

# FCR 3

Office of the President  
September 15, 2023

Members, Board of Trustees:

ACCEPTANCE OF CHARITABLE GRANT PLEDGE FROM THE ENCOMPASS  
HEALTH CORPORATION AND SUBMISSION OF PLEDGE TO THE  
COMMONWEALTH OF KENTUCKY RESEARCH CHALLENGE TRUST FUND  
ENDOWMENT MATCH PROGRAM

Recommendation: that the Board of Trustees accept a charitable grant pledge of \$1,000,000 from the Encompass Health Corporation, a Delaware corporation (the “Donor”), to create and endow a fund to support the University of Kentucky College of Medicine and submit this grant 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.

The Donor’s charitable grant pledge of \$1,000,000 will be used to create and endow a fund named the “Encompass Health Research Support Fund” in the College of Medicine, Department of Physical Medicine and Rehabilitation. This charitable grant pledge is eligible to be matched by the RCTF Endowment Match Program.

In recognition of the significance of this grant, and with the consent of the Office of the Vice President for Research, it is recommended that the charitable grant pledge be submitted for state matching funds at a ratio of 2:1. The corpus of the endowment is expected to total \$1,500,000 including \$1,000,000 from the charitable grant pledge and \$500,000 from the RCTF Endowment Match Program. The pledge is expected to be fulfilled by July 2025.

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Action taken:    ☒ Approved                      ☐ Disapproved                      ☐ Other\_\_\_\_\_