

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
SPECIAL-CALLED BUSINESS MEETING**



March 16, 2026 – 11:30 a.m. ET

Virtual meeting via ZOOM Webinar: <http://bit.ly/4scM6LS>

**indicates action item*

- I. Call to Order**
- II. Roll Call**
- III. Review and Recommendation of Funding for Proposed Doctor of Osteopathic Medicine at Eastern Kentucky University***
- IV. Adjournment**

TOPIC/TITLE:	Review and Recommendation of Funding for Proposed Doctor of Osteopathic Medicine at Eastern Kentucky University
STAFF CONTACTS:	Travis Powell, Executive Vice President & General Counsel Brent Floyd, Senior Associate, Finance Policy and Programs Melissa Bell, Vice President of Academic Excellence Travis Muncie, Chief Information Officer
TYPE/REQUEST:	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information

SUMMARY OF ACTION REQUESTED

Council staff recommends the Council approve the following General Fund appropriation request for a proposed doctorate in osteopathic medicine at Eastern Kentucky University in the following amount:

- \$42 Million requested in escrow reserves to initiate program offerings
- \$8 Million requested for initial operating expenses

PROPOSED PROGRAM INFORMATION

The proposed program is a Doctorate of Osteopathy at Eastern Kentucky University (CIP 51.1202). The program underwent the following approval process, per the Council-approved policy:

- The comprehensive university must meet eligibility requirements specific to offering of doctoral programs.
- The comprehensive university requests student and market demand information from Council staff and then submits a Notification of Intent (NOI) and the self-study regarding its capacity to offer a doctoral program.
- Council staff review the NOI and conduct an unnecessary duplication analysis.
- Upon approval of the NOI by Council staff, the program is subject to a two-month program development period, when CAOs can review and offer comments.
- The comprehensive university submits a feasibility study, conducted by an external evaluator, as well as provides responses to any questions raised during the study.
- The comprehensive university submits a program proposal that is reviewed by Council staff.

- If the comprehensive university is requesting General Assembly appropriations, the proposed program is placed on a Council agenda, along with the proposed appropriation amount.

If the General Assembly provides the appropriation, the comprehensive university must update the program proposal form and re-submit it to Council staff. When no issues are identified by Council staff, the program will be sent forward to the Council for final approval of the proposed program.

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

- KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions.
- KRS 164.295 (2) (b) permits comprehensive universities to offer doctoral programs, including but not limited to Doctor of Philosophy degree programs, advanced practice doctoral degree programs, and doctoral degree programs for professional practice and licensure.
- KRS 164.295 (3) (a) – (c) provides the standards a comprehensive university must maintain to be eligible to submit a proposal for a new doctoral program.
 - a) A first to second year retention rate in at least two (2) of the last three (3) years:
 1. In the seventy-fifth percentile of all comprehensive universities nationally; or
 2. In the eightieth percentile of all comprehensive universities within states that are members of the Southern Regional Education Board;
 - b) A six (6) year graduate rate for bachelor's degrees in at least two (2) of the last three (3) years:
 - a. In the seventy-fifth percentile of all comprehensive universities nationally; or
 - b. In the eightieth percentile of all comprehensive universities within states that are members of the Southern Regional Education Board; and
 - c) Sufficient unrestricted cash reserves and short-term investments to cover the institution's total operating and nonoperating expenses for three (3) months as calculated from the prior fiscal year's audited financial statement.

PROPOSED PROGRAM SUMMARY

Institution:	Eastern Kentucky University
Program Name:	Doctor of Osteopathy
Degree Designation:	Doctor of Osteopathic Medicine (D.O.)
CIP Code:	51.1202
Credit Hours:	171
Implementation Date:	8/1/2030

Program Description

The proposed program will award the Doctor of Osteopathic Medicine (D.O.) degree through a four-year curriculum combining biomedical sciences, clinical education, and osteopathic principles. The program is designed to prepare physicians who practice holistic, patient-centered medicine with a special focus on rural and medically underserved communities across Kentucky and beyond. The proposed program's curriculum, clinical rotations, and partnerships will emphasize community-based and rural primary care, integrating osteopathic manipulative treatment with preventive medicine and behavioral health training. Students will complete clinical rotations in hospitals, clinics, and federally qualified health centers throughout Kentucky, with a focus on counties that currently lack adequate physician coverage. The proposed program will be the first Doctor of Osteopathy program offered by a public institution in Kentucky.

