present and included: Dr. Steve Floyd, Mr. Robert Hall, Mr. Johnny Hooks, Mr. Paul Horney, Mr. Patrick Hutton, Mr. Paul Mastro, Dr. Gary Phillips, and Dr. John White.

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.

ACCELERATE ARKANSAS

Jerry Adams was recognized to give the Board an update on Accelerate Arkansas' work during the legislative session.

APPROVAL OF MINUTES

Ms. McGowan presented for approval the minutes from the March 16, 2007 Board meeting. Mr. Hutton made a motion for the approval of the minutes. Dr. Phillips seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen reviewed the Operating Report and the FY2008 budget. The Authority received an increase in M&O funding, the first in several years.

Dr. White made a motion for the acceptance of the Operating Report and FY2008 budget. Mr. Hutton seconded the motion; the Board gave its unanimous approval.

Chuck Myers was recognized to review the Assignment of Duties, which outlines the actions that need to be addressed and completed during the July, 2007-June, 2009 biennium. Act 1228, the general revenue appropriation for the Authority, was reviewed. In addition, Mr. Myers gave a brief overview of the legislative acts that directly affect the Authority.

Dr. Floyd made a motion for the acceptance of the Assignment of Duties. Mr. Hall seconded the motion; the Board gave its unanimous approval.

INDUSTRY COMMITTEE REPORT

Mr. Hall presented the Industry Committee Report.

The FY08 MEP budget has not been marked up by the House and Senate. The budget could total \$113 million for the year.

Act 988 was passed by the legislature. The act clarifies the Authority's enabling legislation that it is not a conflict of interest for companies with which Board members are affiliated to receive and pay for services of AMS. The act also includes language to clarify that the Authority is covered under sovereign immunity.

AMS' NIST MEP Minimally Acceptable Impact Measures score for the most recent quarter was 100%. Of the total 59 MEP centers, AMS ranked: 2nd in cost per job created or retained; 8th in bottom line impact ratio; 10th in cost per impacted client; 17th in investment leverage ratio; and 4th in customer satisfaction.

Draft Resolution 07-13

Draft Resolution 07-13 provides for the funding of seven partnership agreements with Arkansas Manufacturing Solutions in an amount not to exceed \$1,351,506 for field staff and AMS Director activities and \$15,000 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 \$371,950;

One AMS Director's position and three field staff positions in an amount not to exceed \$466,613 and sponsorship of the Arkansas Executive Summit in an amount not to exceed \$5,000 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 \$135,645;

One field staff position at Southern Arkansas University Tech, in an amount not to exceed \$137,042;

Two field staff positions at Winrock International, in an amount not to exceed \$240,256;

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.

Mr. Hall, on behalf of the Industry Committee, made a motion for the approval of Draft Resolution 07-13. The Board gave its unanimous approval.

AMS Advisory Committee Nominations

Mr. Hall presented the AMS Advisory Committee nominations (new and reappointment).

New appointments: Dr. Derek Crews, Northwest Arkansas Community College, Bentonville; Mr. Scott Kingsborough, Mountain Valley Spring Company, Hot Springs National Park.

Reappointments: Mr. Les Eaves, Delta Manufacturing, Inc., Newport; Ms. Robin McClendon, SeaArk Boats, Monticello; Mr. Grey Williams, Dexter, Little Rock.

Mr. Hall, on behalf of the Industry Committee, made a motion to approve the AMS Advisory Committee nominations. The Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Dr. Gary Phillips presented the Investment Committee Report.

SCIP Quarterly Report

Dr. Phillips presented the SCIP Quarterly Report for the Board's review. Dr. Phillips, on behalf of the Investment Committee, made a motion for the acceptance of the SCIP Quarterly Report. The Board gave its unanimous approval.

TTAG Activity Report

Dr. Phillips presented the TTAG Activity Report. Dr. Geren made a motion for the acceptance of the report. Mr. Hutton seconded the motion; the Board gave its unanimous approval.

Draft Resolution 07-14 through 07-25

Draft Resolution 07-14 through 07-25 certifies tax credits for research and development for the following companies.

