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*ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
1997 - 1999*

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The Science & Technology Authority has six core programs: (1) the Basic Research Grant Program; (2) the Applied Research Grant Program; (3) the Technology Transfer Program; (4) the Technology Development Program; (5) the Centers for Applied Technology Program; and (6) the Seed Capital Investment Program. There are programs for larger-scale, capacity-building that include the Experimental Program to Stimulate Competitive Research and the Manufacturing Extension Program.

The Authority also manages the SBIR Awareness Program, and, from time to time, (1) undertakes special demonstration projects that are identified as priorities by the Authority's Board of Directors and (2) maintains liaison on matters on science and technology with the state legislature and Arkansas congressional delegation. The Authority carries out supporting management functions involving data collection and analysis, communications, coordination, and planning activities.

**THE BASIC AND APPLIED RESEARCH GRANT PROGRAMS** competitively fund original investigations for the discovery and application of scientific and engineering knowledge. In the Basic Research Grant Program, college and university investigators seek new knowledge. In the Applied Research Grant Program, new equipment and funds from private sources match funds from the Authority for new applications; there is a Research and Development Tax Credit for the match. Response to, and success of these programs, has been exceptional. Since implementation in January 1986, the Basic and Applied Research Grant Programs have received 651 proposals and have funded 221. Most projects have a direct, long-term effect on the economic vitality of the state of Arkansas. These projects also provide opportunities for other technology transfer, development, and innovation programs.

The Authority's Board of Directors ranks the Authority's research programs as a high priority and requests a \$900,000 per year general revenue appropriation to support basic and applied research. Experience to date shows clearly that for each \$1 invested in research from the Authority, over \$8 in follow-on funds are awarded by other sources.

**THE TECHNOLOGY TRANSFER PROGRAM** provides technical assistance to Arkansas enterprises by linking the enterprise with private enterprises, federal labs, and the state's universities. The program has two components: the service function and the Technology Transfer Assistance Grants Program.

<b>AGENCY</b> <b>ARKANSAS SCIENCE &amp; TECHNOLOGY</b> <b>AUTHORITY</b>	<b>DIRECTOR</b> <b>JOHN W. AHLEN</b>	<b>AGENCY</b> <b>PROGRAM</b> <b>COMMENTARY</b> <b>BR21</b>	<b>PAGE</b> <b>386</b>
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**ARKANSAS BUDGET SYSTEM**  
**AGENCY PROGRAM COMMENTARY**  
**1997 - 1999**

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The Technology Transfer service function helps Arkansas' industry better prepare for competition in a technology-driven economy through the use of problem statements and technology-based workshops. The services are managed through agreements with NASA's Marshall Space Flight Center and the Mid-Continent Technology Transfer Center. Funding for the services is derived from the Authority's maintenance and operation expenses. The program has received 253 technology transfer assistance requests from 55 Arkansas companies since its inception in 1993.

The Technology Transfer Assistance Grant Program (TTAG) provides a link between Arkansas industry and the technological resources of the state's universities, private enterprises, and federal laboratories. The purpose of TTAG is to increase Arkansas industry's regional, national, and global competitiveness through technical and operational advancements. Mini-grants are used (1) to assist Arkansas businesses in finding solutions to technical problems; (2) to facilitate cooperation between the state's public and private entities, and (3) to foster early-stage development projects. Since the program began accepting proposals in April of 1994, 64 projects have been funded.

The Authority Board of Directors requests a \$125,000 per year general revenue appropriation to continue support for technology transfer mini-grants of less than \$5,000 per project.

**THE TECHNOLOGY DEVELOPMENT PROGRAM** assists in the development and commercialization of new technology-based products and processes through innovative technology development projects.

The Technology Development Program may provide monies to qualified applicants' projects if the proposed project possesses a well-defined and comprehensive project plan and promotes the purpose of the Arkansas Science & Technology Authority. The maximum award is limited by law to \$50,000. Awards will be considered investments with terms negotiated on a case-by-case basis with a maximum of five (5) percent royalty on net sales for a maximum period of 10 years.

