

July 24, 2025 at 9 a.m.
Via Videoconference and PBS North Carolina Livestream

AGENDA

OPEN SESSION

- A-1. Approval of the Open Session Minutes Kirk Bradley
 - a. May 14, 2025
 - b. June 18, 2025
- A-2. General Fund Update.....Jennifer Haygood
- A-3. FY 2025-26 Enrollment Funding Reallocations Brandy Andrews
- A-4. Consolidated Learning Management System Michael Vollmer
- A-5. Introduction of Section 1000.2.3 of the UNC Policy Manual,
Policy on Tuition Discounts for Military-affiliated and Employer-sponsored Students ..Shun Robertson
- A-6. FY 2026 All-Funds Budget ReportJennifer Haygood and Brandy Andrews
- A-7. Capital Improvement Projects Katherine Lynn
- A-8. Acquisition of Property by Deed – N.C. Agricultural and Technical State University Katherine Lynn
- A-9. Acquisition of Property by Deed – NC State University..... Katherine Lynn
- A-10. Disposition of Property by Demolition – University of North Carolina at Chapel Hill..... Katherine Lynn
- A-11. Disposition of Property by Lease –
University of North Carolina Asheville..... Jennifer Haygood and Chancellor Kimberly van Noort
- A-12. Adjourn

Additional Information Available:

A-6. FY 2026 All-Funds Budget Report (full report)
Report on Need-Based Aid from Tuition
University of North Carolina Quarterly Capital Report as of July 1, 2025

DRAFT MINUTES

May 14, 2025 at 9:30 a.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Board Room (17th Floor)
Raleigh, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Kirk Bradley. The following committee members, constituting a quorum, were also present in person, via videoconference, or by phone: Lee Barnes, Harry Brown, John Fraley, and Reginald Holley. The following committee member was absent: Art Pope.

Chancellors participating were Kelli Brown, Lee Roberts, and Kevin Howell. Chancellor Howell was assigned to the committee upon Chancellor Randy Woodson's retirement.

Staff members present included Jennifer Haygood, Brandy Andrews, Katherine Lynn, Aubrey Clark-Brown, and others from the University of North Carolina System Office.

The committee Faculty Assembly advisor present was Jim Westerman.

1. Call to Order and Approval of OPEN Session Minutes (Item A-1)

The chair called the meeting to order at 9:30 a.m., Wednesday, May 14, 2025. The open session minutes from the Monday, April 7, 2025, and Wednesday, April 9, 2025, meetings were approved by unanimous consent.

Chair Bradley recognized Rep. Ray Pickett, newly appointed NC State University Chancellor Kevin Howell, and Student Governor Javier Limon.

2. 2025-27 General Fund Update (Item A-2)

Chair Bradley called on Ms. Haygood to give an update on the 2025-27 General Fund. The Board of Governors' approved budget priorities were submitted to both the governor and the General Assembly. The Systemwide priorities focused on critical core operations such as funding for enrollment change, performance funding, fully funding the NC Promise program, and institution-specific high-priority requests. The Senate budget included some but not all the Board's priorities. The University of North Carolina System Office will continue to advocate for the inclusion of all Board priorities throughout the budget process.

This item was for information only.

3. Driving Impact Through Efficiency: Strategic Solutions for a Sustainable Future (Item A-3)

The chair called on Deputy Chief Operating Officers Shelby Bass and Maurice Ferrell to give a presentation on Driving Impact Through Efficiency: Strategic Solutions for a Sustainable Future. The UNC System is proactively advancing

operational efficiency to respond to a shifting fiscal environment. The presentation outlined recent policy reforms and shared service expansions aimed at controlling costs while maintaining academic excellence and institutional strength.

This item was for discussion only.

4. NC Care State Capital and Infrastructure Fund Allocations (Item A-4)

The chair called on Ms. Haygood to give opening remarks on the NC Care State Capital and Infrastructure Fund allocations. President Peter Hans gave a presentation on Improving Health Care in North Carolina. The committee reviewed the State Capital and Infrastructure Fund (SCIF) allocation totaling \$105 million for NC Care rural health clinics and \$150 million for NC Care hospital investments.

The chair asked for a motion to approve the NC Care State Capital and Infrastructure Fund allocations.

MOTION: Resolved, that the Committee on Budget and Finance approve the NC Care State Capital and Infrastructure Fund allocations and recommend them to the full Board of Governors for a vote through the consent agenda.

Motion: Reginald Holley

Motion carried

5. FY 2024 University of North Carolina Debt Capacity Study (Item A-5)

Chair Bradley called on Ms. Haygood to give the presentation on the FY 2024 University of North Carolina Debt Capacity Study. The study found that 15 institutions increased their debt capacity over the five-year study period, 15 institutions increased their debt capacity compared to last year, and all 16 institutions maintained or improved at least one of their primary financial ratios since the 2023 study.

The chair asked for a motion to approve the FY 2024 University of North Carolina Debt Capacity Study.

MOTION: Resolved, that the Committee on Budget and Finance approve the FY 2024 University of North Carolina Debt Capacity Study and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Reginald Holley

Motion carried

6. Sale of Special Obligation Bonds — Elizabeth City State University (Item A-6)

Chair Bradley called on Ms. Haygood to present Elizabeth City State University's request for authorization to issue special obligation bonds in a principal amount not to exceed \$5 million, plus an additional amount not to exceed five percent of such principal amount for the purpose of (a) paying the remaining cost of the construction of a new student residence hall and (b) paying the costs of issuing the 2025 Bonds.

The chair asked for a motion to approve the authorization of the sale of special obligation bonds.

MOTION: Resolved, that the Committee on Budget and Finance approve the sale of special obligation bonds for ECSU and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Harry Brown
Motion carried

7. Authorization of Associated Entity Project — East Carolina University (Item A-7)

Chair Bradley called on Ms. Haygood to present East Carolina University's request for authorization of East Carolina University Educational Foundation Inc. to expand and renovate Clark-LeClair Stadium located on state property.

The chair asked for a motion to approve the authorization for the associated entity to expand and renovate the baseball facilities.

MOTION: Resolved, that the Committee on Budget and Finance approve the authorization of the expansion and renovation for one of ECU's associated entities' projects and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Harry Brown
Motion carried

8. UNC Health Care System Replacement Bonds (Item A-8)

Chair Bradley called on UNC Health Care System's Chief Legal Officer Tom Shanahan to present UNC Health System's request for approval to replace the Board of Governors as issuer via the issuance of the replacement trust indenture. Also included in the request were the issuance of replacement bonds by the UNC Health Care System and authorization for the execution and delivery of certain documents in connection with that action.

The chair asked for a motion to approve the authorization for the issuance of replacement bonds by the UNC Health Care System.

MOTION: Resolved, that the Committee on Budget and Finance approve the UNC Health Care System's request for authorization of the issuance of replacement bonds as well as the execution of documents with that action and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: John Fraley
Motion carried

9. Capital Improvement Projects (Item A-9)

Chair Bradley called on Vice President Katherine Lynn to present capital improvement project requests: the authorization of two new capital projects for a total of approximately \$15 million at the University of North Carolina at Chapel Hill; and one increased authorization at Appalachian State University for a total of \$3.5 million.

The chair asked for a motion to approve the capital improvement projects.

MOTION: Resolved, that the Committee on Budget and Finance approve the capital improvement projects and recommend them to the full Board of Governors for a vote through the consent agenda.

Motion: Harry Brown

Motion carried

10. Disposition of Property by Demolition — University of North Carolina System Office (Item A-10)

Chair Bradley called on Ms. Lynn to present the University of North Carolina System Office's request to authorize the disposition of property by demolition of the two-story building located at 2 UNC-TV Drive, Research Triangle Park, North Carolina, and use funds from 2021-22 and 2022-23 SCIF maintenance R&R funds allocated to the UNC System Reserve.

The chair asked for a motion to approve the authorization to dispose of and demolish property.

MOTION: Resolved, that the Committee on Budget and Finance approve the demolition of UNC System Office property using 2021-22 and 2022-23 SCIF maintenance R&R funds and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Reginald Holley

Motion carried

11. Adjourn (Item A-11)

Chair Bradley called on Ms. Haygood to remind the committee that both the full FY 2024 UNC Debt Capacity Study and the 2024 Millennial Campus Report were provided as additional information available in its materials.

There being no further business and without objection, the meeting adjourned at 10:44 a.m.

Reginald Holley, Secretary

DRAFT MINUTES

June 18, 2025 at 10 a.m.

Via Videoconference and PBS North Carolina Livestream

This special session of the Committee on Budget and Finance was presided over by Chair Kirk Bradley. The following committee members, constituting a quorum, were also present in person, via videoconference, or by phone: Harry Brown, John Fraley, Reginald Holley, and Art Pope. The following committee member was absent: Lee Barnes.

Chancellors participating were Lee Roberts and Kevin Howell.

Staff members present included Jennifer Haygood, Brandy Andrews, Katherine Lynn, Aubrey Clark-Brown, and others from the University of North Carolina System Office.

Committee Faculty Assembly advisor present was Jim Westerman.

1. Call to Order (Item A-1)

The chair called the meeting to order at 10 a.m., on Wednesday, June 18, 2025.

2. Preview of Proposed Mixed-Use Project — University of North Carolina Asheville (Item A-2)

Chair Bradley called on the University of North Carolina Asheville's Chancellor Kimberly van Noort to present the university's proposal for a mixed-use project, including a stadium, housing, and retail development.

Chancellor van Noort recognized chief financial officer Paul Forte, board of trustees chair Roger Aiken, board of trustees vice chair Peter Heckman, and financial advisors from First Tryon.

Mr. Forte explained the planned project structure going forward and the breakdown of the budget and finance for each phase. The expected completion of the stadium would be by end of year 2028; and housing and retail in spring of 2029.

Chair Bradley reminded the committee this item was for information only and that upon finalization of details for a ground lease, the university would bring a request for approval to the committee in a future meeting.

Chair Bradley offered Senior Vice President Jennifer Haygood and President Peter Hans opportunities to give remarks to the committee.

Ms. Haygood provided an update on the House's proposed State budget. President Hans addressed discussions with the university chancellors and explained steps on personnel caps given the uncertainty of State budget and federal changes. Additional details will be shared during the July committee meeting.

3. Adjourn (Item A-3)

There being no further business and without objection, the meeting adjourned at 10:52 a.m.

Reginald Holley, Secretary

AGENDA ITEM

A-2. General Fund UpdateJennifer Haygood

- Situation:** One of the principal responsibilities of the University of North Carolina Board of Governors is to “develop, prepare, and present to the Governor and the General Assembly a single, unified recommended budget for the constituent institutions of the University of North Carolina” [G.S. 116-11(9)a]. In odd-numbered years, the General Assembly enacts a biennial (two-year) budget. In even-numbered years, adjustments are made to the budget for the second fiscal year of the biennium.
- Background:** During the legislature’s current Long Session, the General Assembly will create a new budget for the FY 2025-27 biennium. At the May meeting, the committee received an update on the Senate budget proposal. Since the May meeting, the House has passed its version of the budget, but State budget negotiations have stalled.
- Assessment:** Our Systemwide priorities focus on critical core operations such as funding for enrollment change, performance funding, fully funding the NC Promise program, and institution-specific high-priority requests. The House budget included some but not all of the Board’s priorities. Given the significant differences in the House and Senate versions of the budget, both the House and Senate passed their own “mini-budgets” in late June. However, it is unclear whether either bill will move forward. Without an enacted budget, State government continues to operate under FY25 recurring funding levels.
- Action:** This item is for information only.



2025-27 GENERAL FUND BUDGET UPDATE

Committee on Budget and Finance

July 24, 2025

System Priorities

	Senate Budget		House Budget	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
UNC System Priorities				
UNC Enrollment Change	\$46,375,508	\$46,375,508	\$46,375,508	\$46,375,508
Performance Funding Pool	30,000,000 NR	30,000,000 NR	-	-
Building Reserves	3,187,530	3,731,400	3,187,530	3,731,400
	516,664 NR	-	516,664 NR	-
NC Promise	9,500,000	11,361,084	9,500,000	9,722,168
	FY27 Nonresident rate: \$3000/semester*		FY27 Nonresident rate: \$3500/semester*	
Faculty and Staff Salary Increases	49,515,371	49,515,371	99,030,744	99,030,744
	58,504,742 NR	58,504,742 NR	2.5% increase in FY26 + LMAR funding generated from vacant position reductions	
	1.25% increase FY26 + \$1,500 bonus in each FY			
Benefit Rate Increases	29,004,662	61,135,832	29,004,662	61,135,832
			4,780,031 NR	9,560,063 NR
Subtotal	226,604,477	260,623,937	192,395,139	229,555,715

*Applies to newly matriculating students only

Proposed System-wide Reductions

	Senate Budget		House Budget	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
Proposed Reductions				
Tuition Rate Increases	-	(46,300,000)	-	(30,000,000)
		<i>Nonresident Rates Only</i>		<i>Resident and/or Nonresident Rates</i>
UNC Centers and Institutes	(33,660,000)	(33,660,000)	-	-
Academic Program Review	-	(20,000,000)	-	-
UNC Systemwide Budget Reductions	-	-	(64,024,010)	(64,024,010)
			(2,000,000) NR	(9,718,749) NR
Vacant Positions	(5,000,000)	(7,000,000)	(5,000,000)	(7,000,000)
		<i>Nonfaculty Only</i>		<i>Faculty and/or Nonfaculty</i>
UNC Campus Scholarship Program	(4,750,000)	(4,750,000)	-	-
Graduate Tuition Waiver	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
			(500,000) NR	(1,000,000) NR
Subtotal	(46,910,000)	(115,210,000)	(75,024,010)	(115,242,759)

Sports Wagering Tax Revenues

	Current Law - 18% Tax Rate		Senate Budget - 36% Tax Rate		House Budget - 18% Tax Rate	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
ECSU	\$2.4 million each	\$2.7 million each	\$4.3 million each	\$5.3 million each	\$2.8 million each	\$3.2 million each
FSU						
UNCP						
WSSU						
NC A&T			\$4.8 million each	\$5.8 million each	\$3.5 million each	\$3.9 million each
NCCU						
UNCA						
UNCG	\$0	\$0	\$5.3 million each	\$6.3 million each	\$12.1 million each	\$14.2 million each
UNCW						
WCU						
App State						
ECU						
UNCC						
NC State			\$24.4 million each	\$31.5 million each	\$12.1 million each	\$14.2 million each
UNC-CH						

Capital Priorities

The House budget includes increases to previously authorized projects, authorizes two new projects at ECSU and UNCA, provides funding for temporary housing at NCSSM, and provides funding for capital project management positions at the System Office.

In millions	House Budget		
	Total Project Authorization	FY 2025-26	FY 2026-27
1. UNC R&R			
BOG Budget Priorities	N/A	\$ 250.0	\$ 250.0
House Budget	N/A	\$ 200.0	\$ 200.0
Difference		\$ (50.0)	\$ (50.0)
2. Named Capital Projects			
BOG Budget Priorities	\$ 4,158.4	\$ 442.5	\$ 454.3
House Budget	\$ 2,895.0	\$ 473.9	\$ 410.5
Difference	\$ (1,263.4)	\$ 31.4	\$ (43.8)
3. Health Care Projects			
BOG Budget Priorities	\$ 679.7	\$ 198.5	\$ 10.0
House Budget	\$ 426.2	\$ -	\$ -
Difference	\$ (253.5)	\$ (198.5)	\$ (10.0)

The House budget claws back funds that had been appropriated for the NC Care initiative* and provides no additional funding for the new NC Children's Hospital.

*Eliminates funds for the clinically integrated network, health clinics, and rural hospital investments, but does not impact funding for the regional behavioral health facility.

Primary Sticking Point in Budget Negotiations

GENERAL FUND AVAILABILITY

In millions	Senate Budget		House Budget	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
Estimated Prior Year-End Fund Balance	\$1,092	\$1,488	\$1,092	\$615
Consensus Revenue Forecast	\$34,890	\$34,067	\$34,890	\$34,067
→ Revenue Changes	(\$104)	(\$71)	(\$168)	\$840
Statutorily Required Reservations of Revenue				
Savings Reserve	(\$45)	\$0	(\$37)	\$0
State Capital and Infrastructure Fund (SCIF)	(\$1,120)	(\$1,159)	(\$1,120)	(\$1,159)
Discretionary Reservations of Revenue				
Additional Transfer to Savings Reserve	(\$1,095)	\$0	(\$1,103)	\$0
Economic Development Reserve	(\$41)	(\$5)	(\$250)	\$0
Regional Economic Development Reserve	\$0	\$0	(\$600)	\$0
Revised Total General Fund Availability	\$33,576	\$34,321	\$32,703	\$34,364
Total Net General Fund Appropriations	\$32,588	\$33,321	\$32,588	\$33,321
Unappropriated Balance	\$988	\$1,000	\$115	\$1,043

House and Senate Mini-Budgets Comparison

	Senate Budget		House Budget	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
UNC System Priorities				
UNC Enrollment Change	\$46,375,508	\$46,375,508	\$ -	\$ -
Performance Funding Pool	-	-	-	-
Building Reserves	2,867,222 516,664 NR	2,867,222 -	-	-
NC Promise	9,500,000	9,500,000	-	-
Faculty and Staff Salary Increases	-	-	99,030,744 <i>2.5% increase in FY26 + LMAR funding generated from vacant position reductions</i>	99,030,744
Benefit Rate Increases	29,004,662	29,004,662	29,004,662 4,780,031 NR	29,004,662
Proposed Reductions				
Vacant Positions			(5,000,000)	(7,000,000)
Graduate Tuition Waiver			(3,500,000)	(3,500,000)
Subtotal	88,264,056	87,747,392	124,315,437	117,535,406

While neither mini-budget included sports wagering tax changes, institution-specific appropriations, tuition rate changes, or broader systemwide reductions, these items are still under consideration.

House and Senate Capital Mini-Budgets

Institution	Project	Senate	House
App State	Peacock Hall	\$7,500,000	\$12,000,000
	Innovation Campus	\$12,300,000	\$12,300,000
ECU	Brody School of Medicine	\$85,257,282	\$60,000,000
	Howell Science Building North-Comprehensive Renovation	\$8,237,524	\$0
	Medical Examiner Office	\$8,750,000	\$0
ECSU	Flight School	\$9,172,727	\$9,172,727
	Infrastructure Repairs-Phase 3	\$17,172,727	\$17,172,727
FSU	College of Education	\$6,573,912	\$6,573,912
	H.L. Cook Building Renovation and Addition	\$5,500,000	\$0
N.C. A&T	Health and Human Sciences Building	\$5,335,000	\$0
NCCU	Dent Building - Comprehensive Renovation	\$4,829,519	\$0
NC State	S.T.E.M. Building	\$22,224,823	\$22,224,823
	Mann Hall-Renovation, Phase 2	\$27,000,000	\$27,000,000
	Dabney Hall-Renovation, Phase 2	\$24,000,000	\$24,000,000
	Polk Hall-Renovation, Phase 2	\$18,900,000	\$0
	Veterinary School-Large Animal Hospital	\$35,000,000	\$0
	Poe Hall Rehabilitation or Replacement	\$25,048,753	\$0

House and Senate Capital Mini-Budgets (continued)

Institution	Project	Senate	House
UNCA	Lipinsky Hall-Comp. Modernization/Addition	\$11,767,500	\$0
UNC-CH	Nursing School Renovation	\$17,693,052	\$17,693,052
UNCP	Health Sciences Center	\$30,500,000	\$30,500,000
UNCSA	Stevens Center Renovation Phase 2	\$22,950,000	\$22,950,000
UNCW	Cameron Hall - Comprehensive Renovation and Expansion	\$2,000,000	\$0
	Kenan Auditorium - Comprehensive Renovation and Expansion	\$1,200,000	\$0
WSSU	K.R. Williams Auditorium	\$22,400,000	\$22,400,000
NCSSM	Durham Campus-Renovation of Residence Halls	\$3,000,000	\$3,000,000
	Durham Campus-Academic Commons Addition	\$1,000,000	\$0
BOG	UNC Lease Funds	\$3,750,000	\$3,750,000
	NC Care Health Clinics	\$103,500,000	\$0
	Children's Hospital	\$105,000,000	\$0
PBSNC	Public Safety Communications Upgrades	\$10,000,000	\$0
R&R	Repairs and Renovations	\$200,000,000	\$0
	Total	\$857,562,819	\$290,737,241

What Now?

- Without a State budget enacted, State government operates under G.S. 143C-5-4
 - Operate under recurring FY25 funding level
 - Vacant positions subject to proposed budget reductions in either or both versions of the bill cannot be filled.
 - Employees may not receive salary increases, including annual, performance, merit, bonuses, or other increments.

QUESTIONS?

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AGENDA ITEM

A-3. FY 2025-26 Enrollment Funding Reallocations..... Brandy Andrews

Situation: To date, the North Carolina General Assembly has not enacted legislation for the FY 2025-27 biennial State budget. It is likely the General Assembly will not consider further action on the State budget until they reconvene in the fall. Given this anticipated timeline and the procedure for budget continuation provisions set out in G.S. 143C-5-4, the University of North Carolina System needs to proceed with implementing enrollment funding reallocations for FY 2025-26.

Background: The UNC System funding model adjusts each institution's General Fund appropriation based on resident enrollment. Based on this model, the FY 2025-26 budget priorities approved by the University of North Carolina Board of Governors in February included a request for \$46.3 million in recurring General Fund appropriations. Both the House and Senate versions of the Long Session budget proposed funding \$46,375,508 to support our System's enrollment change.

The \$46.3 million Systemwide net enrollment adjustment includes \$51.7 million of enrollment increases from 14 institutions and \$5.3 million of enrollment decreases from three institutions. Per G.S. 116-11(9)(c), "The Director of the Budget may, on recommendation of the Board, authorize transfer of appropriated funds from one institution to another to provide adjustments for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of the institutions."

Assessment: Given the anticipated timeline of a FY 2025-27 State budget being enacted, delaying enrollment-related budget adjustments poses financial management risks, particularly for the campuses with reduced enrollment adjustments. The Board of Governors should (1) use its statutory authority to adjust budgets for enrollment changes as proposed in the table in the attached materials and (2) approve the allocation of the additional amounts **contingent** on legislation being enacted to appropriate the \$46,375,508 needed to fully fund enrollment growth.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

FY 2025-26 Enrollment Funding Reallocations

University of North Carolina System Enrollment Funding Formula

The annual enrollment change budget adjustment is calculated based on the incremental change in student credit hours (SCHs) from one calendar year to the next. Funding is received during the fiscal year that immediately follows the period of change. The model adjusts funding to reflect changes in **actual resident student credit hours** delivered from calendar year 2023 to 2024. Systemwide, resident student credit hours increased by 1.6 percent from calendar year 2023 to 2024. In addition, since the model categorizes resident student credit hours based on the area of instruction, the increase also reflects an increase in total resident student credit hours by students taking more credit hours in disciplines with higher funding rates such as STEM fields.

In February 2025 the University of North Carolina Board of Governors approved the FY 2025-26 budget priorities that included a request for \$46.3 million in recurring General Fund appropriations for 2024 changes in actual resident student credit hours delivered. To date, the North Carolina General Assembly has not enacted legislation for the FY 2025-27 biennial State budget. It is likely the General Assembly will not consider further action on the State budget until legislators reconvene in the fall and institutions will begin FY 2025-26 under the procedure for budget continuation provisions set out in G.S. 143C-5-4.

2024 Enrollment Change

Based on the enrollment model described above, 14 institutions produced increased resident student credit hours for an increased enrollment subsidy of \$51.7 million, and three institutions produced decreased resident student credit hours for a decreased subsidy of \$5.3 million, creating a net change in resident student credit hours of \$46,375,508.

The \$5.3 million decreased enrollment subsidy only reflects approximately 10 percent of the total budget adjustments associated with enrollment changes. In reallocating enrollment-based funding, we have prioritized institutions with fewer than 8,000 students, which are most reliant on state General Fund appropriations. These institutions often face limited economies of scale, greater per-student costs, and fewer opportunities to offset enrollment fluctuations through other funding sources. By concentrating realignment resources where financial resilience is most vulnerable, we aim to support institutional stability, safeguard student access, and ensure the sustainability of mission-critical academic programs across the UNC System. This reallocation can be accomplished under the University of North Carolina Board of Governors' existing statutory authority. Per G.S. 116-11(9)(c):

“The Director of the Budget may, on recommendation of the Board, authorize transfer of appropriated funds from one institution to another to provide adjustments for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of the institutions.”

Table 1 below breaks down the enrollment changes by institution. For the seven institutions with an increased enrollment change and FTE below 8,000, the budget adjustment increase is prorated to fund 51 percent of their full amount. The additional 49 percent for the seven institutions, as well as the full increased funding for the remaining institutions above 8,000 FTE, is contingent upon passage of legislation appropriating the additional \$46,375,508.

Table 1: 2024 Enrollment Change Reallocation by Institution

Institution	FTE	2024 Enrollment Change Reallocation	Additional Contingent Allocation*	Total
App State	20,633	\$ -	\$ 4,399,924	\$ 4,399,924
ECU	23,642	(4,129,746)	-	(4,129,746)
ECSU	2,024	290,595	275,295	565,890
FSU	6,230	1,282,173	1,214,664	2,496,837
N.C. A&T	13,385	(778,165)	-	(778,165)
NCCU	7,893	2,420,503	2,293,058	4,713,562
NC State	34,928	-	14,048,265	14,048,265
UNC Asheville	2,891	426,955	404,474	831,429
UNC-Chapel Hill	30,006	-	2,443,372	2,443,372
UNC Charlotte	28,572	-	8,588,565	8,588,565
UNC Greensboro	16,030	-	6,399,830	6,399,830
UNC Pembroke	6,423	449,453	425,788	875,241
UNC Wilmington	16,940	-	5,244,133	5,244,133
UNCSA	1,106	474,313	449,339	923,652
WCU	10,605	-	143,610	143,610
WSSU	4,529	(483,783)	-	(483,783)
NCSSM	980	47,702	45,190	92,892
Total	226,817	\$ 0	\$ 46,375,508	\$ 46,375,508

**Note: The additional contingent allocation would only be allocated if legislation is enacted to appropriate the \$46,375,508 needed.*

With no enactment of the FY 2025-27 biennial State budget expected in the near future, delaying all enrollment-related budget adjustments poses financial management risks, particularly for the campuses with reduced enrollment adjustments. The Board of Governors should (1) use its statutory authority to adjust budgets for enrollment changes as proposed in Table 1 and (2) approve the allocation of additional amounts **contingent** on enacted legislation appropriating the additional \$46,375,508.

AGENDA ITEM

A-4. Consolidated Learning Management System Michael Vollmer

Situation: The University of North Carolina System is exploring the adoption of a single, unified Learning Management System (LMS) to serve all constituent institutions. Standardizing on a single LMS enables increased classroom collaboration between faculty across the University, eases the transition for students entering or transferring between campuses, and generates contractual savings. This strategic move supports the System's mission to deliver accessible, high-quality education efficiently and equitably across North Carolina.

Background: The constituent institutions of UNC System currently operate three different learning management systems. Thirteen institutions operate the same LMS, Canvas, all under separate contracts with the vendor. Three institutions use Moodle and one campus uses Blackboard.

Unifying on a single LMS solution will ensure a consistent technology that allows faculty classroom collaboration across the System. This collaboration helps foster innovation in instructional practices. In addition, students will have fewer barriers to learning. A consistent LMS means that transfer students will not have to learn a new course delivery technology when changing institutions. Entering first-time students will also have one fewer new technology to learn. North Carolina's Department of Public Instruction (DPI) standardized Canvas as its preferred LMS in 2014, a platform now used by nearly all public K-12 schools in the state. Under the now enacted S.L. 2025-62, formerly SB133, the North Carolina Community College System has also been directed to select a single LMS solution. They are required to implement a single LMS that is consistent with DPI and the University of North Carolina by December 31, 2027.

Further, standardizing on a single contract will yield significant annual savings for the University. Currently, the 13 institutions operating under the same LMS use different contracts, paying different prices. The price paid varies by more than double between institutions. Consolidating on a Systemwide contract will bring down the cost paid for all campuses, leveraging the buying power of the System.

Assessment: Adopting a single standard Learning Management Solution for the University of North Carolina is consistent with the actions of the General Assembly, supports faculty learning innovation, student success, and delivers cost savings to the University.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

AGENDA ITEM

- A-5. Introduction of Section 1000.2.3 of the UNC Policy Manual,
Policy on Tuition Discounts for Military-affiliated and Employer-sponsored Students Shun Robertson

Situation:	In its 2025-26 session, the North Carolina state legislature enacted House Bill 373: UNC Tuition Discounts for Certain Students, which authorizes the Board of Governors to allow constituent institutions of the University of North Carolina, in their discretion, to provide discounted tuition to qualifying military-affiliated students and students in employer-sponsored financial support programs.
Background:	At its February 26, 2025, the joint Committee on Budget and Finance and Committee on Military and Public Affairs reviewed the 2025 Long Session Non-Budget Legislative Proposal related to offering discounted tuition for students using military tuition assistance or employer-sponsored education benefits. The proposed legislation was enacted in the 2025-26 legislative session (S.L. 2025-17). As such, the UNC System is proposing new policy to the UNC Policy Manual: Section 1000.2.3, <i>Policy on Tuition Discounts for Military-affiliated and Employer-sponsored Students</i> .
Assessment:	The committee will review the proposed Section 1000.2.3 of the UNC Policy Manual, <i>Policy on Tuition Discounts for Military-affiliated and Employer-sponsored Students</i> .
Action:	This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda at the next meeting.

Policy on Tuition Discounts for Military-affiliated and Employer-sponsored Students

I. N.C. Gen. Stat. § 116-143(d1)(2) authorizes the Board of Governors to allow constituent institutions of the University of North Carolina, in their discretion, to provide discounted tuition up to the difference in maximum amount of military tuition assistance funds received by a statutorily described qualifying student and the applicable tuition. Similarly, N.C. Gen. Stat. § 116-143(d1)(3) authorizes the Board of Governors to allow constituent institutions of the University of North Carolina, in their discretion, to provide discounted tuition to students enrolled in statutorily described employer-sponsored financial support programs approved by the Board of Governors, up to the difference between the maximum amount provided by the employer and the applicable tuition.

II. The Board of Governors supports the enrollment of qualifying military students using federal or state military tuition assistance funds as described in statute, and hereby adopts this policy to:

A. Authorize the constituent institutions to adopt, at their discretion, a tuition discount as provided by G.S. 116-143(d1)(2) to be used by qualifying students using federal or state military tuition assistance funds described in statute at any of the constituent institutions of the UNC System;

B. Require constituent institutions adopting such discounts to report to the president each year on the discounted tuition provided in the prior academic year, to include at a minimum, (1) the number of students that received a military tuition discount; and (2) the annual financial impact to the constituent institution resulting from the discounted tuition provided; and

C. Authorize the president to adopt regulations as may be required or useful for application of the military-affiliated tuition discount throughout the University.

III. The Board of Governors supports the enrollment of students in employer-sponsored financial support programs that have been approved by the Board of Governors, and hereby adopts this policy to:

A. Authorize the constituent institutions to adopt, at their discretion, a tuition discount as provided by G.S. 116-143(d1)(3) to be used by students using financial assistance funds from an employer to offset the costs of tuition or fees in the student's degree or credential program;

B. Require constituent institutions adopting such discounts to report to the president each year on the discounted tuition provided in the prior academic year, to include at a minimum, (1) the number of students that received an employer-sponsored tuition discount; and (2) the annual financial impact to the constituent institution resulting from the discounted tuition provided; and

C. Authorize the president, or designee, to approve eligible employer-sponsored financial support programs to which tuition discounts may be applied, and to adopt regulations as may be required or useful for application throughout the University of the employee-sponsored financial support program tuition discount.

IV. Other Matters

- A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.
- B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.
- C. Regulations. This policy shall be implemented and applied in accordance with such regulations as may be adopted from time to time by the president.

AGENDA ITEM

A-6. FY 2025-26 All-Funds Budget ReportJennifer Haygood and Brandy Andrews

Situation: To further the financial management of the University of North Carolina System and its constituent institutions, the UNC System engages in an All-Funds Budget process. Each constituent institution has developed a budget to be executed for FY 2025-26.

Background: At the direction of the Board of Governors, the UNC System institutions prepare and submit annually an All-Funds Budget in May. Each year lessons learned continue to be used to refine the process moving forward to ensure the budgets achieve the goals of transparency and effective financial management.

Institutions have used the All-Funds Budget process to improve financial efficiency and to make targeted investments in institutional and System strategic goals. Investments in academic programs and student success initiatives will ensure that students stay on track toward degree completion. Administrative efficiencies and affordability initiatives will enable students to graduate with less debt. Investments based on lessons from the UNC System's Return on Investment study will continue to advance the UNC System's goals.

The proposed All-Funds Budget for FY 2025-26 reflects improving enrollment at most institutions. Budget submissions include the increased enrollment growth operating revenue requested in the FY 2025-26 Legislative Budget Priorities. Institutions continue to deal with a variety of strategic and financial challenges. In response to these challenges, budgets reflect strategic resource realignments and program efficiency improvements to improve operating performance. Investments are being made in new programs in health and technology and in student success and research. The All-Funds Budget has shed light on challenges and reflects the strategic realignments and efficiencies to develop long-term strategies to mitigate associated risks.

Assessment: Budgeting is a common best practice for both private and public organizations. The All-Funds Budget addresses this need through a formal budgeting process. It provides a structural foundation for the execution of the University's strategic plan, ensuring the delivery of the System's mission in a financially sustainable manner.

The All-Funds Budgets are approved by each institution's board of trustees and reported to the president of the System and the Board of Governors annually. The committee will receive a presentation summarizing these budgets.

Action: This item is for information only.



UNC SYSTEM FY 2025-26 ALL-FUNDS BUDGET

Committee on Budget and Finance

July 24, 2025

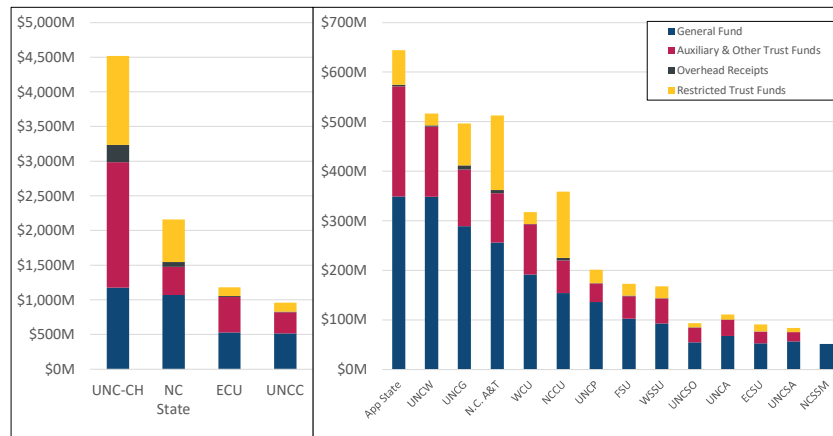
Why Develop an All-Funds Budget?

- Better align resources with strategic priorities
- Promote stewardship and financial sustainability
- Better understand the impact of discrete decisions on the broader financial picture
- Improve transparency and institution engagement
- Strengthen the fiduciary responsibility of the boards of trustees

G.S. 116-1(b) – “...In the fulfillment of this mission, the University shall seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State.”

General Fund Revenue is Less Than Half

FY 2025-26 Budgeted UNC System Revenue by Fund Type



AFB Standard Units

Each institution was required to budget for a standard set of organizational units; however, the departments that comprise the units are not consistent across institutions.

Academic Units

Institutional Support Units

University Administration
Business Affairs
Facilities
Human Resources
Information Technology
Public Safety
Advancement

Other Institution-Specific Units

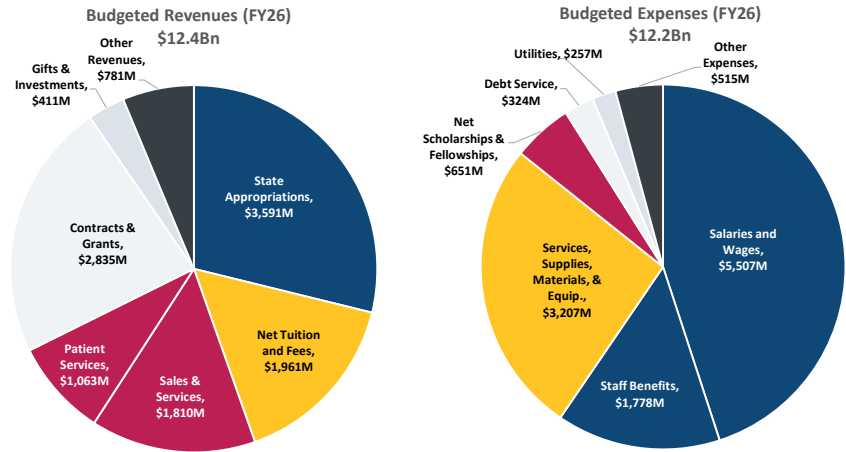
Academic Support Units

Academic Affairs
Student Affairs
Financial Aid
Libraries
Sponsored Research

Auxiliary Units

Dining
Housing
Parking & Transportation
Athletics
Student Health
Other Auxiliaries

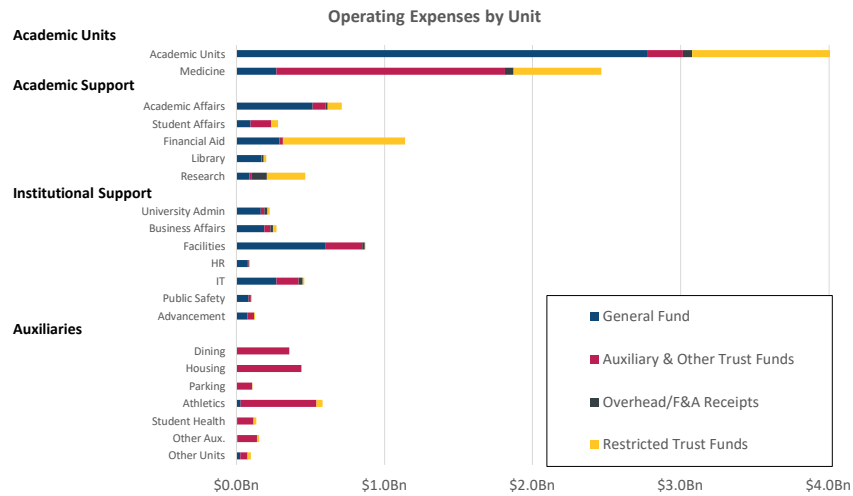
AFB Summary Charts



UNC System Total



Summary of Operating Expenses by Unit



FY 2026 Budget Highlights

Framework for AFB Review

Strategic Alignment
Mission-Driven Use of Funds



Financial Health
*Operating Viability
& Reserves*

Monitoring Risk
*Early Warning
Indicators*

Common Themes

- Improving enrollment at *most* institutions
- Strategic resource realignments
- Investments in student success and research
- New programs in health and technology
- Planning for changes in state and federal funding
- Process efficiency improvements

Progress on Prior-Year Concerns

- **Improved Operating Performance**
 - ECU: Significant progress made on decreasing fund balance for School of Medicine and School of Dental Medicine.
 - UNCA: Remediation of structural budget problem
 - FSU & UNCSA: Housing unit reflects overall higher net income compared to last year and operating performance has improved.
 - UNCC: Student Health unit reflects higher net income and improved operating performance.
- **Improved Auxiliary Fund Balances**
 - UNCA, UNCG, UNCP & WSSU: Athletics deficit fund balances resolved.
 - FSU: Athletics unit is continuing to make progress toward eliminating its deficit fund balance by 2030 and suggests they are ahead of schedule.
 - UNCP: Student Health deficit fund balance resolved.

Areas for Continued Monitoring

■ **Financial Sustainability of Athletic Departments**

- 3 athletic departments have budgeted expenses that exceed revenues.
- One institution transfers funds from an unrelated sources to support expenses.
- 2 athletic departments have significant negative fund balances.

■ **Auxiliaries Operating Performance (Revenues – Expenses)**

- Student Health (4 institutions)
- Housing (3 institutions)
- Dining (1 institution)

■ **Auxiliary Fund Balances**

- Concern: auxiliary fund balances < 3 months of expenses (7 institutions)

■ **Declining Fund Balances in Units Partially Supported by Fees**

- IT (3 institutions)
- Student Affairs (2 institutions)



11

QUESTIONS?



