

Arkansas Science & Technology Authority
Board of Directors – Operating Guide
November 20, 2009



Public Purpose: Arkansas Science and Technology Authority established. There is hereby established for the State of Arkansas the Arkansas Science and Technology Authority, hereinafter referred to as "The Authority," which shall have the powers, functions, and duties, as hereinafter provided, to be the instrumentality of this State to exert leadership in and to give direction to a broad spectrum of programs and services designed to gain for this State and its people the benefits and opportunities to be realized through advanced science and technology.

Act 859 of 1983
As Amended

Vision: We envision an Arkansas prepared to compete and prosper in the global economy.

Table of Contents

Section 1: Mission	2
Section 2: Customers	2
Section 3: Products and Services	2
Section 4: Goals for the 2010-2011 Biennium	3
Section 5: Core Values.....	3
Section 6: Board of Directors.....	3
Section 7: Board Duties	3
7.1 Review Statutory Requirements.....	3
7.1.1 Statement of Financial Interest (ACA §§21-8-201 through 21-8-204).....	4
7.1.2 Conflict of Interest	4
7.1.3 Board Meeting Attendance (ACA §25-16-804).....	5
7.1.4 Vote on Expense Reimbursement Authorization (ACA §25-16-902).....	5
7.1.5 Freedom of Information (ACA §25-19-106)	5
7.2 Set Meeting Schedule	5
7.3 Nominate and Elect Officers.....	6
7.4 Review and Approve Budget Request	6
7.5 Review and Accept Expenditure Reports	6
7.6 Establish Board Committees.....	6
Sponsored Projects Committee	6
Research and Commercialization Committee.....	7
Industry Committee.....	7
7.7 Establish Advisory Committees; Approve Membership	7
7.8 Review and Approve Program Rules.....	8

7.9 Review and Approve Program Guidelines.....	8
7.10 Review and Approve Investments of Programmatic Funds.....	8
7.11 Review and Accept Technology Transfer Assistance Grant (TTAG) Projects.....	8
7.13 Review and Approve Proposals for External Support	8
7.14 Receive Legislative Audit Report	8
7.15 Review and Approve Annual Report	9
7.16 Establish Other Board Policies and Procedures	9
7.17 Review Assignment of Duties	9
7.18 Immunity from Civil Liability.....	9
7.19 Review and Approve Research and Development Plan.....	9
Section 8: Diversity.....	9
Section 9: Change History	9
Section 10: Approval	10

Section 1: Mission

The mission of the Arkansas Science & Technology Authority is to advance the talent and innovation necessary for Arkansas to prosper.

Section 2: Customers

The Authority's Board of Directors defines its customer as any knowledge-based or technology-based Arkansas firm. Special attention should be given to firms with the potential for rapid growth, high value added and job creation.

Section 3: Products and Services

The Authority's mission is carried out through statutory strategies to promote (1) scientific research, (2) technology development, (3) business innovation, and (4) education at all levels. Its research and development products and services include the following:

- Basic Research Grants
- Arkansas Research Matching Grants
- Applied Research Grants (and R&D Tax Credit)
- Centers for Applied Technology
- Technology Transfer Assistance Grants
- Technology Development Investments
- Seed Capital Investments
- Venture Capital Investment Trust
- Economic Incentives
 - Equity Investment Tax Credits
 - R&D Tax Credits
- Math and Science Education Projects
- AMS Services
 - Lean Enterprise
 - Strategic Business Solutions

- Safety, Health and Environmental
- Quality
- Green and Sustainability Sponsored Research Projects

Section 4: Goals for the 2010-2011 Biennium

The Board has five goals for the 2010-2011 biennium.

1. Ensure the availability of the next generation of Arkansans with science, technology, engineering and mathematics skills necessary for a competitive 21st century workforce.
2. Maximize the production of scientific and engineering talent and research innovations as building blocks for the 21st century economy.
3. Invest in research innovations that build knowledge-based industries for Arkansas's 21st century economy.
4. Strengthen Arkansas companies' capacity to innovate, create wealth, expand knowledge-based jobs and compete globally.
5. Extend science and technology expertise to take advantage of emerging opportunities in partnership with other programs, services and organizations

Section 5: Core Values

The Board has adopted six core values for the Authority.