The program will prepare students to transition successfully into residency training by ensuring they achieve all required physician competencies, are ready for licensure examinations, and demonstrate clinical competence. Educational outcomes will be aligned with accreditation expectations for entry into supervised graduate medical education.

As a result of this program, graduates will be able to:

- Apply biomedical, clinical, and behavioral science knowledge to evaluate patients, formulate differential diagnoses, and make evidence-based clinical decisions across a range of health conditions;
- Deliver compassionate, ethical, and effective patient care that integrates osteopathic principles and practice, including appropriate use of osteopathic manipulative treatment, across diverse clinical settings;
- Communicate clearly and professionally with patients, families, healthcare teams, and communities, and collaborate effectively within interprofessional healthcare environments to improve patient outcomes;
- Critically evaluate medical literature, apply principles of evidence-based medicine, and engage in scholarly activity, quality improvement, or applied research to enhance clinical practice and healthcare delivery.

- Apply principles of population health, preventive medicine, health equity, and healthcare systems science to improve health outcomes at the individual and community levels; and
- Exhibit professional behavior, ethical judgment, accountability, cultural humility, and commitment to lifelong learning consistent with the standards of the osteopathic medical profession.
- Integrate knowledge, skills, and professional behaviors required for safe, effective participation in supervised graduate medical education, including clinical competence, adaptability, and resilience.

Academic Quality

The proposed program will seek accreditation by the Commission on Osteopathic College Accreditation. The proposed D.O. program builds upon ECU's long-standing clinical and community partnerships across Kentucky. Through collaborations with major health systems, community hospitals, federally qualified health centers, and behavioral health providers, ECU has already developed a robust infrastructure for experiential learning and clinical supervision. These partnerships support undergraduate and graduate programs across nursing, allied health, and behavioral sciences and provide a scalable foundation for medical student clinical education.

Connection to Other Programs

ECU's existing academic infrastructure in the health sciences provides a strong foundation for the development of the D.O program. ECU houses a comprehensive College of Health Sciences with accredited bachelor's and master's programs in nursing, public health, medical laboratory science, occupational therapy, psychology, counseling, health services administration, and related disciplines. These programs are supported by faculty with extensive experience in clinical education, interprofessional training, applied research, and supervised practice.

ECU's successful delivery of doctoral-level professional programs, including the Doctor of Occupational Therapy (OT.D.) and the Doctor of Psychology (Psy.D.), demonstrates institutional readiness to support advanced clinical education that meets rigorous accreditation standards. These programs have established governance, assessment, student support, and clinical placement models that can be leveraged and adapted for a D.O. program, reducing startup risk and reinforcing academic quality.

Student Demand

In 2024, Kentucky's three medical schools received over 13,000 applications, and just over 500 students matriculated. This demonstrates the magnitude of student demand for this type of program.

Initial estimates of enrollment are:

Year 1 – 75

Year 2 – 112

Year 3 – 150

Year 4 – 150

Employment Demand

According to the Association of American Medical Colleges (2024), the United States is projected to experience a shortage of between 20,200 and 40,400 primary care physicians by 2036. Over two million Kentuckians live in medically underserved areas, and 94% of Kentucky's counties lack enough primary care physicians. In addition, 48% of Kentucky counties have no pediatricians, and nearly 40% of Kentuckians live in rural communities where only 17% of primary care doctors practice. By 2030, Kentucky is estimated to be short of over 2,500 physicians. In addition to current, existing needs, the Bureau of Labor Statistics projects an additional 3% growth in physician positions through 2034.

Budget

EKU has requested \$330 million from the General Assembly for a new health center and an additional \$42 million to cover accreditation costs, as well as a one-time, \$8 million appropriation. EKU plans to hire approximately 32 new faculty in a phased and strategic process aligned with program development milestones, accreditation status, and student enrollment growth, to ensure faculty sufficiency at each stage of implementation.