The following qualified applicants are the customers of the Technology Development Program: (1) Arkansas-based businesses; (2) researchers at Arkansas colleges and universities; (3) researchers at federal laboratories in Arkansas; and (4) inventors in Arkansas.

The Authority Board of Directors requests \$250,000 per year general revenue appropriation to continue support for the Technology Development Program. Ten (10) projects have been funded since 1993.

<b>AGENCY</b>	<b>DIRECTOR</b>	<b>AGENCY PROGRAM COMMENTARY</b>	<b>PAGE</b>
<b>ARKANSAS SCIENCE &amp; TECHNOLOGY AUTHORITY</b>	<b>JOHN W. AHLEN</b>	<b>BR21</b>	<b>387</b>

**ARKANSAS BUDGET SYSTEM**  
**AGENCY PROGRAM COMMENTARY**  
**1997 - 1999**

**THE SEED CAPITAL INVESTMENT PROGRAM** invests in scientific and technological projects of small, Arkansas-based, start-up companies. This is the capstone program of the Authority because such companies are launched and their jobs are created as a result of research and development projects of a type that are funded under other Authority programs. The Seed Capital Investment Fund (a cash fund) received a one-time appropriation of \$1,800,000 in 1985. Because of the relatively small size of the Investment Fund, the program uses each dollar from the investment fund to leverage a minimum of three dollars in matching funds. The program has invested over \$2.5 million dollars and has leveraged an additional \$11.1 million dollars from other sources (a 1:4.5 ratio). The sixteen investments have created over 300 new jobs in Arkansas. The Seed Capital Investment Program is aggressively marketed. Authority is requested to spend up to \$1.9 million from the cash fund.

**THE SBIR AWARENESS PROGRAM** was established in 1987 to provide information to help Arkansas small businesses in capturing available federal research and development funds.

The SBIR Awareness Program is intended to assist small businesses in Arkansas to become aware of the federally funded Small Business Innovation Research (SBIR) Program operated by 11 agencies of the federal government and to help Arkansas firms submit proposals for funding to federal agencies. Phase I SBIR grants are for six months and normally limited to \$100,000 for proof of feasibility research; Phase II grants are for up to two years effort and normally funded up to \$750,000 for research leading to prototype development. Only successful Phase I projects are eligible for Phase II funding. The Authority is seeking ways to promote the SBIR Program more widely to small businesses around the state. No program funds are requested.

**THE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH (EPSCoR)** in Arkansas was established to bring Arkansas' scientific and engineering communities to a nationally competitive level.

The National Science Foundation (NSF) established EPSCoR in 1978 in response to concerns about geographical inequities in the distribution of federal research and development dollars. EPSCoR goals are to improve the quality of research in the state, to increase the number of federally funded scientists, and to effect long-term gains in the state's research environment. Since inception of the program, Arkansas has had three awards from NSF for a total of \$7 million dollars in federal funds.

<b>AGENCY</b> ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY	<b>DIRECTOR</b> JOHN W. AHLEN	<b>AGENCY PROGRAM COMMENTARY BR21</b>	<b>PAGE</b> 388
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**ARKANSAS BUDGET SYSTEM**  
**AGENCY PROGRAM COMMENTARY**  
**1997 - 1999**

The Authority Board of Directors requests \$45,388 and \$46,574 for the biennium to institutionalize a current University of Arkansas, Fayetteville, federally funded position. This position is necessary to maintain the administrative functions of the Arkansas EPSCoR program, which has oversight of state participation in EPSCoR programs at the National Science Foundation, the National Aeronautics and Space Administration, the U.S. Department of Energy, the U.S. Department of Defense, the Environmental Protection Agency, the U.S. Department of Agriculture, and the National Institute of Health.