THE
**UNIVERSITY OF
NORTH CAROLINA
SYSTEM**

***UNC SYSTEM
2025-26 ALL-FUNDS BUDGET***

July 24, 2025

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FY 2026 All-Funds Budget Institutional Highlights

Institution	FY26 Highlights	FY26 Areas to Monitor	FY25 Areas to Monitor
App State	• Refocusing academic strategic plan on retention, workforce development, and career readiness. • New academic programs in health, cybersecurity, and artificial intelligence • Construction of the university's first STEM academic building in the Innovation District. • Institutional and regional resiliency post-Helene	• Student Health operating performance • Housing auxiliary operating performance • Low dining auxiliary fund balance • Decreasing Student Affairs fund balance	• Student Health operating performance • Housing auxiliary operating performance • Decreasing Student Affairs fund balance
ECU	• Centralizing services, eliminating administrative positions, and using other operational efficiency efforts to combat funding losses associated with enrollment declines. • Developing institutional capacity for research excellence, innovation, technology, public service, and regional transformation.	• Enrollment and associated impact on revenues • Athletics financial sustainability • Low housing auxiliary fund balance • Low dining auxiliary fund balance	• Decreasing Student Affairs fund balance • Athletics financial sustainability • Decreasing School of Medicine and School of Dental Medicine fund balances
ECSU	• Implementing new fiscal policy to increase general fund budgetary flexibility and improve trust fund reserve. • Investing in updates and maintenance for the aviation inventory and equipment. • Improving operational efficiency through a strategic IT contract review, investing in shared services for human resources, and improving asset management and maintenance.	• Athletics financial sustainability	• Athletics financial sustainability • Decreasing Ed & Tech fund balance
FSU	• Strategic realignment through the elimination of lower-priority positions and leveraging internal and external shared services to invest in high demand programs and academic advising. • Expanding financial aid offerings including free Summer School and Bronco Boost. • Expanding mental health services to meet student demand. • Strengthening auxiliary and trust fund performance.	• Continued remediation of negative athletics fund balance • Low housing auxiliary fund balance	• Athletics financial sustainability • Low auxiliary fund balances • Housing auxiliary operating performance

Institution	FY26 Highlights	FY26 Areas to Monitor	FY25 Areas to Monitor
N.C. A&T	• Process Advancement and Continuous Excellence Office (PACE) and Transformation Office seek to further advance university efforts in performance excellence and operational efficiency through ongoing process management and improving outcomes through standardization and consistency. • New academic program in Artificial Intelligence. • Focusing efforts to bolster graduate programs by attracting and retaining top graduate talent and expanding graduate research opportunities.	• Housing auxiliary operating performance • Athletics sales and service revenue	• Housing auxiliary operating performance • Athletics financial sustainability
NCCU	• Instituting improvements to budget transparency and financial planning. • Eliminating vacant positions to generate savings and build financial reserves. • Establishing a general fund budget contingency to ensure that critical needs are met first.	• Athletics financial sustainability and growing negative athletics fund balance • Decreasing housing fund balance • Low dining auxiliary fund balance • Student Affairs dependence on auxiliary revenues	• Athletics financial sustainability • Low dining auxiliary fund balance
NC State	• Continued focus on strategic budget initiative and annual performance-based evaluation of financial plans. • Building capacity at the College of Engineering through additional faculty and academic support staff to support and expand STEM education. • Investing in campus security through the new law enforcement pay schedule and a new risk assessment case manager position. • Investing in a new enterprise data warehouse and analytics platform to support business intelligence and strategic resource decision-making.	• Dependence on federal research revenue • Impact of evolving athletics landscape • Decreasing IT fund balance	• Decreasing IT fund balance

Institution	FY26 Highlights	FY26 Areas to Monitor	FY25 Areas to Monitor
UNCA	- Resolving the FY25 structural budget deficit through personnel and non-personnel savings and enrollment growth. - Phasing out academic programs with low student demand to provide deficit relief to the university. - Growing the Access Asheville financial aid program to ensure free tuition and fees for NC residents with a household adjusted gross income of \$90,000 or less. - Institutional and regional resiliency post-Helene.	- Enrollment and associated impact on revenues - Low student health auxiliary fund balance	- Enrollment and associated impact on revenues - Student Health auxiliary operating performance - Athletics financial sustainability - Structural General Fund budget deficit
UNC-CH	- Planned expansion of undergraduate student enrollment by 5,000 students. - Strategic restructuring to eliminate senior administrative positions and remove long-vacant positions, launching a course waitlist program, reorganizing the provost's office, and reallocating funding to support student success initiatives. \$50 million of additional recurring savings to be identified to offset possible loss of federal funding (to be presented at July Board of Trustees meeting).	- Dependence on federal research revenue - Impact of evolving athletics landscape - Student Health auxiliary operating performance	- This version is the All-Funds Budget as presented by the chancellor to the UNC-Chapel Hill Board of Trustees - Decreasing IT and Student Affairs fund balances - Student Health auxiliary operating performance
UNCC	- Commitment to energy-saving projects, organizational realignment, and process improvement to sustain and improve operations without increased revenues. - Investments in undergraduate student success and graduate assistantships.		- Student Health auxiliary operating performance - Use of fund balances to cover inflationary cost increases
UNCG	- Implementing an operational budget cut of 2% in FY2026 to generate funding for top institutional priorities, including programs with high student demand, technology investments, and student success. - Reducing administrative layers and management redundancies to streamline organizational structure. - Balancing student affordability with necessary auxiliary rate increases.	- Student health auxiliary operating performance - Dining auxiliary operating performance	- Enrollment and associated impact on revenues - Athletics financial sustainability

Institution	FY26 Highlights	FY26 Areas to Monitor	FY25 Areas to Monitor
UNCP	- Using funding appropriated by the legislature to grow newly established programs in health professions to better serve southeastern North Carolina – including a new College of Optometric medicine. - Investments in the Office of Online Learning to better help the growing population, many of whom are adult learners and military-affiliated students. - Internal reduction and reallocation process to generate a 1.5% operating budget savings to be used to bolster investment in affordability, enrollment, access, and faculty promotion and tenure.	- Enrollment and associated impact on revenues - Low student health auxiliary fund balance - Declining IT fund balance	- Enrollment and associated impact on revenues - Student Health auxiliary operating performance - Athletics financial sustainability
UNCW	- Investments to improve academic outcomes, including academic advising, investments in high-ROI academic programs, and student support services. - Access and affordability investments in student aid and student employment, as well as targeted investments to strengthen summer programs that help students maintain progress to degree. - Campuswide reallocation of more than \$2 million in recurring funds to right size budgets in units experiencing declining enrollment, consolidating overlapping services, and realigning staff workloads.		
UNCSA	- Implementing the Collaborative Scheduling Initiative, which will enhance student success, align institutional needs, and optimize scheduling across all programs. - Transitioning to Teams phones and Evolve VOIP services, to provide cost savings and improved communications. - Launching a new initiative at the Teaching and Learning Center to offer microgrants to student-artist teams to support interdisciplinary projects.	- Student health auxiliary operating performance - Decreasing IT fund balance	Housing auxiliary operating performance
WCU	- Realigning auxiliary resources to be able to provide more financial aid to students through the Catamount Commitment. - Engaging in academic and administrative program reviews to gain efficiency and improve processes.	Sustainability of donor support for athletics	Athletics financial sustainability

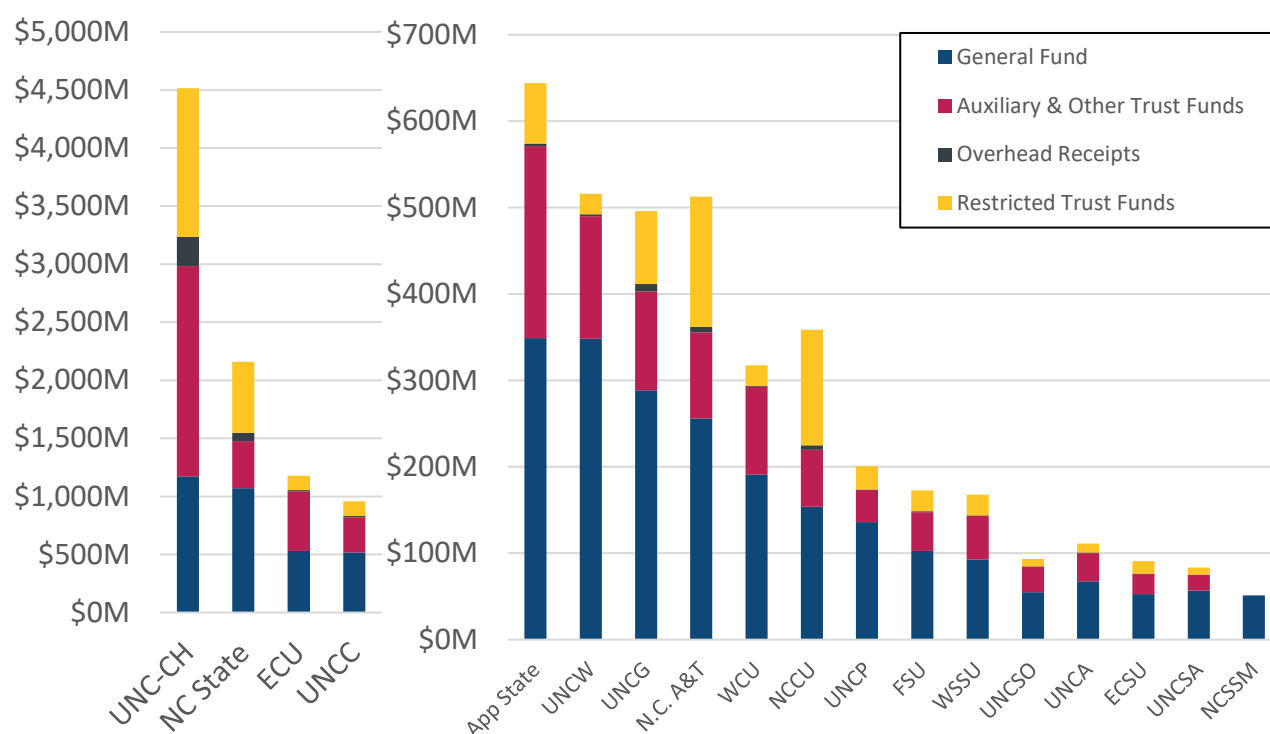
Institution	FY26 Highlights	FY26 Areas to Monitor	FY25 Areas to Monitor
WSSU	- Expanding the Office of Student Services and the Office of Transfer and Adult Services to better meet student needs. - Investing in improvements to faculty instructional quality and faculty development, particularly targeting courses that have high rates of Ds, Fs, and Ws. - Establishing a new auxiliary reserve policy to bolster auxiliary reserves and limit enterprise risk.	- Enrollment and associated impact on revenues - Performance on strategic plan metrics and associated impact on performance funding	- Enrollment and associated impact on revenues - Athletics financial sustainability
NCSSM	- Expanding virtual learning programs to provide STEM education to more than 1,000 students throughout the state. - Improving compensation to better match the labor market. - Continued development of Morganton campus operations. - Expanding summer programs to serve more students.	Impact of inflation on NCSSM's budget, which is 90%-supported by General Fund	Impact of inflation on NCSSM's budget, which is 90%-supported by General Fund
UNCSSO	- Launching the Integrated Microcredentials Initiative to serve as a centralized innovation and quality assurance hub for microcredentials developed across the System. - Expanding shared services in areas such as HR, advancement and IT to reduce operational overhead and improve degree quality. - Standardizing cybersecurity tools and contracts to strengthen data security and resilience. - Integrating PBSNC into the System Office to streamline administrative processes and reduce duplicated efforts on human resources, IT, accounting, purchasing, and sponsored programs.	- Attainment of PBS fundraising goals - Decreasing Safety & ERM fund balance - Uncertainty related to federal PBS funding	- Attainment of PBS fundraising goals - Decreasing Safety & ERM fund balance

Executive Summary

At the direction of the Board of Governors, the UNC System's constituent institutions have prepared and submitted the FY 2025-26 All-Funds Budget. This budget advances the System's goals of transparency and effective financial management. The process continues to mature, drawing on lessons learned from past All-Funds Budgets. The budget provides a comprehensive view of institutional operations, reflecting both General Fund and Institutional Trust Fund operating revenues and expenditures. Each budget was prepared by the institution and submitted for approval to its respective board of trustees.

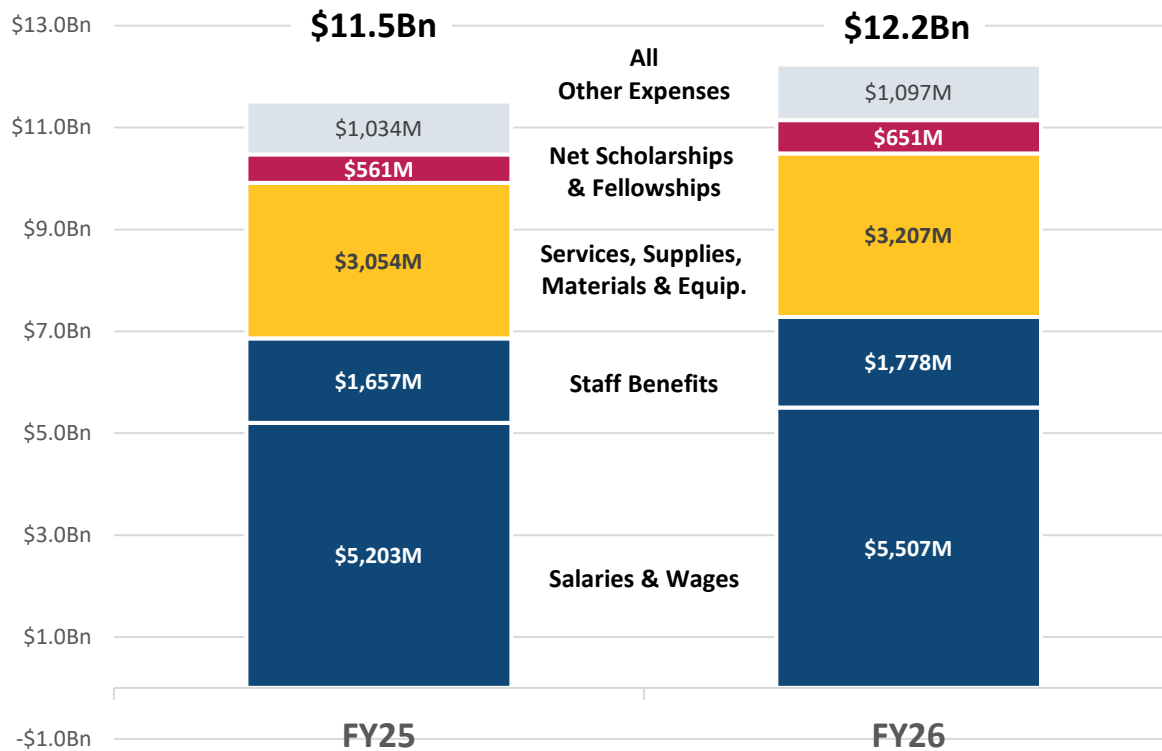
The FY 2025-26 All-Funds Budget comprises more than \$12 billion in operating revenues, more than half of which occur outside of the General Fund. After a brief period of enrollment losses, the System's resident enrollment is set to result in tuition funding increases for 14 of 17 institutions, generating \$46 million for the System to be funded as part of the 2025 state budget process. Only East Carolina University, North Carolina Agricultural and Technical State University, and Winston-Salem State University have enrollment funding losses in the FY26 budget. Many institutions are further improving general fund resources through approved nonresident tuition increases in FY26. Enrollment growth is also projected to positively impact revenues in student fee-funded units, though expense pressure on those units will also grow with expanded enrollment.

FY 2025-26 Budgeted UNC System Revenue by Fund Type



The budgeted expense categories in the chart below reflect where approximately \$12 billion in operating revenue will be invested Systemwide. The year-over-year comparison shows a six percent increase in budgeted revenue and expenses.

FY 2025-26 Budgeted UNC System Expenses by Category



G.S. 116-1 provides that the University has a duty, in the fulfillment of its mission, to “seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State.” The comprehensive, All-Funds Budget provides the necessary structural foundation for the execution of the UNC System’s strategic plan and to ensure the delivery of the teaching, research, and public service mission in a financially sustainable manner. Institutions have used the All-Funds Budget process to improve financial efficiency and to make targeted investments in institutional and System strategic goals. Student success remains paramount among these investments, both through investments in key academic programs and through student support initiatives designed to keep students on track toward degree completion.

Strategic Alignment – Mission Driven Use of Funds

The FY 2025-26 All-Funds Budget reflects the UNC System’s continued investment in the core priorities of its strategic plan, “Higher Expectations.” In this budget cycle, student success and affordability remain top priorities across the System. Institutions also plan to expand access for adult and military-affiliated learners, improve outreach to underserved counties, and invest in health sciences and STEM programs, student mental health, and research productivity. These investments are paired with a strong Systemwide focus on boosting operational efficiency to ensure that state and student investments are spent as effectively as possible.

Consistent with the strategic plan, institutions are advancing initiatives to improve retention, academic student support, and on-time graduation. Institutions are expanding in academic advising, tutoring, and targeted services for high-risk students. Several institutions are working to increase summer enrollment to help students stay on track or get ahead. Universities have established new units to focus on student success, transfer pathways, and adult learners. These efforts are designed to raise degree efficiency and improve four-year graduation rates – key goals in the System’s strategic plan.

Affordability remains central to the UNC System’s value proposition. In-state tuition for undergraduate students has remained frozen for nine consecutive years, while student fee increases have remained below inflation. UNC System institutions continue to offer graduate and out-of-state rates that are highly competitive with peer institutions.

Project Kitty Hawk has emerged as a powerful tool for reaching adult learners. Appalachian State University, East Carolina University, and North Carolina Central University have launched programs through the initiative, with additional universities expected to follow. Other access-focused strategies include expanding outreach to military-affiliated students and targeted enrollment initiatives in underserved counties.

In addition to supporting system-wide goals, institutions used the All-Funds Budget process to advance institution-specific strategic priorities. While many institutional plans align closely with the UNC System’s core objective, universities also identified distinct opportunities for strategic growth and impact.

Common themes among institutional investments included the development of new academic programs, the expansion of undergraduate and graduate research opportunities, and the enhancement of STEM education. Several universities are also advancing interdisciplinary initiatives – particularly in the arts and sciences – to foster collaboration and innovation. Institutions are increasingly focused on translating their academic and research strengths into broader economic and social benefits for their regions, reinforcing economic impact and community engagement.

Examples of specific initiatives outlined by institutions are included in the Institutional Highlights chart above, reflecting investments in both Systemwide strategic plan goals and institution-specific strategic priorities.

Financial Health – Operating Viability and Reserves

Institutions across the UNC System are taking deliberate steps to identify and manage institutional risk. For institutions facing declining revenues or enrollment, these efforts are essential to maintain financial stability and support core operations. In contrast, for institutions with stable or growing enrollment, risk management strategies support sustainable growth and align resources with strategic goals.

Institutions are reviewing administrative processes to create administrative efficiencies. They are actively engaged in realigning resources to strategically address their highest priorities by looking for opportunities to achieve savings through departmental restructuring and expanding centralized shared services internally or through the UNC System Office. These changes are designed to help institutions allocate resources more efficiently, respond to market and policy shifts, and maintain focus on student success and mission-critical priorities. In addition, institutions must offset continued inflationary cost increases, and anticipated reductions in state and federal funding.

Examples of specific financial health initiatives outlined by institutions are included in the Institutional Highlights chart above.

Monitoring Risk – Early Warning Indicators

System-wide review of each All-Funds Budget submission focuses on overall institution budget structure, institutional priorities, and financial risks. Budget structure review looks at major changes from the prior year, the pressures impacting allocation decisions, and how fund balances are changing. Budgets are reviewed to ensure institutions are allocating resources to support Systemwide and institution-specific strategic goals, how institutions are prioritizing student affordability, and where else the institution is prioritizing resources. The financial risk review looks at institutions with enrollment losses and how the university is mitigating the impact, as well as other potential structural budget issues such as large transfers across units to cover operational costs, low auxiliary fund balances, and overall unit level financial sustainability.

The Institutional Highlights chart above reflects areas that will be monitored this fiscal year. Many areas listed are focused on operating performance of specific units such as student affairs and student health, auxiliary fund balances with less than a three-month reserve, significant decreases in fund balances due to expenses exceeding revenue, and impacts of enrollment on revenues. While state sports wagering revenues have positively impacted some athletic auxiliary units, there will continue to be monitoring of athletic budgets and overall financial sustainability. FY25 areas to monitor are also included to show the areas that institutions made progress from prior year and areas that continue to be monitored.

The All-Funds Budget provides an opportunity to create a Systemwide plan to achieve the UNC System's strategic priorities while mitigating significant financial and policy risks to the System. As the process continues to mature, it creates new opportunities for improvements in financial management and monitoring.

Subsequent Events

North Carolina's state consensus revenue forecast has projected a shortfall in general fund budget availability beginning in FY27 due to planned reductions in state income tax rates. This reduction is likely to result in less general fund availability for UNC System initiatives and an overall tightening in state resources.

Similarly, both the North Carolina Senate and House budget proposals reflected recurring operating cuts in state funding. Although the ongoing budget negotiations have yet to be settled, it seems likely that the UNC System will be expected to absorb a reduction in state appropriation over the biennium.

In response to the state revenue projections and the proposed legislative reductions, the UNC System President implemented efforts to reduce administrative costs on June 12, 2025. Implementation of personnel cap guidance will help institutions prepare for financial uncertainty.

In addition, federal funding and policy changes have created new financial challenges for our universities. Stop-work orders and other federal funding freezes have created additional challenges. In anticipation of a tighter financial environment, the System's research universities have begun limiting spending against Facilities and Administrative (F&A) receipts. Institutions have reduced hiring, particularly in research-support units to ensure that they are fully prepared for potential revenue losses.

In accordance with G.S. 116-1, Appalachian State University has developed the FY 2025-26 All Funds Budget, strategically aligning resources to advance App State's strategic priorities, as well as UNC System strategic goals and areas of focus. App State's budget includes funding for the following initiatives to address university and UNC System goals and priorities:

Providing Exceptional Educational Experiences with a Focus on Student Success

Appalachian State University prioritizes providing exceptional educational experiences for our students and is committed to enhancing student success through transformative learning experiences and outcomes. The university is increasing investments in **Student Success, Career Readiness, and Undergraduate Research Activities**, and improving processes to remove barriers for students across their academic careers and increase four-year graduation rates.

Our academic strategic planning efforts and ROI action plan call for an enhanced focus on **retention, workforce development and career readiness**. New initiatives for freshmen and sophomores include incorporating career readiness into the curriculum, further strengthening the exceptional educational experiences for which App State is well-known. We are enhancing and adding opportunities to bolster career readiness with additional, tailored services and targeted programs, including major-specific career fairs to more effectively connect students with employers.

To address the workforce needs of the region, we have developed new programs:

- MS of Occupational Therapy ([launched in fall 2024](#))
- BS in Health Sciences ([launched in fall 2024](#))
- BS in Cybersecurity ([launched in fall 2024](#))
- AI concentration in MS Applied Analytics Program ([launching in fall 2025](#))
- Doctor of Nursing Practice ([launching in fall 2026](#))

App State is also utilizing funding allocated by the North Carolina General Assembly to carry out **extensive modernizations and renovations** to three academic buildings on its Boone campus: Wey Hall, Edwin Duncan Hall and Peacock Hall.

- Wey Hall is home to the Department of Art, which offers more than 100 course sections to approximately 1,400 students, and also houses general education and first-year seminar courses. Built in 1976, this is the first major renovation to the building since it opened nearly 50 years ago.
- Duncan Hall was constructed in 1965. Classroom and new teaching labs will help address the shortage of STEM teaching facilities on the Boone campus.
- Peacock Hall was built in 1990 and houses the Walker College of Business, which has the highest full-time undergraduate enrollment of any business school in the UNC System.

Each of these projects will improve and adapt the space in these academic facilities to current and future programming needs, including more technologically advanced classrooms, learning labs and student services.

New capital projects underway also include the **construction of the university's first STEM Academic Building in its Innovation District**, funded with a \$54M appropriation allocated by the North Carolina General Assembly as well as a \$9.5M combination of institutional funds including carry forward, Ed & Tech fee receipts and SCIF appropriations. The district's design will reduce the university's reliance on steam power, and is expected to realize significant energy savings for the university, while also serving as a research lab.

The university is also addressing staffing needs to ensure exceptional educational experiences with a focus on student success, which include:

- The addition of new faculty and staff positions in 2025-2026 commensurate with enrollment growth, to be funded with enrollment growth funding and tuition receipts.
- The addition of new academic advising positions and mental health professionals in 2025-2026 to be funded by savings from the repeal and replacement of Policy 300.8.5.

Additionally, **strategic enrollment growth** via App State's Hickory campus and Flight Path Programs in partnership with PKH, are already providing greater access to a high quality, affordable education for adult and military-affiliated learners.

Advancing Applied Research, Innovation and Creativity

Our **emphasis on high-touch research opportunities and creative endeavors** has set App State apart from other research universities. Undergraduate and graduate students benefit from hands-on experience with impactful projects, high quality interactions with business and civic leaders and opportunities to present research at major conferences — deepening their learning experiences and preparing them to excel in their future careers and/or graduate studies.

Appalachian State University is committed to fostering applied research that advances and drives innovation in the communities and industries we serve in the High Country and Catawba Valley. Our recent R2 Carnegie Classification, Fall 2024 designation as a headquarter location for NCInnovation's applied research support, and Innovation District STEM building underway all support the vital mission of translating university research into solutions that benefit the people and economies of our state and region. These opportunities for applied research have become a focal point for attracting high-quality faculty and students. The university's [Strategic Plan for Research, Scholarship and Creative Activities](#) acts as a guide for our research activities.

The first academic building of App State's Innovation District and will include cross-disciplinary collaboration and encourage K-12 partnerships. In addition, it will build on the opportunities in the Department of Biology's teaching and research facilities, thereby providing additional research capabilities on campus for faculty and students. As the demand for STEM academic programs and the associated research enterprise grows, the need for additional lab space will continue to grow.

In addition, the App State Solar Vehicle Team, oversight of the Blackburn-Vannoy Farm and certain Office of Sustainability functions are now housed within the Office of Research and Innovation. By centralizing these functions under the leadership of the Vice Provost for Research and Innovation, this realignment is already leading to synergies, allowing these activities to remain aligned closely with institutional priorities in research and innovation.

Advancing Local, Regional and Global Engagement and Strengthening Resiliency

- With increased research capabilities, App State is building upon our foundation to offer further research opportunities that will **bolster economic growth and enhance quality of life in the local and global communities we serve**. As our Innovation District comes online, research opportunities will increase — not only to App State students, but also for students in area K-12 schools, including high school students at NCSSM Morganton.
- Appalachian State's lab school in Walkertown has been bringing **unique educational programming** — including co-teaching, small class sizes, individualized attention and a focus on literacy and exploration-based learning — to more than 350 K-5 students each year since 2018.
- App State remains committed to being the best partners we can be as our state and System leaders work to secure additional resources for our continued recovery efforts. For the 70% of our students who rely on financial aid, keeping the momentum to graduate in 4 years will mean taking summer classes, which carry more out-of-pocket expenses and come with fewer aid options. Our faculty and staff are **actively engaged in regional recovery partnerships**, and the research expertise of our faculty and staff is recognized statewide as contributing to critical efforts related to improving resiliency in our region.

Investing in Faculty and Staff Excellence

App State has committed just over \$3.8 million over FY25 and FY26, to **bring faculty salaries up to the UNC System median market range for UNC Peer Group 2**. An additional \$1 million was allocated to **faculty merit increases** in FY25. Further, \$1.4 million was allocated in FY25 to fund promotion & tenure, post-tenure review increases, other salary adjustments, and a new model for compensating departmental chairs, whose contracts have been extended from 9 to 11 months.

In the immediate recovery period **after Hurricane Helene, the university established a Disaster Relief Hub, which provided a variety of services to faculty, staff and students** who experienced hardships as a result of the storm. Services included bridge funding for personal, living and other expenses incurred due to the storm, as well as counseling and psychological services and insurance guidance. The **university also provided free meals, showers, wifi access and laundry services to faculty, staff and students as well as the surrounding community** in the weeks following the storm, as much of the county was without power and communications for several weeks.

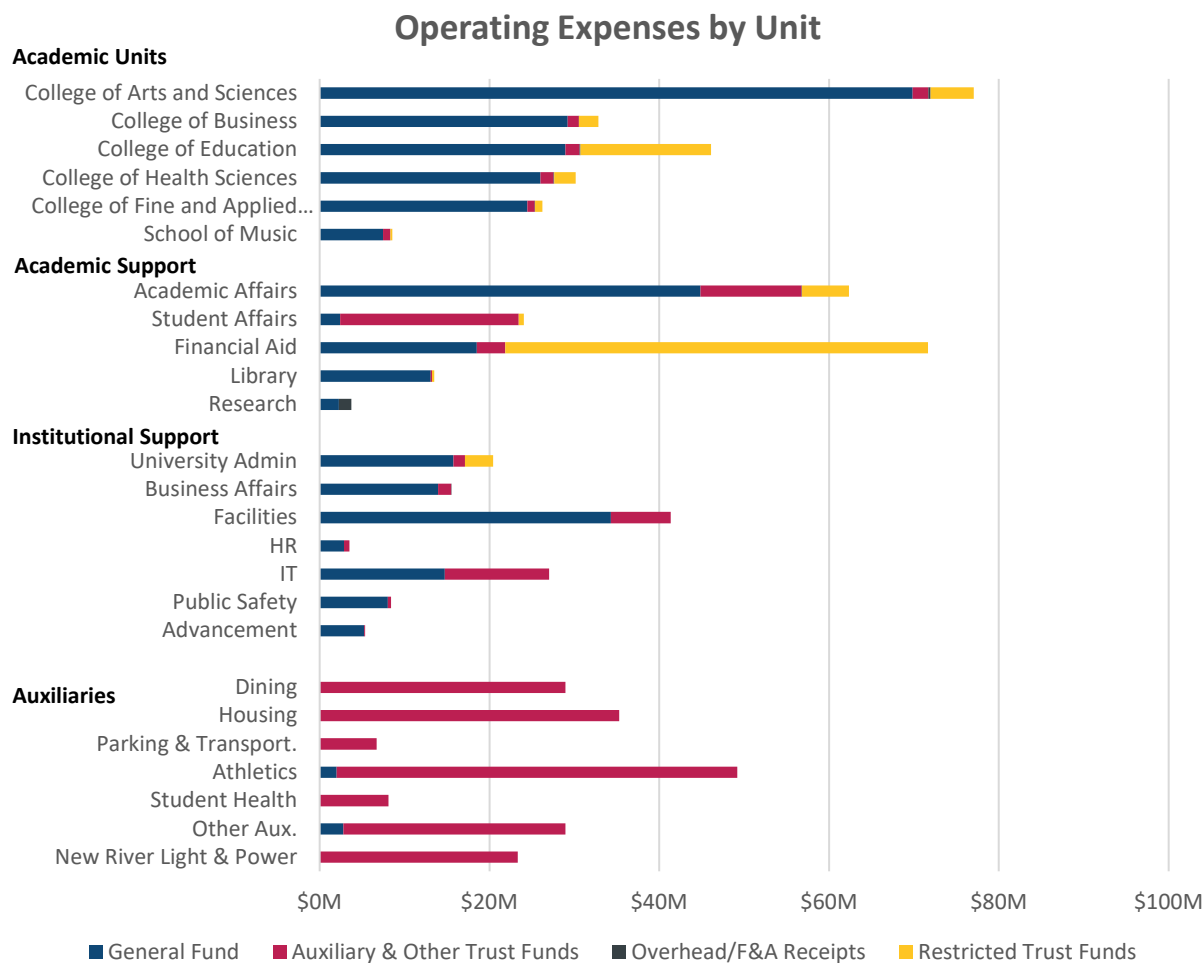
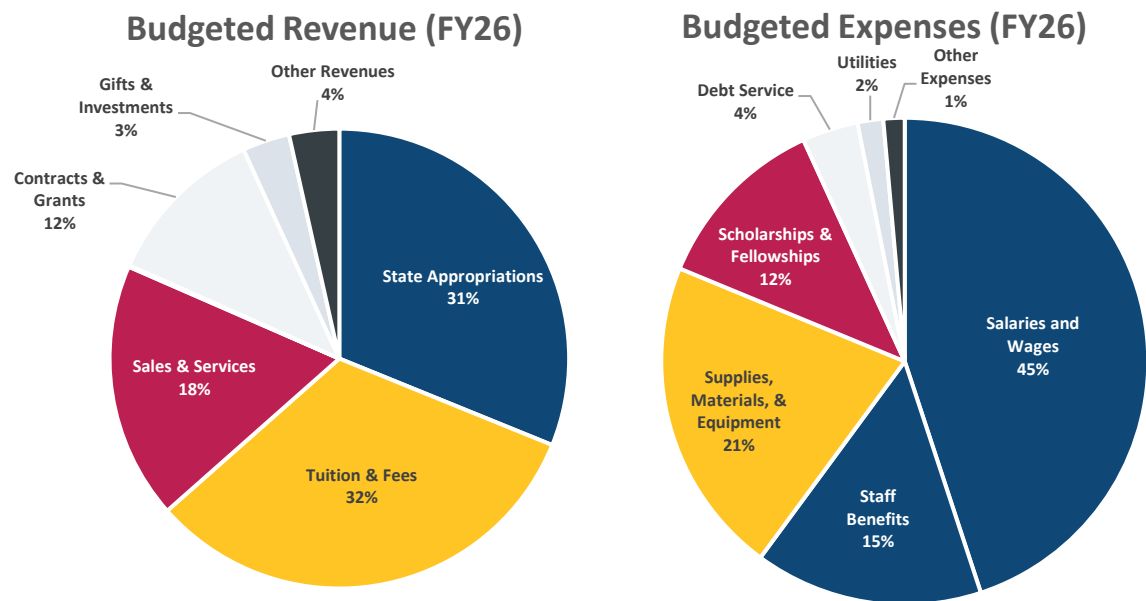
App State sought and **received approval from OSHR and the UNC System Office to provide a \$1,000 bonus to all SHRA Non-Exempt employees who worked overtime during the Condition 3 period following Hurricane Helene**. This included staff from areas such as Facilities Management, New River Light & Power, Campus Dining, App State Police, etc. who were heavily involved in the immediate response and cleanup efforts following the storm.

Financial Sustainability

Beginning in FY26, a phased approach to reallocating college operating budgets based upon student credit hours (2023-25) will begin. Performance metrics will also play a role in budget

allocations moving forward. Academic Affairs manages faculty position allocations when vacancies occur, determining the highest and best use of those resources across the entire division.

Following App State's certification of compliance with **UNC Policy 300.8.5**, **total savings of \$1.19M was redirected to Academic Affairs, Student Affairs and Enrollment Management** to fund new academic advising positions in App State's fastest growing colleges, new student mental health professionals and support services, a new veteran certification specialist in the Student Veteran Center and additional support for student programs and activities.



Appalachian State University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 214,932,000	\$ -	\$ -	\$ -	\$ 214,932,000
	Tuition & Fees	\$ 136,383,000	\$ 86,838,000	\$ -	\$ -	\$ 223,221,000
	<i>Less Discounts and Allowances</i>	\$ (15,367,000)	\$ (13,970,000)	\$ -	\$ (16,773,000)	\$ (46,110,000)
	Sales & Services	\$ 220,000	\$ 124,003,000	\$ -	\$ 459,000	\$ 124,682,000
	Patient Services	\$ -	\$ 726,000	\$ -	\$ -	\$ 726,000
	Contracts & Grants	\$ 4,408,000	\$ 234,000	\$ -	\$ 74,793,000	\$ 79,435,000
	Gifts & Investments	\$ -	\$ 12,189,000	\$ -	\$ 10,738,000	\$ 22,927,000
	Other Revenues	\$ 8,281,000	\$ 12,221,000	\$ 3,000,000	\$ 814,000	\$ 24,316,000
Revenues Total		\$ 348,857,000	\$ 222,241,000	\$ 3,000,000	\$ 70,031,000	\$ 644,129,000
Expenses	Salaries and Wages	\$ 223,813,000	\$ 64,909,000	\$ 1,092,000	\$ 12,295,000	\$ 302,109,000
	Staff Benefits	\$ 76,636,000	\$ 22,005,000	\$ 289,000	\$ 3,001,000	\$ 101,931,000
	Services, Supplies, Materials, & Equip.	\$ 32,068,000	\$ 89,552,000	\$ 645,000	\$ 19,764,000	\$ 142,029,000
	Scholarships & Fellowships	\$ 15,367,000	\$ 13,970,000	\$ -	\$ 50,930,000	\$ 80,267,000
	<i>Less Discounts and Allowances</i>	\$ (15,367,000)	\$ (13,970,000)	\$ -	\$ (16,773,000)	\$ (46,110,000)
	Debt Service	\$ 2,352,000	\$ 22,641,000	\$ -	\$ -	\$ 24,993,000
	Utilities	\$ 6,532,000	\$ 4,907,000	\$ 2,000	\$ -	\$ 11,441,000
	Other Expenses	\$ 4,518,000	\$ 4,981,000	\$ -	\$ -	\$ 9,499,000
Expenses Total		\$ 345,919,000	\$ 208,995,000	\$ 2,028,000	\$ 69,217,000	\$ 626,159,000
Net Transfers		\$ (43,000)	\$ (21,558,000)	\$ 1,000	\$ -	\$ (21,600,000)
Change in Fund Balance			\$ (8,312,000)	\$ 973,000	\$ 814,000	\$ (6,525,000)



East Carolina University FY26 All-Funds Budget

East Carolina University's FY26 all-funds budget reflects a strategic commitment to advancing institutional priorities amid economic challenges. Aligned with ECU's strategic plan, *Future Focused. Innovation Driven.*, the budget emphasizes student success, affordability, and research growth. Through disciplined planning and targeted investments, ECU remains dedicated to being a leading student-centered, research-driven, and community-engaged institution in North Carolina and beyond.

I. Strategic Budgeting and Fiscal Responsibility

Revenue and Expense Overview

The FY26 budget balances fiscal constraints with growth priorities. State support reflects a decrease due to enrollment and the impact on the enrollment model. Reductions were achieved through the Faculty Realignment Incentive Program (FRIP), elimination of administrative positions and efficiency measures. Key revenue sources include increased investment income, expanded patient and contractual revenue from ECU Health, and new tuition from the Flight Path Programs. Projected expenses will rise by 4.5% due to legislative salary and benefit increases, general inflation, and contractual services with ECU Health and Project Kitty Hawk.

Operational Efficiency and Financial Sustainability

ECU is implementing its fiscal health recommendations to address inflationary pressures and recurring revenue challenges. University-wide workgroups are centralizing services, optimizing academic programs, and streamlining operations. One of the biggest investments will be IT restructuring and enhanced shared services demonstrating ECU's commitment to fiscal sustainability.

The Brody School of Medicine's budget for fiscal year 2026 shows a substantial improvement over 2025, with a projected reduction in budgeted loss by 48%. This budget anticipates increased net patient revenue from better recruitment and retention of clinical providers, alongside enhancements in scheduling that will boost productivity and patient access. The Brody School of Medicine is also committed to investing in compensation for providers and team members.

The School of Dental Medicine (SoDM) aims to improve clinical efficiencies and operations by filling two key positions. These efforts are expected to enhance the patient experience and increase revenue by standardizing operations and maximizing recruitment and retention efficiencies.

II. Institutional Initiatives Supporting Mission Priorities

Student Success and Enrollment Growth

Student success is a top priority for ECU. Key initiatives include expanding online education through the Flight Path Programs and ECU Online, which aim to accelerate degree completion for adult learners.

Scholarship initiatives like the Chancellor's Scholars and Voyagers programs enhance recruitment and retention by targeting high-achieving students and supporting enrollment growth. Academic divisions are also realigning course offerings and launching high-demand certificate programs to meet workforce needs.

ECU is committed to student affordability. Student fees increased by \$77 for FY26 to address unfunded salary changes, rising technology costs, and increase hourly student wages. Prior to this increase, cost-cutting measures like consolidating office spaces and reducing staff were implemented. ECU continues to review student fee-funded operations to ensure they are structured at an appropriate size and provide the appropriate programs and services for our students.

Student Affairs reorganizations have improved support for retention, ADA services, student employment, and campus safety, while housing renovations and wellness programs reflect a commitment to student development and well-being.

Research Excellence, Innovation, Technology, Public Service and Regional Transformation

ECU is advancing its research initiatives, emphasizing partnerships with the community and industry. Programs like Maximizing Access to Research Careers (MARC) and Course-based Undergraduate Research Experiences (CUREs) support undergraduate research, reflecting the university's dedication to a research-driven academic environment and providing transformative educational experiences. The FY26 budget prioritizes faculty development, student research, and infrastructure improvements such as new equipment and facility renovations. Micro credentials are being introduced for workforce development, offering alternative academic opportunities to meet regional needs.

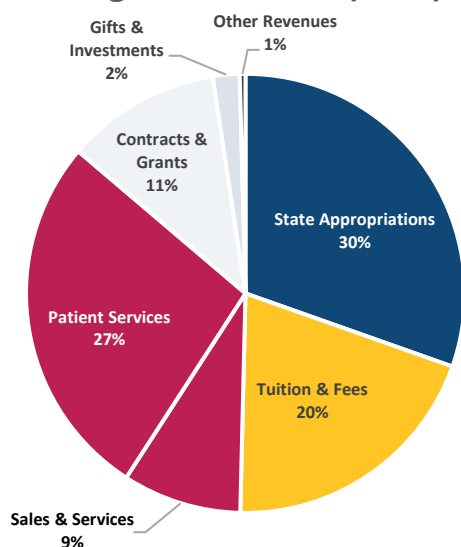
Additionally, ECU is enhancing learning through the Flight Path initiative, which creates flexible online pathways for adult students, and is exploring new program opportunities. AI technologies are improving library services and instructional methods, particularly in the College of Engineering and Technology, where faculty and staff receive training to streamline processes and enhance innovation in the classroom.

Conclusion

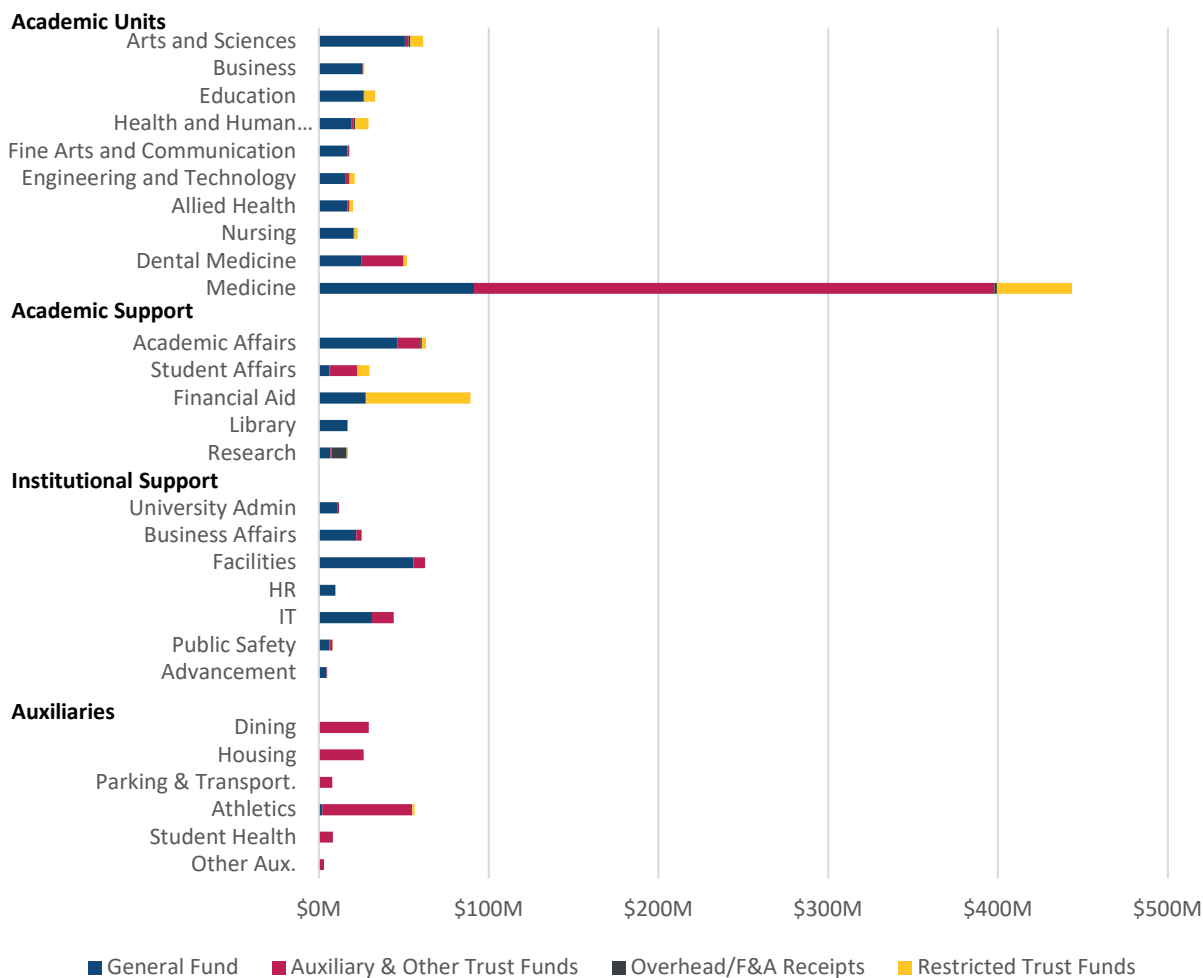
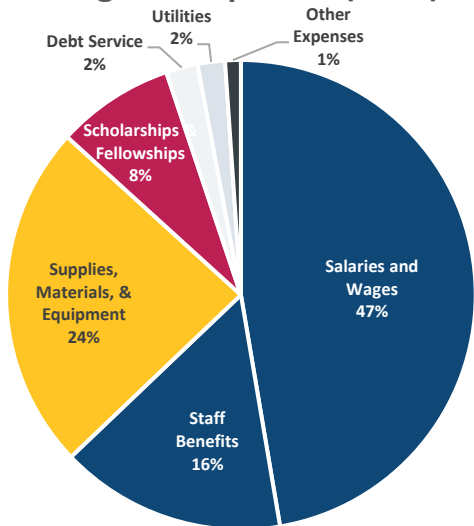
The FY26 all-funds budget positions ECU to effectively fulfill its mission through strategic investments, fiscal accountability, and innovative practices. By aligning resources with student achievement, research excellence, and community service, ECU is paving a sustainable path toward the future, equipping students for professional success, supporting groundbreaking research, and nurturing a vibrant and resilient future for North Carolina.

