

FCR 2

Office of the President
September 15, 2023

Members, Board of Trustees:

ACCEPTANCE OF DISBURSEMENT FROM THE CHILDREN'S MIRACLE NETWORK
HOSPITALS AND SUBMISSION OF THE DISBURSEMENT TO THE
COMMONWEALTH OF KENTUCKY RESEARCH CHALLENGE TRUST FUND
ENDOWMENT MATCH PROGRAM

Recommendation: that the Board of Trustees accept a disbursement of \$750,000 from the Children's Miracle Network Hospitals (the "CMN Hospitals") to create and endow a fund to support the University of Kentucky College of Medicine and submit this disbursement for matching funds from the Commonwealth of Kentucky Research Challenge Trust Fund ("RCTF") Endowment Match Program. Further, pursuant to guidelines approved by the Council on Postsecondary Education, that the Board of Trustees acknowledge its responsibility for UK's participation in and implementation of the RCTF Endowment Match Program and for providing oversight of all university endowment funds.

Background: The 2022 General Assembly of the Commonwealth of Kentucky approved a sixth round of funding for the RCTF Endowment Match Program. UK has been allocated \$20,000,000 of matching state funds for endowments supporting initiatives in the fields of science, technology, engineering, mathematics, and health (i.e., STEM+H). Furthermore, the endowments are to support research activities that stimulate business development, increase externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The RCTF Endowment Match Program requires a dollar-to-dollar match of private to public funds at a minimum. To increase the impact of the state funds, UK will match each state dollar with two dollars of private funds. As a result, UK will leverage \$20,000,000 of state funds into \$60,000,000.

CMN Hospitals is authorized to raise private charitable funds on behalf of the university for the benefit of Kentucky Children's Hospital. The CMN Hospitals' \$750,000 disbursement will be used to create and endow a fund named the "Immune Dysregulation Fund" in the College of Medicine, Department of Pediatrics. This disbursement is eligible to be matched by the RCTF Endowment Match Program.

In recognition of the significance of this disbursement, and with the consent of the Office of the Vice President for Research, it is recommended that the disbursement be submitted for state matching funds at a ratio of 2:1. As a result, the endowed fund will be established

with \$1,125,000 including \$750,000 from the disbursement and \$375,000 from the RCTF Endowment Match Program.

Action taken: ☒ Approved ☐ Disapproved ☐ Other_____