



Board of Directors Meeting
Friday, June 6, 2008, 8:00 a.m.–12:00 p.m.
Kansas State University Alumni Center, Manhattan, KS

Members Present: Chair Linda Reinhardt, Vice Chair Doug Brush, David Brant, Bruce Dallman, Kyle Elliott, Rep. Doug Gatewood, Michael Helmstetter, Secretary David Kerr, Dave McDonald, Bob Murdock (via teleconference), Rita Polsley, Ron Trewyn, Rep. Kenny Wilk

Members Absent: Dan Cain, Ted Haggart, Sen. Nick Jordan, Richard Lariviere, Tom Lauerman, Secretary Adrian Polansky, Sen. Chris Steineger

Others Present: Jim Baxendale, Jesse Bechtold, Rudy Beese, Keith Braman, Jennifer Brandt, Trish Brasted, Doug Byers, Kevin Carr, Dennis Deppenbusch, John English, Eric Ferrell, Crystal Gatewood, Kent Glasscock, Andrew Hoelscher, Mark Hrinya, Sandy Johnson, Brad Kramer, Angela Kreps, Aaron Lessig, Matt McClorey, Teresa Merrifield, Dave Mutert, Carey Novak, Josh Oeding, Kelly Pearl, Roger Rajewski, Steve Robb, Jesse Sanders, Kevin Sweeney, Tracy Taylor, John Tomblin, Jeff Tucker, Miriam Ubben, Greg Unruh, Michele Weigand, Wade Wiebe, Joel Wiggins

Call to Order and Introductions

Board Chair Linda Reinhardt called the meeting to order at 8:10 a.m. The board members and the audience introduced themselves. Dr. Ruth Dyer, Associate Provost at Kansas State University, gave a welcoming address and description of KSU's initiatives and partnerships.

Review and Approval of Minutes

Reinhardt asked for additions or corrections to the March 7, 2008, board meeting minutes (Attachment A). David Brant noted the statement in the minutes that he "had requested to relinquish his position as chair of the Audit Committee" and further explained that he held the position for four years and considered it vital to rotate the chairmanship. Representative Kenny Wilk moved that the minutes be approved as presented. Kyle Elliott seconded the motion, and the motion was approved.

Election of Officers

Nominating Committee Chair Doug Brush reported that the committee, comprised of Rita Polsley, Ted Haggart, and himself, recommended that Linda Reinhardt serve another term as chair of the KTEC board of directors and that Kyle Elliott serve as vice chair. Reinhardt asked for nominations from the floor. Hearing none, Secretary Dave Kerr moved to accept the committee's recommendation. Brant seconded the motion, and the motion was approved.

CEO Annual Update

Tracy Taylor reviewed the rotation of board meeting sites and the statutorily required occurrences at the meetings.

Taylor gave a presentation on KTEC's culture and described the vision, mission, intentions, and values of the organization.

Taylor also explained several leading-edge initiatives supported by KTEC, including the PIPELINE Primer, Eureka Winning Ways, and the Software and Information Technology Association of Kansas (SITAKS).

Taylor reviewed the assessment of KTEC by the Research Triangle Institute and noted that KTEC is addressing the suggestions offered in the report, including an effort to attract federal funding through a collaborative program with the Kansas Bioscience Authority, improved branding efforts within the KTEC network, and establishing an advisory board from industry.

Taylor reflected on performance versus goals and objectives for FY2008, noting collaboration with the Kansas Bioscience Authority and the Kansas Department of Commerce, innovation, capital formation, and streamlining of staff and resources.

Taylor reported on the budget shortfall for FY2008. Discussion was held.

Review and Approval of Financials

Kevin Carr summarized the financial reports as of May 31, 2008, presented in the board books (Attachment B). Elliott moved to approve the financials as presented, subject to audit. Bruce Dallman seconded the motion, and the motion was approved.

Presentations

Taylor introduced Andrew Hoelscher, a 2008 innovator, who spoke on his entrepreneurial project and how the PIPELINE program has greatly increased his chances for success.

Brad Kramer, director of the Advanced Manufacturing Institute, gave a presentation on the KTEC Center of Excellence in Manhattan and explained AMI's mission as a derivative of KTEC's to advance technology.