The Board of Trustees approved the FY26 All Funds Budget at their April 25, 2025 meeting.

Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



East Carolina University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 377,143,000	\$ -	\$ -	\$ -	\$ 377,143,000
	Tuition & Fees	\$ 173,857,000	\$ 66,119,000	\$ -	\$ 7,799,000	\$ 247,775,000
	<i>Less Discounts and Allowances</i>	\$ (27,887,000)	\$ (8,582,000)	\$ -	\$ (24,510,000)	\$ (60,979,000)
	Sales & Services	\$ 1,391,000	\$ 104,589,000	\$ -	\$ 2,770,000	\$ 108,750,000
	Patient Services	\$ -	\$ 327,565,000	\$ -	\$ 8,116,000	\$ 335,681,000
	Contracts & Grants	\$ 1,883,000	\$ 457,000	\$ 12,299,000	\$ 126,874,000	\$ 141,513,000
	Gifts & Investments	\$ -	\$ 21,153,000	\$ -	\$ 3,202,000	\$ 24,355,000
	Other Revenues	\$ 3,171,000	\$ 2,017,000	\$ -	\$ 27,000	\$ 5,215,000
Revenues Total		\$ 529,558,000	\$ 513,318,000	\$ 12,299,000	\$ 124,278,000	\$ 1,179,453,000
Expenses	Salaries and Wages	\$ 329,515,000	\$ 213,972,000	\$ 6,277,000	\$ 31,992,000	\$ 581,756,000
	Staff Benefits	\$ 114,322,000	\$ 65,467,000	\$ 1,884,000	\$ 9,468,000	\$ 191,141,000
	Services, Supplies, Materials, & Equip.	\$ 65,282,000	\$ 198,790,000	\$ 5,494,000	\$ 23,700,000	\$ 293,266,000
	Scholarships & Fellowships	\$ 27,887,000	\$ 8,582,000	\$ 14,000	\$ 63,204,000	\$ 99,687,000
	<i>Less Discounts and Allowances</i>	\$ (27,887,000)	\$ (8,582,000)	\$ -	\$ (24,510,000)	\$ (60,979,000)
	Debt Service	\$ -	\$ 18,737,000	\$ -	\$ 8,174,000	\$ 26,911,000
	Utilities	\$ 22,883,000	\$ 187,000	\$ 1,000	\$ 21,000	\$ 23,092,000
	Other Expenses	\$ 1,218,000	\$ 775,000	\$ 200,000	\$ 11,113,000	\$ 13,306,000
Expenses Total		\$ 533,220,000	\$ 497,928,000	\$ 13,870,000	\$ 123,162,000	\$ 1,168,180,000
Net Transfers		\$ (2,102,000)	\$ (7,103,000)	\$ (877,000)	\$ (1,874,000)	\$ (11,956,000)
Change in Fund Balance			\$ 8,287,000	\$ (2,448,000)	\$ (758,000)	\$ 5,081,000



Elizabeth City State University's Fiscal Year 26 (FY26) All-Funds Budget reflects continued progress towards the UNC System's strategic goals, ECSU's strategic goals, improved efficiency, financial sustainability, and minimizing enterprise risks.

The FY26 All-Funds Budget was prepared to allow ECSU to expand on the successes achieved in FY25. Despite a nationwide decline in the number of college-age students and flat tuition rates, ECSU was able to realize an increase in enrollment, an increase the four-year graduation rate, an improvement in undergraduate degree efficiency, an increase in the average credits earned per year, a reduction to transfer student debt at graduation, and a reduction to education and related expenses per degree. Additionally, our FY25 investments in the Division of University Advancement has resulted in increased participation and giving to ECSU.

ECSU is also continuing to invest in building its reserves. Resources have been allocated in FY25 to General Fund reserves that allow for a healthy 7/1/26 General Fund reserve of 6.77% of the overall General Fund budget. This reserve provides the financial stability to sustain unexpected financial challenges or decreases in appropriations or receipt-based revenues during the fiscal year. At fiscal year-end, any remaining funds will fund one-time expenses that are consistent with the University's Strategic Plan. 6/30/25 Trust and Auxiliary funds total fund balance is expected to be at its highest amount in many years. Non-General Fund use of fund balance is reserved for one-time purchases only, and Trust & Auxiliary fund managers are required to budget revenues in excess of expenses in order to build a fund balance that equals one year of that fund's operating expenses.

Additional investments continue to be made in reaching university-specific goals as detailed in the ECSU 2020-2025 Strategic Plan. While many of ECSU's strategic goals mirror the priorities set forth by the UNC Board of Governors and the UNC System President, ECSU has also identified the goal to "Enhance the on-campus living experience." towards this and other Strategic Plan goals, a new co-ed Residence Hall and a new Dining Center will open in Fall 2025. The new Residence Hall will have 352 beds with 4 floors and provide community laundry facilities, virtual mail center, community lounge, gaming room and a private study. The new 20,000 square foot, 700 plus capacity, Dining center will replace the existing Bedell Hall and provide modern all you care to eat offerings with nine food stations, a Caribou coffee stand, and new retail concepts.

Consistent with our Strategic Plan, the ECSU FY26 All-Funds Budget also reflects the University's continuing work in providing resources to support goal 1.5.5 "Properly update and maintain aviation inventory and equipment in order to remain competitive in the field." For example, during FY25, funding was provided to support the purchase of a 2021 C172 Skyhawk aircraft, a 2002 Cessna 172 Skyhawk aircraft, a 2005 Cessna 172 Skyhawk aircraft and a 1981 Cessna 172P aircraft. In addition,

the ECSU Drone Classroom was completed in Spring 2025 which allows lab students greater flexibility to easily move from the classroom to the drone field.

ECSU continues to make great strides towards reaching financial sustainability and limiting enterprise risk. Trust and Auxiliary fund balances as well as our financial ratios continue to be at their highest level in many years. Our implemented reserve level policy for trust and auxiliary funds ensures that adequate reserve levels exist in future years.

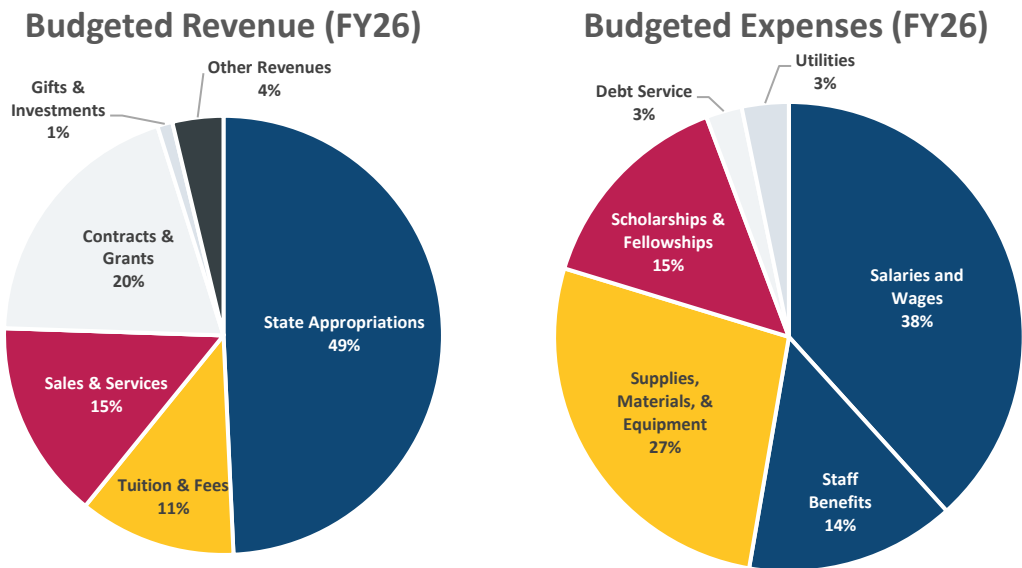
ECSU is continuing to successfully optimize its processes to enhance cost efficiency. During the last two fiscal years, ECSU has reduced costs by implementing a strategic IT contract review process aimed at providing significant cost savings opportunities while enhancing operational efficiency. The most notably spending reduction is switching phone carriers from NWN to Vonage, which reduced costs by \$300,000 per year. In addition to cost savings, Vonage's integration with Microsoft Teams has significantly improved communication and collaboration capabilities, particularly benefiting faculty and staff during remote work operations.

In Spring 2025, ECSU centralized the Human Resource benefits functional area and became a member the UNC System's Benefits Service Center to enhance efficiency. By consolidating our benefits consultative efforts, we have improved consistency with a 24-hour service level agreement from UNC System business partners. The expected cost savings are \$60,000 within the first year. This shared service initiative not only contributes to cost containment but also aligns with our strategic priority to steward resources responsibly while supporting core mission activities.

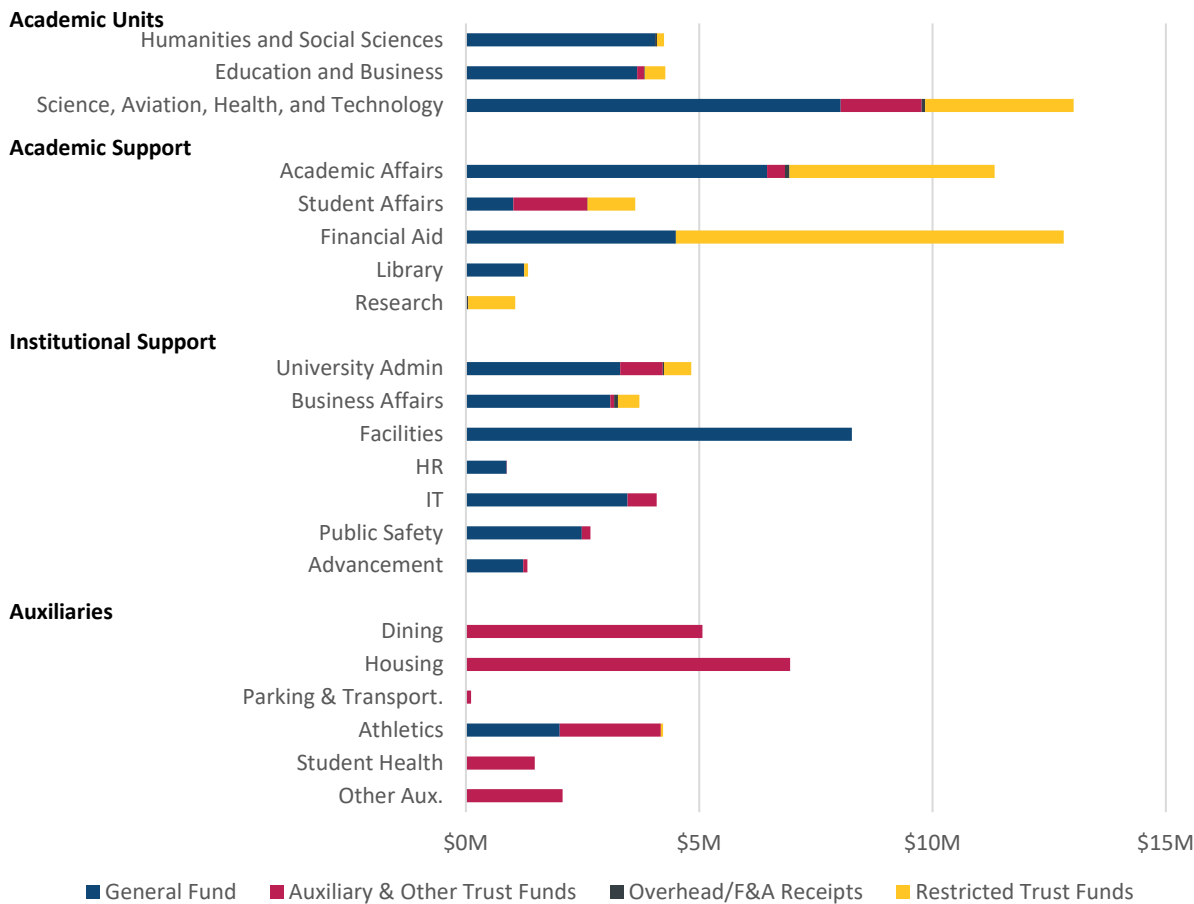
In Spring 2025, ECSU purchased AssetWorks which is a web-based software designed to manage operation assets and maintenance in one system. Potential cost savings include up to 11% savings from improved Operations & Maintenance practices, up to 15% reduction in equipment downtime and up to 15% reduction in total cost of ownership. Cost savings will be used to document and reduce deferred maintenance, improve efficiency of work order management and lower repair costs through improved preventative maintenance.

Academic Affairs has consolidated the Office of Distance Education and the Center for Teaching and Learning into a single department, the Center for Teaching, Learning, and Digital Education, to enhance operational efficiency and better align services. As part of this reorganization, the Director of Distance Education position will be eliminated, and the University Program Specialist role will be reclassified as a University Program Associate. The cost savings resulting from this reorganization will remain within Academic Affairs and be reinvested directly into the Center for Teaching, Learning, and Digital Education. These funds will support the addition of new staff who will work closely with faculty to strengthen teaching practices, introduce innovative instructional strategies, and ultimately improve student retention and success.

The ECSU Board of Trustees approved the ECSU FY26 All-Funds Budget on March 11, 2025.



Operating Expenses by Unit



UNC System FY2025-2026 All Funds Budget - Summary and By-Unit Breakout
Elizabeth City State University
Summary

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 49,850,000	\$ -	\$ -	\$ -	\$ 49,850,000
	Tuition & Fees	\$ 3,909,000	\$ 7,797,000	\$ -	\$ -	\$ 11,706,000
	<i>Less Discounts and Allowances</i>	\$ (3,974,000)	\$ (1,122,000)	\$ -	\$ (5,194,000)	\$ (10,290,000)
	Sales & Services	\$ -	\$ 14,855,000	\$ -	\$ -	\$ 14,855,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ 223,000	\$ 79,000	\$ 19,532,000	\$ 19,834,000
	Gifts & Investments	\$ -	\$ 975,000	\$ -	\$ 153,000	\$ 1,128,000
	Other Revenues	\$ 2,863,000	\$ 624,000	\$ 312,000	\$ -	\$ 3,799,000
Revenues Total		\$ 52,648,000	\$ 23,352,000	\$ 391,000	\$ 14,491,000	\$ 90,882,000
Expenses	Salaries and Wages	\$ 28,771,000	\$ 4,727,000	\$ 122,000	\$ 4,775,000	\$ 38,395,000
	Staff Benefits	\$ 11,354,000	\$ 1,702,000	\$ 31,000	\$ 1,393,000	\$ 14,480,000
	Services, Supplies, Materials, & Equip.	\$ 10,096,000	\$ 12,750,000	\$ 238,000	\$ 3,993,000	\$ 27,077,000
	Scholarships & Fellowships	\$ 3,974,000	\$ 1,122,000	\$ -	\$ 9,524,000	\$ 14,620,000
	<i>Less Discounts and Allowances</i>	\$ (3,974,000)	\$ (1,122,000)	\$ -	\$ (5,194,000)	\$ (10,290,000)
	Debt Service	\$ -	\$ 2,487,000	\$ -	\$ -	\$ 2,487,000
	Utilities	\$ 2,427,000	\$ 818,000	\$ -	\$ -	\$ 3,245,000
	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Total		\$ 52,648,000	\$ 22,484,000	\$ 391,000	\$ 14,491,000	\$ 90,014,000
Net Transfers		\$ -	\$ (610,000)	\$ -	\$ -	\$ (610,000)
Change in Fund Balance			\$ 258,000	\$ -	\$ -	\$ 258,000

To: Jennifer Haygood, Senior VP for Finance and Administration and CFO

From: Kenny Spayd, Vice Chancellor for Finance and Administration and CFO

Date: May 1, 2025

Subject: Fayetteville State University FY 2026 All Funds Budget

Fayetteville State University (FSU) has finalized its Fiscal Year 2026 All Funds Budget, which was approved by the FSU Board of Trustees on April 28, 2024. The budget is fully aligned with UNC System policy, the strategic priorities of the Board of Governors, and FSU's 2022–2027 Strategic Plan, *“Ready for Tomorrow.”*

The budget development process began in Fall 2024 with a directive for all reporting units to first optimize the use of their existing resources. Strategic expansion requests were only considered after internal reallocations proved insufficient. Each request underwent a rigorous, data-informed evaluation to ensure alignment with university and system goals, as well as the potential for measurable success.

FSU achieved record enrollment in Fall 2024, exceeding 7,000 students—a milestone that reflects growing demand for an FSU education. The FY 2026 All Funds Budget balances our commitment to affordability with strategic investments in high-growth academic programs and initiatives that support student persistence and success.

Elevating Academic Excellence

This budget makes targeted investments in core academic and student support functions. Savings were generated through the elimination of lower-priority positions and functions and by leveraging both internal and external shared services. These savings have been reinvested to add faculty lines in high-demand programs and to significantly invest in academic advising.

Additional faculty lines will reduce course bottlenecks, enabling students to enroll in needed classes, stay on track, and graduate on time. Enhanced advising capacity will provide students with more individualized support, allowing FSU to respond proactively to risks that may impact student persistence.

Student Success and Affordability

FSU has a strong track record of improving student affordability, demonstrated by reductions in debt at graduation for both first-time and transfer students, as well as decreased education-related costs per degree. Building on these achievements, the FY 2026 budget enhances financial aid and strategically allocates resources to maximize their impact on student retention and success.

With 80% of our student population originating from Tier 1 and Tier 2 counties—the highest proportion among all UNC System institutions—and a significant percentage qualifying for Pell Grants, financial insecurity remains a primary barrier to degree completion. This budget expands financial aid offerings

and fully funds scholarships for FSU’s free Summer School and Bronco Boost programs—key initiatives that have helped to increase the number of students on pace to graduate on-time. Since the inception of these programs, summer loan borrowing has declined by over 77%, underscoring their impact on affordability.

Expanding Mental Health Services

The need for student mental health support continues to grow. Over the past academic year, the number of students receiving counseling rose by 45%, while total appointments increased by 54%. The Counseling and Personal Development Center is currently operating well beyond national staffing benchmarks, with caseloads approximately 40% above the levels recommended by the International Accreditation of Counseling Services (IACS).

In response, the University will:

- Triple the space allocated to mental health services through facility renovations.
- Expand clinical staffing to reduce wait times and ensure timely, trauma-informed, and enhance continuity of care.

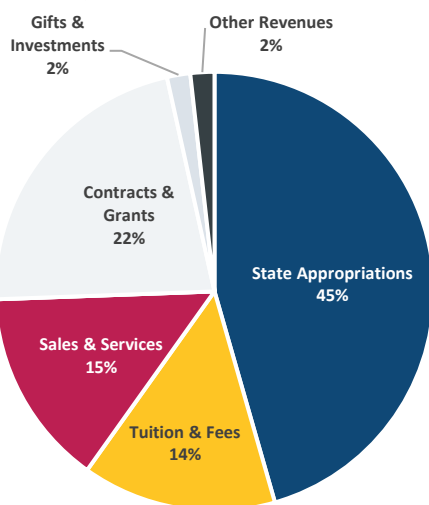
These enhancements directly align with the UNC System’s *Healthy Minds* initiative and *JED Campus* recommendations, reaffirming FSU’s commitment to holistic student success.

Financial Sustainability

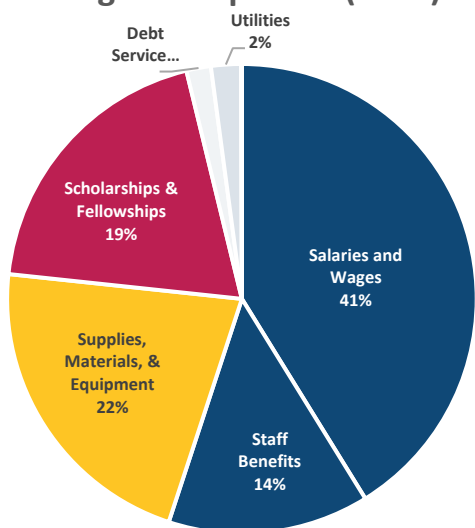
Improving FSU’s financial health remains a top institutional priority. The University has made considerable progress in strengthening its auxiliary and trust fund performance. Auxiliary and trust fund balances are projected to increase by more than \$5 million in FY 2026. This follows a \$4 million increase achieved in FY 2025. These improvements enhance financial flexibility and reduce the need to pass rising operational costs on to students, thereby preserving affordability.

The FY 2026 All Funds Budget embodies Fayetteville State University’s commitment to delivering high-quality, affordable education while advancing the strategic goals of the UNC System and the Board of Governors. Through thoughtful resource allocation, the budget strengthens academic excellence, enhances student success, and secures financial sustainability—ensuring FSU remains *Ready for Tomorrow*.

Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit

Academic Units

Business and Economics
Education
Health, Science and...
Humanities & Social Sciences

Academic Support

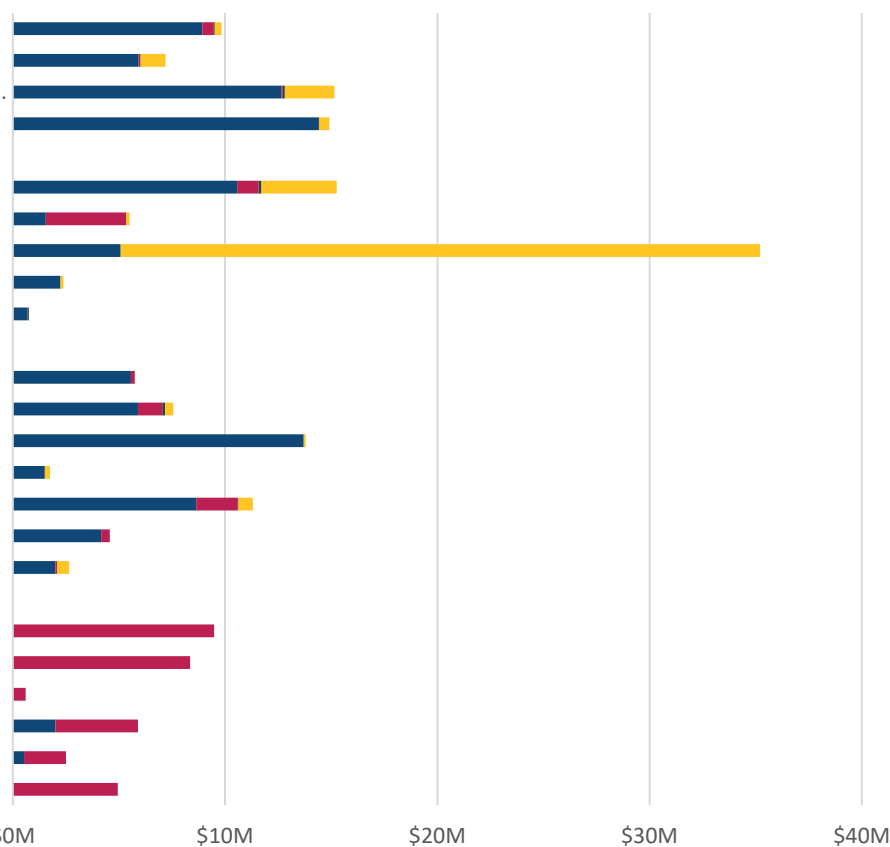
Academic Affairs
Student Affairs
Financial Aid
Library
Research

Institutional Support

University Admin
Business Affairs
Facilities
HR
IT
Public Safety
Advancement

Auxiliaries

Dining
Housing
Parking & Transport.
Athletics
Student Health
Other Aux.



■ General Fund ■ Auxiliary & Other Trust Funds ■ Overhead/F&A Receipts ■ Restricted Trust Funds

Fayetteville State University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 91,058,000	\$ -	\$ -	\$ -	\$ -	\$ 91,058,000
	Tuition & Fees	\$ 13,000,000	\$ 15,585,000	\$ -	\$ -	\$ -	\$ 28,585,000
	<i>Less Discounts and Allowances</i>	\$ (4,502,000)	\$ (1,369,000)	\$ -	\$ (21,383,000)	\$ -	\$ (27,254,000)
	Sales & Services	\$ 883,000	\$ 28,233,000	\$ -	\$ -	\$ -	\$ 29,116,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ -	\$ 1,068,000	\$ 43,085,000	\$ -	\$ 44,153,000
	Gifts & Investments	\$ -	\$ 1,230,000	\$ -	\$ 2,200,000	\$ -	\$ 3,430,000
	Other Revenues	\$ 2,105,000	\$ 1,425,000	\$ -	\$ -	\$ -	\$ 3,530,000
Revenues Total		\$ 102,544,000	\$ 45,104,000	\$ 1,068,000	\$ 23,902,000	\$ -	\$ 172,618,000
Expenses	Salaries and Wages	\$ 62,194,000	\$ 8,582,000	\$ 60,000	\$ 5,139,000	\$ -	\$ 75,975,000
	Staff Benefits	\$ 21,858,000	\$ 2,660,000	\$ 25,000	\$ 1,023,000	\$ -	\$ 25,566,000
	Services, Supplies, Materials, & Equip.	\$ 14,077,000	\$ 21,362,000	\$ 519,000	\$ 3,962,000	\$ -	\$ 39,920,000
	Scholarships & Fellowships	\$ 4,502,000	\$ 1,369,000	\$ 1,000	\$ 30,122,000	\$ -	\$ 35,994,000
	<i>Less Discounts and Allowances</i>	\$ (4,502,000)	\$ (1,369,000)	\$ -	\$ (21,383,000)	\$ -	\$ (27,254,000)
	Debt Service	\$ 900,000	\$ 2,207,000	\$ -	\$ -	\$ -	\$ 3,107,000
	Utilities	\$ 2,500,000	\$ 1,293,000	\$ -	\$ -	\$ -	\$ 3,793,000
	Other Expenses	\$ 20,000	\$ 90,000	\$ -	\$ -	\$ -	\$ 110,000
Expenses Total		\$ 101,549,000	\$ 36,194,000	\$ 605,000	\$ 18,863,000	\$ -	\$ 157,211,000
Net Transfers		\$ (994,000)	\$ (3,262,000)	\$ -	\$ (5,036,000)	\$ -	\$ (9,292,000)
Change in Fund Balance			\$ 5,648,000	\$ 463,000	\$ 3,000	\$ -	\$ 6,114,000



May 1, 2025

Ms. Jennifer Haygood
Senior Vice President for Finance & Administration and CFO
University of North Carolina - General Administration
223 South West Street, Suite 1800
Raleigh, NC 27603

Dear Ms. Haygood:

The FY25-26 All-Funds Budget for North Carolina A&T State University (NC A&T) addresses the university's strategic priorities while advancing the UNC System's strategic goals. The UNC System strategic plan focuses on access and affordability, student success, economic impact, and community engagement, all while ensuring efficient use of institutional resources. In direct support of both NC A&T and UNC System objectives, the university presents a \$499.8 million budget for approval by the Board of Governors.

As NC A&T ambitiously strives to achieve the prestigious Research-1 (R-1) classification, the university's budget is strategically designed to foster exponential growth and sustain momentum. Over the past two years, the university has secured \$250 million in contracts and grants. This endeavor is in alignment with the strategic priorities outlined in "Preeminence 2030: North Carolina A&T Blueprint."

To achieve and sustain R-1 status, the university has identified areas to enhance graduate educational support. These enhancements will provide tuition support, increase fellowship opportunities, streamline the admissions processes, and expand research opportunities for graduate students. By adjusting the current graduate educational support strategy, the university expects to attract and retain top graduate talent, which will strengthen the university's research capabilities, a cornerstone of R-1 status.

As we build our university to meet the advanced technical needs of current and future students, ensuring expansion at the pace and scale of industry, we plan to enhance operational efficiencies and synergies. To guarantee long-term success, the university prioritizes building a scalable infrastructure to support growth, incorporating additional automation, and utilizing artificial intelligence for back-office operations where appropriate.

PACE Office

The establishment of the Process Advancement and Continuous Excellence Office (PACE) represents a significant stride towards achieving performance excellence. This newly formed office directly impacts and addresses key elements of the university's Strategic Plan, "Goal 3: Optimize human and physical capital to drive elite performance and operational excellence." PACE's core definition, assessing stakeholder needs, reviewing systems and processes, determining findings, proposing and facilitating solutions, and ensuring ongoing assessment, directly aligns with "Strategy 3.2: Optimize critical institutional practices, processes, policies, and procedures for greater efficiency and effectiveness." By systematically analyzing and improving university business outcomes through standardization and consistency, PACE will enhance both internal and external customer service, a cornerstone of operational excellence. Furthermore, PACE's function of reviewing data, technical information, infrastructure, and software systems inherently contributes to "Strategy 3.3: Enhance campus infrastructure to support the execution of impactful daily operational functions", ensuring that processes are supported by efficient and effective technological frameworks.



The budget, which includes personnel, operations, and discretionary funding, demonstrates a tangible commitment to building the capacity required to drive these improvements. Notably, PACE's operational model strategically leverages the university's human capital by providing opportunities to utilize graduate assistants from relevant programs like the MBA, Industrial and Systems Engineering, and Computer Systems Technology, fostering the practical application of their project management knowledge and contributing to the university's overall performance enhancement. PACE's purpose, "to make our university more efficient by developing and implementing ongoing process management in support of university strategies," underscores its vital role in cultivating a culture of continuous improvement and driving NC A&T towards its strategic goal of performance excellence.

Transformation Office

This office focuses on enhancing operational efficiency across the university. It conducts functional assessments and implements improvements in enrollment management, career services, online learning, facilities, and stakeholder experience.

The year 2024 was a transformative period driven by a strategic Robotic Process Automation (RPA) implementation plan, which yielded significant operational and financial benefits across the organization. This initiative successfully deployed over fifteen intelligent software robots in its initial release. Through the RPA implementation, the university targeted and automated over 80 distinct processes identified across various departments, including the Division of Research, Legal Affairs, the Treasurer's Office, Human Resources, and the Center for Academic Excellence. The tangible outcomes of this effort included a remarkable savings of 9,218 hours, which translated to a substantial savings of \$483k. Furthermore, automated processes experienced a dramatic 67% reduction in turnaround time and a boost in processing efficiency ranging from 67% to 92%. Beyond these operational improvements, the success of the RPA implementation played a crucial role in securing a \$2M Department of Energy funding increase and facilitating a \$2M reduction in Treasury receivables aligning with our Strategic Plan "Goal1: Transformative Engagement", "Goal 3: Performance Excellence" and "Goal 5: Responsive and Scholarship impact". We will continue to make investments as we launch the BS in Artificial Intelligence (AI).

By nurturing these initiatives, NC A&T is well on its way to achieving R-1 status. This prestigious designation will elevate the university's national and international standing and unlock new avenues for research funding, innovation, and economic development all benefiting North Carolina and beyond.

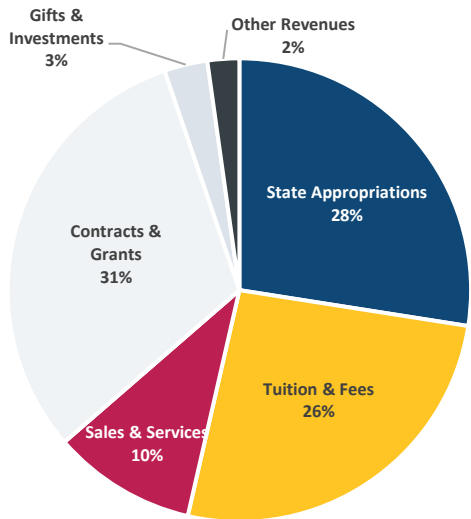
FY 2026 Budget

Tuition and Fees, State Appropriations, and Contracts and Grants account for approximately 25%, 27%, and 32% of total revenues, respectively, excluding tuition discounts. Pell Grant revenue constitutes the most significant portion of the contracts and grants category. Pell Grant revenue also comprises the majority of the student aid category. As with most universities, salaries and benefits make up the largest portion of our expenses, accounting for 36%. The services category includes major items such as facilities, contracted services, food services contracts, housing, and athletic expenses.

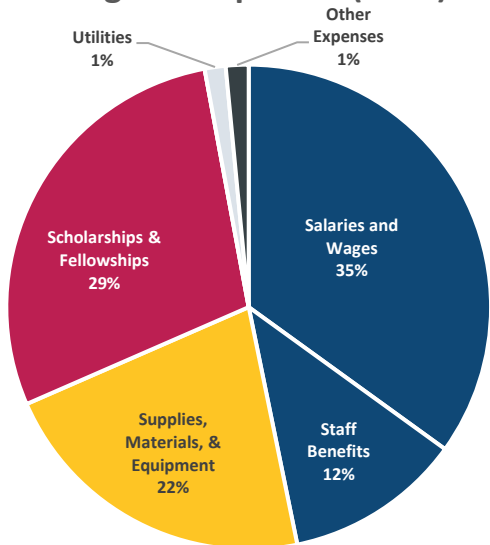
The NC A&T FY25-26 All-Funds Budget was approved by our Board of Trustees on April 25, 2025. Thank you for all of your support and advocacy.

cc: Virginia Teachey

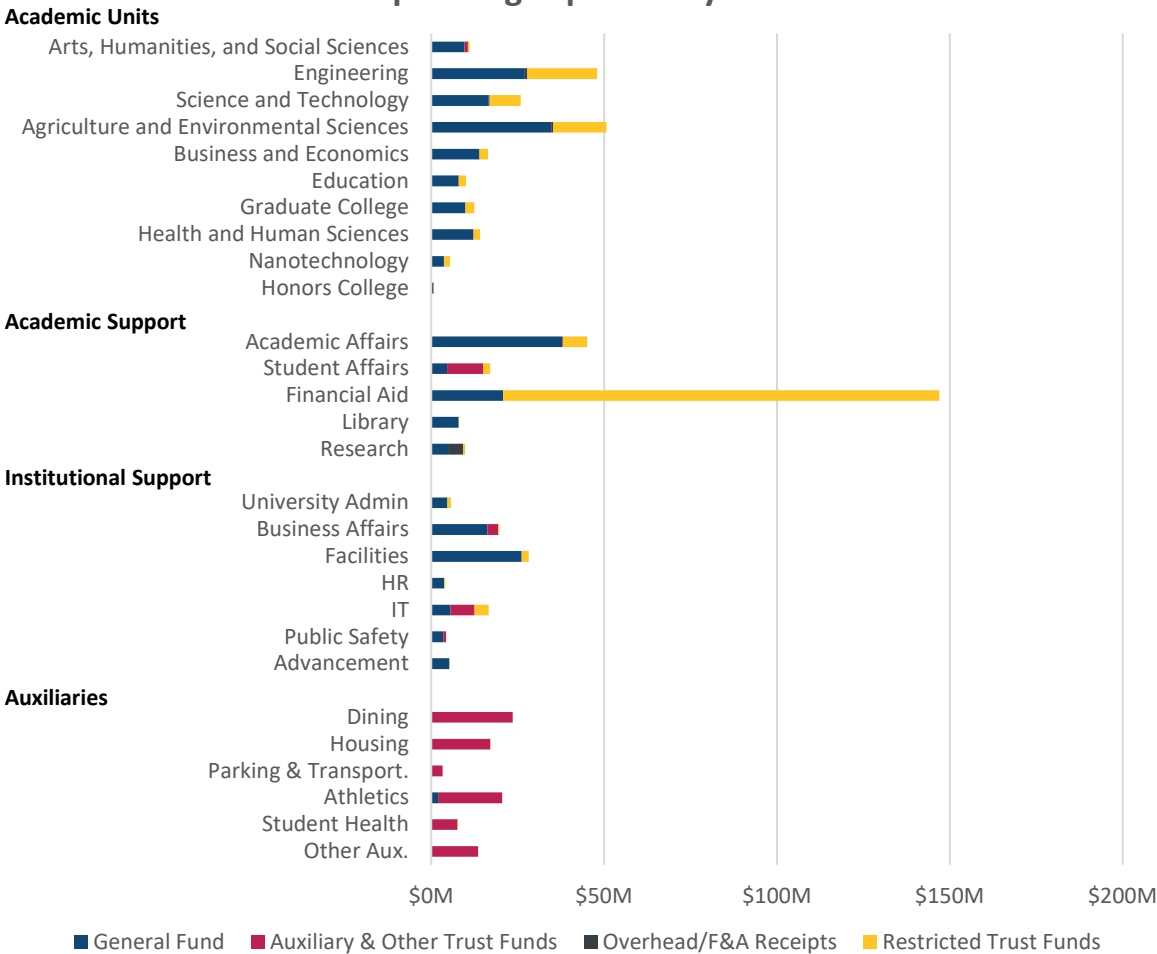
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



NC A&T State University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 161,950,000	\$ -	\$ -	\$ -	\$ -	\$ 161,950,000
	Tuition & Fees	\$ 110,785,000	\$ 43,083,200	\$ -	\$ -	\$ -	\$ 153,868,200
	<i>Less Discounts and Allowances</i>	\$ (21,074,000)	\$ (6,934,500)	\$ -	\$ (48,878,000)	\$ -	\$ (76,886,500)
	Sales & Services	\$ 2,013,000	\$ 57,200,900	\$ -	\$ -	\$ -	\$ 59,213,900
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ 675,000	\$ 6,047,100	\$ 176,827,100	\$ -	\$ 183,549,200
	Gifts & Investments	\$ -	\$ 4,364,000	\$ -	\$ 13,385,800	\$ -	\$ 17,749,800
	Other Revenues	\$ 2,185,000	\$ 1,497,700	\$ -	\$ 9,395,700	\$ -	\$ 13,078,400
Revenues Total		\$ 255,859,000	\$ 99,886,300	\$ 6,047,100	\$ 150,730,600	\$ -	\$ 512,523,000
Expenses	Salaries and Wages	\$ 153,678,000	\$ 28,609,600	\$ 2,935,800	\$ 21,311,000	\$ -	\$ 206,534,400
	Staff Benefits	\$ 54,430,000	\$ 10,875,800	\$ 849,900	\$ 3,676,400	\$ -	\$ 69,832,100
	Services, Supplies, Materials, & Equip.	\$ 42,379,000	\$ 57,587,100	\$ 2,122,600	\$ 25,935,000	\$ -	\$ 128,023,700
	Scholarships & Fellowships	\$ 21,074,000	\$ 6,934,500	\$ -	\$ 141,103,300	\$ -	\$ 169,111,800
	<i>Less Discounts and Allowances</i>	\$ (21,074,000)	\$ (6,934,500)	\$ -	\$ (48,878,000)	\$ -	\$ (76,886,500)
	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Utilities	\$ 6,527,000	\$ 1,718,700	\$ -	\$ -	\$ -	\$ 8,245,700
	Other Expenses	\$ 1,001,000	\$ 264,000	\$ 138,800	\$ 7,582,900	\$ -	\$ 8,986,700
Expenses Total		\$ 258,015,000	\$ 99,055,200	\$ 6,047,100	\$ 150,730,600	\$ -	\$ 513,848,000
Net Transfers		\$ 2,156,000	\$ (831,100)	\$ -	\$ -	\$ -	\$ 1,324,900
Change in Fund Balance			\$ -	\$ -	\$ -	\$ -	\$ -

To: Jennifer Haygood
Sr. Vice President/Chief Financial Officer, UNC System

From: Laurie Wilcox
Vice Chancellor for Administration and Finance, NCCU

Date: May 22, 2025

RE: FY26 All-Funds Budget

Attached is NCCU's FY26 All-Funds Budget. Considering our new leadership team and the financial issues that have been and still are being uncovered, the core objectives in the production of the FY26 budget included:

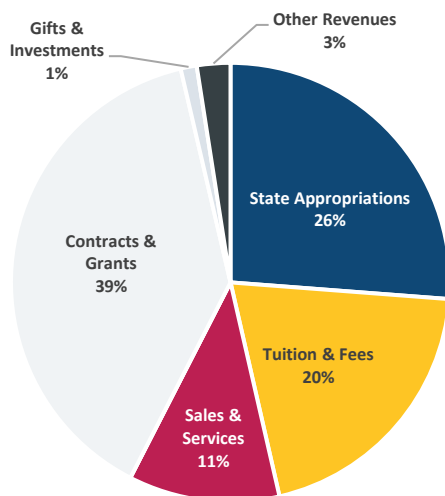
- Ensuring all known recurring obligations are budgeted
- Right-sizing expense budgets with revenue projections, where possible
- Building in a contingency to address unexpected need and/or support new strategic opportunities
- Ensuring transparency in current financial investments and funding sources
- Replenishing/building reserves for future investments

While the projected increase in State Appropriations and Sports Wager funding is providing some relief to the financial pressure NCCU is facing, the FY26 budget was developed tactically to meet the core objectives and better position NCCU to address new emerging issues and/or support unexpected strategic investment opportunities. Key components of the budget include:

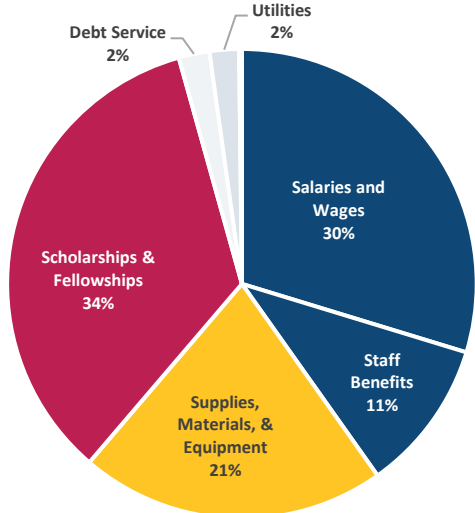
- Conservative tuition, fee, room and board revenues projections based on FY25 FTEs despite a projected increase in enrollment through the compounding impact of larger incoming class sizes
- \$1.1M in auxiliary and trust personnel savings through the elimination of vacant positions
- Inclusion of previously unbudgeted obligations
- \$2.8M in anticipated general fund expenses held centrally (undistributed) serving as a contingency to address unexpected challenges and/or be strategically deployed to support strategic opportunities.

The establishment of this FY26 Budget is just the beginning of the work the Executive Leadership Team will be doing along NCCU's journey to financial stability. Throughout the year, existing policies and procedures will be evaluated to ensure institutional resources are being used thoughtfully and strategically. Additionally, the groundwork is already being laid out for the FY27 budget development cycle which will begin in early fall providing for a greater opportunity in resource reallocations and optimization.