Projected Revenue over Next Five Years (\$): \$ 117,902,374
Projected Expenses over Next Five Years (\$): \$ 14,357,809

RS25 SB77 / KRS §164.295: “Sufficient unrestricted cash reserves and short-term investments to cover the institution's total operating and nonoperating expenses for three (3) months as calculated from the prior fiscal year's audited financial statement.”

$$\text{Months of available unrestricted funds} = 12 * \left(\frac{[\text{Unrestricted Cash Reserves} + \text{Short-term investments}]}{[\text{Total Operating} + \text{Nonoperating Expenses}]} \right)$$

Definitions:

- The “institution”
 - May include component units (e.g., foundations).
- “Unrestricted Cash Reserves and Short-term Investments”
 - Cash & cash equivalents, fixed income, equities, commodities, and other unrestricted short-term investments/working capital held by either the institution or an institution and its component unit(s) that are available for general expenditure use or can be liquidated for general expenditure use within 1 month per the institution’s audited financial statements, Moody’s supplemental liquidity worksheet, and other certified sources.
- Total “Operating Expenses”
 - Actual line item from audited financial statements, excluding depreciation & amortization and GASB 68 Pension & GASB 75 OPEB adjustments. If unrestricted cash reserves and short-term investments include component unit figures, any operating expenses from the component unit should also be included. If certified by the institution, other expense exclusions may be permitted on a case-by-case basis, such as state funded financial aid, state funded construction/operations & maintenance, and component unit related party expenses.
- Total “Nonoperating Expenses”
 - Total non-operating expenses: institutions typically have a net nonoperating revenue, with non-operating expenses limited primarily to principal and interest on debt. If unrestricted cash reserves and short-term investments include component unit figures, any nonoperating expenses from the component unit are included. If nonoperating depreciation or amortization is listed, it is excluded from the total.

Methodology:

The numerator is taken from the **Moody’s liquidity worksheet, specifically the Operating, Monthly Liquidity subtotal, and other certified sources.** Moody’s values are cross-referenced with an institution’s audited financial statements to ensure the totals on the Moody’s liquidity worksheet match the corresponding line items in the audited financial statements, and to determine if any component unit figures are included on the Moody’s liquidity worksheet. This total, and other certified reserve totals are summed to reach the total value of the numerator.

Senate Bill 77 Liquidity Metric Methods and Definitions

The denominator of the equation sums an institution's operating and nonoperating expenses, less depreciation and amortization, any GASB 68 Pension or GASB 75 OPEB adjustments, and other certified exclusions. If an institution includes funds or investments that are held by a component unit in their Operating, Monthly Liquidity subtotal on the Moody's liquidity worksheet, component unit expenses from the audited financial statements should also be included in the denominator, otherwise only the institution's expenses are used. Related party expenses made by an institution on behalf of a component unit are excluded. All components for the denominator are found on an institution's **Statement of Revenues, Expenses, and Changes in Net Position** in their audited financial statements and other certified sources. Component unit expenses are not always reported the same way as an institution's but are typically in a similarly titled section of the audited financial statement. Depreciation and amortization for both operating and (if applicable) nonoperating expenses should be excluded and appear as line items under such sections. GASB 68 Pension and GASB 75 OPEB benefits (if applicable) are listed as line items that comprise the total operating expenses. State funded financial aid and construction/operation and maintenance may be excluded from the denominator if certified by the institution. Subtracting them from the total operating expenses produces a corrected total operating expense figure. Nonoperating expenses are not summed on audited financial statements, so each individual line item is summed. Adding these figures together will produce the denominator for the calculation.

The Moody's liquidity worksheet and several audited financial statements round figures to the nearest \$1,000, therefore all figures for this calculation are rounded to the nearest \$1,000 as well. The calculated months of available unrestricted funds will be rounded to the nearest tenth, where any figure at or above 2.95 months of available unrestricted funds will be considered to meet the three (3) month threshold described in RS25 SB77 and codified in KRS §164.295.

