



**Board of Directors Meeting**  
**Friday, September 11, 2009, 9:00 a.m. -1:30 p.m.**  
**Wichita Marriott, Wichita, KS**

**Members Present:** Chair Kyle Elliott, Thomas Cohen, Bruce Dallman, Representative Doug Gatewood, Senator Tom Holland (via teleconference), Secretary David Kerr, Tom Lauerman (via teleconference), Dave McDonald, Senator Carolyn McGinn, Speaker Mike O’Neal, Ron Trewyn (via teleconference), Rusty Wilson

**Members Absent:** Vice Chair Ted Haggart, David Brant, Bob Murdock Linda Reinhardt, Acting Secretary Joshua Svaty

**Others Present:** Stan Ahlerich, Jim Baxendale, Jesse Bechtold, Kristin Bowman-James, Keith Braman, Trish Brasted, Erin Campbell, Kevin Carr, Taylor Clauson, Joni Cobb, Eric Ferrell, Kent Glasscock, Sandy Johnson, Rob Koger, Brad Kramer, Dan Ledebauer, Matt McClorey, Teresa Merrifield, Scott Miller, Andy Myers, Kelly Pearl, Roger Rajewski, Jesse Sanders, Andy Schlapp, Kevin Sweeney, John Tomblin, Steve Warren, Michele Weigand, Wade Wiebe, Joel Wiggins

**Call to Order**

Board Chair Kyle Elliott called the meeting to order at 9:03 a.m. The board members and the audience introduced themselves.

**Review and Approval of Minutes**

Elliott asked for additions or corrections to the August 21, 2009, board meeting minutes. Secretary David Kerr moved that the minutes be approved as presented. Dave McDonald seconded the motion, and the motion carried.

**CEO Update**

Kevin Carr reviewed the summary of the results of the survey to board members, which addressed issues raised in the Thomas P. Miller assessment by Kansas, Inc. Carr stated that a special legislative committee on KTEC would be held October 7-8, during which he would brief the committee on what KTEC is doing strategically and how concerns were being addressed.

**Annual Economic Impact Survey Metrics**

Wade Wiebe shared with the board the updated metrics from the annual economic impact survey.

## **Review and Approval of Financials**

Michele Weigand summarized the current financial reports as of August 31, 2009, and fielded questions from board members. Bruce Dallman moved to approve the financials as presented, subject to audit. Secretary Kerr seconded the motion, and the motion carried.

Weigand explained that there was approximately \$220,000 in KTEC Holdings, which was not enough to fund three projects that had been approved at the December board meeting: \$120,000 for IT software development enhancement; \$175,000 for the SBIR assistance program; and \$97,000 for the cleantech initiative. Discussion was held regarding these three earmarks. Representative Doug Gatewood moved to eliminate the \$120,000 earmark for IT software development enhancement. Secretary Kerr seconded the motion, and the motion carried. Further discussion was held regarding the other two earmarks. Leaving \$30,000 for accounts payable and retaining \$97,000 for the cleantech initiative, Representative Gatewood moved to reduce the SBIR earmark to \$93,000. McDonald seconded the motion. Following discussion, the motion failed. Further discussion was held. Secretary Kerr made a motion to reduce the SBIR earmark to \$140,000 and to reduce the other earmark to provide \$50,000 for cleantech and cluster research. Representative Gatewood seconded the motion, and the motion carried.

Weigand presented the revised FY 2010 budget. Discussion was held. Speaker Mike O'Neal moved to approve the revised FY 2010 budget. Secretary Kerr seconded the motion, and the motion carried.

## **University Programs Committee Report**

Wiebe reviewed the EPSCoR/STAR Fund recommendations from the University Programs Committee meetings held on August 25<sup>th</sup> and September 8<sup>th</sup>, 2009, noting that funding would be contingent upon proper documentation of federal and/or industry matching awards.

