

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION SPECIAL-CALLED BUSINESS MEETING



August 14, 2026 – 9:00 a.m. ET (8:00 a.m. CT)

Virtual meeting via ZOOM Webinar: <https://bit.ly/4bWhhou>

**indicates action item*

- I. Call to Order**
- II. Roll Call**
- III. 13 KAR 2:140. Research consortiums**
- IV. Committee Appointment**
- V. Adjournment**

TOPIC/TITLE:	13 KAR 2:140. Research consortiums
STAFF CONTACTS:	Travis Powell, Executive Vice President & General Counsel Cassie Trueblood, Deputy General Counsel
TYPE/REQUEST:	☒ Action ☐ Information

SUMMARY OF ACTION REQUESTED

Staff requests that the Council approve the Statement of Consideration and Amended After Comments regulation for 13 KAR 2:140, Research consortiums. The action would authorize staff to file the proposed Statement of Consideration and Amended After Comments Regulation and the General Counsel and Deputy, pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b), to make such changes on behalf of the Council as necessary to comply with KRS Chapter 13A and obtain adoption of the new regulation by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

This new administrative regulation establishes the process by which requests for joint funding proposals will be advertised, what proposals shall include, how proposals will be evaluated, and how funds will be awarded from the endowed research fund created by KRS 164.038. The Statement of Consideration and Amended After Comments Regulation address comments received during the public comment period and incorporate a peer review process for the evaluation of joint funding proposals.

APPLICABLE STATUTE(S), REGULATION(S), CPE POLICIES

KRS 164.038 – Kentucky public university research consortiums
KRS 273.600 to 273.645 – Kentucky Uniform Prudent Management of Institutional Funds

SUPPORTING INFORMATION

At the April 2, 2026, meeting, the Council approved the administrative regulation 13 KAR 2:140, Research consortiums. This new administrative regulation is necessary to comply with the requirements of KRS 164.038 which creates the endowed research fund to be administered by the Council. KRS 164.038 tasks the Council with soliciting, accepting, and reviewing joint funding applications submitted by two or more Kentucky public universities to

receive funding from a consortium account. The consortium accounts shall constitute seed money for the research consortium to perform initial research and seek grant money from public and private sources. KRS 164.038(6) requires the Council to promulgate administrative regulations to include metrics to evaluate joint funding applications and carry out the requirements of the statute.

Following approval by the Council, the regulation was filed with the Administrative Regulations Compiler to begin the legislative process. During the public comment period, written comments were received from the University of Kentucky requesting that the Council amend the regulation to include a peer review process. Since written comments were received, the Council must file a Statement of Consideration addressing the comments and indicating whether the regulation will be amended based on those comments.

Staff recommends the Council approve the proposed Statement of Consideration and Amended After Comments Regulation to address the comments received and adopt a peer review process for the evaluation of joint funding proposals. The action would authorize staff to file the proposed Statement of Consideration and Amended After Comments Regulation and the General Counsel and Deputy, pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b), to make such changes on behalf of the Council as necessary to comply with KRS Chapter 13A and obtain adoption of the new regulation by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

1 COUNCIL ON POSTSECONDARY EDUCATION

2 (Amended After Comments)

3 13 KAR 2:140. Research consortiums.

4 RELATES TO: KRS 164.038, KRS 273.600

5 STATUTORY AUTHORITY: KRS 164.038

6 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.038 requires the Council on
7 Postsecondary Education to promulgate administrative regulations to administer the provisions of
8 the statute. KRS 164.038(6) requires the Council to include in administrative regulation the metrics
9 to evaluate joint funding applications submitted by two (2) or more Kentucky public universities
10 to receive funding from a consortium account. This administrative regulation establishes the
11 process by which requests for joint funding proposals will be advertised, what proposals shall
12 include, how proposals will be evaluated, and how funding awards will be made.

13 Section 1. Definitions. (1) “Council” is defined by KRS 164.001(8).

14 (2) “Eligible postsecondary institution” means any public university in Kentucky.

15 (3) “Endowed research fund” means the endowed research fund as established by KRS
16 273.600.

17 (4) **“Peer reviewer” means an individual with demonstrated research expertise who is**
18 **selected to evaluate applications.**

19 **(5) “Peer review panel” means a panel of three (3) or more peer reviewers convened by**
20 **Council staff to conduct the review of joint funding applications described in Section 5 of**
21 **this administrative regulation.**

(6) “Research consortium” means two (2) or more eligible postsecondary institutions to receive joint funding from a consortium account through the endowed research fund administered by the Council.

Section 2. Notice of Funding Opportunities.