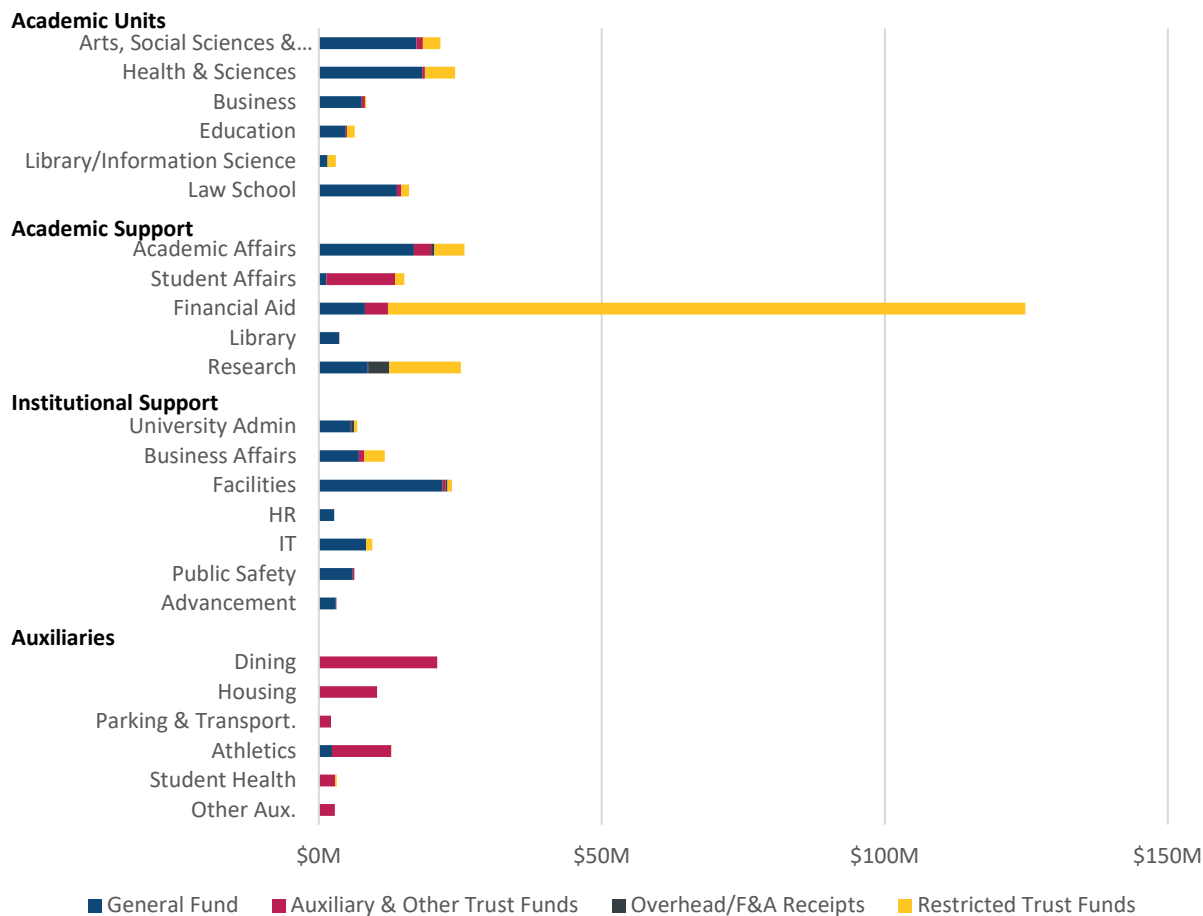
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



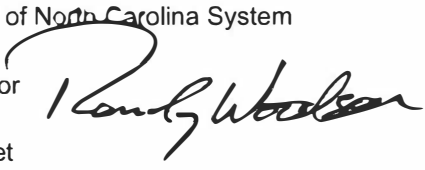
North Carolina Central University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 103,276,000	\$ -	\$ -	\$ -	\$ 103,276,000
	Tuition & Fees	\$ 55,000,000	\$ 24,586,000	\$ 5,000	\$ -	\$ 79,591,000
	<i>Less Discounts and Allowances</i>	\$ (7,791,000)	\$ (8,784,000)	\$ -	\$ (18,925,130)	\$ (35,500,130)
	Sales & Services	\$ 1,365,000	\$ 42,443,000	\$ 46,000	\$ -	\$ 43,854,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ -	\$ 4,859,000	\$ 148,028,000	\$ 152,887,000
	Gifts & Investments	\$ -	\$ 350,000	\$ -	\$ 4,314,000	\$ 4,664,000
	Other Revenues	\$ 2,010,000	\$ 7,357,000	\$ -	\$ 353,000	\$ 9,720,000
Revenues Total		\$ 153,860,000	\$ 65,952,000	\$ 4,910,000	\$ 133,769,870	\$ 358,491,870
Expenses	Salaries and Wages	\$ 87,319,000	\$ 14,668,000	\$ 1,096,000	\$ 13,387,000	\$ 116,470,000
	Staff Benefits	\$ 30,906,000	\$ 5,123,000	\$ 368,000	\$ 4,687,000	\$ 41,084,000
	Services, Supplies, Materials, & Equip.	\$ 29,308,000	\$ 34,547,000	\$ 3,212,000	\$ 15,531,000	\$ 82,598,000
	Scholarships & Fellowships	\$ 7,791,000	\$ 8,784,000	\$ 482,000	\$ 117,789,000	\$ 134,846,000
	<i>Less Discounts and Allowances</i>	\$ (7,791,000)	\$ (8,784,000)	\$ -	\$ (18,925,130)	\$ (35,500,130)
	Debt Service	\$ -	\$ 8,275,000	\$ 46,000	\$ -	\$ 8,321,000
	Utilities	\$ 5,970,000	\$ 1,913,000	\$ 46,000	\$ -	\$ 7,929,000
	Other Expenses	\$ 357,000	\$ 356,000	\$ 36,000	\$ 1,000	\$ 750,000
Expenses Total		\$ 153,860,000	\$ 64,882,000	\$ 5,286,000	\$ 132,469,870	\$ 356,497,870
Net Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Change in Fund Balance			\$ 1,070,000	\$ (376,000)	\$ 1,300,000	\$ 1,994,000



MEMORANDUM

TO: Jennifer Haygood, Senior Vice President for Finance & Administration and
Chief Financial Officer, University of North Carolina System

FROM: W. Randolph Woodson, Chancellor 

SUBJECT: NC State's FY26 All-Funds Budget

DATE: April 14, 2025

I am pleased to provide NC State's FY 2025-26 All-Funds Budget and accompanying narrative. NC State's Board of Trustees reviewed the All-Funds Budget over the past few months and voted to approve the budget on April 4, 2025, as attached.

We ask that you please note NC State's General Fund budget is comprised of three separate budget codes for Academic Affairs, Agricultural Research, and Cooperative Extension as was included in the Board of Governors meeting materials last year.

We look forward to working with you in the future on the All-Funds Budget process. Please let me know if you have any questions.

Enclosures

FY26 All-Funds Budget

NC State's land-grant mission to provide education, research, and outreach that benefits all North Carolinians drives the university's path forward and is reflected in the goals identified in our strategic plan, "Wolfpack 2030: Powering the Extraordinary." Our state benefits greatly from NC State's position as a pre-eminent research enterprise, which continues to create and grow economic, societal, and intellectual prosperity. With the local, national, and global landscape constantly changing, we seek to improve the future by preparing today's students for tomorrow's careers in science, technology, engineering, and mathematics.

NC State is home to 39,603 (or 38,464, our IPEDS number) students and 10,295 (or 10,272 IPEDS) faculty and staff. Our footprint in Wake County includes our main campus (home to eight of our eleven colleges), Centennial Campus (home to the College of Engineering, Wilson College of Textiles, interdisciplinary research spaces and co-located industry partners) and the Centennial Biomedical Campus (home to the College of Veterinary Medicine and their industry partners). In addition, NC State has locally focused agricultural extension services in every North Carolina county and the Eastern Band of Cherokee. We manage an operating budget of nearly \$2.2 billion consisting of state and federal appropriations, tuition and fees, contracts and grants, sales and services and other sources.

NC State's recent successes were achieved through aligning resources (budget) with strategic goals and initiatives including:

- Our latest six-year graduation rate for students entering NC State as full-time first-time students and graduating from NC State is **85.3%** - an increase of **2.7%** over the past five years.
- First-year applications for Fall 2025 are over **48,000**, a **23%** increase in applications since Fall 2022.
- Underserved county enrollments in Fall 2024 increased **3.7%** over the prior year.
- Military Affiliated enrollments in Fall 2024 increased **7.9%** over the prior year.
- The average cumulative debt at graduation for first-time students and transfer students continues to decrease.
- In FY24 NC State researchers received a record \$517 million in sponsored research awards.
- In FY24 NC State research expenditures exceeded a record \$633 million.
- NC State is in the top 10 in total research expenditures among universities without a medical school.
- To date, we have launched more than **250 startups and spinoffs** — new companies — based on NC State intellectual property. **15** were launched in FY24.
- Ranked **#2** nationwide for active licenses and options among universities without a medical school.

The outcome measures cited above provide evidence that NC State has been engaged in best practices encouraged by the All-Funds Budget initiative for over a decade. To achieve these successes, NC State reviews budgets and expenditures in all funding sources relative to strategic initiatives in an ongoing, cyclic way both centrally and within the campus units. Specifically, the college annual reviews are conducted by the Provost in coordination with the University Strategic Budget Initiative and include the Chief Financial Officer and the Chief Research Officer. Through this process, a suite of data is evaluated that captures college-based performance relative to our mission. Data categories include students, faculty, and staff as well as credit hour production, credentials awarded, and graduation rates. Strategic budget planning meetings are conducted with all colleges and units to review budgets from a multi-year perspective, analyze funding needs, and allocate resources for strategic initiatives. Annual reviews of research, trust and fee supported units (non-credit hour producing units) also undergo annual performance review with discussion of budget performance and management.

NC State continually monitors changes in financial condition or resources that could affect our standing in the capital markets. Particular attention is given to the impact of inflation, competitive employment markets on our labor costs, federal funding changes, and increases in institutional debt burden. NC State's debt burden, with under \$640 million of total debt outstanding as of June 30, 2024, is within UNC System Office debt capacity calculations and within acceptable liquidity ratio ranges.

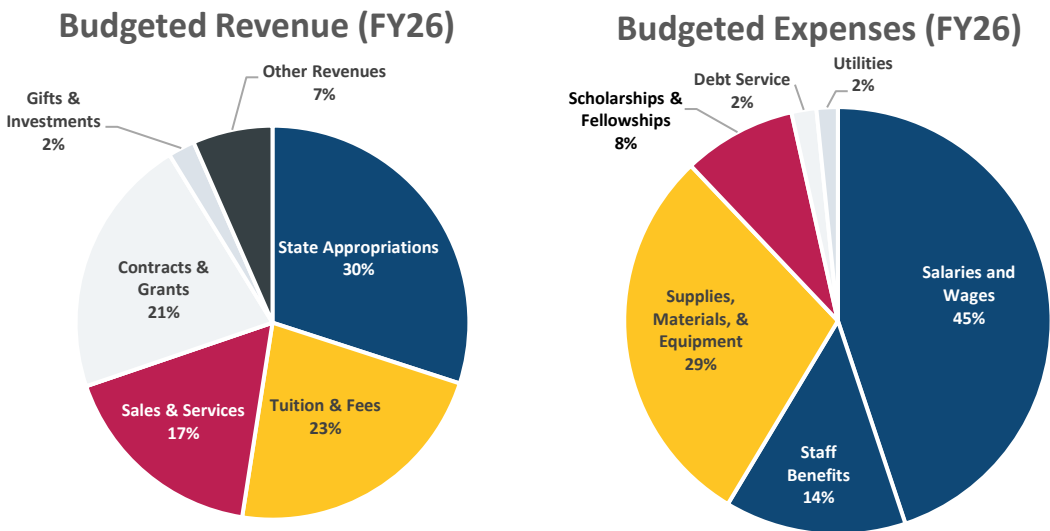
Our resource reallocation strategy involves a tiered approach beginning with departments realigning existing funds to pursue strategic priorities and address unforeseen circumstances. College and unit leadership similarly assess and realign resources across their organizations to address needs that cannot be resolved with department-level resources. It is difficult to measure the full magnitude of the university's resource reallocation strategy as a result of the tiered approach and ongoing assessment of resource allocations made by the units. However, through the FY25-29 University Strategic Budget Initiative process, college and unit leaders presented 131 projects amounting to \$201M over the 5-year planning horizon. Using existing funds, the university's leadership activated 37 projects reallocating \$31M to these strategic initiatives. The university also continues to absorb the growing impact of inflationary increases further challenging our ability to reallocate to new initiatives. For FY26, our budget planning has identified \$15M of existing General Fund resources for strategic reallocation.

In the Fall of 2024, NC State announced the second cycle of implementation actions supporting our Wolfpack 2030 goals. About 25% of the original initiatives, FY22 through FY24, were completed in the first 3 year cycle and another 20% were reconsidered, refocused and/or rearticulated. In addition, ten new initiatives were established recognizing emerging issues such as the AI task force. Resourcing the strategic plan has been integrated into the University Strategic Budget Initiative process and \$5M was allocated in FY25 for items supporting the strategic plan. Finally, the strategic plan metrics are published and updated three times a year as new data becomes available.

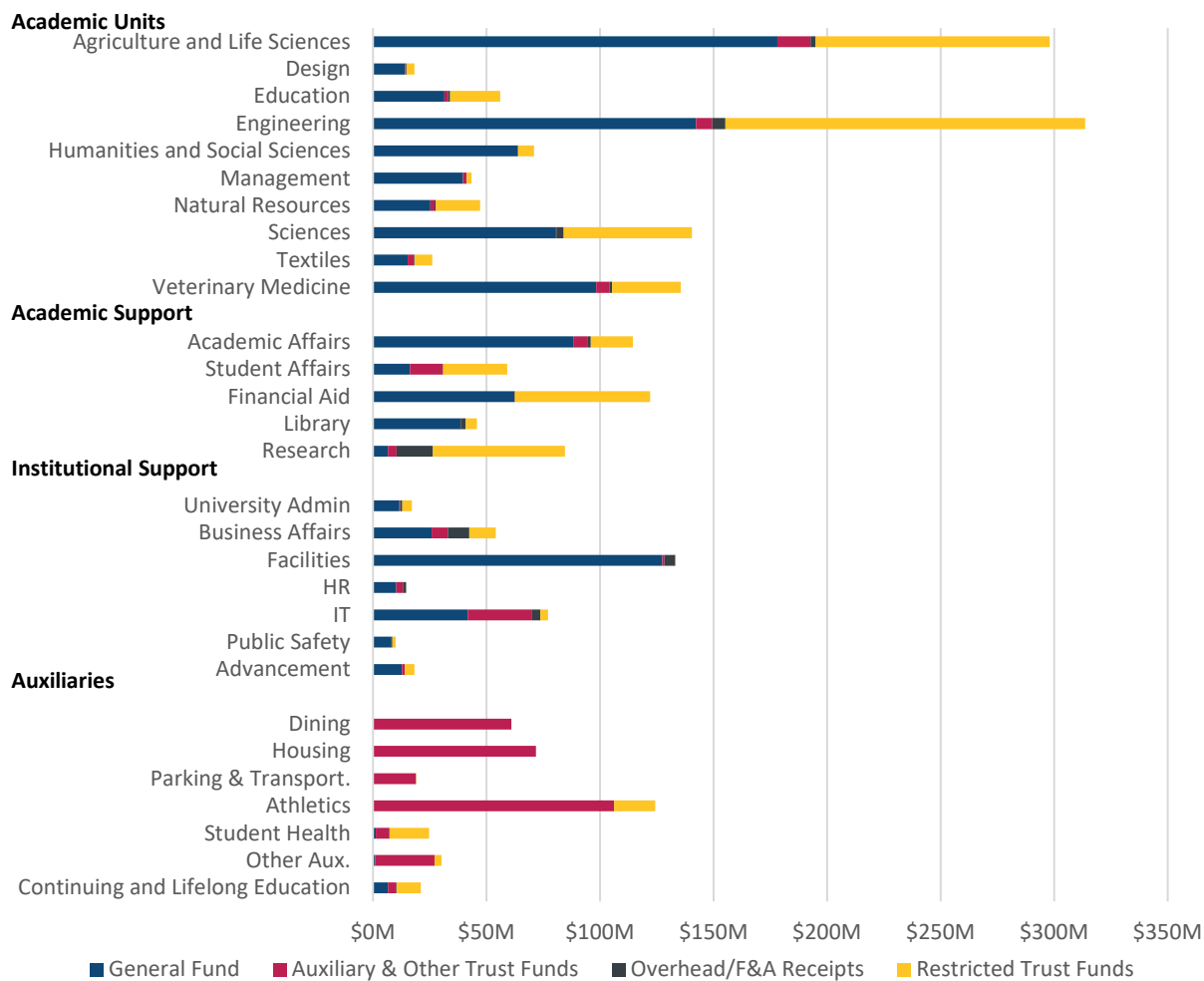
NC State's FY26 All-Funds Budget aligns planned investments with strategic initiatives articulated by unit leadership and by the university as part of implementing these strategic plans. Actions, at both the unit level and the university level together, will contribute to the success of our new strategic plan including:

- **STEM Education** - FY26 is the fourth year of the goal to expand the College of Engineering by approximately 4,000 students. Funds are strategically budgeted to continue building capacity through the planned hiring of 135 additional faculty and 35 academic and institutional support staff to ensure the success of the students while enhancing the global reputation of the college and the university.
- **Student Success** - Invests \$1.4M in additional faculty providing increased seats and sections making it easier for students to graduate on time.
- **Affordability** - The FY26 Budget continues a tradition of low resident tuition and fees offering affordable education for North Carolinians. Undergraduate resident tuition is not increasing for the 9th consecutive year. Mandatory student fees are increasing by only 1.9% or \$42. This is the first increase in four years, and mandatory student fees are still lower than FY 2016-17 rates due to the retirement of debt service fees in recent years. Overall, NC State ranks 12th out of 13 peer institutions for undergraduate in-state average tuition and fees in AY 2022-23 as reported by IPEDS.
- **Campus Security** - The FY26 Budget includes \$1.2M to implement the new law enforcement salary schedule and establish a new risk assessment case manager position and college safety officer.
- **Improved Operational Efficiencies** - Provides \$0.7M for an enterprise data warehouse and analytics platform and to support a 5-year, all-funds budget planning system to improve business intelligence and strategic resource decision-making. Funds a seed grant pilot to implement effective shared and repurposed space scenarios to address administrative and instructional space constraints. Initiates a business intelligence pilot to enhance data analytics and visualization capabilities to more effectively manage distance/online educational resources, designed for scalability and cross-functional application.
- **Research** - Includes funding for research support infrastructure and core research equipment to advance NC State's research enterprise, which has achieved record levels of grants and other external funding support and has driven tremendous economic benefit throughout the state.
- **Extension and Public Service** - Increases the capacity of the university to apply expertise that benefits all communities in all 100 counties across North Carolina in agriculture, engineering, textiles and other disciplines.

The FY26 budget incorporates known impacts of the rapidly evolving federal funding environment such as holding the F&A budget 10% below FY24 actual receipts. Contingency planning informed by budget scenarios is well underway to mitigate operational risk and ensure mission continuity given the high degree of uncertainty in FY26 federal funding.



Operating Expenses by Unit



North Carolina State University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 691,508,000	\$ -	\$ -	\$ -	\$ 691,508,000
	Tuition & Fees	\$ 401,701,000	\$ 23,625,000	\$ -	\$ 92,867,000	\$ 518,193,000
	<i>Less Discounts and Allowances</i>	\$ (90,273,000)	\$ (666,000)	\$ -	\$ (54,848,000)	\$ (145,787,000)
	Sales & Services	\$ 41,098,000	\$ 356,351,000	\$ -	\$ 1,507,000	\$ 398,956,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ 200,000	\$ 13,000	\$ -	\$ 494,560,000	\$ 494,773,000
	Gifts & Investments	\$ -	\$ 7,827,000	\$ -	\$ 42,870,000	\$ 50,697,000
	Other Revenues	\$ 26,912,000	\$ 18,581,000	\$ 70,000,000	\$ 35,923,000	\$ 151,416,000
Revenues Total		\$ 1,071,146,000	\$ 405,731,000	\$ 70,000,000	\$ 612,879,000	\$ 2,159,756,000
Expenses	Salaries and Wages	\$ 665,399,000	\$ 128,721,000	\$ 19,816,000	\$ 202,083,000	\$ 1,016,019,000
	Staff Benefits	\$ 215,535,000	\$ 37,048,000	\$ 6,542,000	\$ 51,746,000	\$ 310,871,000
	Services, Supplies, Materials, & Equip.	\$ 165,838,000	\$ 181,197,000	\$ 33,638,000	\$ 282,740,000	\$ 663,413,000
	Scholarships & Fellowships	\$ 90,273,000	\$ 666,000	\$ 171,000	\$ 103,151,000	\$ 194,261,000
	<i>Less Discounts and Allowances</i>	\$ (90,273,000)	\$ (666,000)	\$ -	\$ (54,848,000)	\$ (145,787,000)
	Debt Service	\$ 9,989,000	\$ 20,960,000	\$ 580,000	\$ 11,101,000	\$ 42,630,000
	Utilities	\$ 29,522,000	\$ 5,424,000	\$ 1,300,000	\$ 273,000	\$ 36,519,000
	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Total		\$ 1,086,283,000	\$ 373,350,000	\$ 62,047,000	\$ 596,246,000	\$ 2,117,926,000
Net Transfers		\$ (3,852,000)	\$ (22,939,000)	\$ (3,250,000)	\$ (10,971,000)	\$ (41,012,000)
Change in Fund Balance			\$ 9,442,000	\$ 4,703,000	\$ 5,662,000	\$ 19,807,000

**North Carolina State University
FY 2025-26 All-Funds Budget**

		General Fund - Academic Affairs	General Fund - Ag Research	General Fund - Cooperative Extension	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 581,497,000	\$ 63,467,000	\$ 46,544,000	\$ -	\$ -	\$ -	\$ 691,508,000
	Tuition & Fees	\$ 401,670,000	\$ 4,000	\$ 27,000	\$ 23,625,000	\$ -	\$ 92,867,000	\$ 518,193,000
	<i>Less Discounts and Allowances</i>	\$ (90,271,000)		\$ (2,000)	\$ (666,000)	\$ -	\$ (54,848,000)	\$ (145,787,000)
	Sales & Services	\$ 33,467,000	\$ 4,521,000	\$ 3,110,000	\$ 356,351,000	\$ -	\$ 1,507,000	\$ 398,956,000
	Patient Services	\$ -			\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ 200,000			\$ 13,000	\$ -	\$ 494,560,000	\$ 494,773,000
	Gifts & Investments	\$ -			\$ 7,827,000	\$ -	\$ 42,870,000	\$ 50,697,000
	Other Revenues	\$ 1,014,000	\$ 10,591,000	\$ 15,307,000	\$ 18,581,000	\$ 70,000,000	\$ 35,923,000	\$ 151,416,000
Revenues Total		\$ 927,577,000	\$ 78,583,000	\$ 64,986,000	\$ 405,731,000	\$ 70,000,000	\$ 612,879,000	\$ 2,159,756,000
Expenses	Salaries and Wages	\$ 580,025,000	\$ 45,505,000	\$ 39,869,000	\$ 128,721,000	\$ 19,816,000	\$ 202,083,000	\$ 1,016,019,000
	Staff Benefits	\$ 187,408,000	\$ 14,071,000	\$ 14,056,000	\$ 37,048,000	\$ 6,542,000	\$ 51,746,000	\$ 310,871,000
	Services, Supplies, Materials, & Equip.	\$ 137,584,000	\$ 18,910,000	\$ 9,344,000	\$ 181,197,000	\$ 33,638,000	\$ 282,740,000	\$ 663,413,000
	Scholarships & Fellowships	\$ 90,271,000		\$ 2,000	\$ 666,000	\$ 171,000	\$ 103,151,000	\$ 194,261,000
	<i>Less Discounts and Allowances</i>	\$ (90,271,000)		\$ (2,000)	\$ (666,000)	\$ -	\$ (54,848,000)	\$ (145,787,000)
	Debt Service	\$ 9,989,000			\$ 20,960,000	\$ 580,000	\$ 11,101,000	\$ 42,630,000
	Utilities	\$ 28,372,000	\$ 777,000	\$ 373,000	\$ 5,424,000	\$ 1,300,000	\$ 273,000	\$ 36,519,000
	Other Expenses	\$ -			\$ -	\$ -	\$ -	\$ -
Expenses Total		\$ 943,378,000	\$ 79,263,000	\$ 63,642,000	\$ 373,350,000	\$ 62,047,000	\$ 596,246,000	\$ 2,117,926,000
Net Transfers		\$ (3,852,000)			\$ (22,939,000)	\$ (3,250,000)	\$ (10,971,000)	\$ (41,012,000)
Change in Fund Balance					\$ 9,442,000	\$ 4,703,000	\$ 5,662,000	\$ 19,807,000

Paul Forte
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To: Jennifer Haygood
Senior Vice President for Finance & Administration and CFO, UNC System

From: Paul Forte
Executive Vice Chancellor for Budget & Finance and Chief Operating Officer, UNC Asheville

Date: May 1, 2025

Re: UNC Asheville FY26 All-Funds Budget Narrative

The fiscal year 2025-26 (FY26) All-Funds budget for the University of North Carolina Asheville was adopted by the Board of Trustees during its Spring 2025 meeting. After two consecutive years of General Fund deficits, the FY26 budget is balanced and makes new investments in academic program innovations that will continue to strengthen UNC Asheville’s position as a student-centered public liberal arts and sciences university.

By working to strengthen recruitment, retention, and graduation rates, UNC Asheville continues progress toward the goal of 3,800 to 4,000 students by the year 2030.

A five-year enrollment decline was stabilized in Fall 2023, and in Fall 2024, UNC Asheville welcomed the third largest class of new students in the University’s history. Despite the impacts from Hurricane Helene, which included the loss of water service to the campus for more than a month, spring student retention was higher than normal and student FTE increased compared to FY24.

Strategic Resource Alignment

The budget development process for FY26 represented a new beginning for budget development at UNC Asheville. This process was guided by five strategic objectives:

- Academic Program Innovation
- Enrollment Growth
- Student Success & Retention
- Four-Year Graduation Rate
- Operational Efficiency & Relevance

The FY26 budget adopted by UNC Asheville aligns with these strategic objectives.

UNC Asheville also undertook an academic program review designed to evaluate the alignment of university resources with student demand. Based on the results, UNC Asheville began the process in FY25 of phasing out four academic programs – Ancient Mediterranean Studies, Drama, Philosophy, and Religious Studies – and curtailing a fifth – Languages and Literatures. Once the phase-out is complete, UNCA will realize \$1.9M in annual General Fund savings, which will be used for deficit relief and strategic reinvestment in the University.

Student Affordability

Demonstrating its longstanding commitment to access and affordability, UNC Asheville announced the expansion of Access Asheville beginning in Fall 2025. The expansion ensures NC residents with a household adjusted gross income (AGI) of \$90,000 or less can attend UNC Asheville free of tuition and fees. In addition, students from Georgia, South Carolina, Tennessee, and Virginia with a household AGI of \$90,000 or less will have their tuition and fees reduced to no more than \$10,000.

Financial Sustainability

In February 2024, UNC Asheville projected a structural General Fund FY25 deficit of \$8M. That deficit was reduced through:

- \$0.6M projected in additional tuition revenue to the General Fund in FY25,
- \$3.3M in position actions, including FRIP, RIFs, and reductions in non-permanent positions,
- \$0.9M in vacant position elimination,
- \$0.4M in non-personnel reductions, and
- \$1.5M in enrollment loss cap appropriation in SL 2024-57.

The additional \$1.3M in savings was realized through the strategic use of lapsed salaries. Given that enrollment loss cap funds and lapsed salaries provided non-recurring availability in FY25, UNC Asheville reduced FY26 budgets by \$2.0M during the budget development process. Through these actions, and a \$0.8M increase through the state enrollment model, UNC Asheville achieved a balanced FY26 General Fund budget.

Looking Forward

UNC Asheville is proud to put forth a budget consistent with our mission to prepare “students for lives of leadership and service with an emphasis on critical thinking, clear and thoughtful expression, applied research, community engagement, free and open inquiry, and undergraduate and graduate programs that address the most pressing issues of our time.”

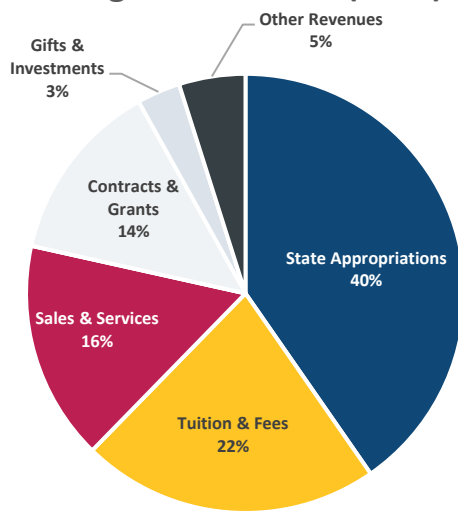
As UNC Asheville presents its FY26 budget, we express our gratitude to faculty, staff, students, and our leadership team for the challenging work accomplished to address our budget deficit. As always, please contact me if you have questions or need additional information.



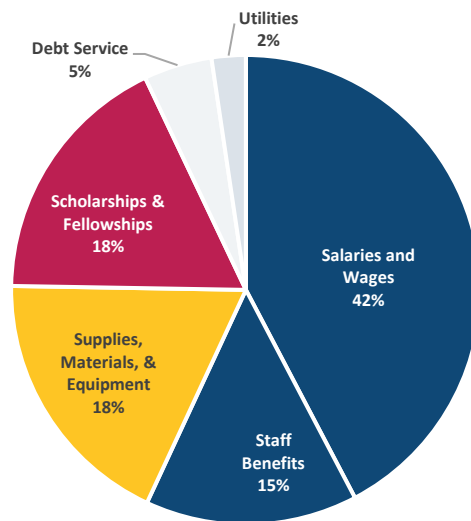
Paul Forte
Executive Vice Chancellor for Budget & Finance and Chief Operational Officer

Cc: Chancellor Kimberly van Noort

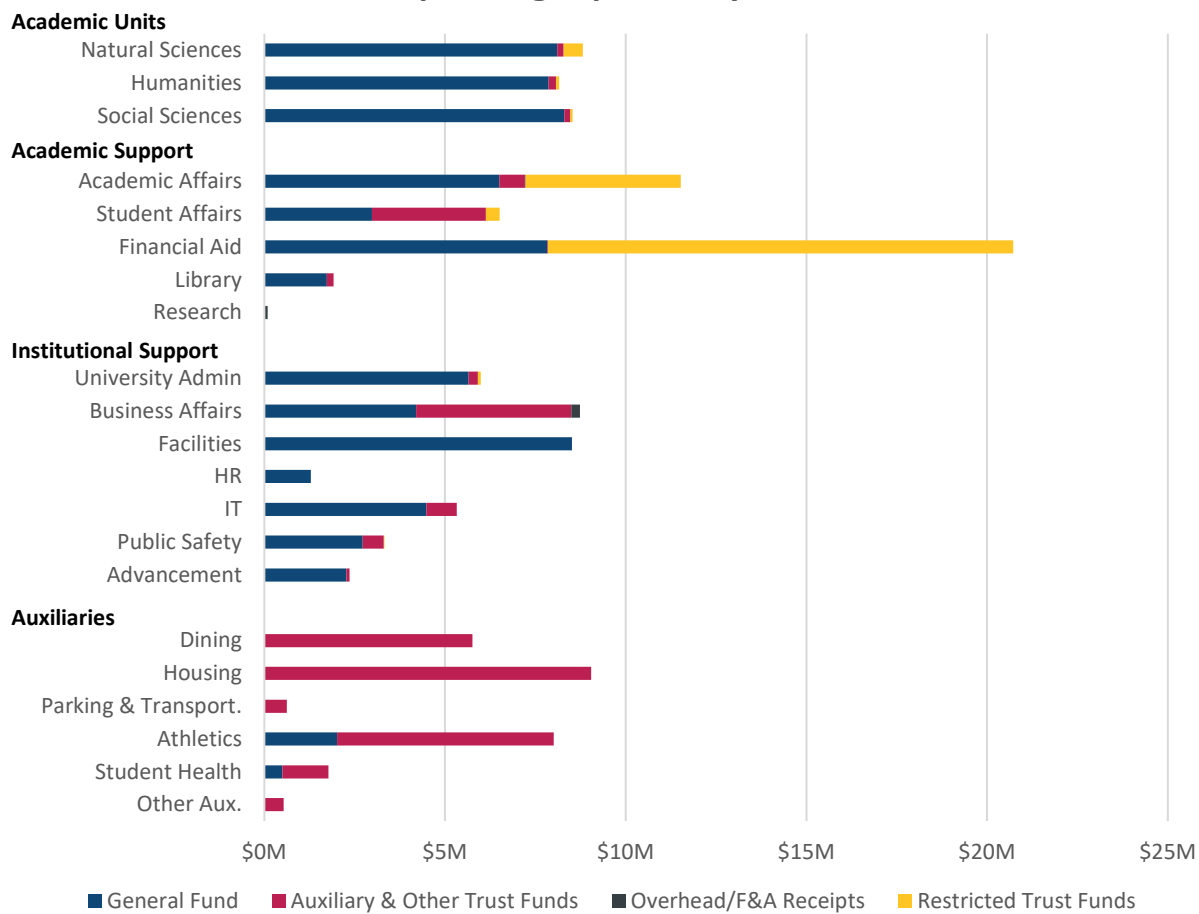
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



University of North Carolina Asheville
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 51,933,000	\$ -	\$ -	\$ -	\$ -	\$ 51,933,000
	Tuition & Fees	\$ 18,463,000	\$ 9,831,000	\$ -	\$ -	\$ -	\$ 28,294,000
	<i>Less Discounts and Allowances</i>	\$ (7,348,000)	\$ (2,303,000)	\$ -	\$ (8,049,000)	\$ -	\$ (17,700,000)
	Sales & Services	\$ -	\$ 20,818,000	\$ -	\$ -	\$ -	\$ 20,818,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ 810,000	\$ -	\$ 16,475,000	\$ -	\$ 17,285,000
	Gifts & Investments	\$ -	\$ 2,212,000	\$ -	\$ 1,900,000	\$ -	\$ 4,112,000
	Other Revenues	\$ 4,585,000	\$ 1,252,000	\$ 470,000	\$ -	\$ -	\$ 6,307,000
Revenues Total		\$ 67,633,000	\$ 32,620,000	\$ 470,000	\$ 10,326,000	\$ -	\$ 111,049,000
Expenses	Salaries and Wages	\$ 42,658,000	\$ 8,425,000	\$ 221,000	\$ 2,643,000	\$ -	\$ 53,947,000
	Staff Benefits	\$ 14,883,000	\$ 2,800,000	\$ 88,000	\$ 873,000	\$ -	\$ 18,644,000
	Services, Supplies, Materials, & Equip.	\$ 8,244,000	\$ 13,219,000	\$ -	\$ 1,921,000	\$ -	\$ 23,384,000
	Scholarships & Fellowships	\$ 7,348,000	\$ 2,303,000	\$ -	\$ 12,887,000	\$ -	\$ 22,538,000
	<i>Less Discounts and Allowances</i>	\$ (7,348,000)	\$ (2,303,000)	\$ -	\$ (8,049,000)	\$ -	\$ (17,700,000)
	Debt Service	\$ -	\$ 5,976,000	\$ 25,000	\$ -	\$ -	\$ 6,001,000
	Utilities	\$ 1,816,000	\$ 1,184,000	\$ -	\$ -	\$ -	\$ 3,000,000
	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Total		\$ 67,601,000	\$ 31,604,000	\$ 334,000	\$ 10,275,000	\$ -	\$ 109,814,000
Net Transfers		\$ (31,000)	\$ 593,000	\$ (231,000)	\$ (21,000)	\$ -	\$ 310,000
Change in Fund Balance			\$ 1,609,000	\$ (95,000)	\$ 30,000	\$ -	\$ 1,544,000

To: Jennifer Haygood
Senior Vice President for Finance & Administration and CFO, UNC System

From: Nate Knuffman
Vice Chancellor for Finance and Operations and CFO, UNC-Chapel Hill

Date: May 1, 2025

Re: UNC-Chapel Hill FY26 All-Funds Budget Narrative

I am pleased to present the fiscal year 2025-26 (FY26) budget for the University of North Carolina at Chapel Hill, which was approved by the Board of Trustees on March 20, 2025, with the following amendment:

- That the University sequester \$50 million in spending to offset the potential impact of possible reductions in federal funding. This proposal requires the administration to identify \$50 million in recurring savings for the upcoming fiscal year to demonstrate fiscal responsibility and to protect our core mission of educating students and conducting research in a time of financial uncertainty. The University is to present recommendations for such cuts at the July 2025 Board of Trustees meeting.

The FY26 All-Funds Budget, totaling \$4.5 billion, reflects the complexity, broad scope and impact of the University's mission. This balanced, all-funds budget conforms to all UNC system guidelines, while reflecting Board of Governors, System and University strategic priorities. In our fourth consecutive year of developing an all-funds budget, we benefited from three years of accumulated budget data, further refinement and maturation of the budget process, and the continued cooperation of our campus partners.

The University's budget process started in fall 2024, and, new for this fiscal year, it incorporated dedicated time for units to review and revise their base budgets prior to submitting any new budget requests. This year's process also incorporated for the first time unit-specific metrics as a meaningful part of the budget meetings and discussions. Our Chancellor, Provost and our Finance and Budget leadership teams held more than 30 meetings with campus units to discuss fiscal challenges, opportunities and priorities.

FY26 Budget Priorities

Carolina, like many of our major R1 research university peers, is facing significant financial uncertainties driven by multiple external factors. Prior to the Board of Trustees budget presentation, we did an assessment of various financial scenarios, and we adjusted our plans to narrow the investment focus to what we are considering the "must-do" items that invest in two budget priorities for FY26: Fiscal Responsibility and Return on Investment (ROI) to the State. Our FY26 budget thus reflects a conservative approach to spending compared to the previous three years.

Chief among these investments is continued financial support for programs yielding substantial benefits for Carolina students and the citizens of North Carolina, including the continued development of the School of Data Science and Society and the School of Civic Life and Leadership.

The FY26 budget also advances two key strategic priorities introduced by Chancellor Lee H. Roberts last summer: an Enrollment Planning initiative to serve our growing state by expanding undergraduate enrollment by 5,000 students over the next decade (equally divided between in-state and out-of-state students, beginning with 500 additional first-year students in fall 2025), alongside a comprehensive Physical Master Plan that strategically

invests in campus development through Carolina North expansion, housing improvements and enhanced recreation and wellness facilities.

Following last year's financial commitment to bolster safety and security, this year's budget also includes investments in risk management and further enhancements to campus accessibility and safety.

Financial Sustainability

We continue to implement campus efficiency measures, including strategic restructuring that has eliminated senior administrative positions and created operational efficiencies across departments. Following System Office directives, we've removed long-vacant positions to improve budget accountability and determine actual staffing needs. Additional initiatives include launching a course waitlist program, advancing faculty workload measurement, and reorganizing the Provost's office: specifically placing Student Affairs and Admissions under the new Senior Vice Provost for Undergraduate Student Success, restructuring Digital and Lifelong Learning (DLL), reallocating former DEI funding to student success initiatives, and reducing Provost staff. Since January, we've centralized fundraising staff, implemented strategic personnel review processes, reduced F&A spending, and paused capital expenditures financed with F&A. Current initiatives include HR administrative reorganization and developing University-wide shared services.

Our budget reflects our commitment to fiscal prudence through investments in administrative efficiencies and data-driven operations. We are supporting strategic decision-making by prioritizing improved reporting that delivers timely and actionable information. One example of this data-centric approach is the financial modeling we have already done in support of our enrollment growth, infrastructure investments and planned facility renewal, ensuring fiscal integrity while advancing University priorities.

The budget also supports expanded peer benchmarking data on administrative spending, in partnership with HelioCampus, to guide our shared services initiative and facilitate more substantive discussions about service delivery optimization. This approach will allow us to expand enrollment, enhance infrastructure and pursue key strategic projects while maintaining a financially sustainable path forward.

These efforts have become increasingly critical given the current federal policy uncertainty affecting higher education funding and will inform the \$50 million sequestration required by our Trustees. Any efficiency measures will align with our guiding principles, which include protecting our core mission, leading with data and transparency and preserving capacity for strategic priorities.

Student Affordability and Value

Carolina's commitment to student affordability has been recognized by the U.S. News and World Report, which has named us the No. 1 best value among public universities in the U.S. for the past 20 years. This is due, in part, to the fact that nearly 70% of our undergraduate students graduate without student loans. The most recent federal student debt figures, \$3,132 for first-time students and \$4,400 for transfer students, are close to half the System-wide average.

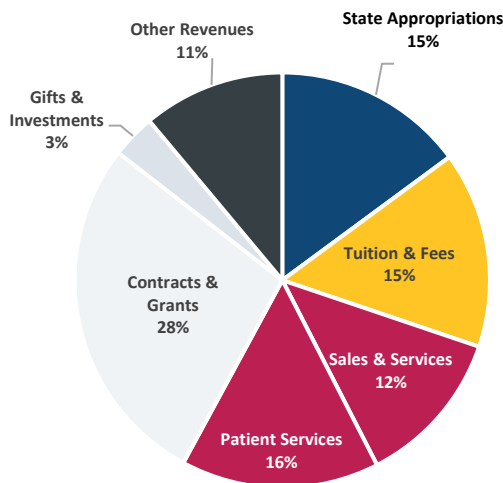
While implementing a modest increase in student fees to support our new campus recreation and wellness facility, we continue to have the lowest mandatory student fees in the UNC System. This approach balances necessary infrastructure improvements with our fundamental commitment to affordability.

Looking Ahead

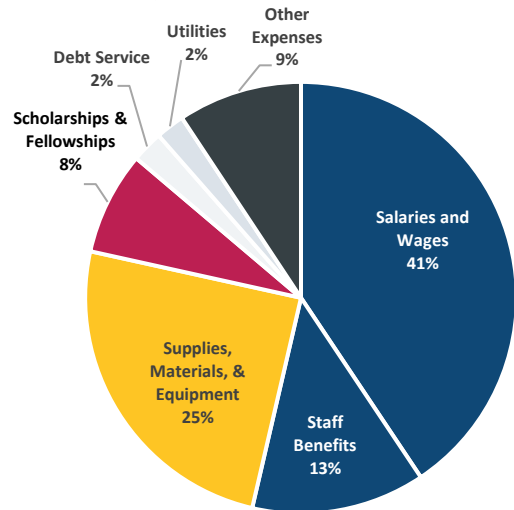
As we enter the fifth year of the all-funds budget, we have continued to evolve and refine our process. Moving forward, we are increasing the use of data analytics to strengthen budget forecasting and create better connections between resource allocation and measurable outcomes.

Carolina's balanced All-Funds Budget for FY26 represents both our strategic vision and fiscal responsibility, building upon lessons learned from previous budget cycles. It demonstrates our unwavering commitment to developing future leaders for North Carolina and beyond, while maintaining student affordability and stewardship of state resources during what promises to be a dynamic year for UNC-Chapel Hill.