Taylor introduced Greg Unruh, who returned to Kansas to be the Vice President and General Manager at Ventria Bioscience. Unruh gave an update on the company's progress with the pharmaceutical rice plant in Junction City.

Executive Committee Report

Reinhardt reported that the Executive Committee had met informally the previous day and that it had no recommendations to present to the board. Reinhardt called for a short break.

University Programs Committee Report

Following the break, Carr reviewed the EPSCoR/STAR Fund recommendations (Attachment C) from the committee meeting held on May 28, 2008, noting that funding would be contingent upon proper documentation of federal and/or industry matching awards.

NSF EPSCoR, KU – “Phase V: Building Research Infrastructure to Address Grand Challenge Problems in Ecological Forecasting.” The committee recommended \$150,000 in additional funding. Ron Trewyn moved to accept the committee’s recommendation. Elliott seconded the motion, and the motion was approved.

DEPSCoR, KSU – three projects. The committee recommended funding of \$184,185. Michael Helmstetter moved to accept the committee’s recommendation. Brush seconded the motion, and the motion was approved.

DOE EPSCoR, KSU - "Energy and Charge Transfer in Natural Photosynthetic Complexes and Chlorophyll Trefoil arrays: Hole-burning and Single Complex/Trefoil Array Studies." The committee recommended first year funding of \$15,000. Dave McDonald moved to accept the committee’s recommendation. Rita Polsley seconded the motion, and the motion was approved.

Kansas NASA EPSCoR, WSU - "Research Infrastructure Development." The committee recommended second year funding of \$150,000. Trewyn moved to accept the committee’s recommendation. Representative Wilk seconded the motion, and the motion was approved.

STAR Fund - NIH-COBRE, KU - "Center in Protein Structure and Function." The committee recommended sixth year funding of \$60,000. Brush moved to accept the committee’s recommendation. Representative Wilk seconded the motion, and the motion was approved.

STAR Fund - NSF, KU - "Center for Remote Sensing of Ice Sheets" (CRISIS). The committee recommended fourth year funding of \$125,000. Dallman moved to accept the committee’s recommendation. Trewyn seconded the motion, and the motion was approved.

STAR Fund - NSF, KU - "Center for Environmentally Beneficial Catalysis” Engineering Research Center. The committee recommended fifth year funding of \$240,000 in FY2009. Elliott moved to accept the committee’s recommendation. McDonald seconded the motion, and the motion was approved.

Carr summarized the observations and recommendations from the Centers of Excellence Peer Reviews (Attachment D) for the Kansas Polymer Research Center and the National Institute for Aviation Research. Reinhardt asked for a motion to approve the recommendations for KPRC. Brush so moved. Secretary Kerr seconded the motion. Elliott abstained. The motion was approved. Reinhardt asked for a motion to approve the recommendations for NIAR. Elliott so moved. Dallman seconded the motion, and the motion was approved.

Carr reviewed the committee funding recommendations (Attachment E) from the May 28th meeting for all the Centers of Excellence, detailing a total of \$2,990,482 in funding for FY2009. It was determined that action would be taken on the recommendations during the overall budget approval process. Discussion was held regarding the \$58,000 cut to NIAR.

Commercialization Funding Recommendations

Carr gave a presentation on the staff funding recommendations (Attachment F) for the KTEC business assistance incubators, detailing a total of \$1,403,000 in funding for FY2009. Carr explained the \$58,000 cut to NISTAC and the \$58,000 cut to KUMC, and discussion was held. It was again determined that action would be taken on the recommendations during the overall budget approval process.

Investment Committee Report

Michele Weigand gave a presentation (Attachment G) on the active KTEC equity portfolio, noting recent changes. Weigand stated that the staff had reviewed 37 investment opportunities, and four were selected to present to the Investment Committee, which met on May 21, 2008. Weigand described the four potential investments, which included: Adaptive Ozone – ozone solutions for water treatment facilities; Athletixnation – sports media/team on line platform; HS Sports – on demand full-length high school sports videos; and Matrix Electronic Measuring – measuring wand for automotive body repair. Discussion was held. Weigand also gave an update on the current investment portfolio.