1. We will be accountable to our stakeholders.
2. We will be honest and ethical.
3. We will value and promote our products and services.
4. We will be creative and objective as we improve our organization and ourselves.
5. We will treat all with respect and dignity.
6. We will value diversity among ourselves and our customers.

Section 6: Board of Directors

The function of the Board of Directors is to govern the Arkansas Science & Technology Authority.

Arkansas Code Annotated (ACA) sections 15-3-101 through 15-3-134 establish the Authority and the Authority's Board of Directors and specify its membership (ACA §15-3-104), organization (ACA §§15-3-105 and 15-3-106), meetings (ACA §15-3-107), powers and duties (ACA §15-3-108), and power to carry out programs (ACA §15-3-109 and following sections).

Section 7: Board Duties

The Board of Directors routinely carries out the following activities that define its duties.

7.1 Review Statutory Requirements

In addition to the Authority's enabling legislation, the Board is also subject to the following statutory requirements:

7.1.1 Statement of Financial Interest (ACA §§21-8-201 through 21-8-204)

On or before January 31 of each calendar year, Board members are required to submit to the Secretary of State a statement of financial interest.

7.1.2 Conflict of Interest

Conflict of interest for Board members is specifically addressed in the Authority's enabling legislation (ACA §15-3-112), is generally addressed in broader conflict of interest legislation (ACA §21-8-1001), and is interpreted in an opinion from the Attorney General (Opinion No. 96-129).

There are two specific prohibitions. First, **no director**, officer, or employee of the Authority, shall have any interest, for the purpose of personal gain, in any grant or investment of the Authority. Second, **the Authority** shall not invest in any qualified security of an enterprise that is owned, wholly or partially, directly or indirectly, by any director or officer of the authority, or of any enterprise that employs a director of the Authority.

Exclusions from personal interest allowed for Board members are contained in ACA §15-3-112 (c), which reads:

It shall not be a violation of this section for the authority to permit any college, university, or other nonprofit institution with which a director of the authority is affiliated to participate in any program of the authority, provided that the director shall promptly disclose the nature of the affiliation to the board.

and ACA 15-3-112 (d)(1), which reads:

It shall not be a violation of this section for the Authority to permit a manufacturer or other for-profit entity with which a director is affiliated to pay to the Authority fees for services and receive, in return for those fees, services:

- (A) That are generally available to all manufacturers or other for-profit entities; and
 - (B) Are not available to the manufacturer or other for-profit entity solely due to its affiliation with a director.
- (2) (A) A director affiliated with a manufacturer or other for-profit entity that enters into a contract or an agreement pursuant to subdivision (d) (1) of this section shall disclose the contract or agreement in writing to the President of the Authority
- (B) The President of the Authority shall inform the board of the contract or agreement at its next regularly scheduled meeting and attach a copy of the written disclosure to the minutes of that meeting.

In addition, there are two general prohibitions. No member of a state board or commission shall use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others. No member of a state board or commission shall disclose confidential information acquired by him or her in the course of the member's official duties, or use such information to further his or her personal interests. In the 2001 legislative session, these provisions were extended by Act 1244 of 2001 to the boards of entities receiving state funds.

7.1.3 Board Meeting Attendance (ACA §25-16-804)

A board or commission member shall be subject to removal from the board or commission in the event the member shall fail to present to the Governor a satisfactory excuse for his absence. Unexcused absences from three (3) successive regular meetings, without attending any intermediary called special meetings, shall constitute sufficient cause for removal. A board member with excessive absences is not eligible for travel reimbursement for board meeting until the Governor excuses the absences.

7.1.4 Vote on Expense Reimbursement Authorization (ACA §25-16-902)

During the first meeting of each calendar year, the Board will establish travel reimbursement rates for Board members performing official Board duties. The rate will not exceed the rate for state employees established by travel regulations.

7.1.5 Freedom of Information (ACA §25-19-106)

In all proceedings, the Authority shall follow rules set forth in Act 93 of 1967, as amended, governing "Freedom of Information." All meetings of the Board of Directors, formal or informal, special or regular, shall be public meetings. The time and place of each regular or special meeting shall be announced to representatives of the news media requesting notification at least twenty-four (24) hours before said meeting. (Reference: ACA §25-19-106(a).)