Draft Resolution 07-14:

ADED Project No. 10543 “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by BBI in the amount of \$12,705.00 in expenses eligible for \$4,192.65 in tax credits.

Draft Resolution 07-15:

ADED Project No. 10544 “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by BioBased Systems in the amount of \$180,136.94 in expenses eligible for \$59,445.19 in tax credits.

Draft Resolution 07-16:

ADED Project No. 10542, “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by BioBased Technologies in the amount of \$105,805.55 in expenses eligible for \$34,915.83 in tax credits.

Draft Resolution 07-17:

ADED Project No. TB05-5, “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by BioDetection Instruments in the amount of \$249,781.99 in expenses eligible for \$82,428.06 in tax credits.

Draft Resolution 07-18:

ADED Project No. 10545, “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by BlueInGreen in the amount of \$51,845.23 in expenses eligible for \$17,108.93 in tax credits.

Draft Resolution 07-19:

ADED Project No. 10324, “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by Insight Ecosystems in the amount of \$232,229.00 in expenses eligible for \$76,635.57 in tax credits.

Draft Resolution 07-20:

ADED Project No. 10541, “Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2006 by InvoTek in the amount of \$21,120.00 in expenses eligible for \$6,969.60 in tax credits.

Draft Resolution 07-21:

ADED Project No. 9917, "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by NanoMech in the amount of \$341,995.55 in expenses eligible for \$112,858.53 in tax credits.

Draft Resolution 07-22:

ADED Project No. 10101, "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by NN-Labs in the amount of \$466,500.98 in expenses eligible for \$153,945.32 in tax credits.

Draft Resolution 07-23:

ADED Project No. TB05-1, "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by SFC Fluidics in the amount of \$139,661.55 in expenses eligible for \$46,088.31 in tax credits.

Draft Resolution 07-24:

ADED Project No. 9783, "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by Space Photonics in the amount of \$778,602.00 in expenses eligible for \$256,938.66 in tax credits.

Draft Resolution 07-25:

ADED Project No. TB05-3 "Tax Credit for In House Research by a Targeted Business," submitted for tax year 2006 by Vegrandis in the amount of \$434,655.79 in expenses eligible for \$143,436.41 in tax credits.

Dr. Phillips, on behalf of the Investment Committee, made a motion for the approval of Draft Resolution 07-14 through 07-25. The Board gave its unanimous approval.

Draft Resolution 07-26

Draft Resolution 07-26 provides for the authorization to grant funds for projects under the Technology Transfer Assistance Grant Program. The funding is an amount not to exceed \$356,975 (\$156,975 TTAG/TDP and \$200,000 AMS TTAG).

Dr. Phillips, on behalf of the committee, made a motion for the approval of Draft Resolution 07-26. The Board gave its unanimous approval.

Resolution 06-12 (Amended)

Resolution 06-12 was approved at the May 19, 2006 meeting. It was discovered that the funding amount listed in the resolution was incorrect. The correction is as follows:

1. **Amount of Funding:** The Board approves funding in an amount not to exceed ~~\$354,352~~ \$356,975 (~~\$154,352~~ \$156,975 TTAG/TDP and \$200,000 AMS TTAG, respectively) for state fiscal year 2007.

Dr. Phillips, on behalf of the Investment Committee, made a motion to approve the amendment to Resolution 06-12. The Board gave its unanimous approval.

Resolution 07-07 (Amended)

Resolution 07-07 was approved by the Board. It was discovered that the application number listed in the resolution was incorrect. The correction is as follows:

Application No. ~~07-TDP-02~~ 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;

Dr. Phillips, on behalf of the Investment Committee, made a motion to approve the amendment to Resolution 07-07. The Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

Dr. John White presented the Research Committee Report.

R&D Plan

The Board was given a copy of the 2008 R&D Plan for review. Dr. White commented that the intent was to try and keep the plan to one page, but it is so brief that it is ambiguous. The committee feels that it needs more work before being presented to the Board for approval. Input has been requested from several groups. The committee would like to expand more on the five areas outlined.