**THE ARKANSAS MANUFACTURING EXTENSION NETWORK** establishes a new model for the delivery of comprehensive technical and management assistance by coordinating existing service providers with new statewide capabilities. There is a toll-free telephone number (1-800-400-6934) as well as five field offices staffed with field engineers located in areas of high industry concentration. This newly structured network meets the expressed needs of Arkansas' small manufacturers for improved access to the technology, management, and training necessary to make them world-class competitors. This comprehensive assistance will result in substantial documented benefits to Arkansas companies measured in terms of increased sales, market diversification, employment impacts, and cost savings.

The Authority Board of Directors requests \$331,500 in each year of the biennium to support the network's services and provide financial match for the U.S. Department of Commerce's National Institute of Standards and Technology's (NIST) cooperative agreement with the Authority.

**THE TECHNOLOGY INVENTIONS PROGRAM** was developed at the request of the Governor for a fully funded office to support inventors and technology invention. The Authority Board of Directors revised the original request prior to its submission. The request is designed as a stand-alone office, but it could be administratively located at any appropriate entity.

The Authority's Board of Directors requests \$108,921 and \$101,573 for each year of the biennium.

<b>AGENCY</b>	<b>DIRECTOR</b>	<b>AGENCY PROGRAM COMMENTARY</b>	<b>PAGE</b>
<b>ARKANSAS SCIENCE &amp; TECHNOLOGY AUTHORITY</b>	<b>JOHN W. AHLEN</b>	<b>BR21</b>	<b>389</b>

ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1995

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 2,029,245	\$ 118,240	\$ 1,017,181	\$ 3,164,666	\$ 57	\$ 37,102	\$ 37,159	\$ 3,127,507		

  

Revenues					Expenditures				Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 5,667,457	\$ 0	\$ 0	\$ 157,067	\$ 5,824,524	\$ 504,480	\$ 2,093,750	\$ 8,979	\$ 134,208	\$ 2,741,417	\$ (3,025,618)

  

Findings	Recommendations
None	None

Audited by Division of Legislative Audit  
SA0932795

ARKANSAS BUDGET SYSTEM  
 EMPLOYMENT SUMMARY  
 AS REQUIRED BY ACT 358 OF 1993  
 (A.C.A 19-4-307)

AGENCY TITLE      327 - ARK SCIENCE & TECH AUT

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>7</u>	<u>5</u>	<u>12</u>	<u>86%</u>
BLACK EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>7%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>1</u>	<u>0</u>	<u>1</u>	<u>7%</u>
TOTAL EMPLOYED AS OF <u>08/10/96</u> DATE			<u>2</u>	<u>14%</u>
			<u>TOTAL MINORITIES</u>	
			<u>14</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	

*x John W. O'Brien*  
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 AGENCY DIRECTOR

**SUMMARY**  
**STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY**  
 AGENCY: ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: A87 - SEED CAPITAL INVESTMENTS - CASH

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: B16 - ENERGY GRANTS - CASH

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: 678 - STATE OPERATIONS

Restoration of the Basic and Applied Research grants and Technology Development program, and small inflationary increases for Operating Expenses and Capital Outlay.

\$579,041

\$593,908

Due to funding constraints, not all the increases were utilized. The agency was able to prioritize and the increases for the Basic and Applied Research grants and the Operating Expenses were almost fully utilized while the Capital Outlay and Technology Development program experienced no need for the increases.