(1) Once funds are available for distribution through the endowed research fund, the Council shall publish notice of availability of funding opportunities for research consortia and issue a request for joint funding applications.

(2) The notice and request for joint funding applications shall include:

(a)~~**(1)**~~ The funding period;

(b)~~**(2)**~~ The date by which to submit a joint funding application;

(c)~~**(3)**~~ The application evaluation metrics and relative weighting of each metric;

(d)~~**(4)**~~ How to submit a joint funding application; and

(e)~~**(5)**~~ The targeted date for making awards.

Section 3. Metrics to Evaluate Joint Funding Applications.

(1) The Council shall evaluate joint funding applications using the following metrics describing the research consortium’s:

(a)~~**(1)**~~ Planned area of research and its impact on human quality of life advancements;

(b)~~**(2)**~~ Ability to innovate in the areas of medicine, health, or economic development;

(c)~~**(3)**~~ Ability to obtain other sources of funding to perform initial research;

(d)~~**(4)**~~ Potential to seek grant money from other sources in larger amounts;

(e)~~**(5)**~~ Potential future funding sources and amounts; and

(f)~~**(6)**~~ Implementation plan, including:

1.~~**(a)**~~ The total proposed budget for the use of funds received through the endowed

research fund for the initial five (5) year term;

2.[(b)] The total proposed budget for use of funds from other sources dedicated to the work of the research consortium for the initial five (5) year term; and

3.[(e)] Operations of the consortium, including a description of how the research consortium partners would collaborate to conduct the planned research.

Section 4. Funding Proposals.

(1) To be eligible for funding, a joint funding application proposal shall include:

(a)[(1)] The participation in the research consortium certified by the signature of the respective chief executive officers and a designated point of contact and contact information for each participating eligible postsecondary institution;

(b)[(2)] A narrative addressing each metric set forth in Section 3 of this administrative regulation.

(c)[(3)] A response to any other funding proposal criteria as determined by the Council;

(d)[(4)] A statement of assurances that statutory requirements shall be satisfied as set forth in KRS 164.038; and

(e) The names of the key personnel assigned to the proposed research consortium.

Section 5. Evaluation Process.

(1) Council staff shall convene a peer review panel to conduct a review of each completed and timely submitted joint funding application.

(2) A peer reviewer shall not have a conflict of interest that would impair the reviewer's impartiality for any application reviewed by the peer review panel.

1 **(3) The peer review panel shall review, score and rank each application on the extent to**
2 **which the application meets the metrics set forth in Section 3 of this administrative**
3 **regulation.**

4 **(4) The peer review panel shall submit to the Council its ranking of the applications and**
5 **a narrative to support that ranking.**

6 **(5) The Council shall review the submission of the peer review panel and**~~The Council~~
7 ~~shall review and rank each completed and timely submitted funding application on the extent~~
8 ~~to which the application meets the metrics set forth in Section 3 of this administrative~~
9 ~~regulation.~~

10 ~~(2) Once the funding applications are evaluated and ranked, the Council~~ shall select up
11 to five (5) high-quality research consortiums to receive funding from a consortium account.

12 **(6)**~~(3)~~ Once award distributions are finalized and approved by the Council, the Council shall
13 notify the designated points of contact of the award.

14 Section 6. Awards.

15 (1) Upon award, the Council and research consortium partners shall enter into an agreement
16 outlining the responsibilities of the parties, including but not limited to the estimated funding
17 amount, the permissible uses of funds, and the reporting requirements.

18 (2) Once the agreement is finalized, the Council shall disburse money from the research
19 consortium's designated consortium account in accordance with KRS 164.038(1)(e) for a term
20 of five (5) years.

21 (3) The term of eligibility of the research consortium may be renewed for up to five (5)
22 additional years in accordance with KRS 164.038(4).

Date

Madison Silvert, Chair
Council on Postsecondary Education

APPROVED AS TO FORM:

Date

Cassie Trueblood, Deputy General Counsel
Council on Postsecondary Education

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

13 KAR 2:140

Contact Person: Cassie Trueblood

Phone: 502.892.3696

Email: cassie.trueblood@ky.gov

Subject Headings: Council on Postsecondary Education, Education, Education: Higher and Postsecondary.

(1) Provide a brief summary of:

(a) What this administrative regulation does: This regulation establishes the process by which requests for joint funding proposals will be advertised, what proposals shall include, how proposals will be evaluated and how funding awards will be made for the endowed research fund established in KRS 164.038.

