



**Indiana University of Pennsylvania
September 19, 2025, Proposed College of Osteopathic
Medicine (IUPCOM) Comprehensive Planning Process Report**

The September 19, 2025, Proposed College of Osteopathic Medicine (IUPCOM) Comprehensive Planning Process Report was submitted to the Office of the Chancellor on September 19, 2025. The report is attached, and approval from the committee is recommended.

The following motion will be presented for approval at the public meeting.

September 19, 2025, Proposed College of Osteopathic Medicine (IUPCOM) Comprehensive Planning Process Report

The committee reviewed the September 19, 2025, Proposed College of Osteopathic Medicine (IUPCOM) Comprehensive Planning Process Report which was submitted to the Office of the Chancellor on September 19, 2025.

The following motion is recommended for approval:

THAT THE SEPTEMBER 19, 2025, Proposed College of Osteopathic Medicine (IUPCOM) Comprehensive Planning Process Report THAT WAS SUBMITTED TO THE OFFICE OF THE CHANCELLOR ON SEPTEMBER 19, 2025, BE APPROVED.

IUP September 2025 Proposed College of Osteopathic Medicine (COM) CPP Narrative

Submitted to the Office of the Chancellor September 19, 2025

Mission The mission of Indiana University of Pennsylvania's Proposed College of Osteopathic Medicine (COM), recognizing our roots as a public institution, is to increase the number of community physicians throughout rural and underserved Pennsylvania, while creating a national model for rural healthcare. We will fulfil this goal by providing an innovative program of osteopathic medical education that is evidence based, inspiring, compassion focused, holistic, community centered, and affordable.

Overview: The CPP provides estimates of the finances of the proposed COM and potential start-up costs and was created at the request of the system office. Please keep in mind that the current year (FY 26) and next year (FY 27) of the COM CPP are planning years. Assuming all accreditation and fiscal milestones are achieved, the first cohort will matriculate in late summer/early fall 2027. New and developing COMs proceed through a three-stage process prior to reaching full accreditation: 1) applicant status; 2) candidate status; 3) pre-accreditation status. IUPCOM is currently in Candidate Status. The September 2025 CPP COM information is for CPP purposes only.

Budget Projections and Assumptions

Sources: No IUP E&G funds, other than those provided specifically for COM will be used to support the planning and operations for COM. Current budget projections include sources of funds from federal and state grants, foundation and donor funds, and eventually student tuition and fee revenue. The COM CPP submitted does not include projected fee income or funding from state appropriations at this time.

At the request of the system office, the COM CPP submitted shows COM restricted sources and uses, COM Tuition and Fees and other COM unrestricted sources (COM specific E&G) sources and uses. At this time, while discussions are still occurring to determine how each specific budget item will be funded, most start-up expenses are being shown under the restricted column for reporting purposes and simplification only. All personnel and operating expenses will be funded through the various sources outlined in the COM CPP submission, including federal/state earmarked funds, Foundation for IUP and donor funds,

and eventually COM tuition and fees. The bottom line as submitted is not dependent upon state appropriations.

Revenue Assumptions:

Please note that in the first three years of the CPP, remaining balances are carried over into the next year for use by the COM to support the next year's operations. Because of the nature of the grant funds, prior year carryover balances will be used to support the following year's operating needs as the grants typically span multiple fiscal years.

As submitted, the budget assumes flat tuition rates, at \$50,000 per year, for the years of the plan. Tuition rates have not yet been established, and this assumption reflects an average rate based upon comparable schools of medicine. Fees are not included as a source of IUPCOM revenue at this time and are being discussed as a part of the overall tuition model. Fees assessed specifically tied to COM expenses will only improve the bottom line as submitted.

Expenses

Personnel: All projected personnel budgets are still considered preliminary and subject to change pending review and classification of positions as conversations and planning continues. Both the number of faculty and staff, timing of the positions coming onboard, and the average salaries may vary depending on COCA feedback and meeting Pre-accreditation Standards. In regard to faculty, a tentative agreement for a side letter is pending final ratification by APSCUF membership. The membership vote will not be completed until after the deadline to submit this CPP has passed.

