



West Virginia **Research** Trust Fund

What is it?

A major economic initiative that will leverage public and private investments to transform West Virginia's economy based on a highly skilled and educated workforce.

How will it work?

The State of West Virginia has created a research trust fund with an initial appropriation of \$50 million. West Virginia University and Marshall University will be able to tap into this fund to double private gifts that support expansions to research faculty and infrastructure in key areas linked to economic development, health care and job growth.

What areas of research are supported?

The fund will support research in energy, biotechnology, biomedical, identification technology, material science and engineering, and environmental science.

How will the funds be allocated?

Seventy percent of the fund is reserved for WVU and 30 percent for Marshall. Each university will create a plan for the use of Bucks for Brains funds, and submit that plan to the Higher Education Policy Commission. Money will be disbursed only after private donations or pledges are received by the universities and the commission has approved the projects to which the funds are directed. Private gifts will be matched dollar-for-dollar.

Why is this fund needed?

West Virginia ranks 50th in the U.S. in the creation and retention of high value-added, high-wage jobs. In order to participate in the new economy and create lasting opportunities for job growth, West Virginia must strengthen the research programs at its leading universities and stop the "brain drain" of talented citizens who leave the state to seek employment.

Will it work?

West Virginia has already seen positive results with a smaller State research investment last year. In one year, the Eminent Scholars Recruitment and Enhancement Program has attracted \$10 million in private support for research professors and their laboratories—including a major gift to WVU's Mary Babb Randolph Cancer Center to enlarge the breast cancer research program—a program that will benefit West Virginians throughout the state. Other states, including Kentucky, have invested large sums over long periods in similar programs and are seeing significant returns.

Who should support this program?

Anyone who wants WVU, Marshall and the Higher Education Policy Commission to work in concert to give West Virginia a competitive edge in the new economy and spur long-term job creation across the state.

The **KENTUCKY** STORY

In the mid 1990s, Kentucky's leadership recognized something needed to be done to redirect and diversify the Bluegrass State's economy, provide high-wage jobs and stop the trend that was leading the state's best and brightest citizens to seek employment outside the state.

Between 1998-2004, the Kentucky General Assembly appropriated \$350 million to the state's Research Challenge Trust Fund ("Bucks for Brains"). When matched with private giving, this represents \$700 million that has been added to the endowments of the state's public universities.

In the 10 years since its inception, Kentucky's research endowment has not only created new opportunities for the state's citizens, but has leveraged enormous federal and private investments in knowledge creation and education. The endowment is leveraging more than \$500 million in federal and corporate R&D developments annually.

The program also has generated a level of enthusiasm, excitement and self-confidence in a population that otherwise felt economically deprived and lacking in modern job opportunities.

Quick Facts

- Between 1997-2006, the market value of the endowments at Kentucky's research universities grew from \$454 million to \$1.466 billion, or by 223%.
- Federal R&D investments at the research universities increased from \$76 to \$210 million annually, or by 178%.
- Corporate R&D investments increased from \$105 to \$310 million, or by 194%.
- Since inception of the endowment, University of Kentucky research alone has created a research park, on-campus business incubators, and 44 startup companies with more than 870 employees and average salaries of \$61,000.
- University of Louisville research has been responsible for 18 startup companies. The institution also is now the fastest-growing recipient of National Institutes of Health funding among all research universities.
- Each \$100,000 research grant has had a regional economic impact estimated at \$180,000-\$230,000.