

ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001

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 732 proposals and have funded 235. 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.

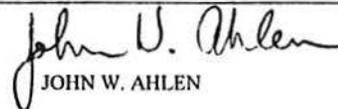
The Authority's Board of Directors ranks the Authority's research programs as a high priority and requests a \$900,000 per year general revenue appropriation to support basic and applied research. Experience to date shows clearly that for each \$1 invested in research from the Authority, over \$8 in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

AGENCY

ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

DIRECTOR


JOHN W. AHLEN

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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 270 technology transfer assistance requests from 72 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, 185 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.

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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.

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 \$34 million dollars from other sources (a 1:4.5 ratio). The sixteen investments have created over 400 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.

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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 eight awards from NSF for a total of \$11.98 million dollars in federal funds.

The Arkansas EPSCoR Program 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 established 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 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 results in substantial documented benefits to Arkansas companies measured in terms of increased sales, market diversification, employment impacts, and cost savings.

The Authority, in its effort to simplify the Arkansas Manufacturing Extension Network, is requesting twelve new positions in the Manufacturing Extension Network portion of its 1999-2001 biennial budget. The field engineers are funded through a Cooperative Agreement between the Authority and the National Institute of Standards and Technology (NIST). The requested change will not change the budget in the agreement, only the organizational structure.

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ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 2,979,255	\$ 122,171	\$ 1,294,496	\$ 4,395,922	\$ 121,337	\$ 31,307	\$ 152,644	\$ 4,243,278		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 1,741,121	\$ 603,379	\$ 0	\$ 215,630	\$ 2,560,130	\$ 619,986	\$ 2,793,219	\$ 9,072	\$ 181,375	\$ 3,603,652	\$ 24,150

Findings

DEPOSIT OF FEDERAL GRANTS AND REIMBURSEMENTS - Federal reimbursements of expenditures totaling \$959,401.00 for the Agency's Manufacturing Extension Partnership grant program were deposited to the Science and Technology Authority Federal Fund (FST) during the year ended June 30, 1997. Analysis of the expenditures of the grant program revealed that funding was provided from the accounts of five (5) recipient colleges and universities and the following four (4) funds of the Agency: Science and Technology Authority Federal Fund (FST), State General Services Fund (HUA), 80th Session Projects Fund (KBF) and Arkansas Science and Technology Authority Cash Fund (338). Ark. Code Ann. 19-6-109 provides that nonrevenue receipts, which include federal receipts, are to be deposited to the fund account from which the Agency draws its support unless specified otherwise by law.

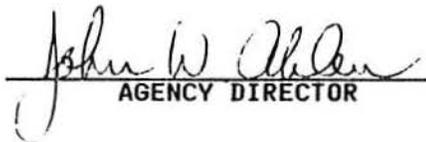
Recommendations

Review and comply with Ark. Code Ann. 19-6-109 regarding the deposit of reimbursements to the proper funds.

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>9</u>	<u>5</u>	<u>14</u>	<u>93%</u>
BLACK EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>7%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF			<u>1</u>	<u>7%</u>
08/08/98				
<u>DATE</u>			TOTAL MINORITIES	<u>7%</u>
			<u>15</u>	<u>100%</u>
			TOTAL EMPLOYEES	