All personnel estimates are using an average percentage for benefits. An average benefit rate was used for both faculty and non-faculty benefit rates. These are comparable to the PASSHE assumptions used in the IUP CPP submission. Salaries were reviewed and compared with current market rates for similar positions in comparable college of medicines. These rates were reviewed with COCA.

While the FTE and personnel budgets reflect our hiring plan at this time, in consultation with COCA, we note that both FTE and dollars may fluctuate as this process continues.

Each position budgeted will be funded from various sources within the Proposed College of Osteopathic Medicine, including federal/state earmarked funds and eventually COM tuition and fees. As has been stated, no IUP E&G funds, other than those provided specifically for COM will be used to support the planning and operations for COM, including personnel.

A listing of planned positions has been included in the CPP document for reference only. Classification of positions will not occur until job descriptions are reviewed by Human Resources and further discussions occur.

IUP continues their standard budgeting and hiring process for filling COM related positions, where once a position is deemed necessary to be searched or filled, the review process is initiated which outlines the position, proper classification, the justification for the filling the position, budgetary implications, and other pertinent information.

Operating: Operating expenses have primarily included items such as legal fees, COCA fees and accreditation expenses, memberships, and other standard startup costs. As the timeline of the COM progresses, operating expenses are expected to average approximately \$2.5M annually and have been budgeted as such. Examples of operating expenses are recruitment costs, travel, anatomy models, training technology, library resources, marketing and advertising costs, accreditation fees and related expenses, and other consulting and legal fees.

IUP continues to review areas in which existing resources may be utilized to assist with COM efforts. At this time, these expenses are being reported as funded by IUPCOM and therefore no overhead expenses are built into the IUPCOM budget as submitted. These conversations will continue to evolve as planning continues. At this time, the COM personnel budget includes positions and duties that may be consolidated with existing staffing levels, pending HR review and classification.

Interim COM Facilities: The current budget (not reflected in the CPP) related to interim COM facilities includes an estimated \$4-4.5M in renovations (\$2.5-3M), FFE (\$750K), and A/V tech needs (\$750K), to existing spaces that can serve as a temporary space for COM until a permanent space is in place. Funding for these renovations utilizes sources such as Key 93 funding and other internal sources of funding. These spaces would have been renovated as part of IUP's ongoing efforts to increase the efficiency of space usage. These spaces will be easily adaptable and appropriate for uses outside of COM once vacated by COM. This budget is not included in the operating budget CPP submission as these renovations are not COM specific and not utilizing funds currently being used to support COM operations.

Auxiliary: An auxiliary budget was not included within the COM CPP, as any housing and dining revenue and expenses resulting from the COM will be reported within IUP's Auxiliary CPP. The IUP CPP being submitted separately from the COM CPP does not reflect any

increase in revenue or expenses in FY2027-28 (the last planning period required for the fall 2025 IUP CPP), from IUPCOM enrollment.

Escrow and Operating Reserve:

One of the COCA (Commission on Osteopathic College Accreditation – the cognizant accrediting agency) requirements for candidate status was to establish a Teach Out Escrow and an Operating Reserve fund for a proposed medical school using a calculation based on projected class-size and tuition.

COCA requires two fund amounts--a teach-out escrow fund and an operating reserve fund. The amount needed in the escrow teach-out reserve is the greater of \$30M or the anticipated tuition multiplied by the approved number of students multiplied by four years. COM is seeking approval for a total class size of 120. An additional escrow amount equal to one quarter of the escrow reserve amount is required as operating reserve. Together, these amounts total \$37.5M (\$30M in the teach out escrow and \$7.5M in the operating reserve).

These accounts have been established in accordance with the requirements. The funds plus net earnings will revert to IUP and the FIUP (for \$20M plus earning of the teach out escrow, since FIUP provided an initial \$20M) when the first-class graduates from the COM. At that time, these funds will be available for whatever use IUP (or FIUP) chooses. This CPP does not include these funds as expenses or the return of these funds as revenue. In the highly unlikely event that the COM fails before the first-class graduates, COCA will control the funds and use them to ensure that current medical students can complete their degrees. These funds, now that they are established, buffer any risk that other IUP or PASSHE resources will be needed should the COM fail (again, a high unlikely occurrence).