(b) The necessity of this administrative regulation: KRS 164.038 requires the Council on Postsecondary Education to promulgate administrative regulations to administer the endowed research fund. KRS 164.038 requires the Council to set forth the requirements for joint funding applications submitted by two (2) or more Kentucky public universities to receive funding from a consortium account.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms explicitly to the requirements of KRS 164.038.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The administrative regulation creates a process for issuing notice of funding opportunities, sets requirements for funding proposals, creates an evaluation process, and creates a process for making awards as required by KRS 164.038.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of: This is a new administrative regulation and not an amendment to an existing regulation.

(a) How the amendment will change this existing administrative regulation: This amendment will incorporate a peer review process into the evaluation of joint funding applications. It adds definitions for peer reviewer and peer review panel, requires applications to identify key personnel, and outlines the role of the peer review panel in evaluating joint funding applications.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to incorporate comments received during the public comment period and adopt a peer review process in the evaluation of joint funding applications. It is also necessary to correct some numbering issues.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 164.038 requires the Council on Postsecondary Education to promulgate administrative regulations to administer the endowed research fund. KRS 164.038 requires the Council to set forth the requirements for joint funding applications submitted by two (2) or more Kentucky public universities to receive funding from a consortium account. This amendment incorporates a peer review process for the evaluation of the joint funding applications.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statute by incorporating a peer review process into the evaluation of the joint funding applications. The peer review panel shall review,

score, and rank each application on the extent to which the application meets the established metrics. The panel will submit this information to the Council. The Council will review the submission and select up to five high-quality research consortiums to receive funding from a consortium account in accordance with KRS 164.038(2).

(3) Does this administrative regulation or amendment implement legislation from the previous five years? Yes, this administrative regulation implements Senate Bill 1 from the 2024 legislative session.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects the public postsecondary universities in the state, totaling eight entities, but none are required to participate.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: To be considered for funding, two (2) or more eligible postsecondary institutions must submit a joint funding application. Upon evaluation of the proposal and subsequent award, the Council and the participating institutions will enter into a contract in accordance with the terms set forth in this regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): There are no fees established by this administrative regulation. There will be some administrative costs to the public universities to create and submit a proposal.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4): Once the partnership contract is finalized, the Council shall disburse money from the fund to a consortium account as seed money to perform initial research and to prepare proposals to seek grant money from public and private sources in larger funding amounts.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be some administrative costs to the Council to solicit and review applications and make awards, but KRS 164.038(7) provides that the council may expend up to four percent (4%) of all interest earning of the endowed research fund on the costs of managing and administering the fund.

(b) On a continuing basis: There will be some administrative costs to the Council to solicit and review applications and make awards, but KRS 164.038(7) provides that the council may expend up to four percent (4%) of all interest earning of the endowed research fund on the costs of managing and administering the fund.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment: Awards will be made from the endowed research fund which is created by KRS 164.038 and endowed in accordance with KRS 273.600 to 273.645. The fund shall contain money received from the general fund, federal funds, and any other

proceeds from contributions, gifts or grants made available for the purposes of the fund. KRS 164.038(7) provides that the Council may expend up to four percent (4%) of all interest earnings on the costs of managing and administering the endowed research fund.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This administrative regulation does not assess fees.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees.

(10) TIERING: Is tiering applied? Tiering is not applicable because similarly situated entities are treated similarly under this administrative regulation.

FISCAL IMPACT STATEMENT

13 KAR 2:140

Contact Person: Cassie Trueblood

Phone: 502.892.3696

Email: cassie.trueblood@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation: KRS 164.038, KRS 273.600

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: This regulation is expressly authorized by KRS 164.038.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Council on Postsecondary Education and any public university in Kentucky that chooses to submit a proposal.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: There will be some administrative costs to universities to develop and submit the application. There will be some administrative costs to the Council to solicit and review applications and make awards.

For subsequent years: Any expenditures in subsequent years are expected to be covered by the endowed research fund.

2. Revenues:

For the first year: Universities selected will receive funding from a consortium account within the endowed research fund.

For subsequent years: The term of eligibility to receive funding from a consortium account is five (5) years.

3. Cost Savings:

For the first year: This regulation does not create any cost savings.

For subsequent years: This regulation does not create any cost savings.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): *None*.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: Not applicable.

For subsequent years: Not applicable.

2. Revenues:

For the first year: Not applicable.

For subsequent years: Not applicable.

3. Cost Savings:

For the first year: Not applicable.

For subsequent years: Not applicable.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): *None*.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: Not applicable.

For subsequent years: Not applicable.

2. Revenues:

For the first year: Not applicable.

For subsequent years: Not applicable.

3. Cost Savings:

For the first year: Not applicable.

