

TITLE: Revisions to 2022-24 Endowment Match Program Guidelines

DESCRIPTION: The Finance Committee recommends the Council approve the proposed revisions to the *2022-24 Endowment Match Program Guidelines*.

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COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and approved the proposed revisions to the *2022-24 Endowment Match Program Guidelines* at its March 25, 2024, meeting.

SUPPORTING INFORMATION

The Bucks for Brains program, also referred to as the Endowment Match Program (EMP), matches public dollars with private donations on at least a dollar-for-dollar basis to encourage research at the University of Kentucky (UK) and the University of Louisville (UofL) and to strengthen key programs at Kentucky's comprehensive universities. All funds, both public and private, must be endowed, with investment proceeds used to provide a perpetual source of funding for research-related activities.

In the 2022-24 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized \$40.0 million in state bond funds for Bucks for Brains, with \$30.0 million of that amount appropriated to the Research Challenge Trust Fund (RCTF) to support UK and UofL and \$10.0 million allocated to the Comprehensive University Excellence Trust Fund (CUETF) to support the comprehensive universities.

The Council on Postsecondary Education (CPE) has statutory authority to determine the criteria and process by which public universities apply to access appropriations to the RCTF (KRS 164.7917) and CUETF (KRS 164.7919). At its June 14, 2022, meeting, the Finance Committee approved the *2022-24 Endowment Match Program Guidelines*.

Over the past several months, as institutions have submitted match requests, CPE staff has identified areas in the guidelines where language should be clarified to reduce confusion for the institutions. In addition, the current version of the guidelines prohibits all federal funds from being used as matching funds. For this reason, CPE staff is proposing revisions to the Guidelines to allow Kentucky State University to use federal funds awarded under Title III of the

Higher Education Act (HEA) as matching funds. Federal guidelines permit up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar. The attachment shows all proposed revisions with additions in green font and eliminations in red strikethrough.