Dr. Ahlen suggested that the staff and committee work on the plan and bring it back to Board for consideration at the September meeting.

EPSCoR Advisory Committee Nominations

The FY2008 EPSCoR Advisory Committee Nominations & Alternates were presented for approval.

Dr. Thomas J. Flammang, National Center for Toxicological Research (Alternate - Dr. Robert Heflich); Mr. Tom Chilton, Arkansas Economic Development Commission (Alternate – Mr. Brad Henry); Dr. Mary Good, University of Arkansas at Little Rock

(Alternate - Dr. Ibrahim Nisanci); Dr. Elizabeth Hood, Arkansas State University (Alternate – Dr. Greg Phillips); Dr. Patricia Marks, University of Arkansas at Pine Bluff (Alternate – Dr. Ebo Tei); Dr. John Long, Henderson State University (Alternate – Dr. Martin Campbell); Dr. John Ahlen, Arkansas Science & Technology Authority (Alternate – Dr. Gail McClure); Dr. Robert McGehee, University of Arkansas for Medical Sciences (Alternate – Dr. K. David Straub); Dr. George Ransford, Inspec Foams, Inc.; Mr. Phillip Stafford, University of Arkansas, Fayetteville (Alternate – Dr. Dennis Brewer); Dr. Tom Schweiger, Acxiom (Alternate – Mr. Kimberly Eagle); Dr. Karen Wheeler, Arkansas Department of Higher Education (Alternate – Ms. Cynthia Moten).

Dr. White, on behalf of the Research Committee, made a motion for the approval of the FY2008 EPSCoR Advisory Committee nominations. The Board gave its unanimous approval.

Draft Resolution 07-27

Draft Resolution 07-27 provides for the approval for funding of professional development fellowships and resource center workshops through the STEM Empowerment Grant for the following proposals:

07-WRF-ProDev13, “Kit-based Science for the P-4 Teacher,” submitted by Allen Henderson of Center for Math and Science Education, Harding University, in the amount not to exceed \$4,500.

07-WRF-NASA/EAST04, “Virtual Field Trip of a Cave Ecosystem,” submitted by Natalie Tolbert of Mansfield High School in the amount not to exceed \$1,500.

Dr. White, on behalf of the Research Committee, made a motion for the approval of Draft Resolution 07-27. The Board gave its unanimous approval.

Draft Resolution 07-28

Draft Resolution 07-28 provides approval for the funding of three universities’ subagreements with the Arkansas Science & Technology Authority for the NSF EPSCoR grant. The projects will be at the following three universities:

University of Arkansas, Fayetteville in support of personnel salaries/benefits, equipment, direct and indirect cost for the Wireless Nanosensor Project and the Project of the Plant-based BioProduction, in the amount of \$1,758,140;

University of Arkansas at Little Rock in support of personnel salaries/benefits, equipment, direct and indirect cost for the Wireless Nanosensor Project and the Project of the Plant-based BioProduction, in the amount of \$1,224,636;

Arkansas State University in support of personnel salaries/benefits, equipment, direct and indirect cost for the Wireless Nanosensor Project and the Project of the Plant-based BioProduction, in the amount of \$749,907;

This draft resolution was presented to the Board in anticipation of the EPSCoR award that is expected to be announced sometime during the summer.

Dr. White moved that the Board authorize the Executive Committee to act on the behalf of the Board at the appropriate time. Dr. Phillips seconded the motion; the Board gave its unanimous approval.

Draft Resolution 07-29

Draft Resolution 07-29 would provide funding for one applied research proposal for the following proposal:

07-A-01, "A Semiotic Approach to Layout Inference and Data Transformation," submitted for John Talburt, Information Science, University of Arkansas at Little Rock in the amount not to exceed of \$65,000. This project is cosponsored by Axiom Corporation in the amount of \$65,000.