**ARKANSAS BUDGET SYSTEM  
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE Arkansas Science and Technology Authority		1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
A87	Seed Capital Investments - Cash	\$450,084	0	\$1,900,000	0	\$1,900,000	0	\$1,900,000	0	\$1,900,000	0	\$1,900,000	0
B16	Energy Grants - Cash	94,457	0	207,492	0	207,492	0	207,492	0	207,492	0	207,492	0
678	State Operations	1,577,076	13	1,638,737	13	2,687,725	15	2,680,596	15	2,044,621	12	2,058,943	12
919	Arkansas Manufacturing Extension Network	0	0	0	0	2,405,206	6	2,412,972	6	2,405,206	6	2,412,972	6
	<u>Not Requested</u>												
B15	Statewide Distance Learning & Telemedicine	50236											
<b>TOTALS</b>		<b>\$2,171,853</b>	<b>13</b>	<b>\$3,746,229</b>	<b>13</b>	<b>\$7,200,423</b>	<b>21</b>	<b>\$7,201,060</b>	<b>21</b>	<b>\$6,557,319</b>	<b>18</b>	<b>\$6,579,407</b>	<b>18</b>
<b>Funding Sources</b>			<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Fund Balances		\$2,017,614	51.0%	\$1,780,459	45.8%	\$140,215	1.9%	\$140,215	1.9%	\$140,215	2.2%	\$140,215	2.2%
General Revenues		1,577,076	39.9%	1,599,740	41.2%	2,687,725	36.6%	2,680,596	36.5%	1,588,713	25.5%	1,603,035	25.6%
Special Revenues													
Federal Funds						2,405,206	32.8%	2,412,972	32.9%	2,405,206	38.5%	2,412,972	38.5%
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		357,622	9.0%	467,248	12.0%	2,107,492	28.7%	2,107,492	28.7%	2,107,492	33.8%	2,107,492	33.7%
Merit Adjustment				38,997	1.0%								
Total Funding		3,952,312	100.0%	3,886,444	100.0%	7,340,638	100.0%	7,341,275	100.0%	6,241,626	100.0%	6,263,714	100.0%
Excess Appro./ (Funding)		(1,780,459)		(140,215)		(140,215)		(140,215)		315,693		315,693	
<b>TOTAL</b>		<b>\$2,171,853</b>		<b>\$3,746,229</b>		<b>\$7,200,423</b>		<b>\$7,201,060</b>		<b>\$6,557,319</b>		<b>\$6,579,407</b>	
DEPARTMENT Arkansas Science and Technology Authority			DIRECTOR Dr. John Ahlen						DEPARTMENT APPROPRIATION SUMMARY BR 40				
									<b>393</b>				

**ARKANSAS BUDGET  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

The Arkansas Science and Technology Authority (ASTA) requests continuation of the base level appropriation in the amount of \$1,900,000 each year of the 1997-99 biennium for the Seed Capital Investment program. One time funding from the interest on the state's daily balance in the amount of \$1.8 million was made available to the Authority in 1985. Funds are loaned to businesses, with a maximum amount of \$500,000 for any one project. As businesses repay the loans, ASTA makes deposits into a revolving fund. This program will be used for investments in technology based businesses in accordance with Arkansas Code, Sections 15-3-101 through 15-3-123. This program is funded entirely with cash funds.

The Executive Recommendation provides for Base Level.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Science and Technology Authority	Name: Seed Capital Investments - Cash	Name: Arkansas Science and Technology Authority	BR20	394
Code: 327	Code: A87	Code: 338		

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
INVESTMENTS	450,084	1,900,000	1,900,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000	1,900,000	1,900,000		
TOTAL	450,084	1,900,000	1,900,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000	1,900,000	1,900,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	1,884,763	1,737,447	*****	140,215		140,215	140,215		140,215	140,215	140,215		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	302,768	302,768	*****	1,900,000		1,900,000	1,900,000		1,900,000	1,900,000	1,900,000		
OTHER			*****										
TOTAL FUNDING	2,187,531	2,040,215	*****	2,040,215		2,040,215	2,040,215		2,040,215	2,040,215	2,040,215		
EXCESS APPRO/ (FUNDING)	( 1,737,447)	( 140,215)	*****	( 140,215)		( 140,215)	( 140,215)		( 140,215)	( 140,215)	( 140,215)		
TOTAL	450,084	1,900,000	*****	1,900,000		1,900,000	1,900,000		1,900,000	1,900,000	1,900,000		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO A07 SEED CAPITAL INVESTMENTS -- CASH  
 FUND 338 ARK SCI & TECHNOLOGY AUTH-(327)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