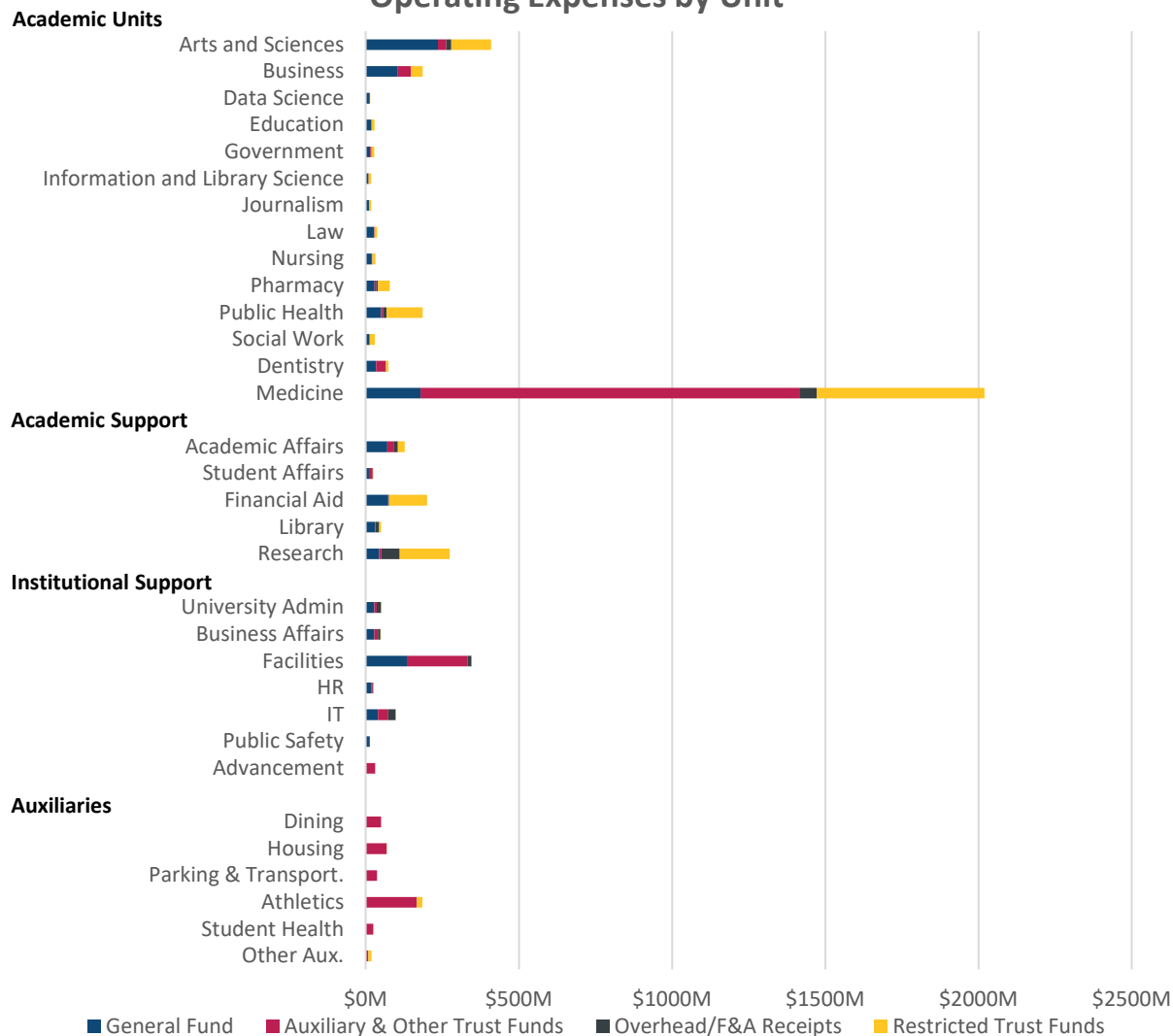
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



UNC Chapel Hill
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 698,327,000	\$ -	\$ -	\$ -	\$ 698,327,000
	Tuition & Fees	\$ 585,435,000	\$ 131,455,000	\$ -	\$ 4,000	\$ 716,894,000
	<i>Less Discounts and Allowances</i>	\$ (110,929,000)	\$ (14,492,000)	\$ -	\$ (46,579,000)	\$ (172,000,000)
	Sales & Services	\$ 727,000	\$ 572,674,000	\$ -	\$ 2,046,000	\$ 575,447,000
	Patient Services	\$ -	\$ 724,258,000	\$ -	\$ -	\$ 724,258,000
	Contracts & Grants	\$ 200,000	\$ 6,937,000	\$ 251,299,000	\$ 1,035,715,000	\$ 1,294,151,000
	Gifts & Investments	\$ -	\$ 23,510,000	\$ 193,000	\$ 136,421,000	\$ 160,124,000
	Other Revenues	\$ 56,000	\$ 364,812,000	\$ 45,000	\$ 154,204,000	\$ 519,117,000
Revenues Total		\$ 1,173,816,000	\$ 1,809,154,000	\$ 251,537,000	\$ 1,281,811,000	\$ 4,516,318,000
Expenses	Salaries and Wages	\$ 644,347,000	\$ 695,223,000	\$ 80,256,000	\$ 459,014,000	\$ 1,878,840,000
	Staff Benefits	\$ 209,000,000	\$ 225,129,000	\$ 30,267,000	\$ 137,341,000	\$ 601,737,000
	Services, Supplies, Materials, & Equip.	\$ 134,019,000	\$ 569,348,000	\$ 75,459,000	\$ 369,370,000	\$ 1,148,196,000
	Scholarships & Fellowships	\$ 110,929,000	\$ 14,492,000	\$ 5,141,000	\$ 226,688,000	\$ 357,250,000
	<i>Less Discounts and Allowances</i>	\$ (110,929,000)	\$ (14,492,000)	\$ -	\$ (46,579,000)	\$ (172,000,000)
	Debt Service	\$ -	\$ 77,596,000	\$ 30,353,000	\$ 791,000	\$ 108,740,000
	Utilities	\$ 77,354,000	\$ 21,732,000	\$ 312,000	\$ 151,000	\$ 99,549,000
	Other Expenses	\$ 108,505,000	\$ 186,831,000	\$ 34,950,000	\$ 100,350,000	\$ 430,636,000
Expenses Total		\$ 1,173,225,000	\$ 1,775,859,000	\$ 256,738,000	\$ 1,247,126,000	\$ 4,452,948,000
Net Transfers		\$ (594,000)	\$ 4,996,000	\$ 5,201,000	\$ (16,982,000)	\$ (7,379,000)
Change in Fund Balance			\$ 38,291,000	\$ -	\$ 17,703,000	\$ 55,994,000



April 30, 2025

Ms. Jennifer Haygood
Senior Vice President for Finance and Administration and CFO
The University of North Carolina System

Re: University of North Carolina at Charlotte - All-Funds Budget Narrative FY 2025-26

Dear Ms. Haygood,

The All-Funds Budget for the University of North Carolina at Charlotte for fiscal year 2025-26 was developed consistent with UNC System guidelines to support the System and University strategic plans. The budget process began in late 2024 and included significant cross-university collaboration and support with the final budget approved by the UNC Charlotte Board of Trustees on April 24, 2025. This budget includes revenue and expenditure information for all University auxiliary units as well as academic and administrative units. As requested, the following sections provide additional detail on how the FY 2025-26 All-Funds Budget aligns resources with strategic priorities.

Change from the Prior Year

Changes to the University's All-Funds Budget from the prior year include legislative appropriations, enrollment growth, higher sales and services, and gift revenue for construction projects. State appropriations for legislative salary increases and enrollment growth increased the University's general fund budget and sports wagering funds provide additional revenue for athletics. Like last year, the FY 2025-26 budget anticipates a one percent increase in student enrollment. Additional tuition revenue from higher-than-expected enrollment in the prior year is also reflected. Likewise, higher-than-expected sales and services revenues from auxiliary units (and corresponding expenses) are reflected in the FY 2025-26 budget. \$18 million (of a larger gift) is reflected in gifts and investments and net transfers for the Richardson stadium expansion project expected to be expended in FY 2025-26.

Strategic Realignment of Resources

UNC Charlotte remains dedicated to maximizing administrative efficiency and strategically reallocating campus resources to directly benefit the student educational experience. Despite the significant and continuing impact of inflationary pressures on all operational units, the university's commitment to energy-saving projects, organizational realignment, and process improvement has enabled sustained and improved operations without relying on increased

***Vice Chancellor for
Business Affairs***

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revenues. Given that inflation continues to be a significant concern across all expense types such as food, supplies, software, equipment, and travel, this budget reflects our commitment to proactive and strategic financial planning to maintain the university's mission and quality.

Student Affordability

The University prioritized student affordability in the development of the FY 2025-26 budget. This is the ninth year the University has not adjusted undergraduate resident tuition rates. The FY 2025-26 budget includes minimal graduate and non-resident tuition adjustments as approved by the Board of Governors. With significant investments in undergraduate professional advising, graduate assistantship expansion, and faculty positions to lower the student-to-faculty ratio, this budget prioritizes improvements in retention, four-year graduation rates, and student affordability. Additionally, the budget includes the continuation of the Niner Course Pack program that saves students hundreds of dollars on textbooks each semester.

Financial Sustainability

Utilizing fund balances remains a key strategic priority for FY 2025-26 to cover inflationary costs and support capital and equipment expenditures in auxiliary and other-than-general fund budgets, leveraging economies of scale to absorb rising costs for equipment, supplies, and services without undergraduate tuition increases. Campus auxiliaries will use these funds for essential infrastructure maintenance, facility renovations, and asset improvements to ensure continued support. Moreover, fund balances from fees, F&A research revenue, and restricted funds are budgeted for necessary equipment purchases to strengthen campus IT, research, and academic programs, reflecting a sustained, multi-year planning effort.

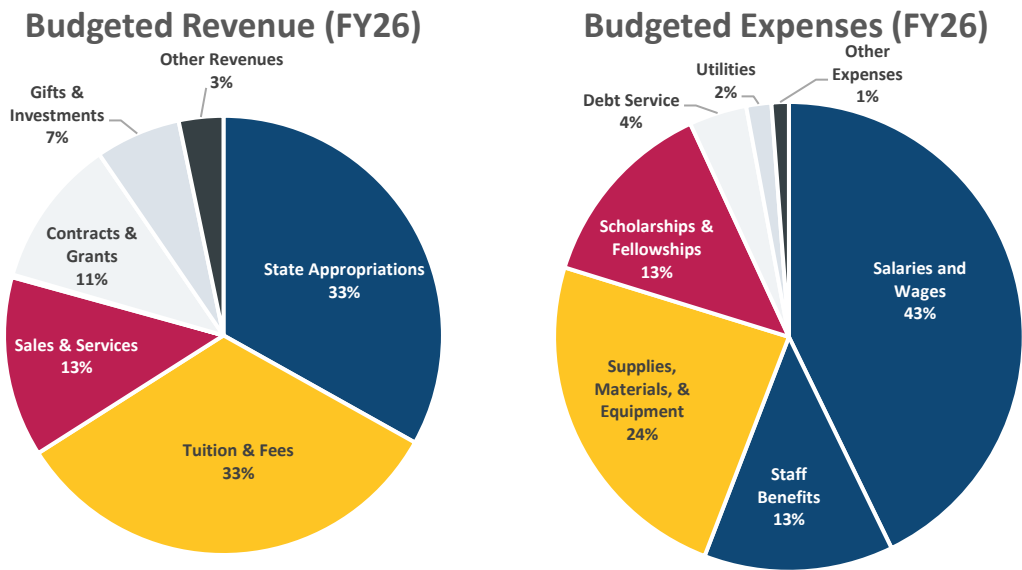
Sincerely,



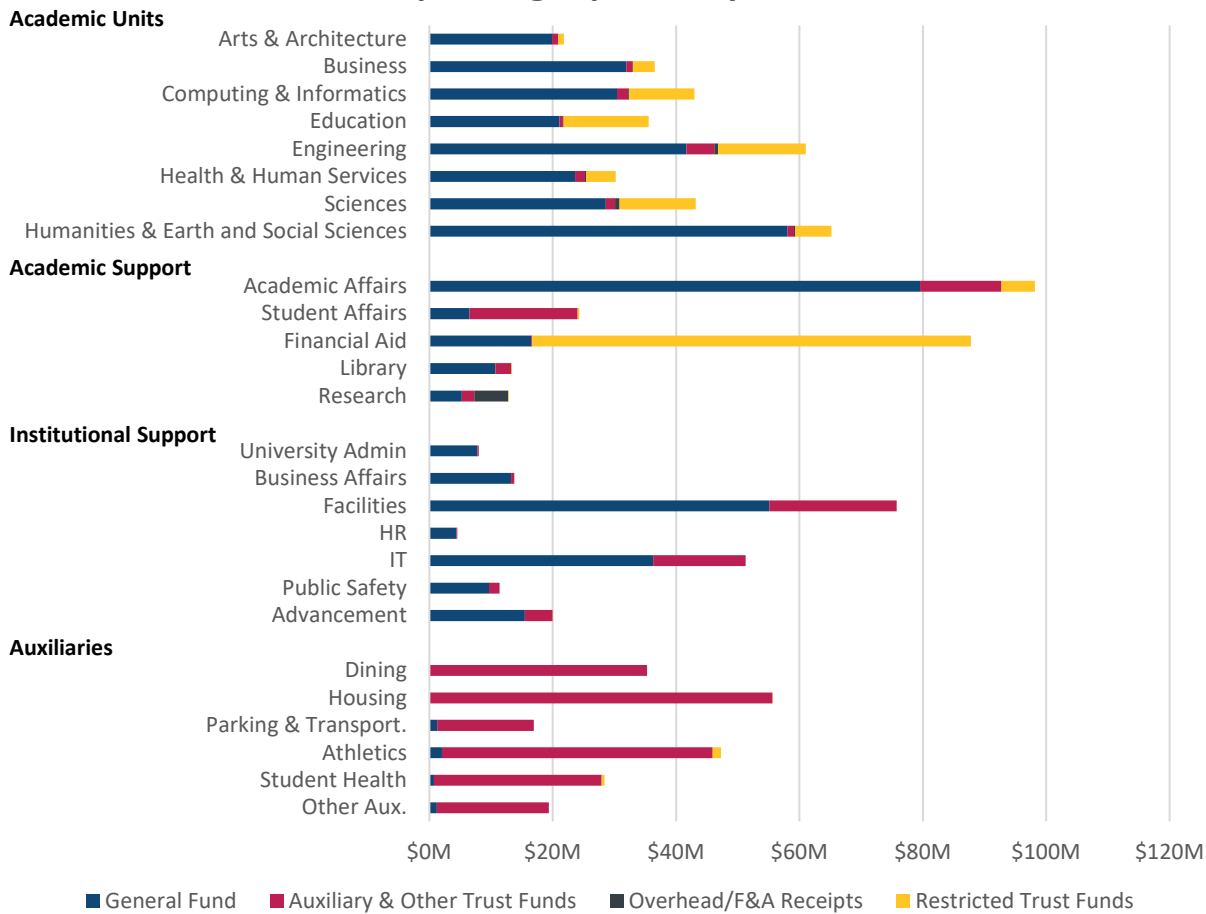
Dr. Richard Amon

Vice Chancellor for Business Affairs

Cc: Dennis Bunker, Board of Trustees Chair
Dr. Sharon Gaber, Chancellor
Dr. Jennifer Troyer, Vice Chancellor for Academic Affairs/Provost
Kim Bradley, Chief of Staff
Ken Smith, AVC of Budgets & Chief Budget Officer
Carrie Smith, Deputy Chief Budget Officer



Operating Expenses by Unit



UNC Charlotte
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 341,427,000	\$ -	\$ -	\$ -	\$ 341,427,000
	Tuition & Fees	\$ 194,033,000	\$ 144,877,000	\$ -	\$ 14,000	\$ 338,924,000
	<i>Less Discounts and Allowances</i>	\$ (38,918,000)	\$ (8,566,000)	\$ -	\$ (24,602,000)	\$ (72,086,000)
	Sales & Services	\$ -	\$ 136,586,000	\$ -	\$ 390,000	\$ 136,976,000
	Patient Services	\$ -	\$ 1,985,000	\$ -	\$ -	\$ 1,985,000
	Contracts & Grants	\$ 1,150,000	\$ 390,000	\$ 12,075,000	\$ 99,332,000	\$ 112,947,000
	Gifts & Investments	\$ -	\$ 12,399,000	\$ -	\$ 52,449,000	\$ 64,848,000
	Other Revenues	\$ 18,635,000	\$ 15,030,000	\$ 1,000	\$ 205,000	\$ 33,871,000
Revenues Total		\$ 516,327,000	\$ 302,701,000	\$ 12,076,000	\$ 127,788,000	\$ 958,892,000
Expenses	Salaries and Wages	\$ 331,587,000	\$ 56,780,000	\$ 3,867,000	\$ 26,155,000	\$ 418,389,000
	Staff Benefits	\$ 100,251,000	\$ 20,398,000	\$ 1,364,000	\$ 5,570,000	\$ 127,583,000
	Services, Supplies, Materials, & Equip.	\$ 52,222,000	\$ 161,678,000	\$ 1,561,000	\$ 18,472,000	\$ 233,933,000
	Scholarships & Fellowships	\$ 38,918,000	\$ 8,566,000	\$ 51,000	\$ 82,719,000	\$ 130,254,000
	<i>Less Discounts and Allowances</i>	\$ (38,918,000)	\$ (8,566,000)	\$ -	\$ (24,602,000)	\$ (72,086,000)
	Debt Service	\$ -	\$ 37,139,000	\$ 1,750,000	\$ -	\$ 38,889,000
	Utilities	\$ 12,621,000	\$ 4,283,000	\$ -	\$ 10,000	\$ 16,914,000
	Other Expenses	\$ 11,656,000	\$ -	\$ -	\$ -	\$ 11,656,000
Expenses Total		\$ 508,337,000	\$ 280,278,000	\$ 8,593,000	\$ 108,324,000	\$ 905,532,000
Net Transfers		\$ (7,990,000)	\$ (21,371,000)	\$ (4,360,000)	\$ (18,650,000)	\$ (52,371,000)
Change in Fund Balance			\$ 1,052,000	\$ (877,000)	\$ 814,000	\$ 989,000

UNCG FY26 All Funds Budget Narrative

The All-Funds Budget (AFB) process underscores our commitment to financial transparency by employing a three-pillar participatory approach as outlined in UNCG's new Strategic Plan, *Forward Together*. This new plan is designed to serve as a strategic framework for the university over the next five years, ensuring student success, enhancing research and creative activity, and achieving operational excellence and responsible stewardship. The 2025-26 All Funds Budget that was approved by our Board of Trustees on April 3, 2025, while steadfastly supporting the objectives of the UNC System Office, serves as a fundamental base upon which the three pillars are established.

The 2025-26 All Funds Budget (AFB) continues UNCG's movement into the future as we explore areas of innovation, reinvention, and operational efficiency to adjust to the structural enrollment and budget challenges faced by all regional public universities, like UNCG. **Student affordability** is at the core of what we do. We are dedicated to ensuring that all students, regardless of their background, have access to the transformative power of higher education. This means advancing financial assistance programs, pursuing tuition predictability, and investing in initiatives that lower the overall cost of attendance.

However, affordability cannot come at the expense of quality. To achieve this balance, we are embracing innovation to reimagine how we deliver education and services through **strategic resource alignment**. We are continuously seeking new ways to elevate the student experience while optimizing resources. At the same time, we are reinventing administrative processes, reducing redundancy, and fostering a culture of collaboration across university departments to maximize efficiency as well as **financial sustainability**.

This is hard work, that requires intestinal fortitude and a long-term stewardship approach! These efforts are not without their challenges. Like many institutions, we face a complex budgetary landscape marked by fluctuating state support, increasing operational costs, and a highly competitive funding environment. This requires us to be agile and strategic in our financial planning. We are addressing these challenges by exploring unique partnerships, and diversifying revenue streams to reduce dependency on traditional funding sources. Tough decisions are part of the process, but each one is made with the long-term sustainability of the university and the success of our students in mind.

Ultimately, affordability, efficiency, innovation, and reinvention are interconnected pillars that guide our path forward. As stewards of public trust, we are committed to navigating the financial complexities of running a state university with transparency, creativity, and a firm resolve.

Student Affordability

Affordability remains at the forefront of all decisions we make. While changes to housing and dining plans aim to optimize additional revenue that may be generated, they were also carefully designed to ensure that costs remain reasonable and competitive with peer institutions. Our goal is to offer options that not only enhance the student experience but also support our university's long-term financial health. Any potential additional revenue will be thoughtfully reinvested to directly benefit our students. One of those reinvestment opportunities will take the form of the **Student Housing Grant Program**. Considering the achievements realized through this program, which was supported previously by COVID resources, Housing and Residence Life (HRL) has made the strategic decision to remain committed in utilizing this targeted, need-based approach to effectively recruit and retain our student population. This HRL reinvestment will help reduce financial barriers and make higher education more accessible for

underrepresented and underserved populations. **Newly proposed meal plans and pricing structures** present an opportunity to potentially enhance our dining revenues. There has been a notable trend among students favoring flex spending options over traditional board plans. These investments to change how we do business reflect our commitment to thoughtfully managing resources in a way that aligns with our institutional priorities. By leveraging this additional revenue, we are taking deliberate steps to enhance the student experience, support affordability, and reinforce the foundation of excellence that defines UNCG.

Strategic Resource Alignment

Operational budget cuts, 2% in FY2025 and 2% in FY2026, though often unavoidable, must be approached with care and precision. Our goal is to make informed decisions that prioritize our core mission: providing a high-quality education to our students and driving impactful research and community engagement. This means identifying areas where efficiencies can be achieved without compromising the academic excellence and student experience that define UNCG.

Strategic resource alignment is key to turning challenges into opportunities. We are focused on reallocating resources to align with institutional priorities, such as expanding programs with high student demand, investing in technology to enhance learning, and strengthening initiatives that support student success. By concentrating our efforts and resources on areas that yield the greatest value, we can ensure that every investment contributes meaningfully to the university's mission and goals.

While these steps require hard decisions, transparency and collaboration remain central to our approach. We are engaging our campus community in these conversations, ensuring that faculty, staff, and students have a voice in shaping our priorities. Through open communication, we aim to build trust and foster a shared commitment to advancing the university in a sustainable and strategic way. For over twenty years, UNCG has posted budget, audit and fiscal profile information on our website.

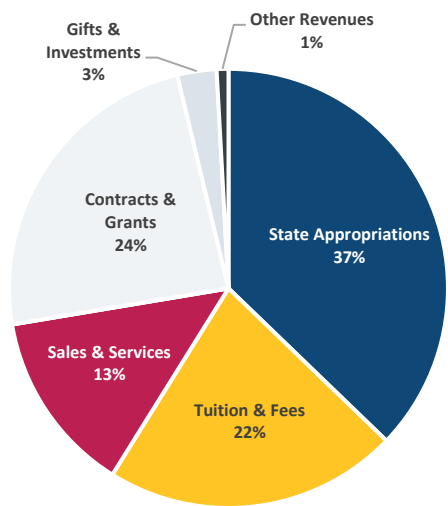
In the face of financial challenges, UNCG is not just reacting, we are adapting and evolving. By aligning our resources thoughtfully and navigating budget reductions with purpose, we are positioning our institution to emerge stronger, more efficient, and more focused on the mission that drives us forward.

Financial Sustainability

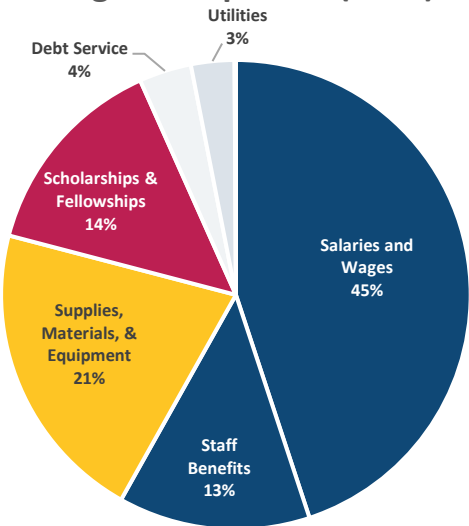
One of the key strategies we are implementing is a **thoughtful reduction of administrative layers and management redundancies**. By streamlining our organizational structure, we aim to improve decision-making, communication, and resource allocation. This effort is not simply about cutting costs, it is about creating a more adaptable and responsive institution that prioritizes collaboration and innovation.

In parallel, we have already conducted a **rigorous review of our academic programs** to assess their performance and alignment with institutional priorities. This process was guided by data, input from stakeholders, and an unwavering focus on outcomes. For underperforming programs that demonstrate potential, we are exploring targeted reinvestments and support to help them achieve sustainable success. Some resources freed through these strategic adjustments will be reinvested into high-priority areas, such as student success initiatives, research and innovation, and community engagement. These investments are critical to ensuring that UNCG remains a leader in higher education and continues to provide opportunities that transform lives.

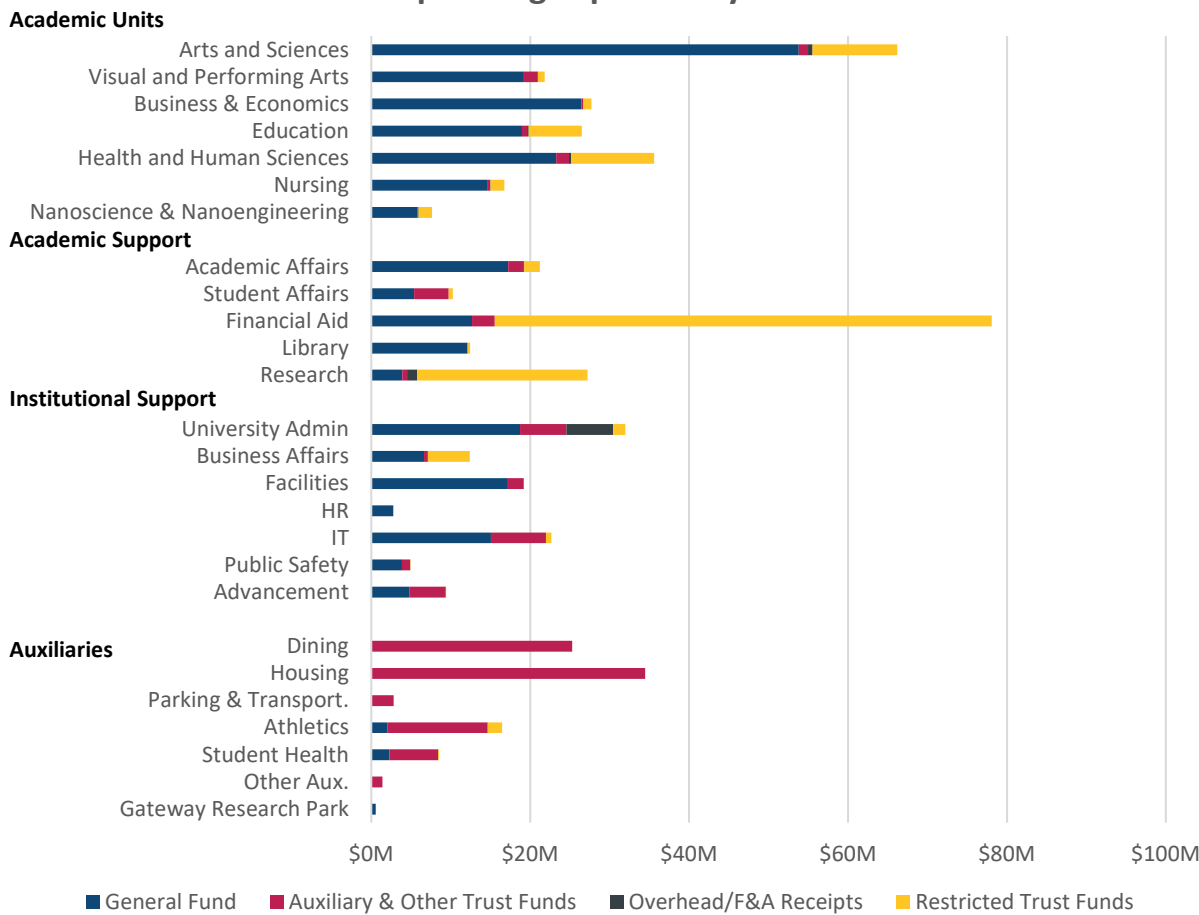
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



UNC Greensboro
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 208,216,000	\$ -	\$ -	\$ -	\$ 208,216,000
	Tuition & Fees	\$ 88,545,000	\$ 32,714,000	\$ -	\$ -	\$ 121,259,000
	<i>Less Discounts and Allowances</i>	\$ (10,321,000)	\$ (5,561,000)	\$ -	\$ (47,620,000)	\$ (63,502,000)
	Sales & Services	\$ 94,000	\$ 74,946,000	\$ -	\$ 492,000	\$ 75,532,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ 139,000	\$ 2,634,000	\$ 8,429,000	\$ 122,371,000	\$ 133,573,000
	Gifts & Investments	\$ -	\$ 7,247,000	\$ -	\$ 8,932,000	\$ 16,179,000
	Other Revenues	\$ 2,010,000	\$ 2,534,000	\$ -	\$ 310,000	\$ 4,854,000
Revenues Total		\$ 288,683,000	\$ 114,514,000	\$ 8,429,000	\$ 84,485,000	\$ 496,111,000
Expenses	Salaries and Wages	\$ 184,655,000	\$ 35,132,000	\$ 1,195,000	\$ 26,044,000	\$ 247,026,000
	Staff Benefits	\$ 53,038,000	\$ 11,240,000	\$ 397,000	\$ 7,986,000	\$ 72,661,000
	Services, Supplies, Materials, & Equip.	\$ 39,150,000	\$ 36,036,000	\$ 7,051,000	\$ 32,894,000	\$ 115,131,000
	Scholarships & Fellowships	\$ 10,321,000	\$ 5,561,000	\$ -	\$ 62,434,000	\$ 78,316,000
	<i>Less Discounts and Allowances</i>	\$ (10,321,000)	\$ (5,561,000)	\$ -	\$ (47,620,000)	\$ (63,502,000)
	Debt Service	\$ -	\$ 19,808,000	\$ -	\$ -	\$ 19,808,000
	Utilities	\$ 11,840,000	\$ 4,598,000	\$ -	\$ -	\$ 16,438,000
	Other Expenses	\$ -	\$ 511,000	\$ -	\$ -	\$ 511,000
Expenses Total		\$ 288,683,000	\$ 107,325,000	\$ 8,643,000	\$ 81,738,000	\$ 486,389,000
Net Transfers		\$ -	\$ (9,453,000)	\$ 930,000	\$ (468,000)	\$ (8,991,000)
Change in Fund Balance			\$ (2,264,000)	\$ 716,000	\$ 2,279,000	\$ 731,000

The University of North Carolina at Pembroke FY 2026 All-Funds Budget Narrative

The University of North Carolina at Pembroke's proposed FY26 All-Funds Budget shows a slight decrease in revenue (-\$1.17 million, or -0.6%) and \$3.6 million, or 1.78% decrease in expenses leading to an increase in budgeted fund balance of \$3.9 million which is an improvement over the prior year, attributable to improved performance in auxiliaries and athletics.

Total General Fund revenue at \$136.1 million is essentially flat (an increase of 0.18%) although large shifts have occurred in natural accounts mostly due to recharacterization of ARPA temporary savings funding which in previous years, when it was new, was included in State Appropriations but is now reflected in Other Revenues as carryforward. Noteworthy changes in revenue are an \$800,000 increase in tuition and a \$900,000 increase from gaming receipts and decreases in state appropriations mostly from performance funding (-\$1.1 million). General Fund expenses are flat with large shifts in natural accounts again mostly due to the recharacterization of ARPA temporary savings funding. Whereas new ARPA temporary savings funding in the past was reflected in "Services and Supplies," ARPA temporary savings funding carried forward is now in "Other Expenses" and actual use of ARPA temporary savings funding is reflected in the correct natural account. The increase in salaries (and benefits) not due to last year's 4% Legislative Increase and targeted increase for nursing faculty is due exclusively to the use for ARPA temporary savings funding for the startup of the College of Optometric Medicine which makes its debut in this budget as a new academic unit. [As a reminder, ARPA temporary savings funding was granted by the Legislature to support the creation of new health care programs (e.g., Optometry) and there is a ten-year window to spend the funds.] The other notable change visible in General Fund expenses for the University is the increase in scholarship expenses which has two components. First as part of restructuring Athletic expenses to use gaming receipts, scholarships expenses of \$1.58 million were moved from Auxiliary Funds to General Funds; and second, as part of a larger internal reallocation, the University has increased General Funds Financial Aid by \$750,000.

For the third year in a row, the university has undertaken an internal reduction and reallocation process aimed at bolstering investments in key areas. In FY24 the internal reduction and allocation was 2.9% of general fund expenses budgets and for FY25 it was 1.9%. The proposed budget for FY26 includes a further 1.5% reduction and reallocation, or \$1.7 million.

Of the \$1.7 million reduction, \$300,000 was a true reduction to account for a reduction in the permanent budget. The remaining \$1.4 million will be reallocated, mostly to continue and strengthen the reallocations made in FY24 and FY25:

Affordability (System priority) and Enrollment (University priority)

The lion's share of the reallocation, \$781,000, is going to enrollment management. As mentioned earlier, \$750,000 is for financial aid. The remaining amount will bolster the Enrollment Call Center with student workers and will allow a data analyst to be hired (through augmenting an existing position).

Access (System and University priorities)

The Office of Online Learning recently hired a new director, and funding is being provided for software renewals and changes to better help the growing population of online learners, many of whom are adult degree completers as well as military students.

Excellent Institutions (System priority)

The remaining funding will fund promotion and tenure, a position for assessment, a faculty position as well as software to enhance productivity.

Economic Impact and Innovative Programs (System and University Priorities)

The budget reflects the use of almost \$4 million of ARPA temporary savings funding for new health care programs. The College of Optometric Medicine has entered Phase II of the accreditation process and is currently searching for an Associate Dean for Academics. The first faculty members and key staff will be hired in FY26 from these funds. The Doctor of Nursing Practice will admit its third cohort in FY26, and program is meeting the goals laid out during program approval. The Masters in Occupational Therapy will admit its second class of students in FY26 with interest and applications surging. All these programs will help meet the state and region's growing need for health care providers.

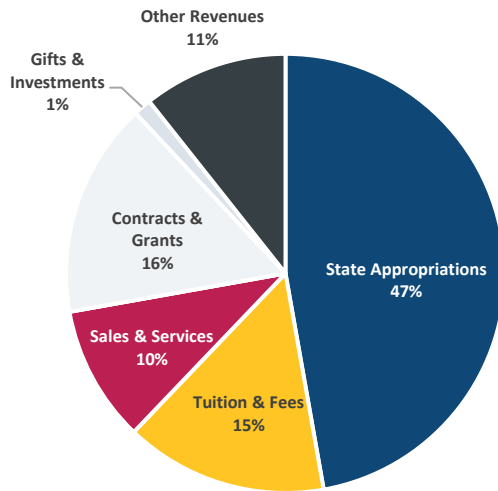
For the second year in a row, the Institutional Trust Fund budget shows improved performance by auxiliary operations. Revenue is projected to increase \$2.8 million or 8.9%, while expenses are only increasing \$509,000, or 1.5%. Both the dining and bookstore contracts went through the Request for Proposal process during FY25, and both will have new operators in FY26. Housing occupancy has shown slight improvement, and we expect that trend to continue. Housing and Residence Life has been working with Facilities and Financial Planning and Analysis on a ten-year capital plan to guide capital renewal. The final version will be completed shortly, but we have already used the information gathered to approve and execute a major refresh of Courtyard Six this past summer and will do a similar project on Courtyard Five this coming summer. Athletics has eliminated prior years' deficits and is in good position thanks to sports wagering receipts which allows expenses to be moved from Institutional Trust funds to general funds.

Another major improvement in Institutional Trust Funds is a reduction in debt service. The FY25 budget included a balloon payment on the debt associated with the Student Health Center. The debt (and the associated student fee) has been removed from the FY26 budget. Currently, the University has no plan to issue more debt. Finally, as part of efficiency measures, the FY26 budget reflects the elimination of the on-campus print shop.

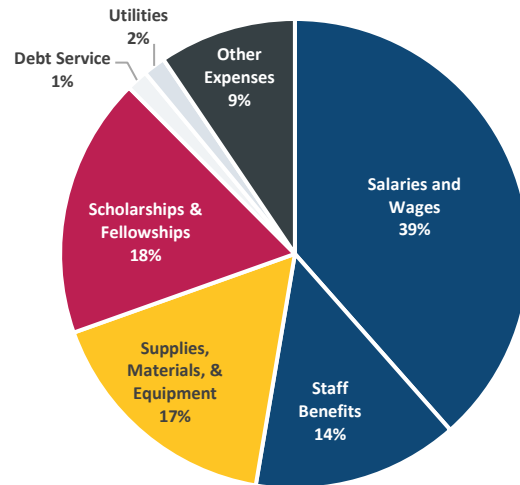
The Restricted Trust Funds show a \$3.6 million decrease in grants and contracts revenue largely due to uncertainty of federal funding for four specific activities. The associated expenses are also eliminated from the proposed budget.

UNCP is an exceptionally well-run and efficient institution. Significant internal reallocations of recurring general funds will have been made for three consecutive years with this budget, which has led to approximately \$2.8 million being allocated toward recruitment and retention efforts and \$3.1 million for academic and productivity initiatives. As shown in the workforce reports provided to the Board of Governors, UNCP has both the lowest total average salary per employee and the highest student-to-employee ratio in the system.

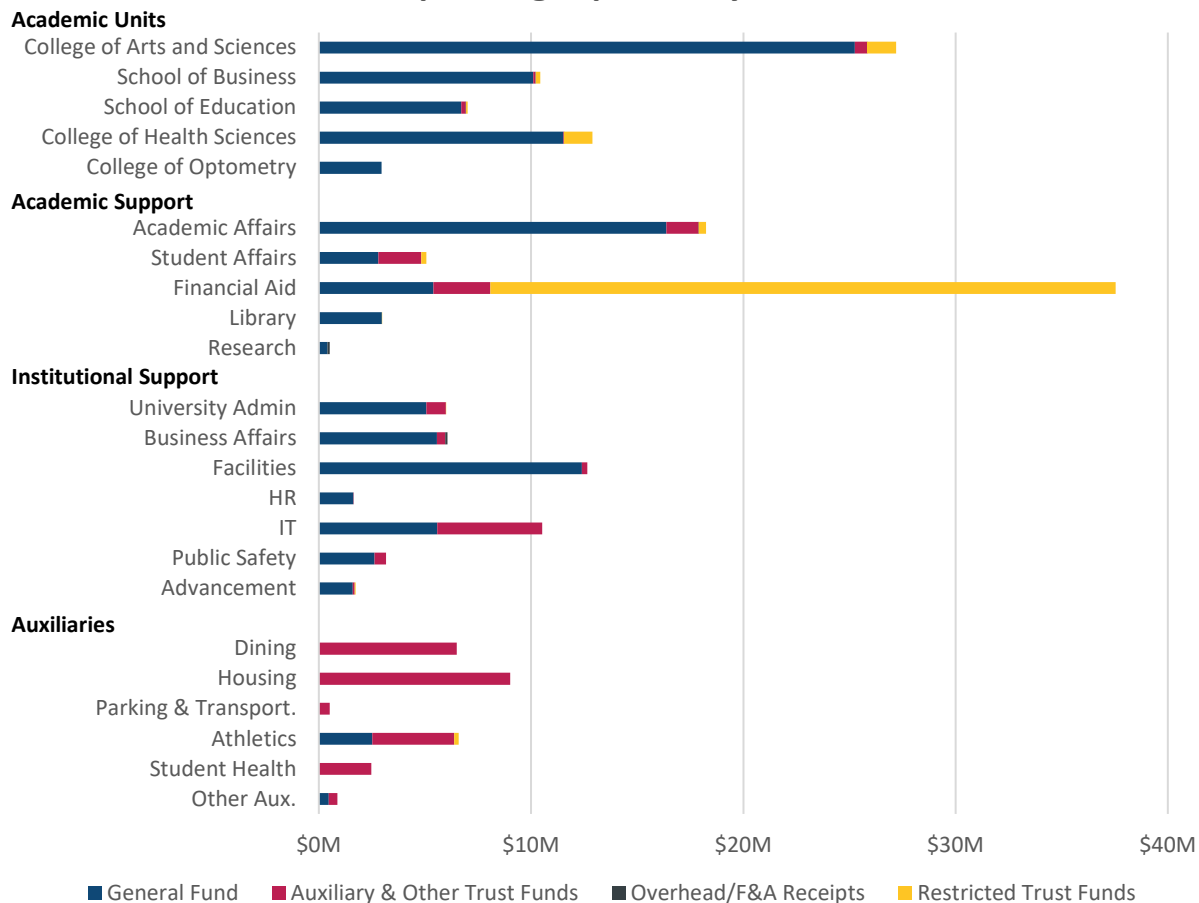
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



UNC Pembroke
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 101,591,000	\$ -	\$ -	\$ -	\$ -	\$ 101,591,000
	Tuition & Fees	\$ 17,802,000	\$ 14,334,000	\$ -	\$ -	\$ -	\$ 32,136,000
	<i>Less Discounts and Allowances</i>	\$ (5,824,000)	\$ (2,986,000)	\$ -	\$ (5,379,000)	\$ -	\$ (14,189,000)
	Sales & Services	\$ 38,000	\$ 21,593,000	\$ -	\$ -	\$ -	\$ 21,631,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ 2,398,000	\$ 319,000	\$ 31,336,000	\$ -	\$ 34,053,000
	Gifts & Investments	\$ -	\$ 1,681,000	\$ -	\$ 1,139,000	\$ -	\$ 2,820,000
	Other Revenues	\$ 22,476,000	\$ 393,000	\$ -	\$ 75,000	\$ -	\$ 22,944,000
Revenues Total		\$ 136,083,000	\$ 37,413,000	\$ 319,000	\$ 27,171,000	\$ -	\$ 200,986,000
Expenses	Salaries and Wages	\$ 72,335,000	\$ 7,319,000	\$ 139,000	\$ 1,719,000	\$ -	\$ 81,512,000
	Staff Benefits	\$ 27,404,000	\$ 2,277,000	\$ 62,000	\$ 298,000	\$ -	\$ 30,041,000
	Services, Supplies, Materials, & Equip.	\$ 13,327,000	\$ 20,396,000	\$ 31,000	\$ 2,019,000	\$ -	\$ 35,773,000
	Scholarships & Fellowships	\$ 5,824,000	\$ 2,986,000	\$ -	\$ 29,215,000	\$ -	\$ 38,025,000
	<i>Less Discounts and Allowances</i>	\$ (5,824,000)	\$ (2,986,000)	\$ -	\$ (5,379,000)	\$ -	\$ (14,189,000)
	Debt Service	\$ 434,000	\$ 2,711,000	\$ -	\$ -	\$ -	\$ 3,145,000
	Utilities	\$ 2,208,000	\$ 1,047,000	\$ -	\$ -	\$ -	\$ 3,255,000
	Other Expenses	\$ 20,046,000	\$ -	\$ -	\$ -	\$ -	\$ 20,046,000
Expenses Total		\$ 135,754,000	\$ 33,750,000	\$ 232,000	\$ 27,872,000	\$ -	\$ 197,608,000
Net Transfers		\$ -	\$ 78,000	\$ (25,000)	\$ 874,000	\$ -	\$ 927,000
Change in Fund Balance			\$ 3,741,000	\$ 62,000	\$ 173,000	\$ -	\$ 3,976,000

UNC Wilmington FY26 All Funds Budget Narrative



Through the FY26 All Funds Budgeting process, the University of North Carolina Wilmington will make meaningful investments that support system-wide strategic objectives along with priorities identified in UNCW's strategic plan. The budget was further informed by an institutional commitment to providing students and taxpayers with an incredible value proposition, which matches accessibility and affordability with high-quality academic programs to ensure graduates are prepared to meet North Carolina's workforce needs and realize long-term career success. Finally, the FY26 budget also reflects UNCW's commitment to disciplined financial planning, which ensures the financial stability and sustainability of the University and each of its component units. A summary of how the FY26 budget supports the aforementioned objectives is outlined below.