**2026-2028 Kentucky Branch Budget
 Additional Budget Request: Financial Record
 All requested columns rounded to nearest \$100**

**PRIORITY
 Cabinet #: 1
 Agency #: 1**

OPERATING BUDGET RECORD B-1/B-2

Agency: Postsecondary Education Institutions

Appropriation: Eastern Kentucky University

**Governmental Branch: Executive Branch
 Cabinet: Postsecondary Education**

Program/Service Unit:

Sub Program:

Posting Unit:

REQUEST TITLE: DO Escrow Request

REQUEST TYPE: Expansion	FY 2025-26 Requested	FY 2026-27 Requested	FY 2027-28 Requested
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	0	50,000,000	0
<u>Total General Fund</u>	<u>0</u>	<u>50,000,000</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	0	50,000,000	0
EXPENDITURES BY CLASS			
Grants Loans Benefits	0	50,000,000	0
TOTAL EXPENDITURES BY CLASS	0	50,000,000	0
EXPENDITURES BY FUND SOURCE			
General Fund	0	50,000,000	0
TOTAL EXPENDITURES BY FUND	0	50,000,000	0
PERSONNEL POSITIONS			
Number of Positions			
	0	0	0
GRAND TOTAL - Number of Positions	0	0	0
BUDGET POSITIONS COST BY FUND SOURCE			
	0	0	0
TOTAL FUNDS	0	0	0

2026-2028 Kentucky Branch Budget
Additional Budget Request: Expenditure Detail Summary Record
All requested columns rounded to nearest \$100

PRIORITY
Cabinet #: 1
Agency #: 1

OPERATING BUDGET RECORD B-3 **Agency: Postsecondary Education Institutions**
Governmental Branch: Executive Branch **Appropriation: Eastern Kentucky University**
Cabinet: Postsecondary Education **Program/Service Unit:**
Sub Program:
Posting Unit:
REQUEST TITLE: DO Escrow Request

REQUEST TYPE	Expansion	FY 2025-26 Requested	FY 2026-27 Requested	FY 2027-28 Requested
EXPENDITURES BY FUND				
General Fund		0	50,000,000	0
<u>TOTAL EXPENDITURES BY FUND</u>		<u>0</u>	<u>50,000,000</u>	<u>0</u>
EXPENDITURE CATEGORY				
<u>Grants/Loans/Benefits</u>				
Non-Breakdown Grants,Loans,Benefits		0	50,000,000	0
<u>Total Grants/Loans/Benefits</u>		<u>0</u>	<u>50,000,000</u>	<u>0</u>
TOTAL EXPENDITURES		<u>0</u>	<u>50,000,000</u>	<u>0</u>

**2026-2028 KENTUCKY BRANCH BUDGET
Additional Budget Request: Program Narrative/Documentation Record**

**PRIORITY
Cabinet #: 1
Agency #: 1**

OPERATING BUDGET REPORT B-4

**Agency: Eastern Kentucky University
Appropriation Unit: 430U
Program/Service Unit:**

**Governmental Branch: Executive
Cabinet/Function: Postsecondary**

**Sub Program:
Posting Unit:**

REQUEST TITLE: Osteopathic Degree Program

I. PROGRAM/RESULTS DOCUMENTATION	Requested FY 2025-26	Requested FY 2026-27	Requested FY 2027-28
(a) Total Funding		\$50,000,000	

II. ISSUE/PROBLEM STATEMENT DESCRIPTION

Eastern Kentucky University requires a one-time General Fund appropriation to begin implementing the first Osteopathic Medical Degree program at a Kentucky public comprehensive university. Stipulations created by the Commission on Osteopathic College Accreditation, COCA, require \$42,000,000 in escrow reserves in order to initiate program offerings. Initial operating expenses, prior to an accreditation-based delay in full annual enrollment, are \$8,000,000. COCA parameters for new programs limit enrollment for approximately three years and limits class size after full implementation. Once fully implemented, though, tuition is estimated at \$56,000 annually per student and net tuition collections can be directed to maintaining or enhancing program components. This is fully referenced in COCA Candidate Elements 3.3 and 3.4.