Kansas DEPSCoR Program: 1) "High K Oxide Insulated Gate Group III Nitride-Based FETs;" 2) "Development of Direct Numerical Simulation for Shock/Turbulent Boundary Layer Interaction with Applications to Supersonic/Hypersonic Inlets;" 3) "Thermosphere Density Variability, Drag Coefficients, and Precision Satellite Orbits;" and 4) "Advanced Computational and Sensor Network Methods for MVDC Shipboard Power Systems." - KSU/WSU/KU. The committee recommended \$57,084 in funding in FY 2010 for the four proposals which will begin in October, 2009. No motion was made to approve the committee's recommendation.

Kansas NASA EPSCoR Program: "NASAS's Lunar and Martian Surface Communication Systems with Efficient Miniature Antennas" - WSU. The committee recommended \$40,000 in second year funding of a three-year project in FY 2010. Following discussion, Dallman moved to approve the committee's recommendation. McDonald seconded the motion, and the motion carried.

NASA EPSCoR Cooperative Agreement "Aeroelastic Modeling Effects and Flight Test Demonstration of Resilient Adaptive Flight Controls on a General Aviation Testbed: Dynamic Inverse and Adaptive Critic Methods" – WSU. The committee recommended \$54,000 in funding of a three-year project in FY 2010. Following discussion, Secretary Kerr moved to approve the committee's recommendation. Dallman seconded the motion, and the motion carried.

Aircraft Design and Manufacturing Research Center (ADMRC) – WSU. The committee recommended \$119,875 to continue the project in FY 2010. Following discussion, Representative Gatewood moved to approve the committee’s recommendation. Speaker O’Neal seconded the motion, and the motion carried.

NIH COBRE: "Center for Cancer Experimental Therapeutics" - KU. The committee recommended \$34,250 in tenth year funding of a ten-year project in FY 2010. Following discussion, Speaker O’Neal moved to approve the committee’s recommendation. Secretary Kerr seconded the motion, and the motion carried.

NIH: "Kansas - IDeA Network of Biomedical Research Excellence (K-INBRE)" – KUMCRI. The committee recommended \$47,950 in ninth year funding in FY 2010 for this project that was awarded an additional five years. Following discussion, Speaker O’Neal moved to approve the committee’s recommendation. McDonald seconded the motion, and the motion carried.

Center for Environmentally Beneficial Catalysis (CEBC), KU - The committee recommended \$164,400 in funding in FY 2010 to continue the project. Following discussion, Dallman moved to approve the committee’s recommendation. Speaker O’Neal seconded the motion, and the motion carried.

U.S. Economic Development "Early-Stage Technology Development Assistance Center (EDA)" – KSU. The committee recommended \$31,510 in third year funding of a three year project in FY 2010. Following discussion, Secretary Kerr moved to approve the committee’s recommendation. Senator Carolyn McGinn seconded the motion, and the motion carried.

NIH: "Center of Excellence in Chemical Methodologies and Library Development (CMLD)" – KU. The committee recommended \$63,020 in second year funding in FY 2010. Following discussion, Representative Gatewood moved to approve the committee’s recommendation. McDonald seconded the motion, and the motion carried.

NSF: "MRI: Acquisition of an Advanced Computational Infrastructure for Modeling Biological Systems" – KU. The committee recommended \$19,424 in second year funding of a three-year project in FY 2010. Following discussion, Speaker O’Neal moved to approve the committee’s recommendation. Representative Gatewood seconded the motion, and the motion carried.

Scott Miller from Wichita State University briefed the board members on the NASA EPSCoR Cooperative Agreement for which the committee had not recommended funding: “Study of Part Deformation and Tool Thermal Mass in Curing of Large Composite Structures.” Following discussion, McDonald moved to send the proposal back to the committee for further recommendation to the board, along with the NASA EPSCoR proposal for which the board approved funding of \$40,000: "NASA's Lunar and Martian Surface Communication Systems with Efficient Miniature Antennas" and the four DEPSCOR proposals for which no motion for approval was made: 1) "High K Oxide Insulated Gate Group III Nitride-Based FETs;" 2) "Development of Direct Numerical Simulation for Shock/Turbulent Boundary Layer Interaction with Applications to Supersonic/Hypersonic Inlets;" 3) "Thermosphere Density Variability, Drag Coefficients, and Precision Satellite Orbits;" and 4) "Advanced Computational and Sensor

Network Methods for MVDC Shipboard Power Systems." Dallman seconded the motion, and the motion carried.