 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 1998**

AGENCY: Science & Technology Authority

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Seed Capital	\$ 363,290.62	7208 MM	One National Bank	<p>ACA 15-3-120</p> <hr/> <p>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</p> <p>The Authority has implemented a policy of assessing a maximum late fee of 5% for the payments due that are received past the pre-specified due date for loan investment payments. The Authority's Board of Directors reviews each investment proposal and has the authority to determine the appropriate late fee rates.</p> <hr/> <p>REVENUE RECEIPTS CYCLE:</p> <p>Late fees are assessed to clients as they are accrued. Typically the clients submit payment for late fees when they submit their monthly payment. The Authority follows the state guidelines for management of a cash fund and invests any cash not utilized by the program into certificates of deposits offered by in-state banks.</p> <p>When selecting appropriate investments classes, between money market accounts and C.D.s and appropriate cash allocations, The Authority has a policy of reviewing the investments based upon a variety of factors including: programmatic demand and its impact on liquidity needs, competitiveness of rates offered by alternative investments, and geographic dispersion of C.D.s.</p> <p>The Authority's Board initially suggested and continually reviews the investment policies and decisions.</p> <p>Revenues generated from interest/investment income collected monthly.</p> <hr/> <p>FUND BALANCE UTILIZATION:</p> <p>ACA 15-3-121</p> <p>The Authority retains the fund balance so that it can invest in appropriate technologies in a timely manner. It achieves this goal through its revolving loan fund known as the Seed Capital Investment Program.</p>
327	\$ 95,000	40033257 CD	Bentonville	
	\$ 95,000	9510000798 CD	Pine Bluff	
	\$ 95,000	4477 CD	Mountain Home	
	\$ 95,000	3281 CD	Pocahontas	
	\$ 100,000	27240 CD	Helena	
	\$ 100,000	234420 CD	Hope	
	\$ 100,000	11733 CD	Crossett	
	\$ 100,000	87271 CD	North Little Rock	
	\$ 100,000	5300101059 CD	Clarksville	
	\$ 100,000	80595 CD	Jonesboro	
	\$ 100,000	8113 CD	Fayetteville	
	\$ 100,000	309030 CD	Van Buren	
	\$ 100,000	10321 CD	Augusta	
	\$ 95,000	9503 CD	Dardanelle	
	\$ 95,000	47965 CD	Hope	
	\$ 95,000	202195 CD	Monticello	
	\$ 95,000	47965 CD	Heber Springs	
	\$ 600,000	523670 CD	One National Bank	

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 1998**

AGENCY: Science & Technology Authority

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Energy	\$ 42,381.04	98923695	One National Bank	15-3-110-(e)(1)
Tech/Dev	\$ 92,973.45	98923052	One National Bank	
Energy				
Tech Ext.				
				<hr/> STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: N/A
				<hr/> REVENUE RECEIPTS CYCLE: The Authority follows the state guidelines for management of a cash fund and invests any cash not utilized by the program into a money market account offered by in-state banks. The Authority's Board initially suggested and continually reviews the investment policies and decisions.
				<hr/> FUND BALANCE UTILIZATION: The Authority retains the fund balance so that it can invest in appropriate energy-related technologies in a timely manner. It achieves this goal through its revolving loan fund known as the Technology Development Program. Contract between AEDC and Authority.

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
Arkansas Science & Technology Authority		Expenditures				Biennium Request				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	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
A87	Seed Capital Investments	\$50,000		\$1,900,000		\$1,900,000		\$1,900,000		\$1,900,000		\$1,900,000	
B16	Energy Grants	0		207,492		207,492		207,492		207,492		207,492	
678	State Operations	1,549,207	13	1,607,335	12	2,090,728	12	2,106,410	12	2,082,799	12	2,098,481	12
919	Arkansas Manufacturing Extension Network	595,244	3	1,632,571	6	3,408,108	18	3,439,742	18	1,646,322	6	1,654,616	6
TOTALS		\$2,194,451	16	\$5,347,398	18	\$7,606,328	30	\$7,653,644	30	\$5,836,613	18	\$5,860,589	18
Funding Sources			% of		% of		% of		% of		% of		% of
			Total		Total		Total		Total		Total		Total
Fund Balances		\$2,372,669	48.1%	\$2,737,412	42.4%	\$1,102,308	12.7%	\$1,102,308	12.6%	\$1,102,308	17.0%	\$1,102,308	16.9%
General Revenues		1,549,207	31.4%	1,603,035	24.9%	2,090,728	24.0%	2,106,410	24.1%	1,638,515	25.2%	1,654,197	25.4%
Special Revenues													
Federal Funds		595,244	12.1%	1,632,571	25.3%	3,408,108	39.1%	3,439,742	39.2%	1,646,322	25.3%	1,654,616	25.4%
Constitutional Officers Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		414,743	8.4%	472,388	7.3%	2,107,492	24.2%	2,107,492	24.1%	2,107,492	32.5%	2,107,492	32.3%
Merit Adjustment				4,300	0.1%								
Total Funding		4,931,863	100.0%	6,449,706	100.0%	8,708,636	100.0%	8,755,952	100.0%	6,494,637	100.0%	6,518,613	100.0%
Excess Appro./ (Funding)		(2,737,412)		(1,102,308)		(1,102,308)		(1,102,308)		(658,024)		(658,024)	
TOTAL		\$2,194,451		\$5,347,398		\$7,606,328		\$7,653,644		\$5,836,613		\$5,860,589	
DEPARTMENT			DIRECTOR						DEPARTMENT APPROPRIATION SUMMARY				
Arkansas Science and Technology Authority			Dr. John Ahlen						BR 40				

*Excess funding in the Executive Recommendation column for each year is reduced, due to unfunded appropriation of \$444,284 in both years of the biennium.