III. PROGRAM RESULTS/FISCAL JUSTIFICATION

COCA escrow requirements are as follows:

- 1) Must not be borrowed or pledged funds
- 2) Be funded by immediately available liquid assets that are wholly owned assets of the Commonwealth of Kentucky
- 3) Accrued principal and interest in the escrow reserves cannot be withdrawn
- 4) Must be adjusted up in the event the account values decrease below the minimum required escrow balances
- 5) Must be held until graduation of the first class of students

Senate Bill 77, enacted by the 2025 General Assembly and now codified in KRS 164.295, establishes a formal process for the submission and approval of new doctoral-level programs at Kentucky's public institutions. The legislation outlines specific criteria that institutions must meet in order to submit a program for approval and directs the Council on Postsecondary Education (CPE) to apply those criteria in its review. If a comprehensive university anticipates that a general fund appropriation will be required for a program and CPE concurs and supports the request, the Council must include that requested amount in its biennial budget recommendation. The measure further provides that, for programs identified in the report submitted under 2024 Ky. Acts ch. 199, sec. 2, the results of that study shall be incorporated into CPE's evaluation when preparing its 2026–2028 biennial budget request.

Because of the short time frame between SB 77's effective date and the statutory deadline for submission of the 2026–2028 budget request, CPE will not be able to complete its review of the proposed Doctor of Osteopathic Medicine program at Eastern Kentucky University (EKU) prior to the deadline. To ensure EKU is not disadvantaged during the first year of SB 77's implementation, CPE staff have agreed that the university may include the proposal in its biennial budget submission on a contingent basis, pending confirmation of eligibility and completion of CPE's formal review. Council staff anticipate that the evaluation of EKU's proposal will be completed prior to the convening of the 2026 Regular Session of the General Assembly. Once finalized and if approved by the Council, the review results will be transmitted to the Office of the State Budget Director and the Director of the Legislative Research Commission for consideration in the 2026 session.

Senate Bill 77: Overview of Eligibility Criteria and ECU Eligibility Metrics

Travis Powell, Executive Vice President and General Council

Travis Muncie, Chief Information Officer

Brent Floyd, Senior Associate, Finance Policy and Programs



Overview of Senate Bill 77

Senate Bill 77 (2025 Regular Session)

- Now **codified in KRS 164.295**, which governs academic program offerings at comprehensive universities.
- In order to submit a proposal for a new doctoral program, a comprehensive university shall maintain:
 - A first to second year **retention** rate and a six (6) year **graduation** rate for bachelor's degrees in at least two (2) of the last three (3) years:
 - In the seventy-fifth percentile of all comprehensive universities nationally; or
 - In the eightieth percentile of all comprehensive universities within states that are members of the Southern Regional Education Board; and
 - Sufficient **unrestricted cash reserves and short-term investments** to cover the institution's total operating and nonoperating expenses for three (3) months as calculated from the prior fiscal year's audited financial statement.

Eligibility Metrics

Student Success: Background

- Per Senate Bill 77 (SB 77), four-year comprehensive institutions must have a first-to-second year retention rate, and a six-year graduation rate, in the 75th percentile of all comprehensives nationally or in the 80th percentile of all comprehensive universities in the SREB region in at least two of the last three years.

Student Success Metrics

- **First-to-second Year Retention Rate**
 - The percentage of first-time, full-time, undergraduate students who initially enrolled in the fall or summer semesters who are still enrolled in the preceding fall at the same institution.
- **Six-year Graduation Rate**
 - The percentage of first-time, full-time, undergraduate students who initially enrolled in the fall or summer semesters who earn a bachelor's degree within six academic years of their initial enrollment.

Student Success Metrics: Methodology

- IPEDS Primary Data Source
 - Carnegie Classifications 17, 18, and 22 (Same as Kentucky comprehensive institutions)
 - Three years of data used
- National Comparison
 - Dataset filtered to classification 17, 18, and 22 for all institutions nationally
 - Exact percentiles created for all institutions and Kentucky comprehensive institutions compared
- SREB Comparison
 - Dataset filter to Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia
- Dataset will be updated April 1st of each year
 - A new year will be added and the oldest year dropped

EKU Student Success Metrics

Analysis of Criteria Required for Eligibility to Submit Proposals for New Doctoral Programs to CPE (2025 RS SB 77)

Criterion: A first-to-second year retention rate in at least two (2) of the last three (3) years:

- 1) In the seventy-fifth (75th) percentile of all comprehensive universities nationally; or
- 2) In the eightieth (80th) percentile of all comprehensive universities within states that are members of the Southern Regional Education Board (SREB)