The Arkansas Science and Technology Authority requests continuation of the base level appropriation for the cash funded Energy Grants in the amount of \$207,492 each year. Cash funds are received from the Arkansas Energy Office to be used to award Energy Research Grants approved by the Authority's Board of Directors.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: Arkansas Science & Technology Authority  Code: 327	Name: Energy Grants - Cash  Code: B16	Name: Arkansas Science & Technology Authority  Code: 338	BUDGET REQUEST  BR20	396

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-9
GRANTS/AIDS	94,457	207,492	207,492	207,492	0	207,492	207,492	0	207,492	207,492	207,492		
<b>TOTAL</b>	<b>94,457</b>	<b>207,492</b>	<b>207,492</b>	<b>207,492</b>	<b>0</b>	<b>207,492</b>	<b>207,492</b>	<b>0</b>	<b>207,492</b>	<b>207,492</b>	<b>207,492</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	132,851	43,012	*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	4,618	164,480	*****	207,492		207,492	207,492		207,492	207,492	207,492		
OTHER			*****										
TOTAL FUNDING	137,469	207,492	*****	207,492		207,492	207,492		207,492	207,492	207,492		
EXCESS APPRO/ (FUNDING)	( 43,012)		*****										
TOTAL	94,457	207,492	*****	207,492		207,492	207,492		207,492	207,492	207,492		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO B16 ENERGY GRANTS -- CASH  
 FUND 338 ARK SCI & TECHNOLOGY AUTH-(1327)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

The Arkansas Science and Technology Authority (ASTA) is requesting \$2,687,725 in FY98 and \$2,680,596 in FY99 in the State operations appropriation. The priority component of the request is \$1,019,873 in FY98 and \$996,291 in FY99. This appropriation is funded entirely by General Revenue.

Included in the priority request are two additional positions. An Inventions Program Coordinator and an EPSCoR Program Manager are requested to support a new program for inventors and technology invention. Small increases are requested for Professional Fees and Services for this program. Operating Expenses, primarily for the Director of Information Technology position, are requested in the amount of \$70,819 and \$64,699 respectively. The request for Grants, \$274,587 each year, is for the Basic and Applied Research Grants program. An additional \$164,321 each year is requested for Tech Development for working prototypes. The request for the Manufacturing Extension Program, \$332,500 each year, is to improve access to technology and for management and training. A request was made for additional Capital Outlay to replace Personal Computers and the telephone system, which is thirteen years old.

The Executive Recommendation provides for Base Level, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. Appropriation (without funding) is also provided for Grants (\$274,587), Capital Outlay (\$17,000), and Tech Development (\$164,321). One Base Level position (State Director of Information Technology), is not recommended. The Executive Recommendation does not address the agency request for Reclassification of positions at this time.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Science & Technology Authority  Code: 327	Name: State Operations  Code: 678	Name: State General Services  Code: HUA	BUDGET REQUEST  BR20	398