Strategic Alignment

To support UNCW's improvement with respect to UNC System performance metrics and progress towards objectives outlined in UNCW's new strategic plan, the FY26 budget provides additional investments in a variety of programs and areas that are essential for attracting, serving, and retaining students, and helping to ensure their success post-graduation. These new investments include, but are not limited to:

- *Academic Advising*: Effective academic advising directly supports students in setting clear academic objectives, enrolling strategically in courses, and proactively addressing academic challenges. As a result, in FY26, UNCW will be investing an additional \$651,000 to hire up to nine additional full-time academic advisors. This targeted investment will expand our advising capacity, ensuring all undergraduate students consistently receive personalized guidance from professional or faculty advisors, ultimately enhancing their ability to complete degrees on schedule and advancing UNCW's performance on key UNC System metrics.
- *High-ROI Academic Programs*: Recognizing the UNC System's emphasis on providing a strong return on investment (ROI) for students and taxpayers of North Carolina, UNCW is allocating over \$4 million to support new faculty hires and instruction across a number of disciplines that exhibit strong demand and/or directly address the workforce needs of our state and region. Specific programs receiving support through this allocation include, but are not limited to: Accounting, Business Analytics, Coastal Engineering, Cybersecurity, Data Science, Information Systems, Nursing, and Supply Chain Management.
- *Student Support Services*: Recognizing the direct linkage between student support services and student outcomes, UNCW is making notable investments in critical student support service units. Specifically, the FY26 budget will invest approximately \$270,000 to address staffing needs in the Disability Resource Center, which offers students tailored academic testing and accommodation solutions. In addition, \$168,000 will be provided to the University Learning Center to expand tutoring and structured study sessions for students across various disciplines. Collectively, these initiatives help reduce drop, fail, and withdrawal incidents for students and maintain progress towards their respective degrees.

Access and Affordability

UNCW remains deeply committed to student access and affordability, demonstrated by continued progress on each of the UNC System performance metrics related to student debt. To build upon this progress, the FY26 budget includes targeted investments in key areas, including:

- *Student Aid:* An additional recurring investment of \$760,000 will scale UNCW's need-based financial aid to better meet the needs of our students. This enhanced support will reduce the amount resident students need to borrow, maintaining accessibility and affordability for students with demonstrated financial need.
- *Student Employment:* UNCW will expand on-campus student employment opportunities in critical areas, including tutors in the University Learning Center and Resident Assistant roles within Housing and Residence Life. Additionally, the Career Center which provides career counseling and facilitates off-campus work opportunities/paid internships, will receive additional funding to help scale applicable services and better support the needs of students. These opportunities not only reduce students' reliance on loans but also provide valuable career experience beneficial after graduation.
- *Maintaining Progress to Degree:* To further reduce the cost burden on students, UNCW will invest over \$400,000 to strengthen summer instruction offerings, particularly targeting courses with historically high DFW (Drop/Fail/Withdrawal) rates that can delay timely graduation. By facilitating smoother and quicker paths to degree completion, these investments help students avoid the added financial burdens and lost earning potential associated with extended enrollment periods.

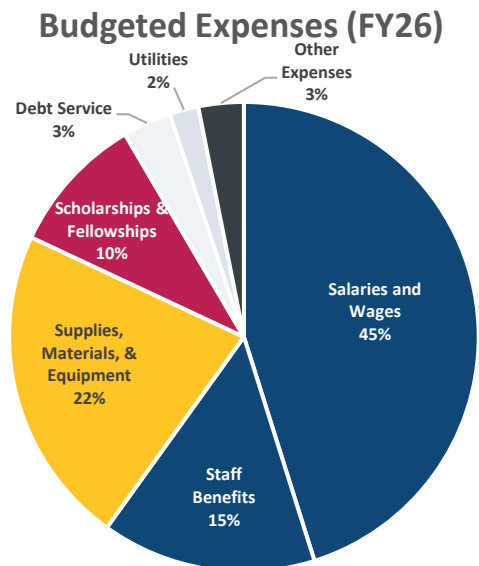
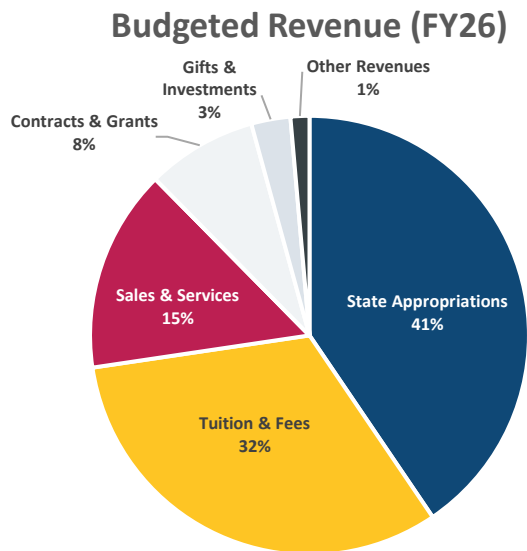
Financial Sustainability

UNCW continues to employ internal review and reallocation processes to ensure financially sound and sustainable operations. This is evidenced by a major campuswide reallocation of more than \$2 million in recurring funds implemented in FY24, achieved by rightsizing budgets in units experiencing declining enrollment, consolidating overlapping services, and realigning staff workloads.

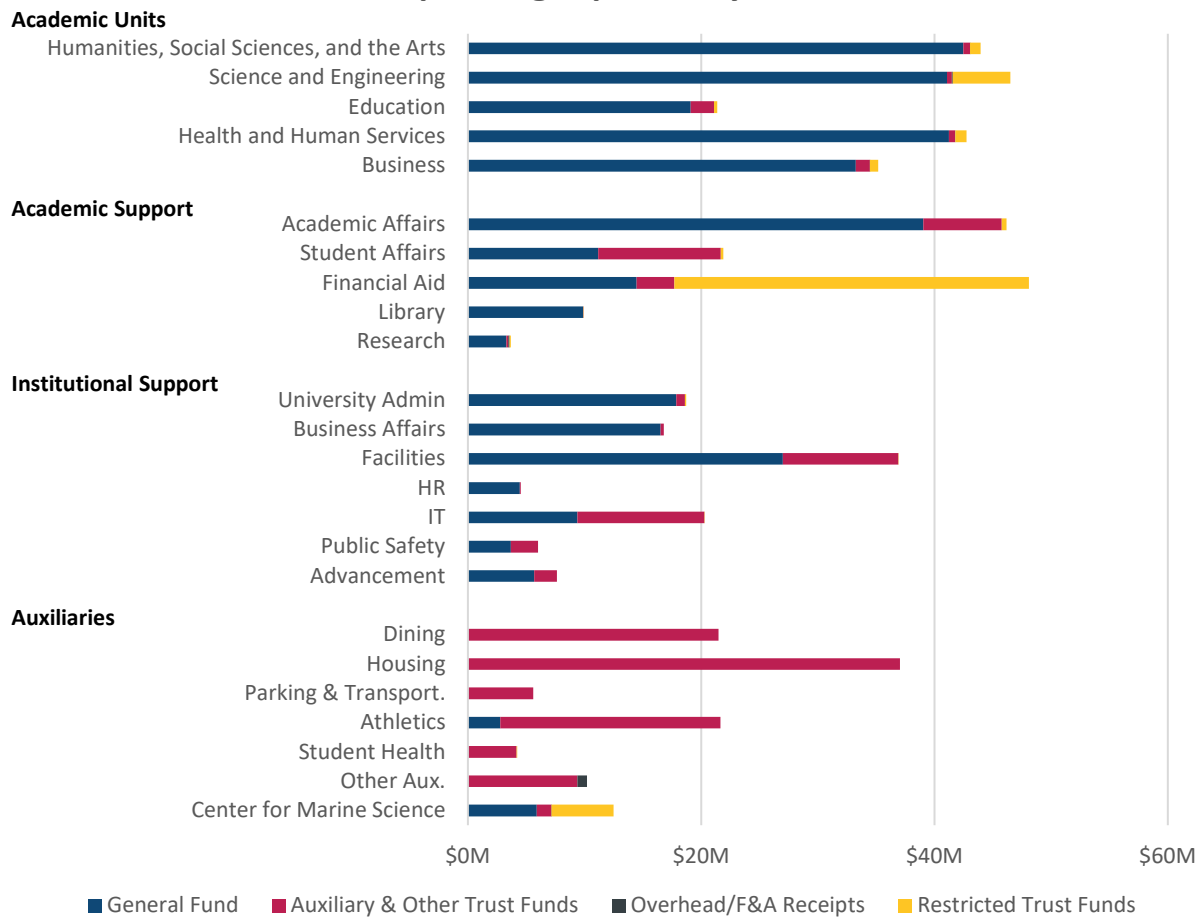
This focus continued in the development of the FY26 budget, as the Provost, CFO, and applicable deans reviewed SCH production and workload ratios for each academic department and used this information to inform many of the strategic investments outlined in the previous sections. In addition, similar screening and review processes were employed for applicable trust and auxiliary operations and used to develop individual operating budgets for each unit for the upcoming fiscal year.

Conclusion

UNCW's FY26 budget reflects a strong alignment between resources and results. It builds on the University's momentum in improving student outcomes, invests in strategic academic priorities with proven workforce relevance, and reinforces the institution's commitment to fiscal discipline and operational excellence. By aligning financial decisions with UNC System goals and the campus mission, UNCW is well-positioned to continue delivering strong value for students, families, and the citizens of North Carolina.



Operating Expenses by Unit



UNC Wilmington
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 222,510,000	\$ -	\$ -	\$ -	\$ 222,510,000
	Tuition & Fees	\$ 128,073,000	\$ 48,477,000	\$ -	\$ -	\$ 176,550,000
	<i>Less Discounts and Allowances</i>	\$ (7,191,000)	\$ (4,883,000)	\$ -	\$ (21,238,000)	\$ (33,312,000)
	Sales & Services	\$ 236,000	\$ 81,878,000	\$ 5,000	\$ 7,000	\$ 82,126,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ 2,276,000	\$ 127,000	\$ 2,443,000	\$ 39,758,000	\$ 44,604,000
	Gifts & Investments	\$ -	\$ 11,089,000	\$ -	\$ 4,744,000	\$ 15,833,000
	Other Revenues	\$ 2,185,000	\$ 5,247,000	\$ -	\$ 211,000	\$ 7,643,000
Revenues Total		\$ 348,089,000	\$ 141,935,000	\$ 2,448,000	\$ 23,482,000	\$ 515,954,000
Expenses	Salaries and Wages	\$ 209,491,000	\$ 27,142,000	\$ 51,000	\$ 5,762,000	\$ 242,446,000
	Staff Benefits	\$ 67,505,000	\$ 10,910,000	\$ 7,000	\$ 973,000	\$ 79,395,000
	Services, Supplies, Materials, & Equip.	\$ 43,674,000	\$ 66,807,000	\$ 170,000	\$ 7,742,000	\$ 118,393,000
	Scholarships & Fellowships	\$ 13,275,000	\$ 8,456,000	\$ 3,000	\$ 29,756,000	\$ 51,490,000
	<i>Less Discounts and Allowances</i>	\$ (7,191,000)	\$ (4,883,000)	\$ -	\$ (21,238,000)	\$ (33,312,000)
	Debt Service	\$ 896,000	\$ 16,224,000	\$ 815,000	\$ -	\$ 17,935,000
	Utilities	\$ 6,885,000	\$ 3,810,000	\$ -	\$ -	\$ 10,695,000
	Other Expenses	\$ 13,553,000	\$ 3,046,000	\$ 8,000	\$ 152,000	\$ 16,759,000
Expenses Total		\$ 348,088,000	\$ 131,512,000	\$ 1,054,000	\$ 23,147,000	\$ 503,801,000
Net Transfers		\$ -	\$ (2,083,000)	\$ (232,000)	\$ 1,112,000	\$ (1,203,000)
Change in Fund Balance			\$ 8,340,000	\$ 1,162,000	\$ 1,447,000	\$ 10,949,000



University of North Carolina School of the Arts All-Funds Budget Narrative FY 2025-2026

The FY 2025-2026 All-Funds Budget at the University of North Carolina School of the Arts (UNCSA) has been developed to align with the priorities of the UNC System and the Board of Governors. The budget reflects our commitment to UNCSA's strategic plan, which focuses on nurturing talented emerging artists. Our mission extends beyond equipping students with the skills necessary for success; we strive to enrich their lives and foster their comprehensive artistic development. Moreover, UNCSA is dedicated to contributing to the cultural and economic vitality of North Carolina. The all-funds budget reflects investment in mission-aligned activities and UNC System priorities, including strategic resource alignment, student affordability, and financial sustainability.

Budget Alignment with UNC System Office Policy Priorities

UNCSA continues to prioritize investments in improving student success, as evidenced by our achievements in key performance metrics. We have exceeded our baseline goal for the 4-year graduation rate and surpassed our stretch goal for undergraduate degree efficiency. To continue improvement within our performance metrics, investments in the following activities are reflected in the FY25-26 All-Funds Budget: The Office of the Provost oversees the Collaborative Scheduling Initiative (CSI), which seeks to create a sustainable scheduling model that enhances student success, aligns institutional needs, and optimizes scheduling across all programs and performances. This initiative is designed to position UNCSA for long-term success. Additionally, the Teaching & Learning Center administers the Academic Success Coaching program, collaborating with students to identify, prioritize, and overcome obstacles to their comprehensive success.

Student affordability remains a top priority for UNCSA, as demonstrated by our achievements in key performance metrics. We have exceeded our baseline goal for reducing Education & Related Expenses per Degree and surpassed our stretch goals for reducing First-Time and Transfer Student Debt. Our budget reflects investments in both need-based and merit-based financial aid. UNCSA's tuition has remained flat across all student categories for both FY25 and FY26, reinforcing our commitment to student affordability. Furthermore, no mandatory or special fees were increased in FY25, and only one special fee was increased for FY26. Dining rates have also remained flat for over five years, further supporting our commitment to keeping education affordable for our students.

Financial sustainability is at the forefront of UNCSA's budget development and funding allocation processes. The university-wide all-funds budgeting process is a collaborative effort, targeting the efficient use of resources to align with strategic initiatives. During the FY25-26 budget development process, multiple campus departments identified priority cost-saving measures to mitigate inflationary cost increases. These measures included abolishing positions to restructure operations and duties, contracting services, and procuring more economical supplies, equipment, and services. One example is Information Technology/Campus-wide savings of \$53K. We are in the process of transitioning to Teams phones and Evolve VOIP services, which provides significant cost savings while delivering seamless integration with Microsoft 365, unified communications, a scalable cloud-based infrastructure, and enhanced security. The realignment of these savings supports non-personnel inflation-driven expenses in departmental operating budgets. Additionally, the university-wide funding allocation process supports long-term fiscal sustainability by evaluating both current and future funding needs along with projected resources. This comprehensive approach enables the leadership team to collaboratively align resources with strategic priorities, ensuring that UNCSA remains financially stable and capable of advancing

its mission and goals. Through these efforts, UNCSA demonstrates its commitment to prudent financial management and the strategic allocation of resources to sustain its operations and institutional objectives.

Investment in Mission-Aligned Activities

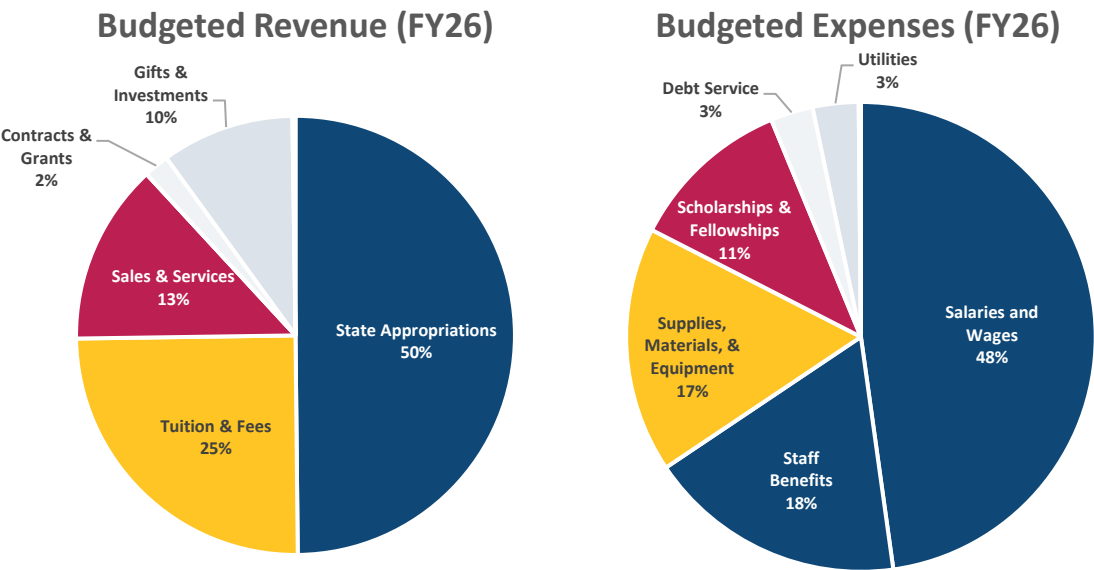
Maintaining & Expanding Industry Relevance

- **School of Music:** The School of Music is currently undergoing renovations to enhance its facilities to better serve students, faculty, and staff. Current efforts focus on installing audio and video recording and streaming equipment in Crawford and Hood Halls, enabling self-recording and expanding the streaming of student performances. This initiative aligns with the new tech-focused curriculum and supports students in building their professional portfolios.
- **School of Drama:** The School of Drama provides Acting & Directing students with the opportunity to collaborate with musicians, aiding their development and refinement of the skills essential for professional Music Theater.
- **All Art Schools:** All Art Schools allocate resources for essential classroom materials that equip students with the skills needed in drama, filmmaking, dance, music, and design & production, preparing them for post-graduation careers in the entertainment industry. They also organize guest-artist workshops, industry-relevant trips, and attend conferences. One example is in Design & Production where we attend 3 different conferences, and we take 14 students to each conference. Many times, our students get job offers on the spot. Our Design & Production students are often sought out by industry leaders.

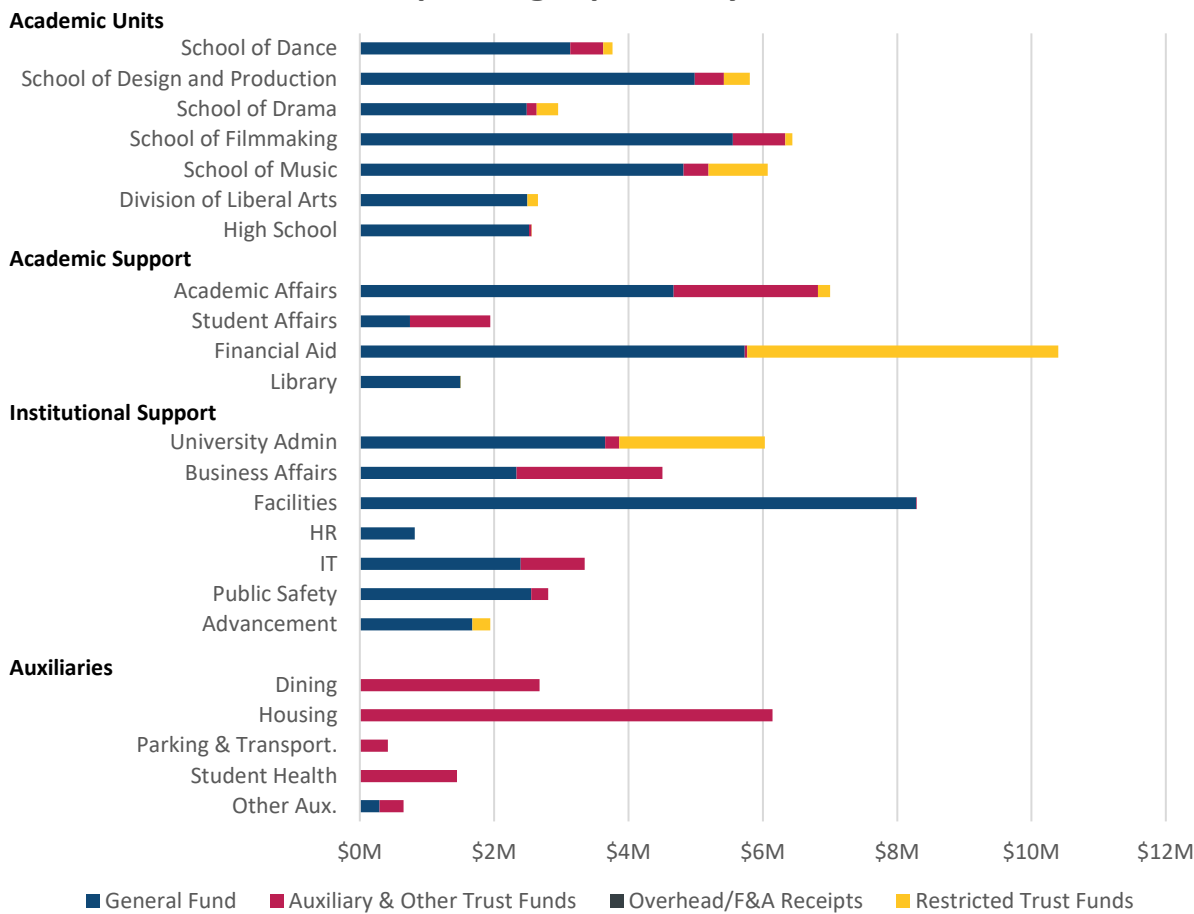
Interdisciplinary Work in the Arts

- **Division of Liberal Arts:** The Division of Liberal Arts delivers the general education program for college-level students at UNCSA. It actively supports interdisciplinary work in the arts by offering courses that bring together students from all schools, fostering collaboration across disciplines. The Division also invests in student events, advising, and educational opportunities, including visits from guest artists.
- **School of Filmmaking:** Film productions provide students with valuable opportunities to collaborate across multiple disciplines within the School of Filmmaking, including producing, editing, and cinematography. These projects are essential components of their practicum experiences. They also draw on the talents of students from other UNCSA schools—such as Drama, Music, and Dance—further enriching the collaborative process. Additionally, students participate in interdisciplinary events like Holiday Suite, working alongside peers from Dance, Drama, and Music to create dynamic, school-wide productions.
- **Teaching and Learning Center:** The Teaching and Learning Center is launching a new initiative to offer microgrants to student-artist teams, providing resources to support interdisciplinary projects developed and executed during the 2025–26 academic year.

The FY 2025–2026 All-Funds Budget represents a strategic, mission-driven investment in UNCSA’s continued excellence and innovation. Through targeted resource alignment, an unwavering commitment to student success and affordability, and a forward-looking approach to financial sustainability, UNCSA remains poised to advance institutional & system-wide priorities and goals.



Operating Expenses by Unit



**UNC School of the Arts
FY 2025-26 All-Funds Budget**

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 44,945,000	\$ -	\$ -	\$ -	\$ -	\$ 44,945,000
	Tuition & Fees	\$ 17,057,000	\$ 5,433,000	\$ -	\$ -	\$ -	\$ 22,490,000
	<i>Less Discounts and Allowances</i>	\$ (5,375,000)	\$ (140,000)	\$ -	\$ (1,080,000)	\$ -	\$ (6,595,000)
	Sales & Services	\$ -	\$ 12,048,000	\$ -	\$ -	\$ -	\$ 12,048,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ 9,000	\$ -	\$ 1,669,000	\$ -	\$ 1,678,000
	Gifts & Investments	\$ -	\$ 1,261,000	\$ -	\$ 7,560,000	\$ -	\$ 8,821,000
	Other Revenues	\$ -	\$ 206,000	\$ -	\$ -	\$ -	\$ 206,000
Revenues Total		\$ 56,627,000	\$ 18,817,000	\$ -	\$ 8,149,000	\$ -	\$ 83,593,000
Expenses	Salaries and Wages	\$ 34,596,000	\$ 6,789,000	\$ -	\$ 1,707,000	\$ -	\$ 43,092,000
	Staff Benefits	\$ 13,490,000	\$ 2,140,000	\$ -	\$ 429,000	\$ -	\$ 16,059,000
	Services, Supplies, Materials, & Equip.	\$ 4,612,000	\$ 8,307,000	\$ -	\$ 2,334,000	\$ -	\$ 15,253,000
	Scholarships & Fellowships	\$ 5,375,000	\$ 140,000	\$ -	\$ 4,625,000	\$ -	\$ 10,140,000
	<i>Less Discounts and Allowances</i>	\$ (5,375,000)	\$ (140,000)	\$ -	\$ (1,080,000)	\$ -	\$ (6,595,000)
	Debt Service	\$ -	\$ 2,639,000	\$ -	\$ -	\$ -	\$ 2,639,000
	Utilities	\$ 2,571,000	\$ 267,000	\$ -	\$ 6,000	\$ -	\$ 2,844,000
	Other Expenses	\$ -	\$ -	\$ -	\$ 137,000	\$ -	\$ 137,000
Expenses Total		\$ 55,269,000	\$ 20,142,000	\$ -	\$ 8,158,000	\$ -	\$ 83,569,000
Net Transfers		\$ (90,000)	\$ 80,000	\$ -	\$ -	\$ -	\$ (10,000)
Change in Fund Balance			\$ (1,245,000)	\$ -	\$ (9,000)	\$ -	\$ (1,254,000)

Memorandum

To: Jennifer Haygood, Senior VP for Finance and Administration and CFO

From: Michael T. Byers, Vice Chancellor for Administration and Finance

Date: May 1, 2025

Subject: 2025-26 All-Funds Budget Narrative

Western Carolina University (WCU) has a tradition and culture of transparency and campus-wide involvement in its incremental budget process. The All-Funds Budget forecast has been integrated into the university budget development process. This component of budget development allows colleges and departments to express their respective budget priorities while gaining an understanding of the various sources that are available to fund those priorities. Further, the process creates an understanding of the attributes of strategic resource alignment, student affordability, and financial sustainability required to justify significant changes to departmental budgets.

WCU's campus budget process for the 2025-26 fiscal year began in the spring of 2024, with the development of planning for 2025-26 Tuition, Fees, Rates and Charges (TFRC). This annual process requires campus units with responsibility or interests in TFRC to communicate their intent regarding proposals/requests with their division head and with the Budget Office. Vetted requests are allowed to be presented in the summer to the Chancellor's Leadership Council during its annual retreat, where deans and department heads provide a presentation on their proposed changes and the presenter undergoes a mock BOG presentation. Proposals that survive this process are developed into a slate of proposed changes that follow the prescribed UNC policy for developing tuition and fee increases, with vetting by the tuition and fee committee, the executive council, and the Board of Trustees. Thus, tuition, fees rates and charges are set for inclusion in the WCU All-Funds Budget forecast by March each year. The robust vetting of the proposed changes ensures that student affordability is at the forefront of these decisions, while providing transparency throughout the approval process.

WCU's campus budget process for changes in funding for the 2025-26 fiscal year began in fall 2024, as it does each year. This incremental budget process seeks requests for both recurring and non-recurring funds originating at the department level to be communicated to the Budget Office by December 31 each year. The requests are finalized in the spring

after a series of open forums presented by each division. All requests must discuss the impact the budget request will have on enrollment, affordability, retention, graduation, risk mitigation, health and safety issues, efficiency, and effectiveness. During these presentations, division heads are expected to report on any reallocation of resources made or planned within the division during the prior or upcoming period. In April, a prioritization exercise is undertaken by campus leadership (Chancellor's Leadership Council and the Budget Advisory Committee) and is intended to be coupled with the incremental requests from the divisions to guide allocation/reallocation decisions by executive leadership in the fall, when legislative action has prescribed enrollment funding. WCU's current and past years' budget process information can be found at budgetprocess.wcu.edu. Due to timing, the priorities set by this process, or the forecasted outcomes of legislative action in the upcoming summer, cannot always be considered in the development of the All-Funds Budget forecast. But the time spent between the Budget office and the respective units and campus stakeholders in its development has been of value and provides increased transparency, while impressing upon departments the need to thoroughly justify their respective budget requests to align with UNC System priorities.

The WCU budget process requires units to tie all budget requests to the WCU Strategic Plan by citing the specific Strategic Direction by number and section. Division heads are required to report each year during their divisional budget forum instances where resources were reallocated from less productive initiatives in favor of more productive initiatives or to keep the cost of an education to the students and taxpayers from escalating. This process also ties to the UNC System strategic priority of resource alignment.

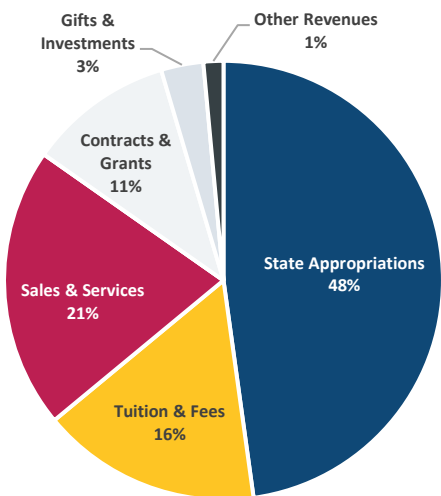
The university has realigned auxiliary resources to be able to provide more financial aid to students, thus increasing affordability through the Catamount Commitment. This program provides first -year resident students with varying levels of support over eight semesters based on the high school GPA. Resident transfer students are now eligible for the Catamount Commitment based on meeting certain criteria, one of which is to major in STEM, health science or education degree programs. Providing this aid opportunity to students directly impacts the amount of debt a student may have to incur.

The university has a focus on financial sustainability. As the highest priorities arise through the budget process, final decisions get viewed through the lens of their impact on credit and risk, including compliance with WCU reserve balance requirements for self-liquidating units. All auxiliary operations are expected to maintain a level of at least six months of operating expenses in reserve. Both academic and administrative program reviews are conducted at the university with the aim of gaining efficiencies and improving processes. The results of these reviews can lead to the elimination or realignment of programs. Cost savings are used as a tool to provide resources to cover other recurring costs that have increased due to inflation.

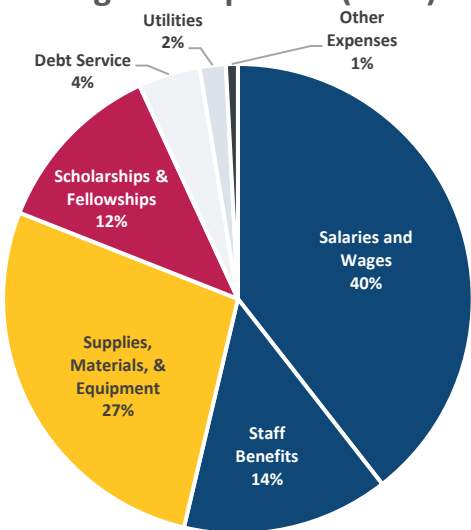
WCU's Board of Trustees approved the attached All Funds Budget forecast at its March 2025 meeting. Please contact me if you have any questions.

Cc: Kelli R. Brown, Chancellor

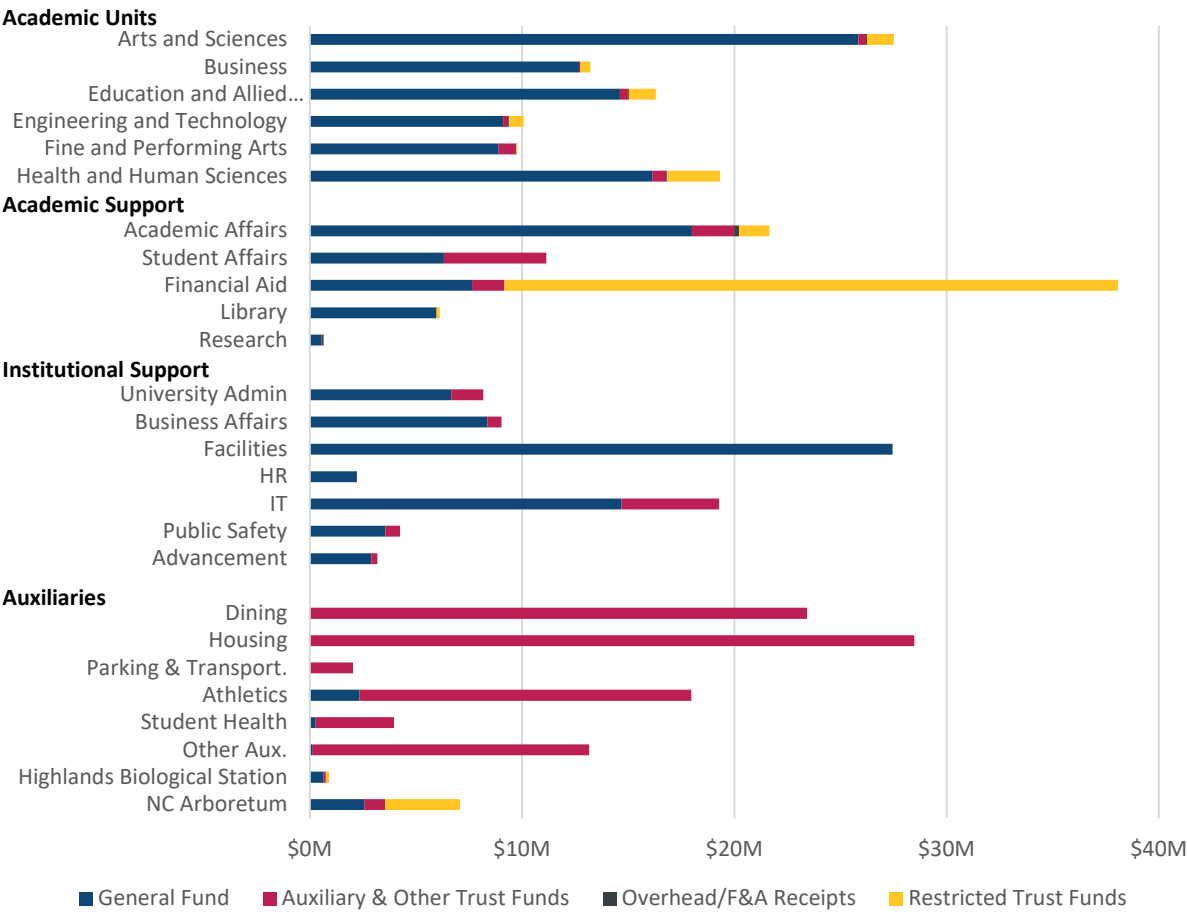
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



Western Carolina University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 164,572,000	\$ -	\$ -	\$ -	\$ -	\$ 164,572,000
	Tuition & Fees	\$ 29,339,000	\$ 26,424,000	\$ -	\$ -	\$ -	\$ 55,763,000
	<i>Less Discounts and Allowances</i>	\$ (6,387,000)	\$ (5,046,000)	\$ -	\$ (15,288,000)	\$ -	\$ (26,721,000)
	Sales & Services	\$ -	\$ 71,360,000	\$ -	\$ -	\$ -	\$ 71,360,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ 1,012,000	\$ -	\$ -	\$ 35,739,000	\$ -	\$ 36,751,000
	Gifts & Investments	\$ -	\$ 7,628,000	\$ -	\$ 3,100,000	\$ -	\$ 10,728,000
	Other Revenues	\$ 2,657,000	\$ 1,129,000	\$ 1,071,000	\$ 210,000	\$ -	\$ 5,067,000
Revenues Total		\$ 191,193,000	\$ 101,495,000	\$ 1,071,000	\$ 23,761,000	\$ -	\$ 317,520,000
Expenses	Salaries and Wages	\$ 109,012,000	\$ 21,105,000	\$ 92,000	\$ 5,720,000	\$ -	\$ 135,929,000
	Staff Benefits	\$ 39,206,000	\$ 8,299,000	\$ 32,000	\$ 1,501,000	\$ -	\$ 49,038,000
	Services, Supplies, Materials, & Equip.	\$ 38,099,000	\$ 53,707,000	\$ 378,000	\$ 1,802,000	\$ -	\$ 93,986,000
	Scholarships & Fellowships	\$ 6,387,000	\$ 5,046,000	\$ -	\$ 30,393,000	\$ -	\$ 41,826,000
	<i>Less Discounts and Allowances</i>	\$ (6,387,000)	\$ (5,046,000)	\$ -	\$ (15,288,000)	\$ -	\$ (26,721,000)
	Debt Service	\$ -	\$ 14,711,000	\$ -	\$ -	\$ -	\$ 14,711,000
	Utilities	\$ 4,186,000	\$ 1,984,000	\$ -	\$ -	\$ -	\$ 6,170,000
	Other Expenses	\$ 690,000	\$ 1,171,000	\$ 3,000	\$ 961,000	\$ -	\$ 2,825,000
Expenses Total		\$ 191,193,000	\$ 100,977,000	\$ 505,000	\$ 25,089,000	\$ -	\$ 317,764,000
Net Transfers		\$ -	\$ 3,227,000	\$ (566,000)	\$ 1,328,000	\$ -	\$ 3,989,000
Change in Fund Balance			\$ 3,745,000	\$ -	\$ -	\$ -	\$ 3,745,000

All Funds Budget Narrative

Winston-Salem State University (WSSU) has leveraged the All-Funds Budget process to assess and evaluate where institutional leadership and employees invest financial resources to achieve the outcomes identified in the UNC System's institutional metrics for WSSU.

Student Success (Increase Retention Rates and Four-Year Graduation Rates)

At WSSU, student success is central to the university's strategic plan and institutional metrics. Given this focus, WSSU's senior leadership allocated budgetary resources in the 2025-2026 All Funds Budget to enhance the institution's retention rates from the first to the second year, from the second to the third year, and the four-year graduation rates. University leaders aim to increase student access to courses during the summer through the *WSSU 365 Summer Scholars program*. With this initiative, WSSU will cover tuition and fees for eligible students. The program will help students recover credit hours and provide other students with the opportunity to advance within their curriculum, allowing them to complete degree requirements sooner than in the traditional four-year period.

During the 2025- 2026 academic year, WSSU leadership will continue to invest in proven partnerships to enhance student success outcomes. This includes strategic alliances with groups focused on adult learner success and the employment of "Resilience Coaches" at WSSU to boost student engagement, aligning with our goal of expanding access to education. In FY 2025-2026, WSSU leadership will maintain its partnership with EAB Navigate, a tool for administrators, faculty, and staff to track the academic achievements of all undergraduate and graduate students and provide real-time personalized support services based on monitoring. Furthermore, WSSU leaders will allocate additional financial resources to support two offices that will drive student success outcomes: (1) an Office of Student Success overseen by a redesigned Vice Provost for Student Success, which intentionally focuses on providing support and professional development to employees in utilizing EAB Navigate to collect and analyze data, thereby improving student engagement and retention initiatives and (2) an Office of Transfer and Adult Services that will assist students in the transfer process and maximize the credits they bring to the institution, as well as support them throughout the application and enrollment processes.

Improve Undergraduate Degree Efficiency

WSSU leadership understands that undergraduate degree efficiency, defined as the number of undergraduate credentials awarded per 100 Full-Time Equivalent students, is critical to student success. They recognize that employees must implement strategies that help students graduate on time. Central to this effort is the extent to which the institution invests in its faculty to deliver high-quality instruction and engage learners effectively. WSSU senior leadership is aware that accumulating Ds, Fs, Ws, and Incompletes adversely affects students' on-time degree completion and financial resources, as they must retake courses to meet degree requirements. To this end, WSSU leadership will continue to allocate financial resources to improve faculty instructional quality, investing in faculty development through a partnership with the Association of College and University Educators (ACUE) for its nationally recognized certification in excellence in online teaching, as well as through our institutional Center for Innovative and Transformative Instruction (CITI).

Often unspoken in discussions about the efficiency of undergraduate degrees is the role of institutional leaders, particularly department chairs, directors, and deans. These leaders must possess the knowledge, skills, courage, and the ability to navigate challenging conversations while managing stressful decisions in accordance with policies, ensuring that the institutional climate supports student success and degree efficiency. WSSU leadership will continue to invest in leadership and management training for these

individuals, helping them leverage data to facilitate difficult conversations, provide effective feedback and coaching to employees, manage employee performance, and emphasize accountability regarding high expectations. WSSU will hold a university-wide professional development day this upcoming Fall. Furthermore, WSSU leadership recognizes the importance of succession planning; thus, senior leaders will continue to invest in professional development opportunities for employees to enhance their leadership abilities.

Reduced Average Cumulative Debt and Education-Related Expenses

To reduce the average cumulative debt and education-related expenses for undergraduate students, especially first-time freshmen and transfer students in FY26, WSSU senior leadership will repurpose unrestricted funds to increase a general scholarship endowment from \$10M to \$17.5M to increase scholarships and emergency grants. WSSU leadership will invest in scholarship awards for community college transfer students and new first-year students to reduce reliance on loans and provide extra summer funding. Additionally, leadership will continue funding the First-Day Complete program, which aims to lower textbook costs. WSSU leadership will utilize budgetary resources during the 2025-2026 academic year for a scholarship matching platform called “Scholarship Universe,” designed to identify relevant scholarships for students based on their personalized profiles. Senior leadership will also coordinate efforts to provide financial literacy to new students, continuing students, and their families, recognizing that increased awareness of financial options among families is a crucial method for reducing student debt.

Fiscal and Operational Resilience

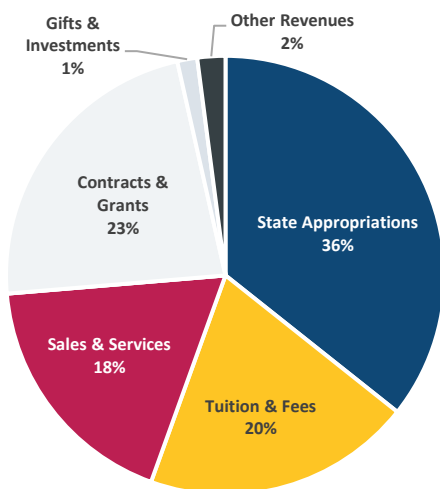
While no new funds have been allocated to WSSU in the current or previous fiscal years, the realignment of resources toward strategic initiatives has been essential in creating a balanced budget that supports the University’s goals. The FY26 All Funds Budget reflects the strategic realignment of vacant positions, cost savings identified through the elimination of duplicated contracts, and other measures aimed at reallocating resources to effectively meet the University’s objectives. Additionally, to enhance operational and fiscal resilience, WSSU has implemented an auxiliary reserve regulation, extending coverage from three months to one year to support long-term financial stability and to limit enterprise risk. Additionally, WSSU senior leadership has begun Academic Portfolio and Resources Reviews to collectively examine every academic program and department to develop a clear picture of what is being delivered to students and evaluate the sustainability of academic programs. The university will continue to employ austerity measures to support overall reduction in operational expenses.