Dr. White stated that the Research committee reviewed this proposal at their April 25, 2007 meeting. The Committee failed to reach an agreement to recommend funding because of Dr. Seidman's concerns about it being an unsolicited proposal and possible conflicts of interest. The Committee decided to present the proposal to the full for discussion and consideration.

Dr. Ahlen explained that the Authority discovered \$140,000 in unencumbered funds in the research budget line. Occasionally the Authority will become aware of proposals at universities. The Authority became aware of Dr. Talburt's proposal and suggested that he submit it for consideration. The proposal has been reviewed and has matching funds.

There being no further discussion, Dr. White made a motion for the approval of Draft Resolution 07-29. Dr. Phillips seconded the motion; the Board gave its unanimous approval.

NEW BUSINESS

Draft Resolutions 07-30, 07-31, 07-32

Draft Resolution 07-30 would provide authority to fund one Arkansas Research Matching Fund proposal for the following project:

Proposal No. 07-ARMF-01, "RISE-Research Internships in Science of the Environment" by Dr. Robyn Hannigan and Dr. Carolyn Dowling of

Arkansas State University, in the amount not to exceed \$13,100. This project is funded federally by a National Science Foundation grant in the amount of \$84,089.

Draft Resolution 07-31 would provide authority to fund one Arkansas Research Matching Fund proposal for three projects:

Proposal No. 07-ARMF-02, "Multi-Color Long Wavelength Infrared Detectors Based on III V Semiconductor Nanostructures" by Dr. Omar Manesreh and Dr. Greg Salamo of the University of Arkansas, Fayetteville, in the amount not to exceed \$126,040. This project is funded federally by a Department of Defense EPSCoR grant in the amount of \$350,000.

Proposal No. 07-ARMF-03, "Low-Power, Ultrafast Optical Switches Based on Coherence Optical Effects in Arrayed Semiconductor Nanostructures" by Dr. Min Xiao, Dr. Greg Salamo and Dr. Julio Gea-Banacloche of the University of Arkansas, Fayetteville, in the amount not to exceed \$153,912. This project is funded federally by a Department of Defense EPSCoR grant in the amount of \$339,797.

Proposal No. 07-ARMF-04, "MRSEC: Center for Semiconductor Physics and Nanostructures" by Dr. Greg Salamo of the University of Arkansas, Fayetteville in the amount not to exceed \$88,048. This project is funded federally by a National Science Foundation grant in the amount of \$3,900,000.

Draft Resolution 07-32 would provide authority to fund one Arkansas Research Matching Fund proposal for two projects:

Proposal No. 06-ARMF-02, "Proposal to Fund the Arkansas Space Grant Consortium" by Dr. Keith Hudson of the University of Arkansas at Little Rock, in the amount not to exceed \$95,000. This project is funded federally by a National Aeronautics and Space Administration (NASA) grant in the amount of \$403,000.

Proposal No. 07-ARMF-05, "An Integrated Approach for Hydrogen Production and Storage in Complex Hydrides of Transitional Elements and Carbon-Based Nanostructure Materials" by Dr. Malay Mazumder and Dr. Abhijit Bhattacharyya of the University of Arkansas at Little Rock, in the amount not to exceed \$123,441. This project is funded federally by a Department of Energy grant in the amount of \$890,999.

Dr. Phillips made a motion for the approval of Draft Resolutions 07-30, 07-31 and 07-32. Dr. Floyd seconded the motion; the Board gave its unanimous approval.

Draft Resolution 07-33

Draft Resolution would provide funding 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" submitted by Minotaur Technologies in the amount not to exceed \$29,250.

Dr. White made a motion for the approval of Draft Resolution 07-33. Mr. Hooks seconded the motion; the Board gave its unanimous approval.

Nominating Committee

Ms. McGowan appointed Dr. John White to serve with her on the nominating committee. Dr. Phillips approved the nominating committee selection. Mr. Hutton seconded the motion; the Board gave its unanimous approval.

Next Meeting Date

Ms. McGowan reminded members that the next Board meeting is scheduled for September 21, 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 21st day of September, 2007.



Paul Mastro
Secretary
Board of Directors