

FCR 12

Office of the President
June 13, 2024

Members, Board of Trustees:

ESTABLISHMENT OF THE CENTER FOR APPLIED ENERGY RESEARCH QUASI-ENDOWMENT FUND

Recommendation: that the Board of Trustees approve the establishment of the UK Center for Applied Energy Research Quasi-Endowment Fund.

Background: The 2024 General Assembly of the Commonwealth of Kentucky appropriated \$20,000,000 of state General Funds per year for Fiscal Years 2024-25 and 2025-26 to the University to be invested as a quasi-endowment. Pursuant to House Bill 1, the interest earned on the investment shall be used for the UK Center for Applied Energy Research's (CAER) administration and support of the Kentucky Nuclear Energy Development Authority (KNEDA) and the Energy Planning and Inventory Commission (EPIC). The 2024 Kentucky General Assembly established the KNEDA and EPIC through Senate Bills 198 and 349 with directives to submit various reports on activities, studies and recommendations beginning as soon as December 1, 2024.

The University will administer this new quasi endowment like all other quasi endowments and follow the [University's Endowment Investment Policy](#). However, the University will exempt this quasi-endowment fund from that policy's one-year delay of spending distributions from new endowment funds given the 2024 General Assembly's directives described above.

Action taken: Approved Disapproved Other _____