Reinhardt asked for a motion to accept the investment committee's recommendation for funding at \$300,000 for Adaptive Ozone. Elliott so moved. Brant seconded the motion, and the motion was approved.

Reinhardt asked for a motion to accept the committee's recommendation for funding at \$100,000 for Athletixnation. Helmstetter so moved. Brant seconded the motion. Representative Gatewood voted no and Elliott abstained. The motion was approved.

Reinhardt asked for a motion to accept the committee's recommendation for funding at \$200,000 for HS Sports. Elliott so moved. Brant seconded the motion. Discussion was held. Reinhardt called for a show of hands and determined more hands were raised in the negative. The motion failed.

Reinhardt asked for a motion to accept the committee's recommendation for funding at \$100,000 for Matrix Electronic Measuring. Dallman so moved. Helmstetter seconded the motion. Elliott abstained. The motion was approved.

Weigand gave an update on the Angel Tax Credit Program and also on the Proof of Concept grants. Helmstetter made a motion to use investment funds to continue the POC program. Brush seconded the motion, and the motion was approved.

Network Meeting Report

Weigand reported that the directors from the ICCs and the Centers of Excellence had met the previous day at NISTAC and heard updates from Joni Cobb on the PIPELINE Primer, Eric Ferrell from the Alliance for Technology Commercialization, Dick Sidles from Western Kansas Technology Corporation, Joel Wiggins from the Enterprise Center of Johnson County, and Trish Brasted from the Wichita Technology Corporation.

Review and Approval of FY2009 Budget

Carr presented the recommended budget for FY2009 (Attachment H), explaining the allocations and the funding cuts, which included \$58,000 to KTEC operations; \$58,000 to NIAR; \$100,000 to EPSCoR; \$58,000 to NISTAC; and \$58,000 to KUMC. Carr noted the correction to the document of the additional \$200,000 in investment carryover. Discussion was held.

Representative Wilk moved to restore the FY2009 funding to NIAR and NISTAC to the FY2008 level and pull from the investment carryover. Helmstetter seconded the motion. Discussion was held. Reinhardt called for a vote by show of hands and determined more hands were raised in the affirmative. Brant abstained. The motion was approved.

Reinhardt asked for a motion to go into executive session for 15 minutes to discuss personnel issues. Helmstetter so moved. Representative Gatewood seconded the motion, and the motion was approved. The board entered executive session at 12:10 p.m.

The meeting resumed at 12:25 p.m.

Secretary Kerr moved to restore funding to the FY2008 level for KTEC operations. Representative Gatewood seconded the motion, and the motion was approved.

Elliott moved to authorize the Executive Committee to consider restoring \$26,000 of FY2009 funding for KUMC. Helmstetter seconded the motion, and the motion was approved.

Representative Wilk moved to approve the FY2009 budget allocation as amended. Secretary Kerr seconded the motion. Elliott voted no. The motion was approved.

MAMTC Update

Sandy Johnson gave an update on MAMTC's FY2008 year-end results and announced the annual manufacturing conference to be held on October 21-22, 2008 in Wichita.

KansasBio Update

Angela Kreps gave an update on KansasBio's commitment to advocacy, communication, and education and elaborated on the upcoming national BIO conference. Kreps also reported that two of KansasBIO's 2008 "Big Thinkers" were members of the KTEC network, Tracy Taylor and Trish Brasted.

Kansas Dept. of Commerce Update

Secretary David Kerr reported on the Kansas Department of Commerce's awards to Kansas companies for their contributions to economic development across the state. Secretary Kerr also noted the exciting creation of new jobs as well as the challenges of work force development, and he announced that Kansas recently has been recognized by three national magazines as one of the top 10 pro-business states in the nation.

Next Board Meeting and Adjournment

Reinhardt stated that the next board meeting would be held at the Kansas State Fair in Hutchinson on September 5, 2008.

Reinhardt called for a motion to adjourn. Representative Wilk so moved. Brant seconded the motion, and the motion was approved. The meeting ended at 1:00 p.m.