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	433,873	486,471	456,325	509,425	61,757	571,182	523,302	63,486	586,788	444,751	456,818		
NUMBER OF POSITIONS	13	13	13	13	2	15	13	2	15	12	12		
EXTRA HELP	5,783	12,000	12,000	12,000	0	12,000	12,000	0	12,000	12,000	12,000		
NUMBER OF POSITIONS	2	2	2	2	0	2	2	0	2	2	2		
PERSONAL SERV MATCHING	106,655	123,876	115,025	130,037	16,960	146,997	132,613	17,269	149,882	115,572	117,827		
OPERATING EXPENSES	136,524	144,204	144,204	144,204	70,819	215,023	144,204	64,699	208,903	144,204	144,204		
CONF FEES & TRAVEL	14,985	19,294	19,294	19,294	7,929	27,223	19,294	7,929	27,223	19,294	19,294		
PROF FEES & SERVICES	8,450	16,800	16,800	16,800	29,500	46,300	16,800	29,500	46,300	16,800	16,800		
CAPITAL OUTLAY	16,999	0	25,000	0	61,500	61,500	0	42,000	42,000	17,000	17,000		
GRANTS/AIDS	722,878	625,413	900,000	625,413	274,587	900,000	625,413	274,587	900,000	900,000	900,000		
MANUFACTURING EXTENSION PROGRAM GRA	0	0	0	0	332,500	332,500	0	332,500	332,500				
TECH DEVELOPMENT	130,929	210,679	375,000	210,679	164,321	375,000	210,679	164,321	375,000	375,000	375,000		
<b>TOTAL</b>	<b>1,577,076</b>	<b>1,638,737</b>	<b>2,063,648</b>	<b>1,667,852</b>	<b>1,019,873</b>	<b>2,687,725</b>	<b>1,684,305</b>	<b>996,291</b>	<b>2,680,596</b>	<b>2,044,621</b>	<b>2,058,943</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	1,577,076	1,599,740	*****	1,667,852	1,019,873	2,687,725	1,684,305	996,291	2,680,596	1,588,713	1,603,035		
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Merit Adjustment Fund		38,997	*****										
<b>TOTAL FUNDING</b>	<b>1,577,076</b>	<b>1,638,737</b>	<b>*****</b>	<b>1,667,852</b>	<b>1,019,873</b>	<b>2,687,725</b>	<b>1,684,305</b>	<b>996,291</b>	<b>2,680,596</b>	<b>1,588,713</b>	<b>1,603,035</b>		
EXCESS APPRO/ (FUNDING)			*****							455,908	455,908		
<b>TOTAL</b>	<b>1,577,076</b>	<b>1,638,737</b>	<b>*****</b>	<b>1,667,852</b>	<b>1,019,873</b>	<b>2,687,725</b>	<b>1,684,305</b>	<b>996,291</b>	<b>2,680,596</b>	<b>2,044,621</b>	<b>2,058,943</b>		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO 678 STATE OPERATIONS  
 FUND HUA STATE GENERAL SERVICES(000)

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS				RECOMMENDATIONS								
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE						
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99							
000		HUA	327 678	B	1,577,076 13	1,638,737 13	1,667,852 13				1,684,305 13			1,588,713 12	1,603,035 12				
001		HUA	327 678	P04		0	332,500 0				332,500 0								
					<p>This priority request is for general revenue funding for support of Arkansas' Manufacturing Extension Network's services. There will be a 1-800 access telephone number as well as five field offices staffed with field engineers located in areas of high industry concentration. This newly structured network will meet the expressed needs of Arkansas' small manufacturers for improved access to the technology, management and training necessary to make them world class competitors. This comprehensive assistance will result in substantial documented benefits to Arkansas companies measured in terms of increased sales, market diversification, employment impacts, and cost savings. The Authority requests \$332,500 in each year of the biennium.</p>														
002		HUA	327 678	P01		0	274,587 0				274,587 0			274,587	274,587				
					<p>This priority request is for restoration of appropriation and funding for the Basic and Applied Research Grant Programs. It is a priority of the Authority for the 1997-99 biennium to maintain strong and consistent research programs. The Authority requests \$274,587 in each year of the biennium to bring the total research grant line item to \$900,000 for each year. This will bring this line item up to the appropriated amount as in the 1995-97 biennium.</p>														

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO 678 STATE OPERATIONS  
 FUND HUA STATE GENERAL SERVICES(000)