First to Second Year Retention Rate

Institution Name	Currently Meets Criterion	2023 Reporting Year			2022 Reporting Year			2021 Reporting Year		
		Institutional Rate	75th Percentile National	80th Percentile SREB	Institutional Rate	75th Percentile National	80th Percentile SREB	Institutional Rate	75th Percentile National	80th Percentile SREB
Eastern Kentucky University	Yes	79.6%	77%	76%	77.0%	76%	76%	73.9%	75%	74%

Criterion: A six (6) year graduation rate for bachelor's degrees in at least two (2) of the last three (3) years:

- 1) In the seventy-fifth (75th) percentile of all comprehensive universities nationally; or
- 2) In the eightieth (80th) percentile of all comprehensive universities within states that are members of the Southern Regional Education Board (SREB)

Six Year Graduation Rate (150%)

Institution Name	Currently Meets Criterion	2023 Reporting Year			2022 Reporting Year			2021 Reporting Year		
		Institutional Rate	75th Percentile National	80th Percentile SREB	Institutional Rate	75th Percentile National	80th Percentile SREB	Institutional Rate	75th Percentile National	80th Percentile SREB
Eastern Kentucky University	Yes	55.0%	56%	52%	53.5%	55%	52%	51.8%	56%	52%

Source: Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics

Liquidity Metric: Background

Per Senate Bill 77 (SB 77), four-year comprehensive institutions must maintain “sufficient unrestricted cash reserves and short-term investments to cover the institution's total operating and nonoperating expenses for three (3) months as calculated from the prior fiscal year's audited financial statement.” The requirements specified here are codified in KRS 164.295.

$$\text{Months of available unrestricted funds} = 12 * \left(\frac{[\textit{Unrestricted Cash Reserves} + \textit{Short-term investments}]}{[\textit{Total Operating} + \textit{Nonoperating Expenses}]} \right)$$

Liquidity Metric: Definition Updates

- Unrestricted Cash Reserves and Short-term Investments
 - Previous definition allowed only figures from Moody's Liquidity Worksheet.
 - New definition allows for reserves from other sources to be included, provided an institution can certify they are available for general expenditure use within 1 month.
- Operating Expenses
 - Previous definition allowed exclusion of Depreciation, Amortization, and GASB 68 Pension & GASB 75 OPEB adjustments.
 - New definition also allows exclusions of state funded financial aid, state funded construction/operations & maintenance, and component unit related party expenses, provided an institution can certify these values.

EKU Liquidity Metric

Eastern Kentucky University FY 2025 Unrestricted Cash Reserve Calculations

\$ 62,648,000	Unrestricted Operating Funds that can be Liquidated, Settled, and Accessed Within 1 Month
\$ 14,149,000	Internally designated Quasi-Endowed Net Assets available for liquidity purposes
\$ 76,797,000	Total Unrestricted Cash & Short-term Investments (Numerator)

\$ 317,242,000	Total Institution Operating Expenses
\$ 4,703,000	Less GASB 68 pension benefit
\$ 7,433,000	Less GASB 75 OPEB pension benefit
\$ (27,183,000)	Less Depreciation & Amortization
\$ 9,132,000	Total Component Unit Expenses
\$ 7,345,000	Total Nonoperating Expenses
\$ (19,376,000)	CAP/KEES/KY National Guard
\$ (740,000)	State Funded Asset Preservation projects
\$ (8,973,000)	Funds disbursed by the institution on behalf of the Component Unit
\$ 289,583,000	Total Operating & Nonoperating Expenses (Denominator)

\$ 76,797,000	Total Unrestricted Cash & Short-term Investments					
\$ 289,583,000	Total Operating & Nonoperating Expenses		X 12 =	3.18		Months of available unrestricted funds

EKU Doctor of Osteopathic Medicine Program: Associated Budget Request

EKU Osteopathic Medicine Budget Request

- Included as a component of ECU's 2026-28 Biennial budget request; In the first year of the biennium, ECU requested:
 - **\$42 Million** in escrow reserves to initiate program offerings
 - **\$8 Million** for initial operating expenses

Program Approval Process

Melissa Bell, Vice President of Academic Excellence



Step One: Notification of Intent and Self Study

Notification of Intent

- Program Overview and Description
- Institutional Capacity
- Academic Quality
- Job Opportunities