Conclusion

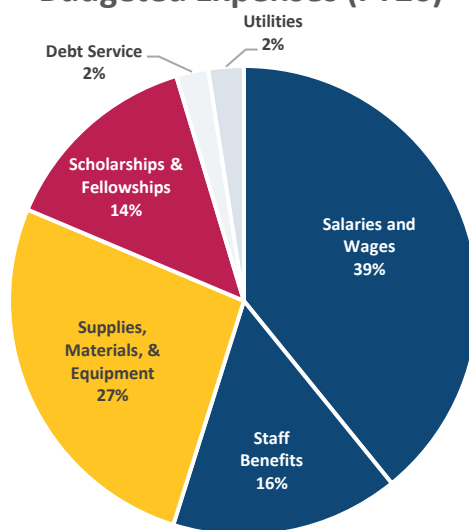
The Winston-Salem State University FY26 All-Funds Budget represents a financial plan that aligns our resources to support our mission, strategic plan, and priorities. The budget reflects a balanced and sustainable financial plan that reflects positive cash flow from auxiliary and trust funds.

The WSSU Board of Trustees met and approved the All-Funds Budget on March 14, 2025.

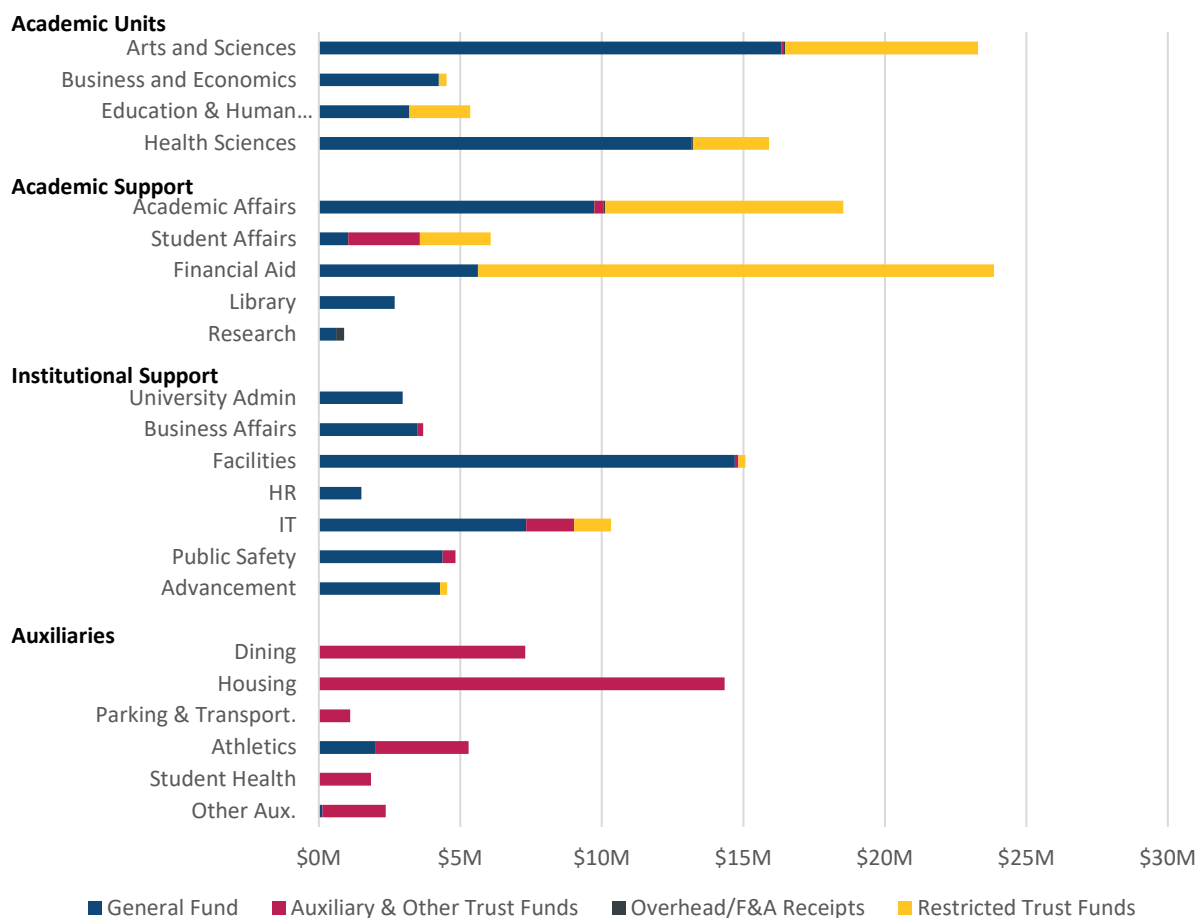
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



Winston-Salem State University
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds		Total
Revenues	State Appropriations	\$ 68,260,000	\$ -	\$ -	\$ -	\$ -	\$ 68,260,000
	Tuition & Fees	\$ 25,979,000	\$ 11,962,000	\$ -	\$ -	\$ -	\$ 37,941,000
	<i>Less Discounts and Allowances</i>	\$ (4,745,000)	\$ (85,000)	\$ -	\$ (18,730,000)	\$ -	\$ (23,560,000)
	Sales & Services	\$ 1,166,000	\$ 33,584,000	\$ -	\$ -	\$ -	\$ 34,750,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ -	\$ 746,000	\$ 42,861,000	\$ -	\$ 43,607,000
	Gifts & Investments	\$ -	\$ 2,806,000	\$ -	\$ -	\$ -	\$ 2,806,000
	Other Revenues	\$ 2,010,000	\$ 1,939,000	\$ -	\$ -	\$ -	\$ 3,949,000
Revenues Total		\$ 92,670,000	\$ 50,206,000	\$ 746,000	\$ 24,131,000	\$ -	\$ 167,753,000
Expenses	Salaries and Wages	\$ 49,597,000	\$ 10,147,000	\$ 55,000	\$ 9,208,000	\$ -	\$ 69,007,000
	Staff Benefits	\$ 20,257,000	\$ 4,827,000	\$ 13,000	\$ 2,584,000	\$ -	\$ 27,681,000
	Services, Supplies, Materials, & Equip.	\$ 19,348,000	\$ 15,669,000	\$ 401,000	\$ 11,258,000	\$ -	\$ 46,676,000
	Scholarships & Fellowships	\$ 4,745,000	\$ 85,000	\$ 17,000	\$ 19,813,000	\$ -	\$ 24,660,000
	<i>Less Discounts and Allowances</i>	\$ (4,745,000)	\$ (85,000)	\$ -	\$ (18,730,000)	\$ -	\$ (23,560,000)
	Debt Service	\$ 681,000	\$ 3,230,000	\$ -	\$ -	\$ -	\$ 3,911,000
	Utilities	\$ 2,787,000	\$ 1,506,000	\$ -	\$ -	\$ -	\$ 4,293,000
	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Total		\$ 92,670,000	\$ 35,379,000	\$ 486,000	\$ 24,133,000	\$ -	\$ 152,668,000
Net Transfers		\$ -	\$ (3,573,000)	\$ -	\$ -	\$ -	\$ (3,573,000)
Change in Fund Balance			\$ 11,254,000	\$ 260,000	\$ (2,000)	\$ -	\$ 11,512,000

NCSSM Budget Alignment with Strategic Priorities 2025-26

Approximately 90% of NCSSM's operating budget comes from state appropriations, with the other 10% coming from the NCSSM Foundation, which is an associated entity set up before the school's opening in 1980 to support the institution. Our state appropriated budget is heavily focused on delivering our core mission of providing residential, online, and extended programs for talented students across North Carolina, with the funding provided by our Foundation helping us meet these needs and our strategic goals for improvement.

NCSSM's Strategic Plan – which incorporates our UNC System Strategic Plan goals – drives how we allocate our budget. Our current five-year Strategic Plan has focused on expanding interdisciplinary curriculum for students in our enrolled programs, as well as curriculum in data science for students in our enrolled programs and students across North Carolina. We continue expanding our virtual learning programs that now enroll more than 1000 students from across North Carolina to take courses via NCSSM's Online and NCSSM Connect Programs. We have been able to use enrollment growth funding to more than double enrollment in these programs over the past five years. NCSSM's second campus in Morganton opened in the Fall of 2022 and the final two buildings on the campus will be completed early in the fall semester of the 2025-26 academic year. The Building Reserve funds requested for operating these two buildings is one of the critical components of our 2025-27 biennium budget request.

With state funding for NCSSM-Morganton, enrollment growth funding for our distance education programs and private funding, NCSSM's enrollment in our residential and virtual programs will have grown from nearly 1,200 students a decade ago to 2,000 students in 2025-26. This growth in our enrolled programs, coupled with our growing summer programs in which we served nearly 2,500 students in summer 2024, is allowing NCSSM to grow its mission to advance public education in North Carolina. Over the past two years we have been able to serve more students from those counties in North Carolina who have lower post-secondary enrollment for high school graduates which is aligned with our strategic priorities and those of the UNC System.

As we have expanded over the past several years, we have focused our efforts in making sure that we operate as one institution with multiple campuses and programs. In doing so, we have been very conscious of efficiency in how we will operate one institution across two campuses in very different parts of the state. In particular, we have worked to not increase any senior level administrative positions. All our Vice Chancellors have responsibility for their Division across both campuses and our online and extended programs. We believe that our institutional organizational structure allows us to be both efficient and effective and to operate as one NCSSM. As we strive to operate as efficiently as possible, our funding model provides significant challenges given our dependence on state appropriations. I greatly appreciate our

collaboration with Jennifer Haygood and her team to help identify a funding formula that will help address this challenge and keep pace with inflation. The funding from this formula requested for the 2025-27 biennium budget is critical in helping NCSSM address inflationary pressures from utilities, contracting for campus safety, and other non-personnel costs.

A very important strategic goal of our Board of Trustees has a very strong commitment to ensure our employees are adequately compensated. In the past five years with the help of

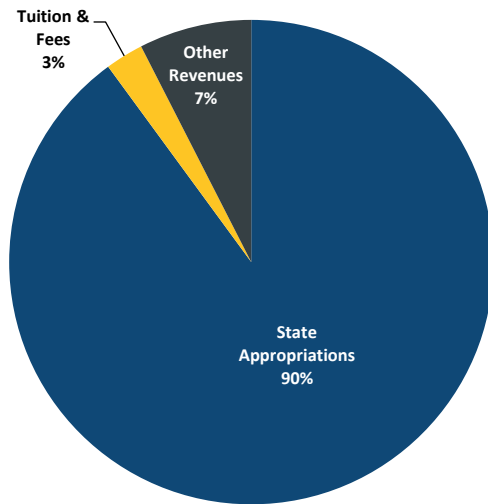
legislated salary increases and private funding we have been able to make gains in moving employee compensation toward market rate targets. With market rates being updated for both SHRA and EPS employees, we will be evaluating how we can work in coming years to make sure our employees are being compensated at market rates.

As an institution with very limited funding sources – only state appropriations and private philanthropic funding – we have worked very intentionally to align our resources to meet our core mission and to align with our strategic priorities, which are all focused on how we can best meet our mission of serving talented students across North Carolina and advancing public education in our state. In June 2025 we will close out the end of a multi-year, \$50-million fundraising campaign branded, “Ignite + Transform: Educational Excellence and Opportunity for All of NC,” a year early and we will have exceeded our fundraising goal by more than \$30 million dollars. These private dollars, along with state funding, are helping us extend our reach and impact, as well as build our Morganton campus and significantly improve the facilities on our Durham campus. The capital and repair and renovation funding requested in the 2025-27 biennium budget will allow us to continue the much needed renovations to our Durham campus as we hope to have the Durham campus largely renovated over the next five years. I would like to thank Katherine Lynn and her team for the tremendous support they have provided NCSSM to help us manage the significant amount of capital projects our very small NCSSM team has been managing across our two campuses. We could not have made the progress we have made without them.

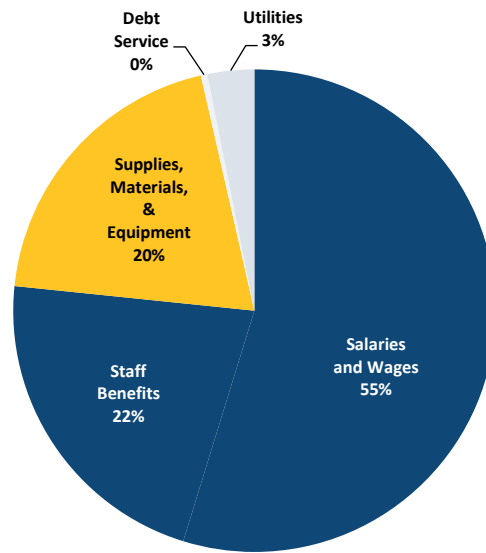
We believe that NCSSM does a very effective job managing and deploying our resources to meet our mission and we greatly appreciate the support we receive from the UNC System, Board of Governors, the state that allows us to serve students from across our great state.

NC School of Science and Mathematics

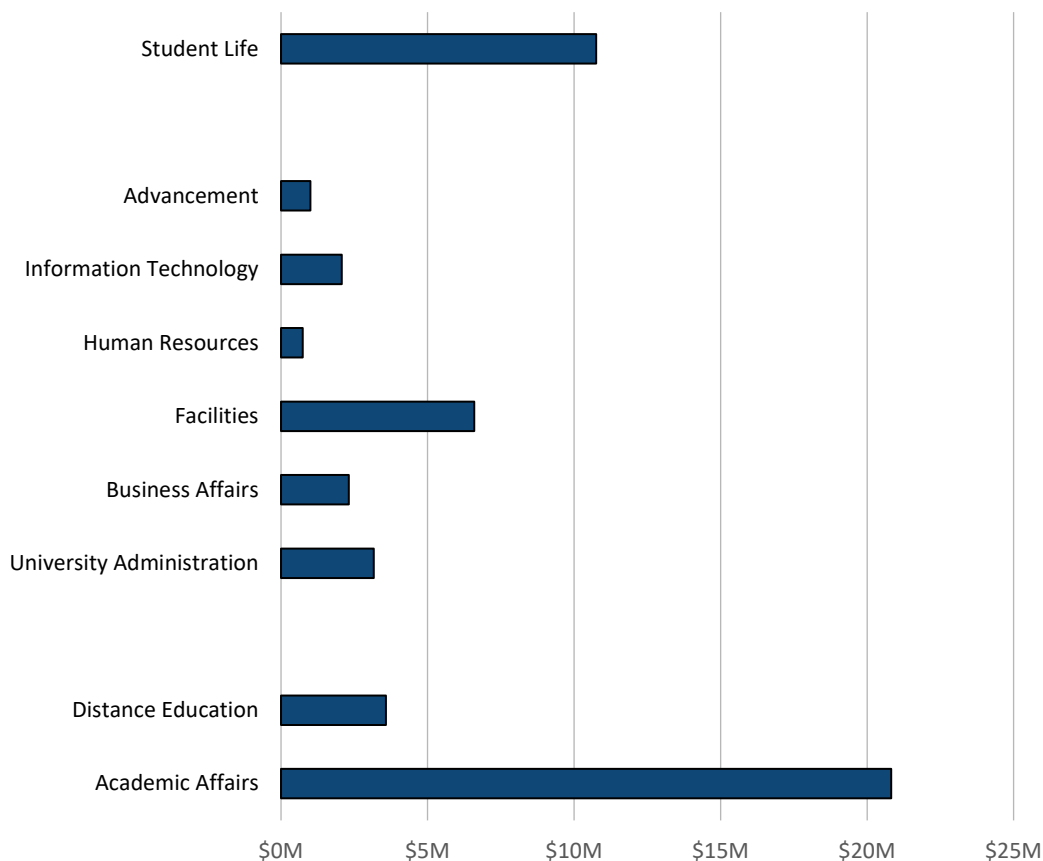
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



■ General Fund ■ Auxiliary & Other Trust Funds ■ Overhead/F&A Receipts ■ Restricted Trust Funds

**NC School of Science and Mathematics
FY 2025-26 All-Funds Budget**

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 45,919,000	\$ -	\$ -	\$ -	\$ 45,919,000
	Tuition & Fees	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,300,000
	<i>Less Discounts and Allowances</i>	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales & Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ -	\$ -	\$ -	\$ -
	Gifts & Investments	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Revenues	\$ 3,839,000	\$ -	\$ -	\$ -	\$ 3,839,000
Revenues Total		\$ 51,058,000	\$ -	\$ -	\$ -	\$ 51,058,000
Expenses	Salaries and Wages	\$ 27,963,000	\$ -	\$ -	\$ -	\$ 27,963,000
	Staff Benefits	\$ 11,161,000	\$ -	\$ -	\$ -	\$ 11,161,000
	Services, Supplies, Materials, & Equip.	\$ 10,112,000	\$ -	\$ -	\$ -	\$ 10,112,000
	Scholarships & Fellowships	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Less Discounts and Allowances</i>	\$ -	\$ -	\$ -	\$ -	\$ -
	Debt Service	\$ 220,000	\$ -	\$ -	\$ -	\$ 220,000
	Utilities	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 1,600,000
	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Total		\$ 51,056,000	\$ -	\$ -	\$ -	\$ 51,056,000
Net Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Change in Fund Balance			\$ -	\$ -	\$ -	\$ -

UNC System Office FY 2026 All-Funds Budget Narrative



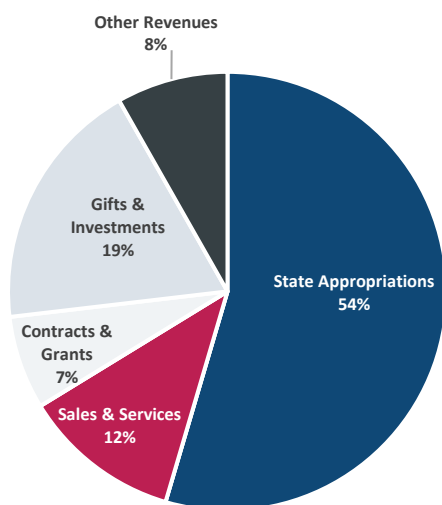
The UNC System Office’s mission is to lead and strengthen the state’s public universities to serve the people of North Carolina. Home to the offices of the president and senior administrative staff, it achieves this mission by researching, recommending, and executing the policies of the Board of Governors and the initiatives of the president. The UNC System Office also provides an array of services to campuses and administers multiple programs established by legislation. This work guides University-wide leadership in the areas of long-range planning, academic and student affairs, government relations, business and financial management, human resources, information technology, enterprise risk management, and legal affairs.

The System Office also includes PBS North Carolina (PBS NC), an affiliate for the UNC System, which is directed by statute to develop, produce, and distribute non-commercial educational television programming through the broadcasting licenses issued to the UNC Board of Governors, and to enhance the uses of television for public purposes. The System Office also provides administrative support to the State Education Assistance Authority (SEAA). SEAA promotes access to education by administering financial aid and savings programs, informing students and families about paying for education, teaching educators about financial aid administration, and advocating for resources to support students. While SEAA is administratively housed within the UNC System Office, it exercises its statutory powers independently.

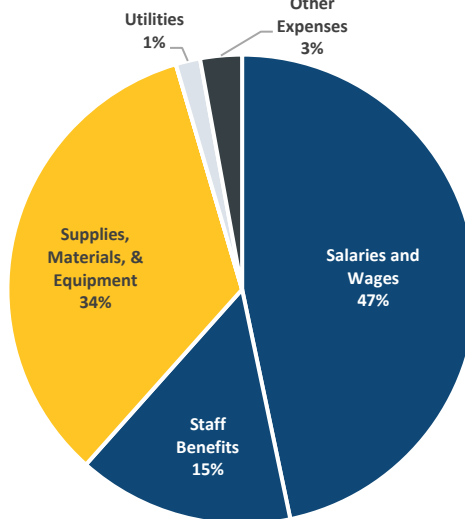
Through its budgeting process, the System Office has prioritized resources to support its critical leadership role in driving system-wide progress towards our strategic goals. These priorities not only address critical operational and academic needs but also lay the groundwork for scalable, systemwide solutions. This forward-thinking approach ensures that the System Office remains an effective steward of state resources while supporting innovation and resilience across all 17 institutions. Specific highlights include:

- **Microcredentials Initiative:** The System Office plans to launch the Integrated Microcredential Initiative (MYCredentials). This initiative will serve as a centralized innovation and quality assurance hub for microcredentials developed across the System’s 17 institutions. The initiative will streamline the design, vetting, approval, and awarding of microcredentials and provide a framework for embedding them into credit-bearing coursework, ensuring transferability, consistency, and value across the System.
- **Expanding Shared Services:** We will continue to leverage shared services in areas such as HR, advancement, and IT to reduce operational overhead and improve data quality. Strategic investments in managed ERP services, CRM support, and consolidated IT contracts will drive measurable efficiency gains and unlock recurring cost savings.
- **Cybersecurity:** As a critical underpinning of systemwide operations, we will standardize cybersecurity tools and contracts to strengthen data security and resilience. Consolidated IT strategies will also deliver savings for campuses while bolstering defenses against growing cyber threats.
- **PBSNC-System Office Integration:** To reduce overhead costs and duplicative work, we are continuing to better integrate PBSNC into the System Office’s administrative processes in such areas as human resources, IT, accounting, purchasing, and sponsored programs.

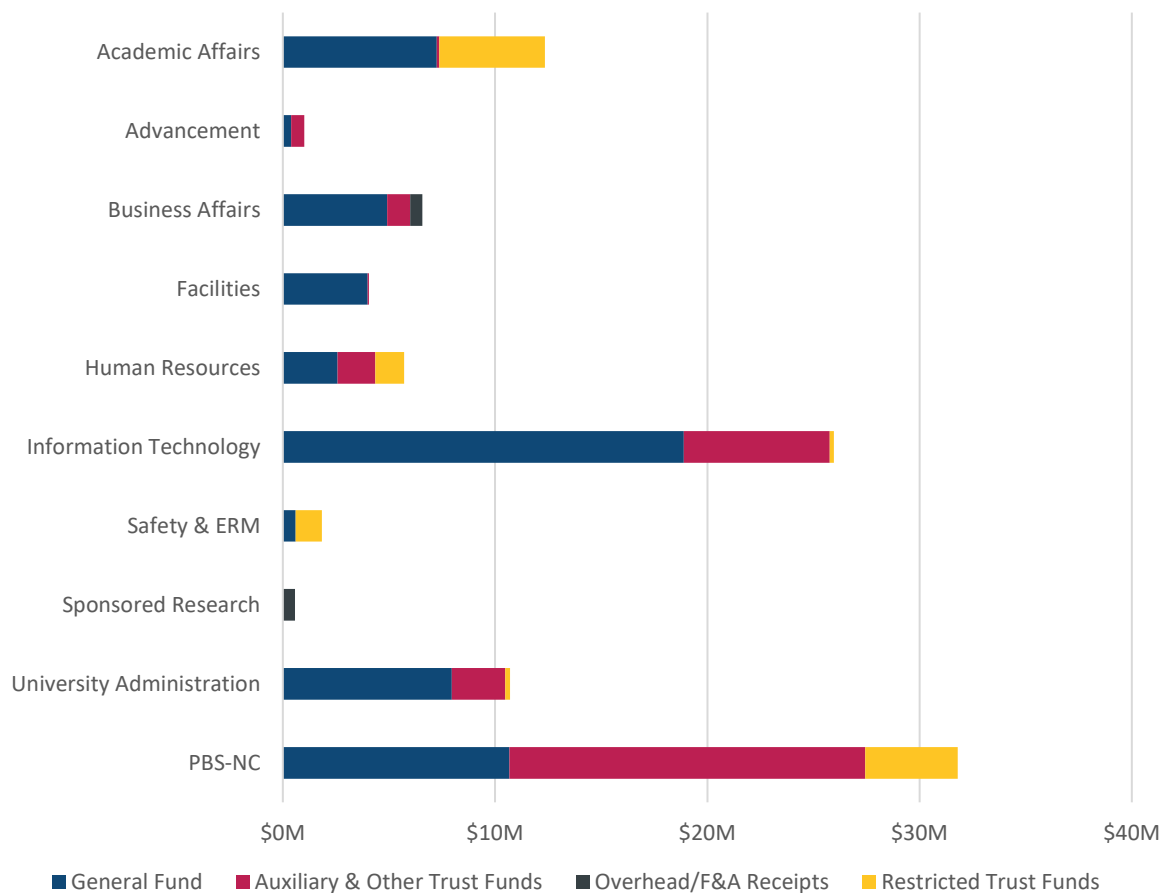
Budgeted Revenue (FY26)



Budgeted Expenses (FY26)



Operating Expenses by Unit



UNC System Office
FY 2025-26 All-Funds Budget

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 50,877,000	\$ -	\$ -	\$ -	\$ 50,877,000
	Tuition & Fees	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Less Discounts and Allowances</i>	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales & Services	\$ 39,000	\$ 8,577,000	\$ -	\$ 2,294,000	\$ 10,910,000
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ -	\$ 278,000	\$ 6,141,000	\$ 6,419,000
	Gifts & Investments	\$ -	\$ 17,379,000	\$ -	\$ -	\$ 17,379,000
	Other Revenues	\$ 3,970,000	\$ 3,697,000	\$ -	\$ -	\$ 7,667,000
Revenues Total		\$ 54,886,000	\$ 29,653,000	\$ 278,000	\$ 8,435,000	\$ 93,252,000
Expenses	Salaries and Wages	\$ 29,134,000	\$ 13,903,000	\$ 774,000	\$ 4,177,000	\$ 47,988,000
	Staff Benefits	\$ 9,666,000	\$ 4,407,000	\$ 292,000	\$ 934,000	\$ 15,299,000
	Services, Supplies, Materials, & Equip.	\$ 19,471,000	\$ 10,421,000	\$ 70,000	\$ 4,822,000	\$ 34,784,000
	Scholarships & Fellowships	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Less Discounts and Allowances</i>	\$ -	\$ -	\$ -	\$ -	\$ -
	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
	Utilities	\$ 947,000	\$ 780,000	\$ -	\$ -	\$ 1,727,000
	Other Expenses	\$ 13,000	\$ 532,000	\$ -	\$ 2,409,000	\$ 2,954,000
Expenses Total		\$ 59,231,000	\$ 30,043,000	\$ 1,136,000	\$ 12,342,000	\$ 102,752,000
Net Transfers		\$ 4,594,000	\$ 16,000	\$ 569,000	\$ 3,849,000	\$ 9,028,000
Change in Fund Balance			\$ (374,000)	\$ (289,000)	\$ (58,000)	\$ (721,000)

**State Education Assistance Authority
FY 2025-26 All-Funds Budget**

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 934,451,000	\$ -	\$ -	\$ -	\$ 934,451,000
	Tuition & Fees	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Less Discounts and Allowances</i>	\$ -	\$ (3,120,000)	\$ -	\$ -	\$ (3,120,000)
	Sales & Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Patient Services	\$ -	\$ -	\$ -	\$ -	\$ -
	Contracts & Grants	\$ -	\$ 3,120,000	\$ -	\$ -	\$ 3,120,000
	Gifts & Investments	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Revenues	\$ 121,963,000	\$ 174,000	\$ -	\$ -	\$ 122,137,000
Revenues Total		\$ 1,056,414,000	\$ 174,000	\$ -	\$ -	\$ 1,056,588,000
Expenses	Salaries and Wages	\$ -	\$ 174,000	\$ -	\$ 12,144,000	\$ 12,318,000
	Staff Benefits	\$ -	\$ -	\$ -	\$ 4,266,000	\$ 4,266,000
	Services, Supplies, Materials, & Equip.	\$ -	\$ -	\$ -	\$ 2,694,000	\$ 2,694,000
	Scholarships & Fellowships	\$ -	\$ 3,120,000	\$ -	\$ 1,057,548,000	\$ 1,060,668,000
	<i>Less Discounts and Allowances</i>	\$ -	\$ (3,120,000)	\$ -	\$ -	\$ (3,120,000)
	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Expenses	\$ -	\$ -	\$ -	\$ 16,781,000	\$ 16,781,000
Expenses Total		\$ -	\$ 174,000	\$ -	\$ 1,093,433,000	\$ 1,093,607,000
Net Transfers		\$ (1,056,414,000)	\$ -	\$ -	\$ 1,011,672,000	\$ (44,742,000)
Change in Fund Balance			\$ -	\$ -	\$ (81,761,000)	\$ (81,761,000)

AGENDA ITEM

A-7. Capital Improvement Projects..... Katherine Lynn

Situation:	Fayetteville State University and University of North Carolina at Chapel Hill have requested five new projects.
Background:	The University of North Carolina Board of Governors may authorize capital construction projects at University of North Carolina System institutions using available funds.
Assessment:	FSU and UNC-Chapel Hill are requesting projects that meet statutory requirements. It is recommended that the Board approve the projects and the method of funding. It is further recommended that these projects be reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.
Action:	This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Capital Improvement Projects – Fayetteville State University and University of North Carolina at Chapel Hill

ISSUE OVERVIEW

University of North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with non-appropriated projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

Two UNC System institutions have requested five new capital improvement projects.

I. NEW PROJECTS

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
Fayetteville State University					
1.	Chesnutt Library Roof Replacement	\$1,200,000	\$0	\$1,200,000	Donations & Grants (Title III)
<i>FSU Subtotal</i>		<i>\$1,200,000</i>	<i>\$0</i>	<i>\$1,200,000</i>	
University of North Carolina at Chapel Hill					
2.	Frank Porter Graham (FPG) Student Union North Roof Replacement ¹	\$2,100,000	\$200,000	\$1,900,000	Trust Funds (Other Student Fees)
3.	Memorial Hall Interior Restoration	\$1,300,000	\$0	\$1,300,000	Carry-forward
4.	North Campus Elevator Modernization (Coker, Mitchell, Davie, Manning) ¹	\$1,507,675	\$200,000	\$1,307,675	Carry-forward
5.	2025-27 Parking Repairs ¹	\$7,132,914	\$250,000	\$6,882,914	Trust Funds (Parking & Transportation)
<i>UNC-CH Subtotal</i>		<i>\$12,040,589</i>	<i>\$650,000</i>	<i>\$11,390,589</i>	
Grand Total		\$13,240,589	\$650,000	\$12,590,589	

¹ Previous authorization reflects advance planning authority delegated to Boards of Trustees.

RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that these projects be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that will be funded and operated entirely with non-General Fund and non-State Capital and Infrastructure Fund monies.

II. REPORTING

The following projects are being reported to the Board of Governors and Fiscal Research Division in compliance with GS 143C-8-13 (d), which permits chancellors to authorize repairs and renovation projects less than \$600,000 in 13 allowable categories.

Institution/Project Title		Amount	Fund Source	R&R Category
East Carolina University				
1.	Dowdy-Ficklen Stadium Northside Booster Pumps	\$176,000	Athletics Receipts	(11) Improvements to roads, walks, drives, and utilities infrastructure
2.	Ross Hall Foundation Study	\$75,000	General Fund Appropriations	(2) Structural Repairs
3.	Cotten/Fleming Chiller	\$265,000	Housing Receipts	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
Elizabeth City State University				
4.	Facilities Maintenance Shed Relocation	\$335,000	General Fund Appropriations	(9) Improvements and renovations to improve use of existing space
Fayetteville State University				
5.	University (Chancellor's) Residence Generator	\$200,000	Carry-forward	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
6.	Campuswide Irrigation Upgrades (2025)	\$300,000	Carry-forward	(12) Drainage and landscape improvements
7.	Campuswide Road Repair (2025)	\$500,000	Carry-forward	(11) Improvements to roads, walks, drives, and utilities infrastructure
North Carolina Agricultural and Technical State University				
8.	Hines Hall HVAC Repairs (Coils and Controls)	\$475,000	Carry-forward	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
9.	New Science Building HVAC and Fume Hood Repairs	\$450,000	Carry-forward	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
10.	Frye Hall and McNair Hall Restroom Repairs	\$175,000	Carry-forward	(9) Improvements and renovations to improve use of existing space
North Carolina Central University				
11.	Eagleson Hall Summer Repairs (2025)	\$313,400	General Fund Appropriations	(9) Improvements and renovations to improve use of existing space
12.	New Residence Hall 2 Summer Repairs (2025)	\$267,200	General Fund Appropriations	(9) Improvements and renovations to improve use of existing space
13.	White Hall Summer Repairs (2025)	\$19,100	General Fund Appropriations	(9) Improvements and renovations to improve use of existing space
University of North Carolina at Pembroke				
14.	Livermore Library Fire Doors	\$66,020	General Fund Appropriations	(6) Improvements to meet fire safety needs

II. REPORTING (cont.)

Institution/Project Title		Amount	Fund Source	R&R Category
University of North Carolina at Pembroke (cont.)				
15.	Weinstein Data Center Uninterruptable Power Supplies	\$413,135	General Fund Appropriations	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
University of North Carolina Wilmington				
16.	Alderman North Wing HVAC Repairs/Replacements	\$600,000	General Fund Appropriations	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
Western Carolina University				
17.	Roads, Walks, and Drives Repair - Campuswide	\$225,000	General Fund Appropriations	(11) Improvements to roads, walks, drives, and utilities infrastructure

AGENDA ITEM

- A-8. Acquisition of Property by Deed —
North Carolina Agricultural and Technical State University..... Katherine Lynn

Situation: North Carolina Agricultural and Technical State University Board of Trustees requests authorization to acquire property by deed of two parcels totaling approximately 69.9 acres in Greensboro, North Carolina.

Background: North Carolina A&T is requesting approval to purchase property to expand its farm and research portfolio and support agricultural innovation. The properties include a 17.47-acre parcel located at 3321 Old McConnell Loop and a 52.44-acre parcel located at 751 JFH Dairy Road. Both parcels are zoned for agricultural use and are located in close proximity to N.C. A&T's main campus. The total purchase price is \$3.15 million and will be paid from Title III funds.

The N.C. A&T Board of Trustees approved the acquisition by deed on February 21, 2025.

Assessment: It is recommended that the acquisitions by deed be approved to support agricultural research.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Acquisition of Property by Deed — North Carolina Agricultural and Technical State University

ISSUE OVERVIEW

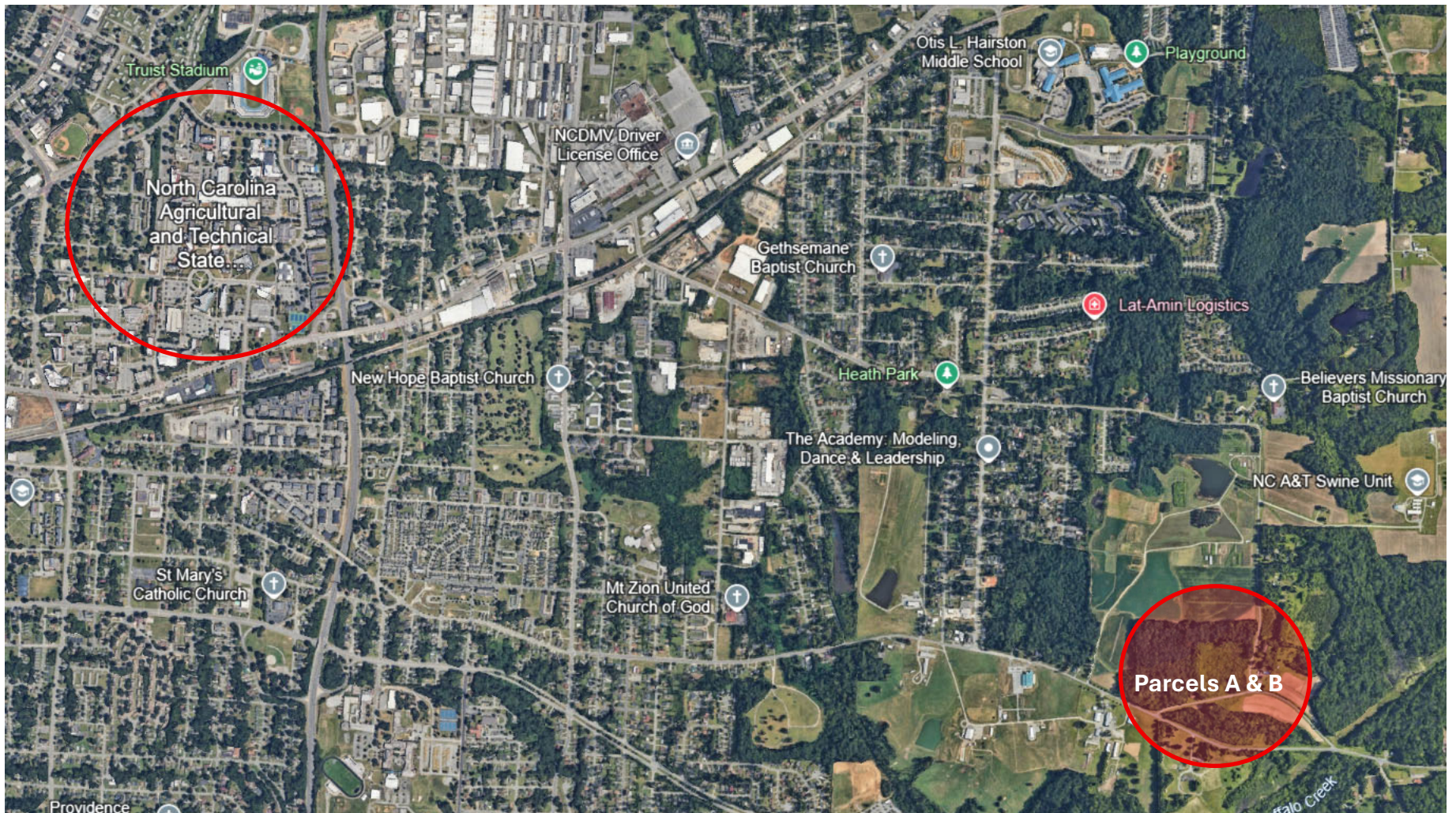
The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

The North Carolina Agricultural and Technical State University Board of Trustees requests authorization for the acquisition of property by deed of approximately 69.9 acres in Greensboro, North Carolina. The acquisition includes two parcels. Parcel A, located at 3321 Old McConnell Loop, includes 17.47 acres. Parcel B, located at 751 JFH Dairy Road, includes 52.44 acres. The acquisition is required to expand farm and research opportunities, advance agricultural innovation, and support the university's mission as a land-grant institution. Both parcels are located in proximity to the main campus and are currently zoned for agricultural use. The property appraisals, completed April 8, 2025, give the appraised values of \$1.05 million and \$2.1 million, respectively, based on the locations in a transitioning industrial zone. The total purchase price of \$3.15 million will be paid from Title III funds.

The N.C. A&T Board of Trustees approved the acquisitions by deed on February 21, 2025.

RECOMMENDATION

It is recommended that the Board of Governors approve the request for acquisition of property by deed. This item also requires approval from the Council of State.



PROXIMITY MAP



PROPERTY LOCATIONS

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

*ACQUISITION OF REAL PROPERTY

Institution or Agency: North Carolina A&T State University

Date: 5/20/2025

The Department of Administration is requested, as provided by GS §146-22 et seq., to acquire the real property herein described by *purchase, lease, rental, or other (specify)*. Purchase

This Property is needed for the following reasons and purposes: *(Attach additional pages if needed.)*

North Carolina A&T State University seeks to purchase this property to expand its farm and research portfolio, advance agricultural innovation, and support its land-grant mission.

Name and Address of Present Owner: EHL Development LLC
1211 Heathrow Dr.
Greensboro NC 27410

Description of Property: *(Attach additional pages if needed.)*

Property include 17.47 acres of Agricultural land located at 3321 Old McConnell Loop Greensboro, Guilford County, North Carolina.

Estimated value: \$1,050,000.00 Rental price (if applicable): _____

Funds for the acquisition of this property are available in our budget under Code: _____, Item: _____,
Other: **290849-75700 - Title III Funding**

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirements of your agency? If so, give details.

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board of NCA&T and is recorded in the minutes thereof on 2/21/20225..

Signature: _____

Title: Vice Chancellor of Business and Finance

*The term "real property" includes timber rights, mineral rights, etc. (GS §146-64)

SUBJECT PROPERTY PHOTOGRAPHS



Subject



Subject

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

***ACQUISITION OF REAL PROPERTY**

Institution or Agency: North Carolina A&T State University

Date: 5/20/2025

The Department of Administration is requested, as provided by GS §146-22 et seq., to acquire the real property herein described by *purchase, lease, rental, or other (specify)*. Purchase

This Property is needed for the following reasons and purposes: *(Attach additional pages if needed.)*

North Carolina A&T State University seeks to purchase this property to expand its farm and research portfolio, advance agricultural innovation, and support its land-grant mission.

Name and Address of Present Owner: Charles & Linda Lowe
1211 Heathrow Dr.
Greensboro NC 27410

Description of Property: *(Attach additional pages if needed.)*

Property include 52.44 acres of Agricultural land located at 751 JFH Dairy RD, Greensboro, Guilford County, North Carolina.

Estimated value: \$2,100,000.00 Rental price (if applicable): _____

Funds for the acquisition of this property are available in our budget under Code: _____, Item: _____, Other: **290849-75700 - Title III Funding**

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirements of your agency? If so, give details.

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board of NCA&T and is recorded in the minutes thereof on 2/21/20225.

Signature: _____

Title: Vice Chancellor of Business & Finance

*The term "real property" includes timber rights, mineral rights, etc. (GS §146-64)

SUBJECT PROPERTY PHOTOGRAPHS



Subject



Subject

AGENDA ITEM

A-9. Acquisition of Property by Deed — NC State University..... Katherine Lynn

Situation: NC State University Board of Trustees requests authorization to acquire property by deed of approximately .69 acres, located at 0 Maiden Lane, Raleigh, North Carolina.

Background: NC State is requesting approval to acquire property of approximately 0.69 acres from the endowment. The parcel is one of two parcels that will be exchanged for two equal-sized parcels owned by the university. The purpose of exchanging the property is to consolidate adjacent parcels under common ownership to support future development. All four parcels are located adjacent to North Campus in the vicinity of Hillsborough Street and are similar in size and location. Based on the appraised tax value, the exchange of this parcel requires approval from the University of North Carolina Board of Governors. The remaining three parcels included in the exchange have individual values below the university's delegated approval authority. The transfer of deeds is considered an exchange of property and will not require any additional funds.

The NC State Board of Trustees approved the acquisition by deed on February 7, 2025.

Assessment: It is recommended that the acquisition by deed be approved to consolidate ownership and support future development adjacent to North Campus.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Acquisition of Property by Deed — NC State University

ISSUE OVERVIEW

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

The NC State University Board of Trustees requests authorization for the acquisition of property by deed of approximately 0.69 acres, located at 0 Maiden Lane, Raleigh, North Carolina. The parcel is one of two parcels that will be exchanged for two equal-sized parcels owned by the university. All four parcels are located adjacent to North Campus in the vicinity of Hillsborough Street and are similar in size and location. The purpose of exchanging the property is to consolidate adjacent parcels under common ownership to support future development. The four parcels to be exchanged include the following:

Endowment Property to be Acquired by NC State

0 Maiden Lane	.69 acres	\$1,983,696
2209 Hope Street	.13 acres	\$ 479,285

NC State Property to be Acquired by Endowment

207 Oberlin Road	.65 acres	\$543,629
8 Ferndell Lane	.19 acres	\$397,248

Based on the appraised tax value, the exchange of this parcel requires approval from the Board of Governors. The remaining three parcels included in the exchange have individual values below the university's delegated approval authority. The transfer of deeds is considered an exchange and will not include any additional funds.