**ARKANSAS BUDGET
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 1999-01 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, §15-3-101 through 15-3-123.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: Arkansas Science and Technology Authority	Name: Seed Capital Investments - Cash	Name: Arkansas Science and Technology Authority	BUDGET REQUEST	395
Code: 327	Code: A87	Code: 338	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
INVESTMENTS	50,000	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	50,000	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	2,240,647	2,602,308	*****	1,102,308		1,102,308	1,102,308		1,102,308	1,102,308	1,102,308		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	411,661	400,000	*****	1,900,000		1,900,000	1,900,000		1,900,000	1,900,000	1,900,000		
OTHER			*****										
TOTAL FUNDING	2,652,308	3,002,308	*****	3,002,308		3,002,308	3,002,308		3,002,308	3,002,308	3,002,308		
EXCESS APPRO/ (FUNDING)	(2,602,308)	(1,102,308)	*****	(1,102,308)		(1,102,308)	(1,102,308)		(1,102,308)	(1,102,308)	(1,102,308)		
TOTAL	50,000	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 A87 SEED CAPITAL INVESTMENTS -- CASH

APPROPRIATION SUMMARY

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FUND 338 ARK SCI & TECHNOLOGY AUTH-(327)

**ARKANSAS BUDGET
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 the requested Base Level.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Science & Technology Authority Code: 327	Name: Energy Grants - Cash Code: B16	Name: Arkansas Science & Technology Authority Code: 338	BR20	397

ARKANSAS BUDGET SYSTEM

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CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE				
										99-00	00-01	99-00	00-01			
GRANTS/AIDS	0	207,492	207,492	207,492	0	207,492	207,492	0	207,492	207,492	207,492					
TOTAL	0	207,492	207,492	207,492	0	207,492	207,492	0	207,492	207,492	207,492					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	132,022	135,104	*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS	3,002	72,388	*****	207,492		207,492	207,492		207,492	207,492	207,492					
OTHER			*****													
TOTAL FUNDING	135,104	207,492	*****	207,492		207,492	207,492		207,492	207,492	207,492					
EXCESS APPRO/ (FUNDING)	(135,104)		*****													
TOTAL		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-(327)

APPROPRIATION SUMMARY

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**ARKANSAS BUDGET
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Arkansas Science & Technology Authority was created to develop and promote Arkansas's technological resources and to encourage the use of advanced technology in the state's business and agricultural communities. The Authority offers a variety of programs, emphasizing three areas: project financing, company financing, and technology extension/development. The request that follows is funded entirely with General Revenue.

The Authority is requesting \$2,090,728 in FY00 and \$2,106,410 in FY01 in the State operations appropriation. The Base Level includes a 2.8% Cost of Living Allowance for all positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Change Level component of the request is \$452,213 for each year of the biennium. Included in the Change Level requests are increases for Grants for the Basic and Applied Research Grants program, Tech Development for working prototypes, Capital Outlay for equipment replacement and Personal Computers included in the DIS plan, and Conference Fees & Travel for staff development.

The Executive Recommendation provides for the agency request, with the exception of the request made for the additional Conference Fees & Travel. Funding was recommended at the Base Level.