Pre-Accreditation Element 3.1-1: Operational Pro-Forma - Formatted for September 2025 CPP Submission to PASSHE																			
		FY 2025		FY 2026		FY 2027		FY 2028		FY 2029		FY 2030		FY 2031		FY 2032		FY 2033	
		Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources	Restricted Sources	COM Tuition and Fees and other COM unrestricted sources
Revenue Projections																			
Enrollment - Medical Students								64		160		286		410		472		503	
Tuition (\$50,000/year)								3,200,000		7,986,000		14,276,280		20,502,220		23,623,520		25,160,160	
Student Fees TBD								TBD											
State Appropriations TBD								TBD											
Gifts			2,100,000		2,200,000	TBD	TBD	TBD											
Miscellaneous, including prior year carryover funds used to support operations		1,300,000		3,711,493		4,079,861													
Institutional Scholarships / Discounting (10%)									(320,000)		(798,600)		(1,427,628)		(2,050,222)		(2,362,352)		(2,516,016)
Federal/State Grants		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000	
Total Source of Funds		3,300,000	2,100,000	5,711,493	2,200,000	6,079,861	0	2,000,000	2,880,000	2,000,000	7,187,400	2,000,000	12,848,652	2,000,000	18,451,998	2,000,000	21,261,168	2,000,000	22,644,144
Total Combined Restricted and COM E&G Sources		5,400,000		7,911,493		6,079,861		4,880,000		9,187,400		14,848,652		20,451,998		23,261,168		24,644,144	
Total FTE		5.0		12.5		27.9		38.4		56.2		57.2		57.2		57.2		57.2	
Faculty FTE		0.0		4.5		15.2		18.9		27.0		27.2		27.2		27.2		27.2	
NonFaculty FTE		5.0		8.0		12.8		19.5		29.3		30.0		30.0		30.0		30.0	
COM Personnel - salary and benefits (total)																			
Note: At this time all personnel are being shown as funded from restricted sources, it is not yet determined what positions will be funded from COM tuition and fee revenue vs external funding sources																			
Estimated Faculty Salary		0	0	461,500	0	1,613,667	0	2,347,050	0	3,399,933	0	3,479,376	0	3,565,879	0	3,654,621	0	3,745,661	0
Estimated Faculty Benefits				230,750		806,833		1,173,525		1,699,966		1,739,688		1,782,940		1,827,311		1,872,830	
Total Estimated Faculty Salary/Benefits		0	0	692,250	0	2,420,500	0	3,520,575	0	5,099,899	0	5,219,064	0	5,348,819	0	5,481,932	0	5,618,491	0
Estimated Non-Faculty Salary		787,172	0	1,200,629	0	1,627,332	0	2,293,276	0	3,051,748	0	3,444,678	0	3,562,270	0	3,392,952	0	3,671,095	-
Estimated Non-Faculty Benefits		524,782		508,753		784,888		1,112,184		1,617,832		1,879,785		1,958,180		2,261,968		1,947,397	
Total Estimated Non-Faculty Salary/Benefits		1,311,954	0	1,709,382	0	2,412,220	0	3,405,459	0	4,669,579	0	5,324,463	0	5,520,450	0	5,654,919	0	5,618,491	0
Other estimated personnel related items (relocation, addtl temp hires, etc)		0		175,000		320,000		420,000		670,000		743,500		821,500		827,500		827,500	
Total Personnel Budget		1,311,954		2,576,632		5,152,720		7,346,034		10,439,479		11,287,027		11,690,769		11,964,351		12,064,483	
Note: At this time all operating expenses are being shown as funded from restricted sources, it is not yet determined what expenses will be funded from COM tuition and fee revenue vs external funding sources																			
Subtotal Operational Expenses		376,553		1,255,000		1,543,500		2,545,000		2,584,900		2,383,100		2,803,500		2,743,000		2,783,000	
Total Expenses		1,688,507		3,831,632		6,696,220		9,891,034		13,024,379		13,670,127		14,494,269		14,707,351		14,847,483	
Surplus/(Deficit)		3,711,493		4,079,861		(616,359)		(5,011,034)		(3,836,979)		1,178,525		5,957,729		8,553,817		9,796,661	