Capacity Self Study

- Mission
- Governance and Administration
- Facilities
- Academic Resources
- Admissions and Student Success
- Financial Resources

Step Two: External Review Feasibility Study



**Institutions must
address concerns
or limitations
identified by the
external reviewer.**

- Institutional Capacity
- Market Demand
- Curriculum
- Faculty
- Financial Feasibility
- Competitive Landscape
- Research Infrastructure
- Accreditation
- Enrollment and Graduation Projects

Step Three: Proposal

- Program Details and Description
- Mission Alignment
- No Discriminatory Concepts
- Unnecessary Duplication
- Alignment with Statewide Strategic Agenda
- Cooperation/Collaboration Opportunities
- Student Demand
- Program Need
- Expected Enrollment and Impact on Other Programs
- Specialized Accreditation and Licensure
- Admissions and Graduation Requirements
- Administrative Oversight
- Research Opportunities and Partnerships
- Financial Viability
- Faculty
- Curricular Coherence
- Online Learning

Step Four: Council Approval for Programs Requesting General Fund Appropriations

Proposal and proposed appropriation amount sent to Council for approval.

- Program approval is contingent upon general fund appropriations.

If appropriations are provided, university updates the proposal and resubmits.

- Proposed program is sent to Council for final approval.

If the General Assembly does not provide appropriations for a proposed program for which funding was requested, the program will not be approved.

Proposed Action

Council staff recommends the Council approve the following General Fund appropriation request for a proposed doctorate in osteopathic medicine at Eastern Kentucky University in the following amount:

- \$42 Million requested in escrow reserves to initiate program offerings
- \$8 Million requested for initial operating expenses



EKU Proposed College of Osteopathic Medicine Program

Our Vision

Ensure every Kentuckian, regardless of zip code, has access to high-quality primary care.

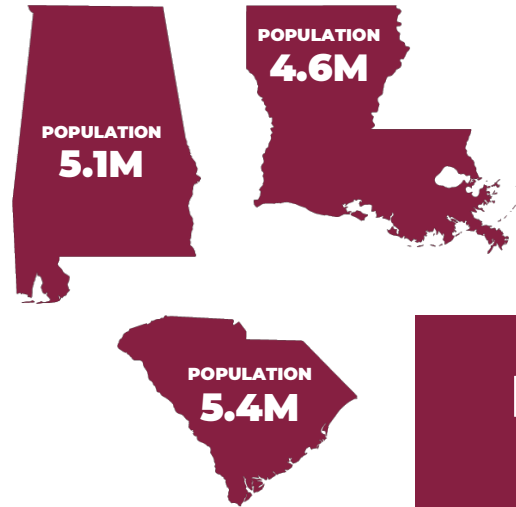
Our Mandate:

- Address Kentucky's primary care physician shortage
- Prioritize rural and underserved communities
- Integrate osteopathic medical education into EKU's health programs to advance team-based, holistic care

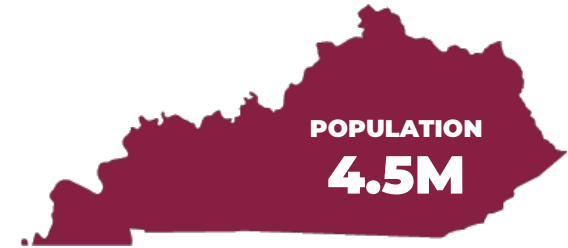
The Osteopathic Advantage (Why DO?)

- **Primary Care Focus:** 56% of DO graduates enter primary care
- **Rural Commitment:** DO physicians are more likely to practice in rural and underserved areas
- **Whole-Person Care:** Training ideal for the complex needs of Kentucky's aging population

4 TOTAL MEDICAL SCHOOLS



3 TOTAL MEDICAL SCHOOLS



Most states the size of Kentucky have at least **4 medical schools**,
Kentucky has **3**.