RANK BY APPROPRIATION  
 BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----							
					---ACTUAL---	---BUDGETED---	-FY 1997 - 98-		-FY 1998 - 99-		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					95-96	96-97	REQUEST	REQUEST	REQUEST	REQUEST					1997-98	1998-99	1997-98	1998
003		HUA	327 678	P03		0	164,321	0	164,321	0					164,321	164,321		
<p>The Technology Development Program has filled a recognized funding gap in the development of new ideas and working prototypes by Arkansas researchers, inventors, and small businesses. The Technology Transfer Assistance Grant Program (TTAG) has expanded the Technology Transfer Program to include the transfer of innovative technology to Arkansas' small and medium-sized enterprises. The goal of the TTAG program is to increase Arkansas industry's competitiveness through technical and operational advances. This goal is achieved by the transfer of technical solutions to technology-based, industry-driven problems, issues or concerns. This priority request is for restoration of appropriation and funding for the Technology Development Program/Technology Transfer Assistance Grant Program. The Authority requests \$164,321 in each year of the biennium to bring total Technology Development line to \$375,000 for each year. This will bring this line item up to the appropriated amount as in the 1995-97 biennium.</p>																		
004		HUA	327 678	P02		0	92,526	0	75,059	0					17,000	17,000		
<p>This priority request is for an increase of \$24,597 and \$25,130 in maintenance and operations; and \$7,929 in conference and training items in each year of the biennium to enable the Authority to maintain current levels and to meet anticipated needs to the Authority's customers and our Legislative mandate. Also, these additional funds will support the State Director of Information Technology which was created in the 1995-97 biennium without any additional operational funds. In addition, this priority includes a request for \$60,000 and \$42,000 in capital outlay to provide for the replacement of P.C.s per the Authority schedule; also the replacement of office equipment and telephone system that is 13 years old.</p>																		
005		HUA	327 678	P10		0	1,630	0	1,677	0								
<p>The Authority request reclassification of two positions; Accounting Supervisor I to Agency Fiscal Manager and Business Controller to Accountant. This request is for appropriation and funding.</p>																		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO 678 STATE OPERATIONS  
 FUND HUA STATE GENERAL SERVICES(000)

RANK BY APPROPRIATION  
 BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
006		HUA	327 678	P06		0	45,388				46,574							
						0	1				1							
<p>This priority request is for a new position to institutionalize a current University of Arkansas, Fayetteville, federally funded position, Experimental Program to Stimulate Competitive Research. This position is necessary to maintain the administrative functions of the highly successful Arkansas EPSCoR Program. The Authority requests general revenue funding of \$45,388 and \$46,574 for the biennium.</p>																		
007		HUA	327 678	P05		0	108,921				101,573							
						0	1				1							
<p>This priority request is for a new program, Technology Inventions Program. The program was developed at the request of the Governor for a fully funded office to support inventors and technology invention. The Authority Board of Directors revised the original request prior to its submission. The request is designed as a fully funded office or it could be administratively located at any appropriate entity.</p>																		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO 678 STATE OPERATIONS  
 FUND HUA STATE GENERAL SERVICES(000)

RANK BY APPROPRIATION  
 BR 264

**ARKANSAS BUDGET  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

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The Arkansas Science and Technology Authority (ASTA) requests authorization for the Arkansas Manufacturing Extension Network program. This program, funded by the U.S. Department of Commerce's National Institute of Standards and Technology (NIST), provides a statewide industry driven Manufacturing Extension Network for the delivery of technical and management assistance.

The agency is currently participating in this program under the authority of a miscellaneous federal grant; however, the program was not started in time for a budget to be developed for inclusion in this document.

The request includes six positions, supporting operating expenses, and grants. The request totals \$2,405,206 the first year and \$2,412,972 the second year of the biennium.

The Executive Recommendation provides for Agency Request, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements.