Executive Sessions: Executive sessions of the Board will be permitted only for the purpose of considering employment, appointment, promotion, demotion, disciplining, or resignation of any public officer or employee. No resolution, ordinance, rule, contract, regulation, or motion considered or arrived at in executive session will be binding unless following the executive session the Board of Directors reconvenes in public session and presents and votes on such resolution, ordinance, rule, contract, regulation, or motion. (Reference: ACA § 25-19-106(c).)

7.2 Set Meeting Schedule

The Board meets six times each year at regularly scheduled Board meetings that are traditionally held on the third Friday of January, March, May, July (if needed), September, and November.

7.3 Nominate and Elect Officers

The Board Chair appoints a nominating committee at the May Board meeting. The nominating committee is usually comprised of past Board chairs, or in the case where there are no past chairs, more senior members of the Board.

The nominating committee makes its report at the September Board meeting, recommending candidates for chair, vice chair, and secretary.

- Chair: The Chair shall preside at all meetings of the Board of Directors and appoint members to the committees of the Board of Directors.
- Vice-Chair: The Vice-Chair shall preside, in the absence of the Chair, at meetings of the Board of Directors.
- Secretary: The Secretary shall sign all documents approved by the Board of Directors and preside at meetings of the Board in the absence of the Chair and Vice-Chair.

The Board usually elects its new officers at the September meeting.

7.4 Review and Approve Budget Request

At its May meeting, the Board reviews the staff-generated budget request and approves the budget request that the staff will submit to the Governor and General Assembly.

Proposed budgets for sponsored programs will be submitted for acceptance by the Board at the time the proposal is submitted to the State Clearinghouse.

7.5 Review and Accept Expenditure Reports

The Board routinely accepts expenditure reports.

7.6 Establish Board Committees

The Authority's enabling legislation (ACA §15-3-106) directs the Board to establish an *Executive Committee* and outline its responsibilities. At its September 17, 1999 meeting, the Board empowered the Executive Committee to meet as needed between regularly scheduled Board meetings to act on proposals that have deadlines. All actions taken by the Executive Committee will be reported at the next regularly scheduled Board meeting.

In addition, the Board uses three standing committees through which the Board conducts program-related activities. The Board chair appoints the membership of the committees and names the committee chair. Each committee's charter may be established by the Board. These standing committees are:

Sponsored Projects Committee

The sponsored projects committee oversees externally funded:

- Research Projects

- EPSCoR Projects
- Research Centers
- Math and Science Education Projects

The sponsored projects committee reviews and recommends projects for external support to the Board. The committee also monitors the implementation, modification and completion of funded projects.

The vice president sponsored projects staffs the sponsored projects committee.

Research and Commercialization Committee

The research and commercialization committee oversees:

- Technology Transfer Assistance Grant Program
- Technology Development Program Seed Capital Investment Program
- Issuance of Consolidated Incentive Act R&D Tax Credit Certificates
- Basic Research Grant Program
- Applied Research Grant Program (R&D Tax Credit)
- Research Matching Grants
- Research Infrastructure Grants (Arkansas Research Alliance)
- Business Incubator Technology Certification
- Centers for Applied Technology Program

The research and commercialization committee reviews applications submitted under the innovation and commercialization programs. The committee recommends projects for funding to the Board.

The research and commercialization committee is also the pathway to the Board for expenditure reports.

The vice president commercialization staffs the research and commercialization committee.

Industry Committee

The industry committee oversees the manufacturing extension partnership.

The industry committee reviews applications submitted under the manufacturing extension partnership. The committee recommends projects for funding to the Board.

The vice president industry staffs the industry committee.

7.7 Establish Advisory Committees; Approve Membership

The Board creates and uses advisory committees, through which the Board and its committees obtain program-related information and advice. The Board advisory committees generally recommend nominees for membership to the Board, which annually approves advisory

committee membership and periodically approves replacement members. Advisory committees operate under a Board-approved charter.

Advisory committee members shall be held to the same attendance requirements as the members of the Board of Directors. (Reference: This attendance requirement was added September 12, 1994.)