For subsequent years: Not applicable.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: Duties related to this administrative regulation are generally assumed by the Council staff members as part of their many other responsibilities. KRS 164.038(7) provides that the council may expend up to four percent (4%) of all interest earning of the endowed research fund on the costs of managing and administering the fund. University participation is voluntary. Universities who are successful in their joint funding application will receive funding from a consortium account as seed money for initial research and to seek grant money.

(b) Methodology and resources used to reach this conclusion: General analysis of the requirements of the statute and the workload of staff.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This administrative regulation is not anticipated to have a major economic impact, as implementation and compliance costs are minimum. Costs to the Council of managing and administering the endowed research fund can be covered by interest earnings of the fund in accordance with KRS 164.038(7). Participation by the universities is voluntary and funding will be used to bring about innovation that advances medicine, health, or economic development which will provide a positive impact on the Commonwealth.

(b) The methodology and resources used to reach this conclusion: General analysis.

Statement of Consideration
Relating to 13 KAR 2:140

Council on Postsecondary Education
(Amended After Comments)

I. The public hearing on 13 KAR 2:140, scheduled for June 30, 2026, at 10:00 a.m. at the offices of the Council on Postsecondary Education (CPE) was canceled; however, written comments were received during the public comment period.

II. The following people submitted written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
Jennifer Fraker, Director of State Government Relations	University of Kentucky

III. The following people from the promulgating administrative body responded to the written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
Travis Powell, Executive VP & General Counsel	CPE
Cassie Trueblood, Deputy General Counsel	CPE

IV. Summary of Comments and Responses

(1) Subject Matter: External Peer Review Process

(a) Comment: Jennifer Fraker- The commenter proposed the incorporation of an external peer review process into the evaluation and selection of joint funding applications, noting that external peer review is the nationally recognized standard for evaluating competitive research proposals. The commenter noted that incorporating a peer review process into the regulation will ensure that funds are awarded to the highest-quality, most impactful research proposals.

(b) Response: CPE recognizes the importance of a peer review process in the evaluation of joint funding applications and though not listed explicitly in the regulation, planned to incorporate it in the process. CPE will amend the regulation to incorporate a peer review process.

(2) Subject Matter: Peer Reviewer and Peer Review Panel

(a) Comment: Jennifer Fraker- The commentator proposed amending Section 1 of the regulation to add definitions of peer reviewer and peer review panel.

(b) Response: CPE agrees to amend the regulation to include definitions of peer reviewer and peer review panel. However, since KRS 164.038 does not limit joint funding applications to a certain subject area, peer reviewers will be required to have research expertise instead of subject matter expertise. Applications may span multiple subject matters, and CPE will need a consistent panel that is able to rank and review all applications.

(3) Subject Matter: Personnel for the Research Consortium

(a) Comment: Jennifer Fraker- The commentor proposed amending Section 4 of the regulation to specify that joint funding application proposals shall include the names of key personnel proposed for the research consortium. This will assist in avoiding conflicts of interest in the selection of peer reviewers.

(b) Response: CPE agrees that this will be helpful in avoiding conflicts of interest in the selection of the peer reviewers and panels. CPE will require all joint funding application proposals to include the names of the key personnel for the research consortiums.

(4) Subject Matter: External Peer Review Process

(a) Comment: Jennifer Fraker- The commentor proposed amending Section 5 of the regulation to add a specific peer review process in which the Council selects the peer reviewers and ensures that they have subject-matter expertise and no conflicts of interest. The suggested language also limited the Council's authority to make final selections to receive funding from a consortium account.

(b) Response: CPE is amending Section 5 of the regulation to incorporate a peer review process but as discussed with Comment 2, will not require peer reviewers to have subject matter expertise due to practical concerns. Additionally, though the peer review panel will review and rank all applications, and submit that information to the Council, the Council retains the authority to make the final determination in accordance with KRS 164.038(2).

V. Summary of Statement of Consideration and Action Taken by Promulgating Administrative Body

The public hearing on this administrative regulation was canceled; however, written comments were received. CPE considered the comments and agreed with the commenter that there is value in a peer review process for the evaluation of joint funding applications. CPE voted to amend the administrative regulation to incorporate a peer review process. Specifically, CPE amended Section 1 to add definitions of peer reviewer and peer review panel. CPE amended Section 4 to require joint funding applications to identify key personnel assigned to the proposed research consortium. CPE also amended Section 5 to require staff to convene a peer review panel to review, score, and rank the joint funding applications and then submit that information to the Council to review and select up to five (5) high-quality research consortiums to receive funding from a consortium account. Finally, CPE amended the regulation to correct some numbering within Sections 2, 3 and 4.