<b>AGENCY</b> Name: Arkansas Science and Technology Authority Code: 327	<b>APPROPRIATION</b> Name: Arkansas Manufacturing Extension Network Code: 919	<b>TREASURY FUND</b> Name: Arkansas Science and Technology Authority Code: FST	<b>ANALYSIS OF BUDGET REQUEST</b> BR20	<b>PAGE</b>  403
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			97-98 FISCAL YEAR			98-99 FISCAL YEAR			R E C O M M E N D A T I O N S			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	0	0	0	0	235,724	235,724	0	242,324	242,324	235,724	242,324		
NUMBER OF POSITIONS	0	0	0	0	6	6	0	6	6	6	6		
PERSONAL SERV MATCHING	0	0	0	0	59,818	59,818	0	60,984	60,984	59,818	60,984		
OPERATING EXPENSES	0	0	0	0	245,000	245,000	0	245,000	245,000	245,000	245,000		
CONF FEES & TRAVEL	0	0	0	0	44,402	44,402	0	44,402	44,402	44,402	44,402		
PROFESSIONAL FEES & SERVICES	0	0	0	0	5,000	5,000	0	5,000	5,000	5,000	5,000		
CAPITAL OUTLAY	0	0	0	0	61,200	61,200	0	61,200	61,200	61,200	61,200		
GRANTS/AIDS	0	0	0	0	272,502	272,502	0	272,502	272,502	272,502	272,502		
FIELD SERVICES	0	0	0	0	985,360	985,360	0	985,360	985,360	985,360	985,360		
MISCELLANEOUS FEES	0	0	0	0	496,200	496,200	0	496,200	496,200	496,200	496,200		
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,405,206</b>	<b>2,405,206</b>	<b>0</b>	<b>2,412,972</b>	<b>2,412,972</b>	<b>2,405,206</b>	<b>2,412,972</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****		2,405,206	2,405,206		2,412,972	2,412,972	2,405,206	2,412,972		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
<b>TOTAL FUNDING</b>			*****		<b>2,405,206</b>	<b>2,405,206</b>		<b>2,412,972</b>	<b>2,412,972</b>	<b>2,405,206</b>	<b>2,412,972</b>		
EXCESS APPRO/ (FUNDING)			*****										
<b>TOTAL</b>			*****		<b>2,405,206</b>	<b>2,405,206</b>		<b>2,412,972</b>	<b>2,412,972</b>	<b>2,405,206</b>	<b>2,412,972</b>		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO 919 ARK MANUFACTURING EXTENSION NETWORK  
 FUND FST SCIENCE & TECH AUTH FED-(327)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	1
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99				EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-9						
001		FST	327 919	P01		0	2,405,206					2,412,972			2,405,206	2,412,972		
						0	6					6			6	6		
<p>This priority request is for appropriation to support the Arkansas Manufacturing Extension Network. This program is funded by the U.S. Department of Commerce's National Institute of Standards and Technology (NIST).</p> <p>The Arkansas Science &amp; Technology Authority and its partners have implemented a statewide industry-driven Manufacturing Extension Network. This Network establishes a new model for the delivery of comprehensive technical and management assistance by coordinating existing service providers with new statewide capabilities. There is a 1-800-400-6934 telephone number as well as five field offices staffed with field engineers located in areas of high industry concentration. This newly structured Network meets the expressed needs of Arkansas' small manufacturers for improved access to the technology, management, and training necessary to make them world-class competitors. This comprehensive assistance will result in substantial documented benefits to Arkansas companies measured in terms of increased sales, market diversification, employment impacts, and cost savings.</p>																		

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO 919 ARK MANUFACTURING EXTENSION NETWORK  
 FUND FST SCIENCE & TECH AUTH FED-(327)

RANK BY APPROPRIATION

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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
GRANTS/AIDS	50,236	0	0	0	0	0	0	0	0				
				THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM									
TOTAL	50,236	0	0	0	0	0	0	0	0				
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	50,236		*****										
OTHER			*****										
TOTAL FUNDING			*****										
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	50,236		*****										

DEPT 009 OTHER BOARDS AND COMMISSIONS  
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY  
 APPRO B15 STATEWIDE DISTANCE LEARNING & TELEMEDICINE NETWORK -- CASH  
 FUND 338 ARK SCI & TECHNOLOGY AUTH-(327)

APPROPRIATION SUMMARY

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