AGENCY Name: Arkansas Science & Technology Authority Code: 327	APPROPRIATION Name: State Operations Code: 678	TREASURY FUND Name: State General Services Code: HUA	ANALYSIS OF BUDGET REQUEST BR20	PAGE 399
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	98-99			99-00 FISCAL YEAR			00-01 FISCAL YEAR			RECOMMENDATIONS			
	97-98	98-99	98-99	99-00		TOTAL	00-01		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	REQUEST	BASE	CHANGE LEVEL	REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	399,360	453,076	456,010	474,935	0	474,935	400,231	0	400,231	474,935	400,231		
NUMBER OF POSITIONS	13	12	12	12	0	12	12	0	12	12	12		
EXTRA HELP	2,670	12,000	12,000	12,000	0	12,000	12,000	0	12,000	12,000	12,000		
NUMBER OF POSITIONS	1	2	2	2	0	2	2	0	2	2	2		
PERSONAL SERV MATCHING	97,704	114,245	117,027	123,566	0	123,566	125,952	0	125,952	123,566	125,952		
OPERATING EXPENSES	110,183	144,204	144,204	144,204	0	144,204	144,204	0	144,204	144,204	144,204		
CONF FEES & TRAVEL	18,050	19,294	19,294	19,294	7,929	27,223	19,294	7,929	27,223	19,294	19,294		
PROF FEES & SERVICES	12,010	16,000	16,000	16,000	0	16,000	16,000	0	16,000	16,000	16,000		
CAPITAL OUTLAY	4,603	0	17,000	0	17,000	17,000	0	17,000	17,000	17,000	17,000		
GRANTS/AIDS	659,782	632,037	900,000	632,037	267,963	900,000	632,037	267,963	900,000	900,000	900,000		
TECH DEVELOPMENT	235,949	215,679	375,000	215,679	159,321	375,000	215,679	159,321	375,000	375,000	375,000		
TOTAL	1,549,207	1,607,335	2,050,943	1,630,515	452,213	2,090,720	1,654,197	452,213	2,106,410	2,002,799	2,090,401		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	1,549,207	1,603,035	*****	1,630,515	452,213	2,090,720	1,654,197	452,213	2,106,410	1,630,515	1,654,197		
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
MERIT ADJUSTMENT FUND		9,300	*****										
TOTAL FUNDING	1,549,207	1,607,335	*****	1,630,515	452,213	2,090,720	1,654,197	452,213	2,106,410	1,630,515	1,654,197		
EXCESS APPRO/ (FUNDING)			*****							444,204	444,204		
TOTAL	1,549,207	1,607,335	*****	1,630,515	452,213	2,090,720	1,654,197	452,213	2,106,410	2,002,799	2,090,401		

DEPT 009 OTHER BOARDS AND COMMISSIONS
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY
 APPRO 678 STATE OPERATIONS

APPROPRIATION SUMMARY

BR 215

FUND IUA STATE GENERAL SERVICES(000)

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		1999 - 01 BIENNIUM REQUESTS				RECOMMENDATIONS								
					ACTUAL 97-98	BUDGETED 98-99	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE						
							REQUEST	REQUEST			1999-00	2000-01	1999-00	2000-01					
000		HUA	327 678	B	1,549,207 13	1,607,335 12	1,638,515 12		1,654,197 12			1,638,515 12	1,654,197 12						
001		HUA	327 678	C01			267,963 0		267,963 0			267,963	267,963						
<p>This priority request is for restoration of unfunded appropriation for the Basic and Applied Research Grant Programs. It is a priority of the Authority for the 1999-2001 biennium to maintain strong and consistent research programs. The Authority requests \$267,963 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 1997-1999 biennium.</p>																			
002		HUA	327 678	C03			159,321 0		159,321 0			159,321	159,321						
<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 unfunded appropriation for the Technology Development Program/Technology Transfer Assistance Grant Program. The Authority requests \$159,321 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 1997-1999 biennium.</p>																			

DEPT 009 OTHER BOARDS AND COMMISSIONS
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY
 APPRO 678 STATE OPERATIONS

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FUND HUA STATE GENERAL SERVICES(000)

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-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	-----FY 1999 - 00-----		-----FY 2000 - 01-----				-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
003		HUA	327 678	C02			12,929				12,929				5,000	5,000		
<p>This priority request is for \$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. In addition, this priority includes a request for \$5,000 each year in capital outlay to provide the replacement of office equipment at the Authority; also the replacement of the telephone system that is 15 years old.</p>																		
004		HUA	327 678	C08			12,000				12,000				12,000	12,000		
<p>This priority request is for \$12,000 each year of the biennium to enable the Authority to maintain and replace P.C.s per the Authority schedule and plan that is in place with DIS per A.C.A. 25-4-119(d).</p>																		
005		HUA	327 678	C09			0				0							
<p>This request is to implement the Career Ladder Incentive Program.</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
1999 - 2001**