THE PHYSICIAN SHORTAGE CRISIS: STATE OF KENTUCKY



- In 2025, Kentucky's 3 medical schools received **14,525 applications** - **509 students were enrolled**.
- Currently, Kentucky **retains less than half** of its medical school graduates.
- **2+ million Kentuckians** live in medically underserved areas
 - **94% Kentucky counties are designated Health Professional Shortage Areas (HPSAs)** for Primary Care.
- Kentucky ranks **40th nationally** in primary care physician (PCP) availability.
- **Eight Kentucky counties have no practicing physicians.**
- 48 Kentucky counties have **NO pediatricians.**
- **42% of Kentucky physicians are 55** years of age or older, are likely to retire in the next decade.
- **Kentucky is projected to be short 2,926 physicians by 2030.**

FINANCIAL VIABILITY AND PROJECTIONS: DELOITTE FINDINGS

- **Annual Net Surplus** (Deloitte's moderate estimate):
 - **\$16 Million by 6th year of instruction**
 - **Four (4) full cohorts**
- Anticipated to generate additional and significant economic impact in Madison County and Kentucky.
- **Sustainability:** High demand for DO seats ensures a stable tuition-based revenue model, as demand currently outpaces national supply.

HEALTHCARE IS ECONOMIC DEVELOPMENT

- **Physicians:**
 - Generate **\$15.4 Billion in annual economic activity**
 - Support **94,000+ Kentucky jobs**
 - Generate **\$557.2M in state and local tax revenue**
- Each physician contributes **\$1.9M annually** to the state economy.
- ECU-trained physicians projected to generate **\$2 Billion** annually after 10 years.
- Training and retaining physicians in Kentucky **strengthens local economies** and expands the tax base.

THE DETAILS

- Annual class size: **150+ (600 total)**
- **Kentucky's only public osteopathic program**
- **Competitive in-state tuition**
- Expands EKU's healthcare student body from **2,400 to 3,000**
- **Rural Medicine Tract:** EKU is actively engaging **partnerships with rural providers**
- **Rural Clinical Training:** Years 3–4 clinical rotations in rural Kentucky communities
- **Statewide Support Network:** Partnerships with hospitals, health systems, rural health clinics, FQHCs, and a regional healthcare advisory board.

EKU IS READY

EKU: A proven healthcare pipeline:

- **100% pass rates** – BSN, ASN, OTD (2024)
- **#1 in KY** for in-state graduate employment (*KYStats*)
- **72%** of EKU's healthcare graduates **remain in Kentucky to work in local communities**

EKU's Current Healthcare Programs:

- Biomedical Science (Pre-Med), Nursing, Clinical Psychology, Public Health, Emergency Medical Care, Medical Laboratory Science, Dietetics and Nutrition and Occupational Therapy

HCA 
Healthcare®



BAPTIST HEALTH
RICHMOND



RUSSELL COUNTY
HOSPITAL



WHITE HOUSE
CLINICS
MCKEE | BEREA | RICHMOND | IRVINE | MT. VERNON | LANCASTER



MERCYHEALTH
MARCUM AND WALLACE HOSPITAL



LAKE CUMBERLAND
Regional Hospital



Advent Health
Manchester



CHI Saint Joseph
Health London



KPCA
KENTUCKY PRIMARY CARE
ASSOCIATION



KAHCF **KCAL**

ADVANCING GRADUATE MEDICAL EDUCATION (GME)

- **National Leadership and Expertise:** EKU's Chief Medical and Strategic Partnerships Officer, Dr. Brad Hall, selected as one of 26 fellows nationwide in the 2025–26 AACOM–UNC Sheps Center GME Development Fellowship, bringing nearly 30 years of healthcare experience to EKU's Graduate Medical Education (GME) strategy.
- **Rural Training and Retention:** EKU is currently developing a plan to assess capacity and design a blueprint in partnership with community hospitals and clinics to build the framework for new primary care residency programs that will support graduates of the proposed EKU COM. 56% plus stay in the area of completed residency.

ACCREDITATION AND TIMELINE

- **Commission on Osteopathic College Accreditation (COCA):** COCA accreditation signifies that a college has met or exceeded standards for educational quality. New COMs proceed through a three-stage process to reach full accreditation:
 1. Applicant status
 2. Candidate status
 3. Pre-accreditation status (*allows for recruitment and matriculation of first class*)
- **Proposed ECU COM Timeline:** achieve pre-accreditation status for Fall of 2031.

THANK YOU!

QUESTIONS?

EKU