AGENDA ITEM 7 AUGUST 1-2, 2007

Contact: Andy Baumert

IOWA STATE UNIVERSITY COST-SHARE APPROVAL REQUEST

<u>Action Requested</u>: Consider approval of Iowa State University's request to identify a portion of its 2007 Battelle funding as cost-share match for a Federal Highway Administration (FHA) research grant.

Executive Summary: In 2007, the Board of Regents approved ISU's proposal for use of state legislative funding under the Battelle program. One portion of that proposal was \$710,000 in projects related to the bioeconomy, including projects related to production of bio-oil, ethanol and syngas. ISU is now pursuing a \$400,000 grant from the Federal Highway Administration to research the use of bio-oil and pyrolitic lignin as antioxidants or binders to improve the performance of asphalt paving. The project could represent the first large scale commercial use of bio-oil other than as a heating source and a large scale use of lignin which is a byproduct of cellulosic ethanol production.

The FHA does not require matching funds to be directed specifically to the research grant, but ISU must show a commitment to this area of research to demonstrate institutional commitment beyond the specific grant for which application is made. ISU requests permission to identify as matching funds for the FHA grant \$75,000 of the \$710,000 approved in 2007 for Battelle bioeconomy projects. This action will not require the \$75,000 be spent on the FHA project, nor will it divert any portion of the \$710,000 away from the projects approved by the Board of Regents in 2007.

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