The Arkansas Science and Technology Authority 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 Base Level budget contains six positions, a 2.8% Cost of Living Allowance on July 1 of each year of the biennium along with accompanying employee matching requirements, supporting operating expenses, grants, and field services. The Change Level request for this appropriation is based on transferring twelve positions currently on payrolls with the University system to the Authority's payroll instead of making grants to the University system to pay the salaries of the engineers. This request is made to simplify the Network. The field engineers are funded through a Cooperative Agreement between the Authority and NIST. This action would not change the budget in the agreement, only the organizational structure.

The Executive Recommendation provides for Base Level. The request involving the restructuring is not being recommended at this time as all the details are not yet available.

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

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----RECOMMENDATIONS-----			
	97-98	98-99	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							99-00	00-01	99-00	00-01
REGULAR SALARIES	78,772	240,088	242,324	251,643	788,564	960,207	258,688	728,499	987,888	251,643	258,688		
NUMBER OF POSITIONS	3	6	6	6	12	18	6	12	18	6	6		
PERSONAL SERV MATCHING	20,787	61,746	60,984	63,934	164,232	228,166	65,183	167,736	232,919	63,934	65,183		
OPERATING EXPENSES	44,258	82,107	245,000	82,107	275,480	357,587	82,107	275,480	357,587	82,107	82,107		
CONF FEES & TRAVEL	14,833	16,563	44,402	16,563	47,820	64,383	16,563	47,820	64,383	16,563	16,563		
PROF FEES & SERVICES	0	4,281	5,000	4,281	0	4,281	4,281	0	4,281	4,281	4,281		
CAPITAL OUTLAY	16,318	0	61,200	0	48,920	48,920	0	48,920	48,920	0	0		
DATA PROCESSING	0	0	0	0	0	0	0	0	0	0	0		
GRANTS/AIDS	106,934	272,502	272,502	272,502	0	272,502	272,502	0	272,502	272,502	272,502		
FIELD SERVICES	313,342	935,292	985,360	935,292	0	935,292	935,292	0	935,292	935,292	935,292		
MISC FEES	800	20,000	496,200	20,000	524,770	544,770	20,000	524,770	544,770	20,000	20,000		
TOTAL	595,244	1,632,571	2,412,972	1,646,322	1,761,786	3,408,188	1,654,616	1,785,126	3,439,742	1,646,322	1,654,616		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	595,244	1,632,571	*****	1,646,322	1,761,786	3,408,188	1,654,616	1,785,126	3,439,742	1,646,322	1,654,616		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	595,244	1,632,571	*****	1,646,322	1,761,786	3,408,188	1,654,616	1,785,126	3,439,742	1,646,322	1,654,616		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	595,244	1,632,571	*****	1,646,322	1,761,786	3,408,188	1,654,616	1,785,126	3,439,742	1,646,322	1,654,616		

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

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The FY99 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 1997-99 biennium.

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		1999 - 01 BIENNIIUM REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1999 - 00			FY 2000 - 01			EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		FST	327 919	B	595,244 3	1,632,571 6	1,646,322 6			1,654,616 6			1,646,322 6		1,654,616 6			
001		FST	327 919	C01			1,710,486 12			1,753,826 12								
<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). The 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 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, in its effort to simplify the Network, is requesting twelve new positions in the Network portion of its 1999-2001 biennial budget. The field engineers are funded through a Cooperative Agreement between the Authority and NIST. The requested change will not change the budget in the agreement, only the organizational structure.</p>																		
002		FST	327 919	C08			51,300 0			51,300 0								
<p>This priority is to enable the Arkansas Manufacturing Extension Network to maintain and replace P.C.'s per the Authority schedule and plan that is in place with DIS per A.C.A. 25-4-119(d).</p>																		

DEPT 009 OTHER BOARDS AND COMMISSIONS
 AGY 327 ARKANSAS SCIENCE AND TECHNOLOGY AUTHORITY
 APPRO 919 ARK MANUFACTURING EXTENSION NETWORK

RANK BY APPROPRIATION

FUND FST SCIENCE & TECH AUTH FED-(327)

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