Elliott called for a short break.

### **Executive Committee Report**

Elliott reported that the Executive Committee had met the previous day and determined that rather than form a budget committee, the Executive Committee would meet at least twice yearly with the staff to discuss the proposed budget for the upcoming fiscal year.

### **Strategic Planning Task Force Report**

Carr gave an update from the Strategic Planning Task Force, explaining the importance of a short timeline for cluster identification. Carr also explained the proposed process for evaluating internal programs, with results to be reported back to the board before the March board meeting.

### **Review and Approval of FY 2011 Budget**

Weigand explained the budget worksheet, pointing out the changes made since the August 21<sup>st</sup> board meeting. Discussion was held on the proposed funding for the Centers of Excellence going forward. Secretary Kerr moved to approve the proposed budget submittal for FY 2011.

McDonald seconded the motion, and the motion carried.

### **Investment Committee Report**

Weigand reported on the active equity portfolio and noted recent changes. Weigand stated that the staff had reviewed 24 investment opportunities, and four companies were selected to present to the Investment Committee, which met on August 31, 2009. Weigand described the three potential investments, which included: Athletix Nation – multi-media sports content provider; Embark Healthcare – healthcare choice-documentation; and Nitride Solutions – aluminum nitride substrates.

Elliott asked for a motion to accept the Investment Committee's recommendation for follow-on funding at \$100,000 for Athletix Nation. Following discussion, Dallman so moved, and Speaker O'Neal seconded the motion. Senator Holland opposed and Elliott abstained. The motion carried.

Elliott asked for a motion to accept the Investment Committee's recommendation, subject to completion of due diligence by the staff and Investment Committee, for funding at \$100,000 for Embark Healthcare. Following discussion, McDonald so moved, and Representative Gatewood seconded the motion. Senator Holland opposed and Secretary Kerr abstained. The motion carried.

Elliott asked for a motion to accept the Investment Committee's recommendation, subject to completion of due diligence by the staff and Investment Committee, for funding at \$100,000 for Nitride Solutions. Following discussion, Senator McGinn so moved. Speaker O'Neal seconded the motion, and the motion carried.

Weigand summarized the amounts for the quarterly investment funds, including two Proof of Concept grants. Weigand also gave an update on the Angel Tax Credit Program.

Stan Ahlerich gave a brief update on Kansas, Inc.

### **Network Meeting Report**

Weigand reported that the directors from the ICCs and the Centers of Excellence had met the previous day, along with staff from the Kansas Bioscience Authority. Weigand stated that updates had been given by Jeff Tucker from the Advanced Manufacturing Institute, Dan Ledebouer from the Quest Center for Entrepreneurs, and Matt McClorey from the Lawrence Regional Technology Center. Weigand commented that Kelly Pearl had also presented the new KTEC communications plan.

### **Presentations**

The presidents from three KTEC business assistance incubators shared what had been presented to the Strategic Planning Task Force on July 22<sup>nd</sup> and fielded questions from the board. The presenters were: Kent Glasscock from the National Institute for Strategic Technology Acquisition & Commercialization, Dan Ledebouer from the Quest Business Center for Entrepreneurs, and Eric Ferrell from the Alliance for Technology Commercialization.

### **MAMTC Update**

Sandy Johnson gave an update on MAMTC's FY 2010 operation results to date and distributed information on the upcoming manufacturing conference to be held in Overland Park on November 11-12, 2009.

### **Kansas Dept. of Commerce Update**

Secretary Kerr reported that the Department of Commerce was focusing on the Kansas economy, which seemed to be recovering even though unemployment is still high. Secretary Kerr announced that Kansas had received numerous awards this past year and was listed as one of the top ten business-friendly states.

### **Next Board Meeting and Adjournment**

Elliott stated that the next board meeting would be held at the KTEC office in Topeka on December 4, 2009.

As a quorum was not still present, no motion to adjourn was made. The meeting ended at 1:32 p.m.