

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1663

SENATE BILL NUMBER 1 GA

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

SPONSOR Senator Robert Stivers

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Council on Postsecondary Education

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Endowed Research Fund

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$400,000	\$400,000	\$400,000
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: Senate Bill 1 GA establishes an endowment fund to support research consortiums administered by the Council on Postsecondary Education. The fund will consist of General Fund, Federal Funds, and donations. Five consortium accounts will be created within the fund, each assigned to a different research consortium for a five-year term. Research consortiums will undergo a performance review before the renewal of their funding term.

FISCAL EXPLANATION: Senate Bill 1 GA would expand the council’s duties by requiring the council to oversee all aspects of the endowment’s funding, including drafting regulations, investing the funds, reviewing applications, compliance, and evaluation of results. The council estimates the need for an additional employee with a background in research. The council would explore contracting the management of the endowment fund. The council estimates an annual cost of \$400,000 for endowment management, one additional employee, and administrative support. The fund shall earn interest, and the council may expend up to 4% of all interest earnings on the costs of managing and administering the fund. The earned interest would reduce the need for funding once the fund begins earning interest.

DATA SOURCE(S): LRC Staff, CPE

PREPARER: Ethan Williams **NOTE NUMBER:**147 **REVIEW:** JB **DATE:** 3/11/2024