

1 AN ACT relating to the endowed research fund and making an appropriation
2 therefor.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
5 READ AS FOLLOWS:

- 6 *(1) (a) There is hereby created an endowment fund as defined in KRS 273.600*
7 *called the endowed research fund to be administered by the council for the*
8 *purposes of funding specific research projects of Kentucky's public*
9 *universities selected by the council in accordance with subsection (2) of this*
10 *section.*
- 11 *(b) The endowed research fund shall contain moneys received from the general*
12 *fund, federal funds, and any other proceeds from contributions, gifts, or*
13 *grants made available for the purposes of the fund.*
- 14 *(c) Moneys deposited in the endowed research fund are hereby appropriated for*
15 *the purposes under this section.*
- 16 *(d) All moneys in the endowed research fund shall be endowed in accordance*
17 *with KRS 273.600 to 273.645.*
- 18 *(e) Notwithstanding KRS 45.229, moneys in the endowed research fund at the*
19 *close of a fiscal year shall not lapse but shall be carried forward to the next*
20 *fiscal year. Any interest earnings of the fund shall be transferred quarterly*
21 *on a pro rata basis to the five (5) accounts created in paragraph (g) of this*
22 *subsection.*
- 23 *(f) Notwithstanding KRS 42.500, moneys in the endowed research fund shall*
24 *be invested in accordance with endowment management best practices.*
- 25 *(g) The endowed research fund shall contain five (5) accounts. Each account*
26 *shall be reserved for funding the specific area of research assigned to the*
27 *account by the council in accordance with subsection (2) of this section.*

1 Each account shall contain interest earnings from the endowed research
2 fund transferred quarterly under paragraph (e) of this subsection by the
3 council, federal funds, and any other proceeds from contributions, gifts, or
4 grants made available for the purposes of the account.

5 (2) The council shall solicit, accept, and review funding applications submitted by
6 Kentucky public universities, including joint applications submitted by two (2) or
7 more Kentucky public universities, to receive funding from an account. Each
8 funding application shall be reviewed using criteria established by the council in
9 accordance with subsection (5) of this section. The council shall select five (5)
10 high-quality Kentucky public university research projects to receive funding from
11 an account. Each research project selected by the council shall be assigned to a
12 unique account within the fund for a term of five (5) years.

13 (3) Moneys in the five (5) accounts shall constitute seed money for the research
14 project assigned to the account by the council to perform initial research and to
15 prepare proposals to seek grant money from public and private sources in larger
16 funding amounts.

17 (4) Prior to the expiration of a research project's term of eligibility under subsection
18 (2) of this section to receive funding from an account, the council shall review the
19 performance of the research project to determine whether:

20 (a) The term of eligibility of the research project should be renewed for up to
21 five (5) additional years; or

22 (b) The research project's eligibility to receive funding from the endowed
23 research fund should be terminated.

24 (5) The council shall maintain a research project assigned to each of the five (5)
25 accounts within the endowed research fund. If a research project's eligibility to
26 receive funding from the endowed research fund is terminated, the council shall
27 solicit, accept, and review funding applications, including joint applications, to

- 1 fill the vacancy in accordance with subsection (2) of this section.
- 2 (6) The council shall promulgate administrative regulations in accordance with this
3 subsection and KRS Chapter 13A to administer this section. The administrative
4 regulations shall include metrics to evaluate funding applications submitted by
5 Kentucky public universities in accordance with subsection (2) of this section.
6 The metrics shall include but not be limited to the research project's:
- 7 (a) Impact upon human quality of life advancements, prioritizing innovations
8 that advance medicine, health, or economic development; and
- 9 (b) 1. Additional funding sources for seed money to perform initial research
10 and to prepare proposals to seek grant money from public and private
11 sources in larger funding amounts; and
- 12 2. Anticipated future funding sources and amounts.
- 13 (7) The council may expend up to four percent (4%) of all interest earnings of the
14 endowed research fund on the costs of managing and administering the endowed
15 research fund.

16 ➔Section 2. No later than February 1, 2025, the Council on Postsecondary
17 Education shall select the Kentucky Spinal Cord and Head Injury Research Trust as one
18 of the initial five research projects. The Kentucky Spinal Cord and Head Injury Research
19 Trust shall be subject to the same performance review required for all other research
20 projects pursuant to subsection (4) of Section 1 of this Act to determine whether the
21 Kentucky Spinal Cord and Head Injury Research Trust will continue to be eligible for
22 funding from the endowed research fund after expiration of its initial term of eligibility.