7.8 Review and Approve Program Rules

The Board approves all new program rules and modifications to existing program rules. Program rules are promulgated under the Administrative Procedures Act and, when formally adopted, such rules have the force of law. Once adopted, rules are modified as needed, which usually is not very often.

7.9 Review and Approve Program Guidelines

The Board may adopt program guidelines that formalize Board preferences. Guidelines supplement program rules, but do not have the force of law.

7.10 Review and Approve Investments of Programmatic Funds

The Board approves all investments of programmatic funds. Standing committees generally recommend the funding of projects in the form of funding resolutions.

7.11 Review and Accept Technology Transfer Assistance Grant (TTAG) Projects

The Board approves on an annual basis a specific amount of funding to be used for TTAG projects. After review and recommendation by the TTAG review panel, the president authorizes the release of funds for individual projects. A list of funded projects is presented to the Board for acceptance.

7.12 Review and Approve Certificates of Tax Credits

The Board approves all requests for Certificates of Tax Credits under the Research and Development Incentives portion of Consolidated Incentive Act of 2003.

7.13 Review and Approve Proposals for External Support

The Board should endorse any proposals for external support prior to submission to the funding entity. In cases where prior endorsement is not possible, the Board shall endorse the proposal after it has been submitted to the State Clearinghouse. The Board shall approve the proposal and the proposed budget prior to implementation. Proposals approved by the Board shall be carried out within the scope and budget approved.

7.14 Receive Legislative Audit Report

Board members annually receive a copy of the Authority's audit by the legislative joint audit committee. An audit is required by law (ACA §15-3-116).

7.15 Review and Approve Annual Report

The Board reviews and, depending on timing, either reviews and approves the content for or approves the release of the Authority's annual report, which is required by law (ACA §15-3-123).

7.16 Establish Other Board Policies and Procedures

From time to time the Board establishes policies and procedures that are compiled in the Board policy manual.

7.17 Review Assignment of Duties

After the conclusion of the legislative sessions, the Board reviews available resources and the Assignment of Duties.

7.18 Immunity from Civil Liability

In accordance with ACA 15-3-108 (c), the Authority and its board, employees, and agents shall be immune from civil liability for performing the duties of the Authority.

7.19 Review and Approve Research and Development Plan

In accordance with ACA 15-3-108 (d) (25), the Board reviews and approves a Research and Development Plan to guide investments.

Section 8: Diversity

The Authority staff is authorized and encouraged to continuously seek external support for pilot projects to advance underrepresented students through the STEM education pipeline.

Section 9: Change History

Revision Number	Date Approved	Revision Summary
0	November 19, 1998	Original Version
1	May 21, 1999	Amended for use as Board/Commission Annual Report for the Arkansas Legislative Council
2	May 19, 2000	Amended to include: goals for the 2001-2003 biennium, roles of officers, the general conflict of interest prohibitions, review of appropriations and budget allocations, and empowerment of the Executive Committee.
3	September 21, 2001	Update section 6.1.2 per Act 1244 of 2001. Update section 6.1.3 per Act 453 of 2001. Delete figure in section 6.4 (moved to Assignment of Duties). Add section 6.15 Review Assignment of Duties.
4	September 19, 2003	Amend to include goals for the 2003-2005 biennium. Repeals section 6.1.5 per ACT 221 of 2001. Updates section 6.7 to reflect changes to Advisory Committees. Updates section 6.11 to reflect the reporting of TTAG projects.
5	October 14, 2005	Amends Section 3, 4, and 6
6	September 21, 2007	Amend to include goals for the 2006-2008 biennium. Updated Section 6.1.2 per Act 988 of 2007

Arkansas Science & Technology Authority
Board of Directors Operating Guide

		Inserted Section 6.17 per Act 988 of 2007 Made minor edits.
7	November 20, 2009	Amended to include goals for 2010-2011. Updated various sections to reflect the Board's strategic planning. Added vision statement and amended mission statement. Added Section 5 to reflect core values and renumbered sections following. Added Section 7.19 per Act 183 of 2005. Added Section 8 about Diversity.

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Section 10: Approval

Approved by the Board of Directors
on this 20th day of November, 2009

Beverly Dawkins Lyn-Cook, Ph.D.
Secretary
Board of Director