The NC State Board of Trustees approved the acquisition by deed on February 7, 2025.

RECOMMENDATION

It is recommended that the Board of Governors approve the request for acquisition of property by deed. This item also requires approval from the Council of State.

**ACQUISITION
OF REAL PROPERTY
LAND EXCHANGE**

GRANTOR The Board of Trustees of the Endowment Fund of North Carolina State University

GRANTEE The State of North Carolina, NC State University

LOCATION 0 Maiden Lane, Raleigh NC and 2209 Hope Street, Raleigh, NC

SIZE Approximately 0.82 acres of land

RATE Equal value to parcels to be conveyed via Land Exchange

TERM Perpetual

USE Exchange of property as proposed would complete block assemblages with adjacent parcels already owned by the State of North Carolina. Creation of full block assemblages will simplify administration of current and prospective uses, allow for future development opportunities and enhance overall land value.

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

***ACQUISITION OF REAL PROPERTY**

Institution or Agency: **North Carolina State University**

Date: **January 6, 2025**

The Department of Administration is requested, as provided by GS §146-22 et seq., to acquire the real property herein described by ~~purchase, lease, rental, or other~~ (specify). **Land exchange**

This Property is needed for the following reasons and purposes: *(Attach additional pages if needed.)*

The proposed acquisition of real property by land exchange would exchange ownership of parcels of approximately equal size between the State of North Carolina (on behalf of North Carolina State University) and the Board of Trustees of the Endowment Fund of North Carolina State University. This exchange would complete block assemblages with adjacent parcels already owned by the State of North Carolina. Creation of full block assemblages will simplify administration of current and prospective uses, allow for future development opportunities and enhance overall land value.

Name and Address of Present Owner:

**The Board of Trustees of the Endowment Fund of
North Carolina State University
Campus Box 7472
Raleigh, North Carolina 27695-7408**

Description of Property: *(Attach additional pages if needed.)*

The parcels to be acquired total 0.82 acres and are located north of Hillsborough Street, in West Raleigh, proximate to NC State's campus, as depicted on the attached map:

- **0 Maiden Lane, Raleigh, NC - 0.69 acres**
- **2209 Hope Street, Raleigh NC - 0.13 acres**

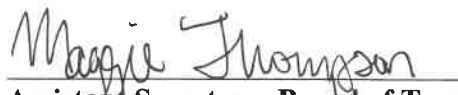
Estimated value: **Equal to parcels to be conveyed via Land Exchange (see below)**

Funds for the acquisition of this property are available in our budget under Code: _____, Item: _____, Other: _____
Properties owned by the State of North Carolina totaling 0.84 acres located at 207 Oberlin Road, Raleigh NC and 8 Ferndell Lane, Raleigh NC will be exchanged as consideration.

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirements of your agency? If so, give details.
No

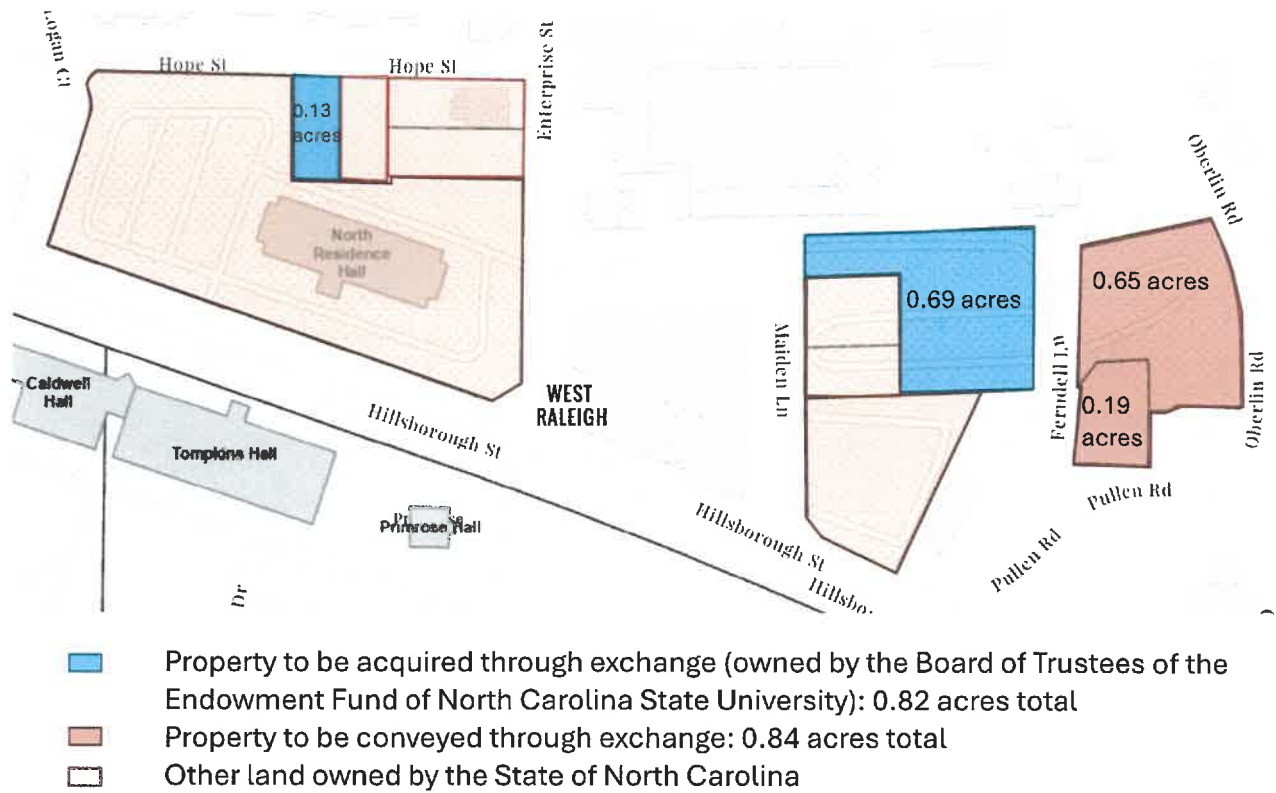
Action recommending the above request was taken by the Board of Trustees of North Carolina State University and is recorded in the minutes thereof on February 7, 2025 (date).

Signature:
Title:


Assistant Secretary, Board of Trustees

*The term "real property" includes timber rights, mineral rights, etc. (GS §146-64)

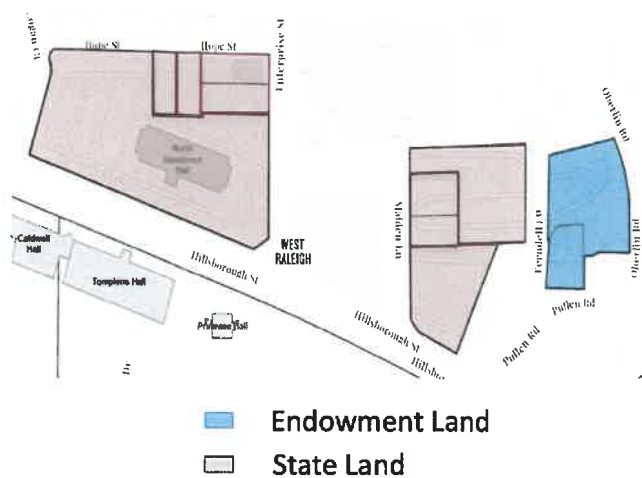
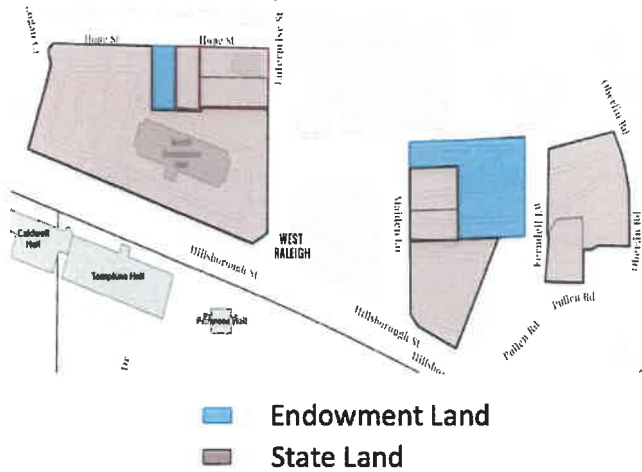
Map Showing Parcels to be Exchanged



Maps Comparing Current Ownership and Ownership Following Proposed Exchange

Current Ownership

Ownership Following Exchange



**TRANSMITTAL OF REQUEST FOR ACQUISITION/DISPOSITION OF REAL
PROPERTY**

Form

Number: PO-1

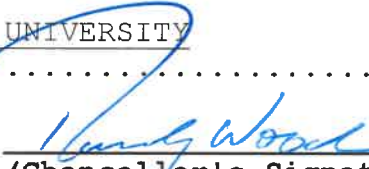
Preparation

Date: January 6, 2025

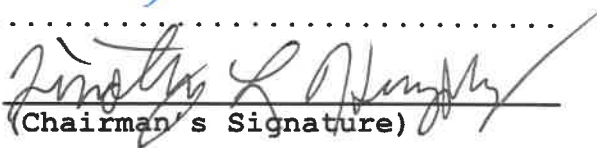
Request: The proposed acquisition of real property by land exchange would exchange ownership of parcels of approximately equal size between the State of North Carolina (on behalf of North Carolina State University) and the Board of Trustees of the Endowment Fund of North Carolina State University. This exchange would complete block assemblages with adjacent parcels already owned by the State of North Carolina. Creation of full block assemblages will simplify administration of current and prospective uses, allow for future development opportunities and enhance overall land value.

Institution NORTH CAROLINA STATE UNIVERSITY

RECOMMENDED BY CHANCELLOR, NCSU


(Chancellor's Signature)

RECOMMENDED BY COMMITTEE ON
BUILDINGS AND PROPERTY


(Chairman's Signature)

RECOMMENDED BY BOARD OF TRUSTEES,
NCSU


(Chairman's Signature)

RECOMMENDED BY BOARD OF GOVERNORS

(Secretary's Signature)

**DISPOSITION
OF REAL PROPERTY
LAND EXCHANGE**

GRANTOR The State of North Carolina, NC State University

GRANTEE The Board of Trustees of the Endowment Fund of North Carolina State University

LOCATION 207 Oberlin Road, Raleigh NC and 8 Ferndell Lane, Raleigh NC

SIZE Approximately 0.84 acres of land

RATE Equal value to parcels to be acquired via Land Exchange

TERM Perpetual

USE Exchange of property as proposed would complete block assemblages with adjacent parcels already owned by the State of North Carolina. Creation of full block assemblages will simplify administration of current and prospective uses, allow for future development opportunities and enhance overall land value.

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: **North Carolina State University**

Date: **January 6, 2025**

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by ~~purchase, lease, rental, or other~~ (specify). **Land exchange**

This disposition is recommended for the following reasons:

The proposed disposition of real property by land exchange would exchange ownership of parcels of approximately equal size between the State of North Carolina (on behalf of North Carolina State University) and the Board of Trustees of the Endowment Fund of North Carolina State University. This exchange would complete block assemblages with adjacent parcels already owned by the State of North Carolina. Creation of full block assemblages will simplify administration of current and prospective uses, allow for future development opportunities and enhance overall land value.

Description of Property: *(Attach additional pages if needed.)*

The parcels to be dispositioned total 0.84 acres and are located north of Hillsborough Street, in West Raleigh, proximate to NC State's campus, as depicted on the attached map:

- **207 Oberlin Road, Raleigh, NC (0.65 acres)**
- **8 Ferndell Lane, Raleigh, NC (0.19 acres)**

Estimated value: **Equal to parcels being acquired via Land Exchange**

Where deed is filed, if known: Wake County Register of Deeds, Book 16722, Page 372 and Book 17075, Page 2180

If deed is in the name of agency other than applicant, state the name: N/A

Rental income, if applicable, and suggested terms: N/A

Funds from the disposal of this property are recommended for the following use:

Properties owned by the State of North Carolina totaling 0.82 acres located at 0 Maiden Lane, Raleigh, NC and 2209 Hope Street, Raleigh, NC will be exchanged as consideration.

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Board of Trustees of North Carolina State University and is recorded in the minutes thereof on February 1, 2025 (date).

Signature:
Title:


Assistant Secretary, Board of Trustees

Map Showing Parcels to be Exchanged



- Property to be acquired through exchange (owned by the Board of Trustees of the Endowment Fund of North Carolina State University): 0.82 acres total
- Property to be conveyed through exchange: 0.84 acres total
- Other land owned by the State of North Carolina

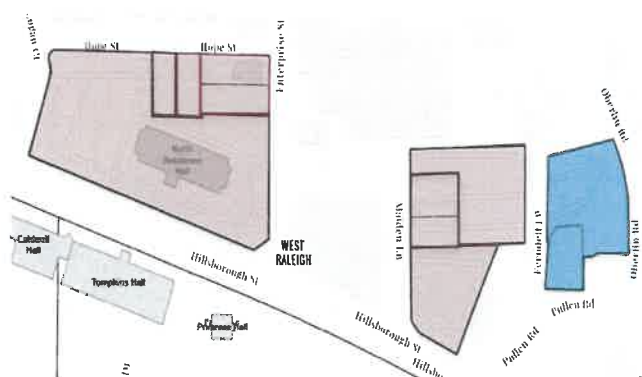
Maps Comparing Current Ownership and Ownership Following Proposed Exchange

Current Ownership



- Endowment Land
- State Land

Ownership Following Exchange



- Endowment Land
- State Land

**TRANSMITTAL OF REQUEST FOR ACQUISITION/DISPOSITION OF REAL
PROPERTY**

Form

Number: PO-2

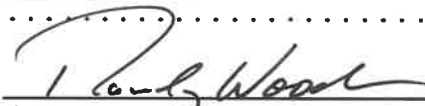
Preparation

Date: January 6, 2025

Request: The proposed disposition of real property by land exchange would exchange ownership of parcels of approximately equal size between the State of North Carolina (on behalf of North Carolina State University) and the Board of Trustees of the Endowment Fund of North Carolina State University. This exchange would allow NC State to complete block assemblages with adjacent parcels already owned by the State of North Carolina. Creation of full block assemblages will simplify administration of current and prospective uses, allow for future development opportunities and enhance overall land value.

Institution NORTH CAROLINA STATE UNIVERSITY

RECOMMENDED BY CHANCELLOR, NCSU


(Chancellor's Signature)

RECOMMENDED BY COMMITTEE ON
BUILDINGS AND PROPERTY


(Chairman's Signature)

RECOMMENDED BY BOARD OF TRUSTEES,
NCSU

Acting


(Chairman's Signature)

RECOMMENDED BY BOARD OF GOVERNORS


(Secretary's Signature)

AGENDA ITEM

A-10. Disposition of Property by Demolition — University of North Carolina at Chapel Hill Katherine Lynn

Situation: The University of North Carolina at Chapel Hill Board of Trustees requests authorization for disposition of property by demolition of Jackson Hall and three buildings located in Odum Village, Chapel Hill, North Carolina.

Background: Jackson Hall, located at 108 Country Club Drive, is a 13,896-square-foot building constructed in 1942. Demolition is required to accommodate construction of a new, on-campus, 600-bed student residence hall. The Office of Undergraduate Admissions is currently located in Jackson Hall but will be relocated due to the building's small size, inadequate layout, and extensive deferred maintenance. The estimated replacement value is approximately \$4.05 million.

Odum Village is a former student housing complex that includes 42 buildings, constructed during the 1960s. The housing complex has been vacant since 2016 when demolition began. Authorization to demolish the three remaining buildings is required to remove the liability associated with the vacant structures, to complete the demolition of Odum Village, and to enable future development.

The UNC-Chapel Hill Board of Trustees approved the dispositions by demolition on May 23, 2025.

Assessment: It is recommended that the dispositions by demolition be approved to accommodate future growth.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Disposition of Property by Demolition — University of North Carolina at Chapel Hill

ISSUE OVERVIEW

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

The University of North Carolina at Chapel Hill Board of Trustees requests authorization to demolish the following buildings located in Chapel Hill, North Carolina:

Property	Gross Square Feet (GSF)	Date Constructed	Estimated Value
Jackson Hall, 108 Country Club Drive	13,896 GSF	1942	\$4,049,192
Odum Village, 203 Branson Street	6,235 GSF	1963	\$1,898,340
Odum Village, 207 Branson Street	6,235 GSF	1963	\$1,898,340
Odum Village, 211 Branson Street	6,407 GSF	1970	\$2,728,000

The demolition of Jackson Hall is required to accommodate construction of a new 600-bed student residence hall on campus. The Office of Undergraduate Admissions, which is currently located in Jackson Hall, will be relocated due to the building's small size, inadequate layout, and extensive deferred maintenance. The estimated completion date for the new residence hall is fall 2028.

Odum Village is a former student housing complex that includes 42 buildings, constructed during the 1960s. UNC-Chapel Hill vacated the complex in 2016 and began demolition. Due to funding restrictions, the demolition is being completed in phases. Three phases have been completed, and three phases are ready to bid. Authorization to demolish the three remaining buildings is required to complete the final phase of work. Demolition is required to remove the liability associated with the vacant structures and to enable future development.

The UNC-Chapel Hill Board of Trustees approved the dispositions by demolition on May 23, 2025.

RECOMMENDATION

It is recommended that the Board of Governors approve the request for disposition by demolition. This item also requires approval from the Council of State.

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: UNC-CH

Date: June 3, 2025

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. **Severance from the land by Demolition**

This disposition is recommended for the following reasons:

The University is pursuing options to relocate University Admissions out of Jackson Hall due to the building's small size, inadequate layout and significant deferred maintenance. Additionally, the University would like to use the Jackson Hall footprint as part of a site to expand the capacity of Carolina Housing by adding a 600 student dorm.

Description of Property: *(Attach additional pages if needed.)*

Jackson Hall, 108 Country Club Road, State Asset Building ID # 10926

Estimated value: **Insured value = \$4,049,192**

Where deed is filed, if known: **Orange County Register of Deeds**

If deed is in the name of agency other than applicant, state the name:

N/A

Rental income, if applicable, and suggested terms:

N/A

Funds from the disposal of this property are recommended for the following use:

N/A

(Complete if Agency has a Governing Board.)

Action recommending the above request **was approved by the Board of Trustees of the University of North Carolina at Chapel Hill at its May 23, 2025 meeting.**

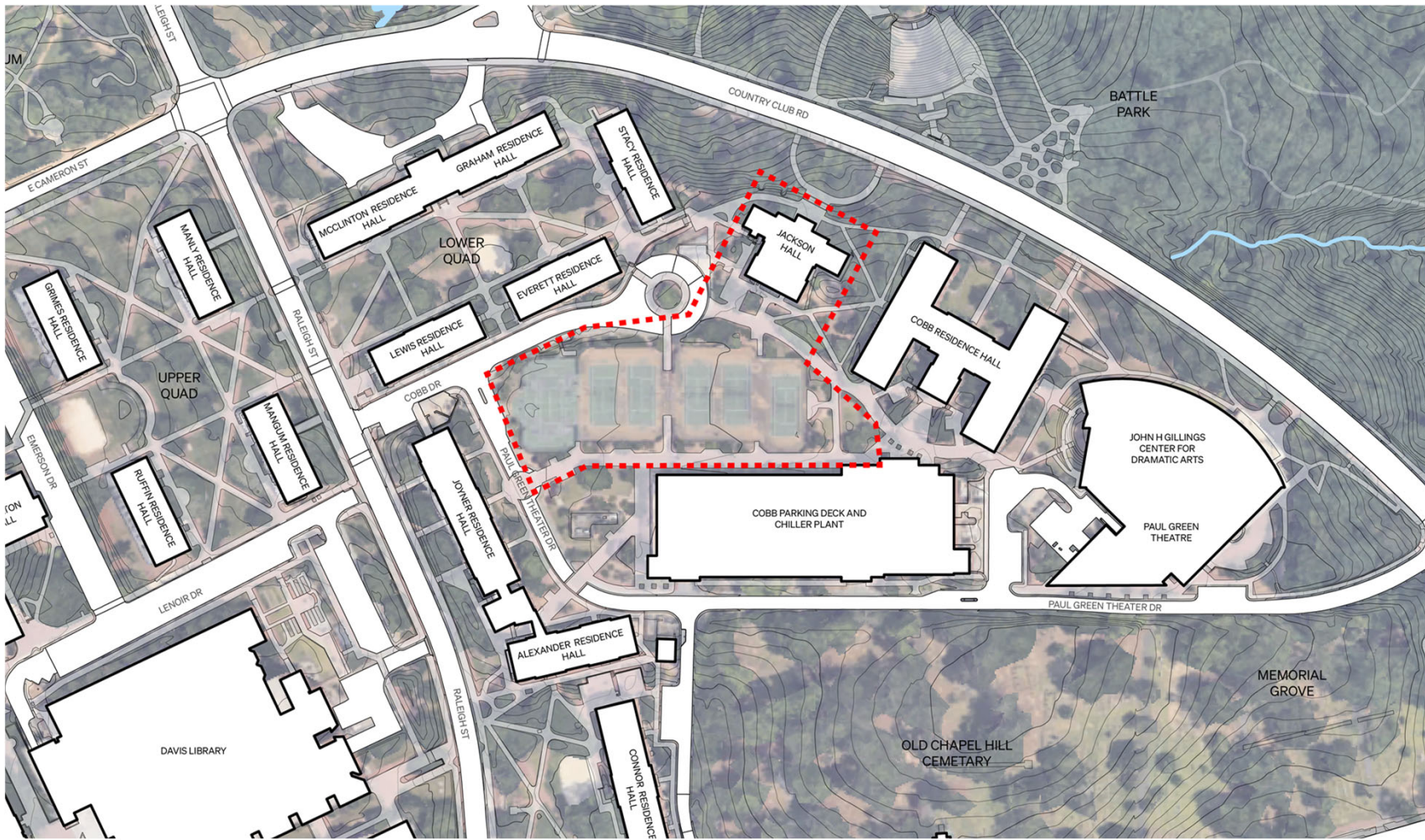
Signature:

Title:


Chancellor, UNC-Chapel Hill

PROJECT LOCATION





**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: UNC-CH

Date: June 2, 2025

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. **Severance from the land by Demolition**

This disposition is recommended for the following reasons:

In 2016 the University embarked upon a project to raze the 42 Odum Village buildings. The University has received authority for 39 of these buildings. This request will complete the authority for all Odum Village buildings. Each of these buildings has been deemed to be beyond its usable lifespan and would require significant hazardous material abatement to be placed into service.

Description of Property: *(Attach additional pages if needed.)*

Building	State Asset Building ID	Value
203 Branson, Odum Village	11858	\$1,898,340
207 Branson, Odum Village	11857	\$1,898,340
211 Branson, Odum Village	11585	\$2,728,000

Estimated value: **\$6,524,680**

Where deed is filed, if known: Orange County Register of Deeds

If deed is in the name of agency other than applicant, state the name:

N/A

Rental income, if applicable, and suggested terms:

N/A

Funds from the disposal of this property are recommended for the following use:

N/A

(Complete if Agency has a Governing Board.)

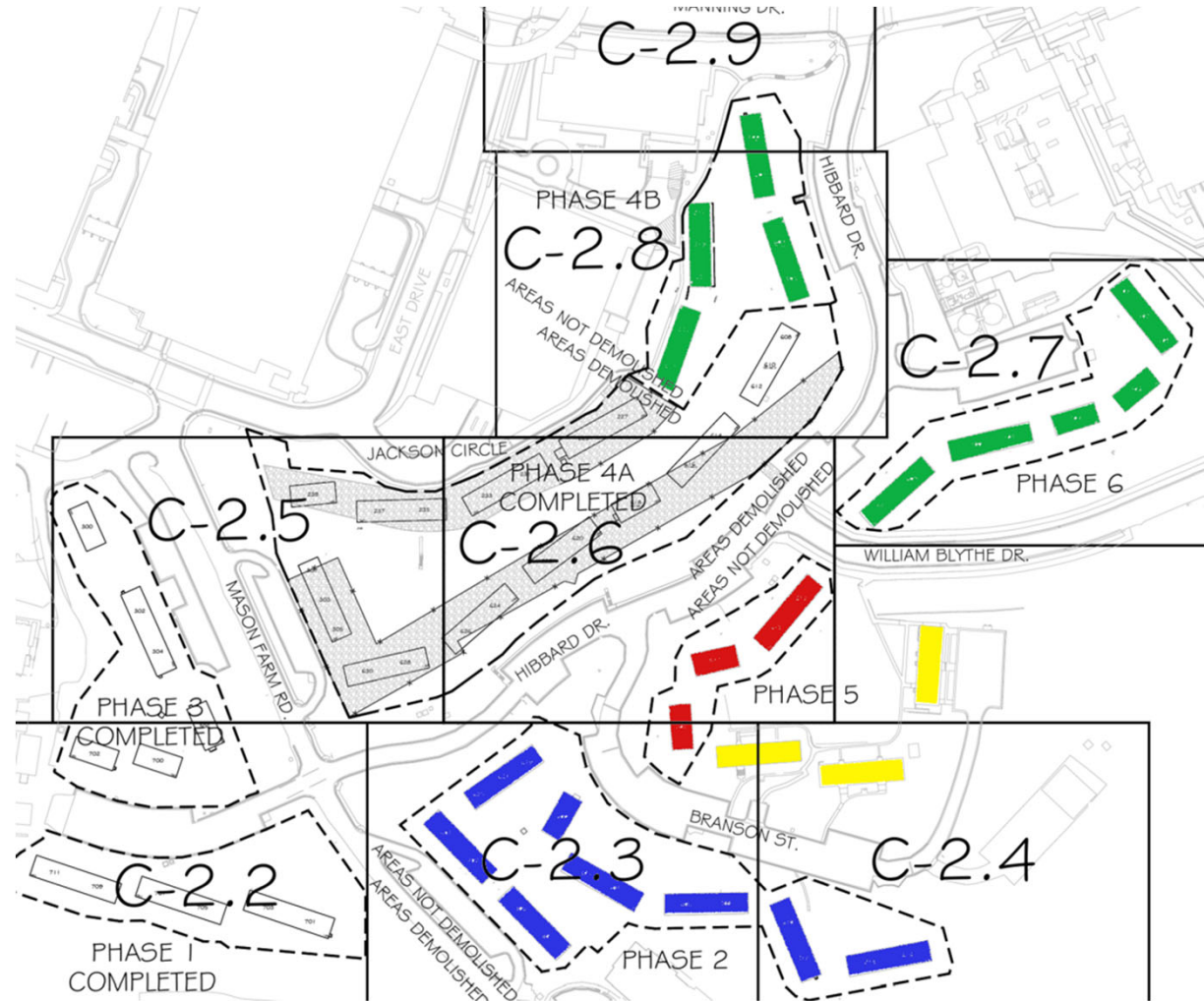
Action recommending the above request was approved by the Board of Trustees of the University of North Carolina at Chapel Hill at its May 23, 2025 meeting.

Signature:
Title:


Chancellor, UNC-Chapel Hill

Odum Village Demolitions

- Phases 1, 3 and 4A have been completed
- Phases 2, 4B and 6 are in the bidding process (red, blue, and green)
- Current request covers the authority to demolish Phase 5 (yellow)



Building	State Asset #	UNC Bldg Code	SF
203 Branson Street	301	702G	6132
207 Branson Street	300	702J	6132
211 Branson Street	158	436	6448

AGENDA ITEM

A-11. Disposition of Property by Lease —

University of North Carolina Asheville Jennifer Haygood and Chancellor Kimberly van Noort

Situation: The University of North Carolina Asheville Board of Trustees requests authorization to enter into a ground lease agreement for approximately 54 acres to its endowment fund and authorization for the endowment fund to enter into negotiations with a developer for the development of a millennial campus project.

Background: UNC Asheville is requesting authorization to enter into a ground lease agreement with its endowment fund for approximately 54 acres located on the millennial campus for the purpose of developing a mixed-use stadium complex. The ground lease will be for a 99-year term at a rate of \$1 and will allow the endowment fund to facilitate future development of the millennial campus.

UNC Asheville also requests authorization for the endowment fund to enter into negotiations with a developer for the financing, design, construction, operation, and maintenance of the mixed-use stadium development. The delegation of authority to the endowment fund for one or more ground leases to the developer will be presented to the Board of Governors for approval prior to execution.

The UNC Asheville Board of Trustees approved the disposition by ground lease on July 11, 2025.

Assessment: It is recommended that the disposition by ground lease to the endowment fund be approved and that the endowment fund be authorized to enter into negotiations with the developer for the development of the millennial campus project, which will be presented to the Board of Governors for approval prior to execution.

Action: This item requires a vote by the committee and a vote by the full Board of Governors.

Disposition of Property by Lease — University of North Carolina Asheville

ISSUE OVERVIEW

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property. The University of North Carolina Asheville Board of Trustees requests authorization for the disposition of property by ground lease of approximately 54.03 acres to its endowment fund for the purpose of developing a mixed-use stadium complex, located on its millennial campus in Asheville, North Carolina.

UNC Asheville is requesting authorization to enter into a ground lease agreement with its endowment fund for the purpose of developing a mixed-use stadium development on its millennial campus. The ground lease will be for a 99-year term at a rate of \$1.

The UNC Asheville Board of Trustees approved the disposition by ground lease to its endowment fund on July 11, 2025.

UNC Asheville also requests authority for the endowment fund to enter into negotiations with the developer for the development of the millennial campus project. The developer will be responsible for the financing, design, construction, operation, and maintenance of the millennial campus project. The attached term sheet provides additional details on the project. The request for delegated authority for the endowment fund to enter into one or more ground leases will be presented to the Board of Governors for approval prior to execution.

RECOMMENDATION

It is recommended that the Board of Governors approve the request for disposition of property by ground lease and authorize the endowment fund to enter into negotiations with the developer to develop the millennial campus project.



UNIVERSITY of NORTH CAROLINA
ASHEVILLE



STADIUM MIXED-USE DEVELOPMENT



AGENDA

- **Project Description**
- **Project Structure**
- **Payment Terms & Structure**
- **Ground Lease Request**

Project Description

Stadium Anchor Tenant



Asheville City **SC**

Asheville City Soccer Club was founded in 2016 by a local ownership group.

Men's team began play in 2017.
Top 5 home attendance out of over 100 clubs across the country.

Women's team expansion in 2018.
Broke all-time league single game attendance record in inaugural match.

Highest amateur level in the US.

Summer league primarily for college players to maintain fitness and attract interest from professional clubs.

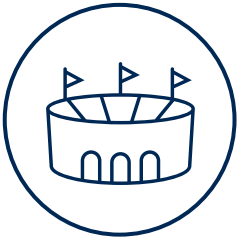
More than 25 players have successfully signed professional contracts after playing for ACSC.

2024 USL Organization of the Year



Project Description

The project will include a sports and entertainment district with the following components:



Stadium

Project anchored by a **5,000-seat stadium**, designed to host USL soccer matches, UNCA events, and major concerts.



Housing

300-450 units of market-rate **housing** to accommodate UNCA students and broader community



Retail

30,000-50,000 square feet of **retail space**

Project Description

The planned programming uses for the stadium will include:



Professional Soccer

The Stadium will be home to both men's and women's USL franchises. Each team will host 17 home games per season, excluding playoffs and exhibitions.



UNCA Athletics

UNCA men's and women's soccer teams will compete at the Stadium. Other UNCA athletic programs will have access to the venue on available dates.



Concerts and Festivals

The Stadium will host concerts, festivals, and other entertainment events throughout the year.



Community and business events

The venue will support year-round community gatherings, business functions, and civic programming.



NORTH

0 300

Developmental Land Planning

SUMMARY

PHASE 1 LAND USE

DISTRICT 1 =	± 4.16 AC
DISTRICT 2 =	± 12.06 AC
DISTRICT 3 =	± 5.17 AC
DISTRICT 4 =	± 5.05 AC
DISTRICT 5 =	± 4.84 AC
SUM TOTAL =	± 31.28 AC

PHASE 2 LAND USE

SUM TOTAL =	± 22.75 AC
-------------	------------

Phase 1A – District
2- Stadium

Phase 1B-District
1, 3 & 4- Housing,
Retail, Parking

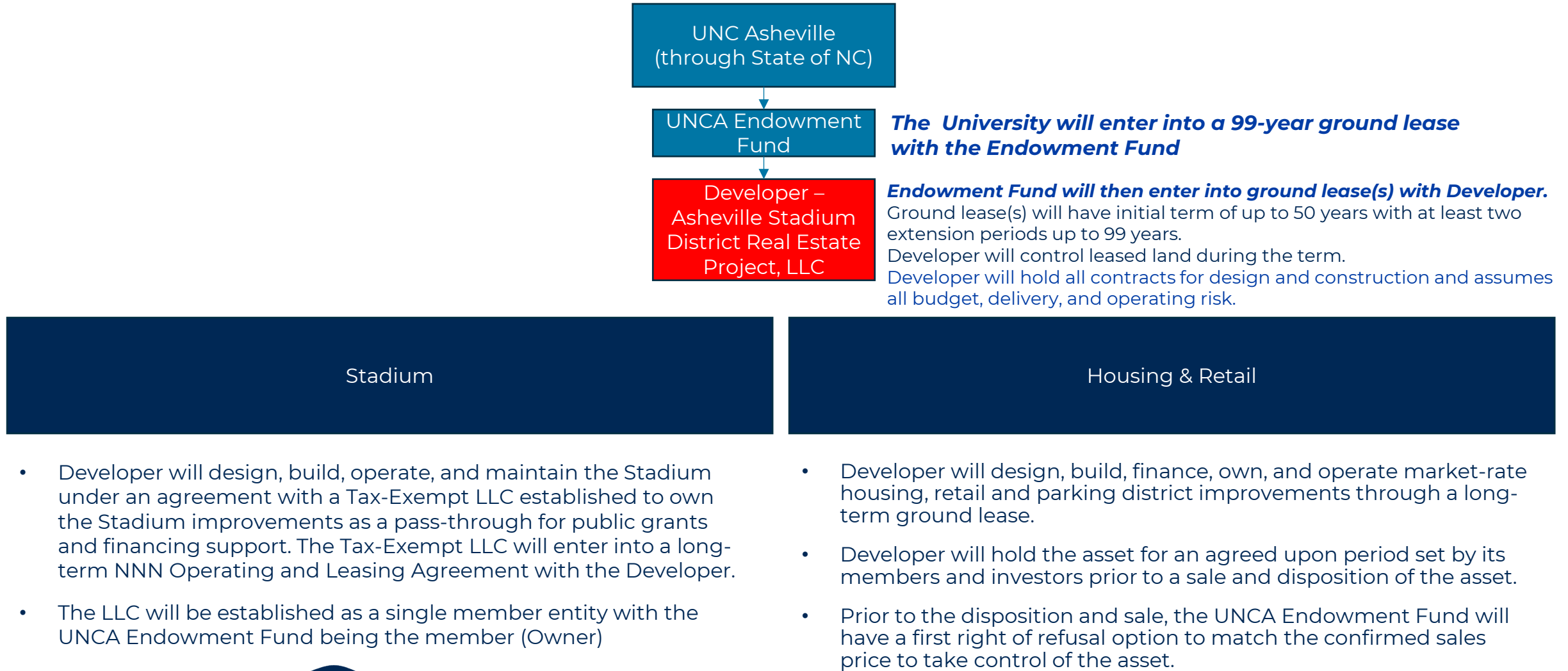
Phase 1C –District
5-Structured
Parking Future

Phase 2- Future
Development

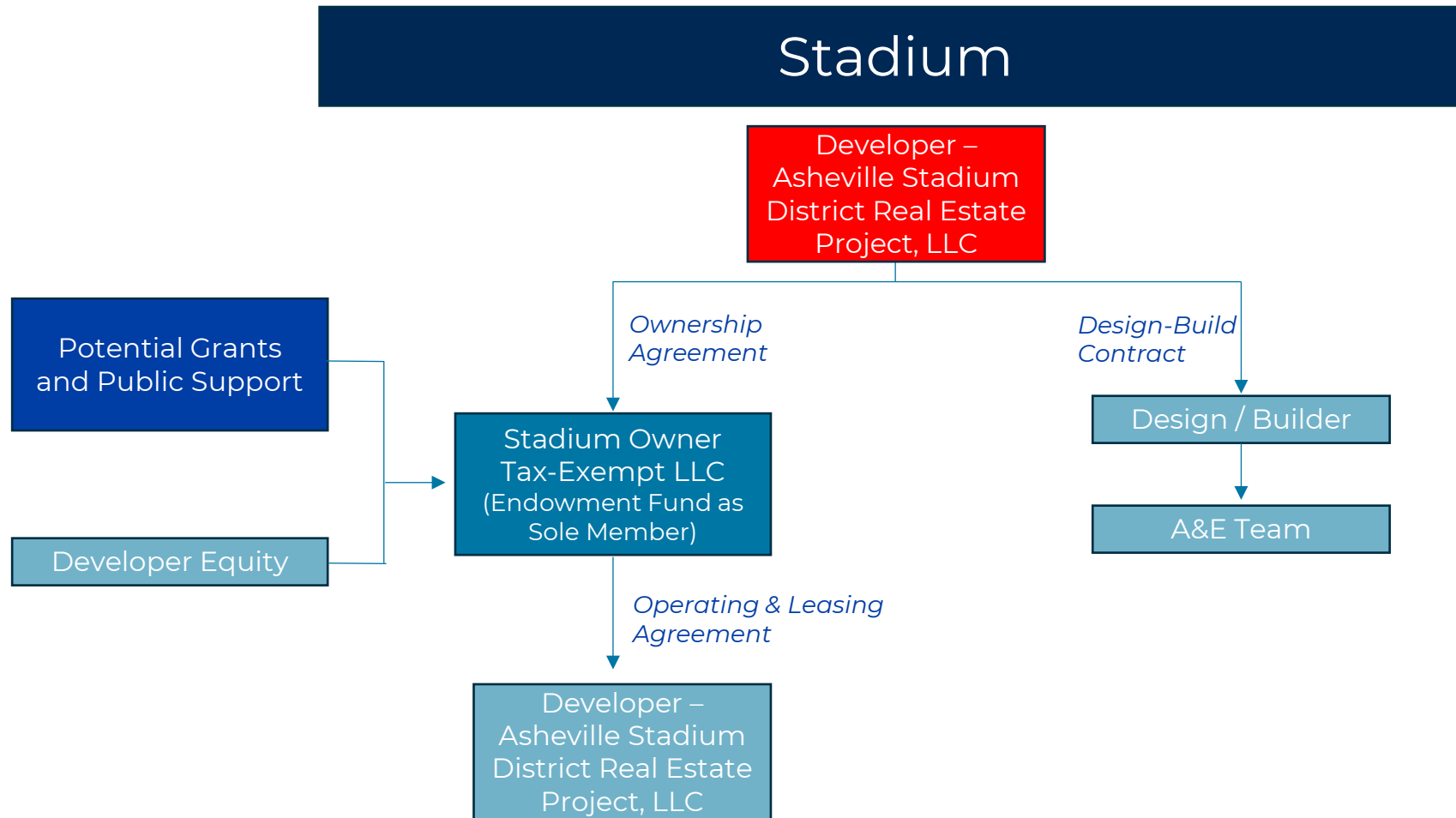
Developer Ownership Group



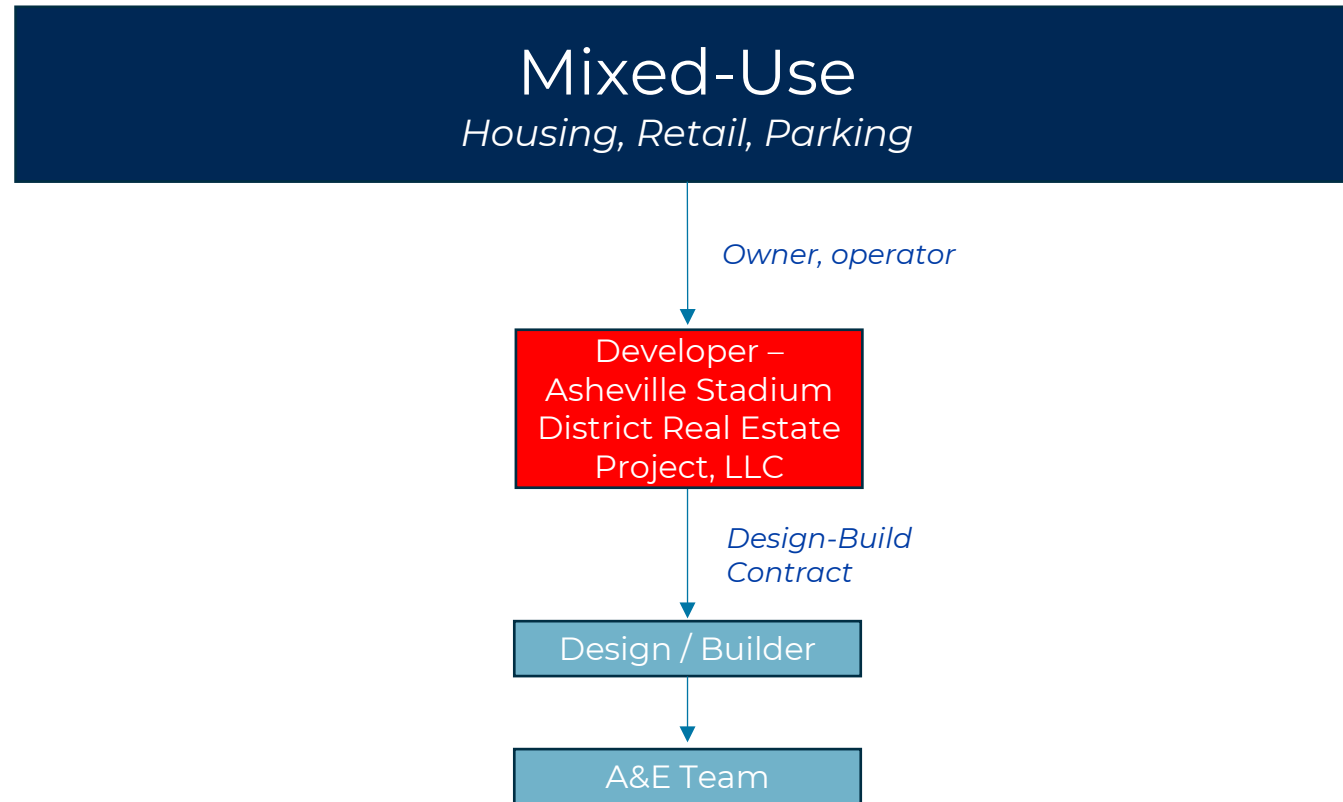
Project Structure - Overview



Project Structure



Project Structure



Project Team

Developer: Asheville Stadium District Real Estate Project LLC

Project Executive: McCullers Sports Group

University Advisors



DESIGN BUILD TEAM

Metcon

Pre-con and construction

Blum Construction

Construction

Jenkins Peer Architects

Design

Civil Design Concepts (CDC)

Civil Engineering

FINANCIAL PARTNERS

Asheville City Soccer Club

Anchor Tenant

CBRE

Finance Structuring Consultant
(Acquisition of Equity & Debt)



Brailsford & Dunlavey

First Tryon Advisors

The Van Winkle Law Firm

Parker Poe Attorneys at Law

Payment Terms

Payment Terms to UNCA Endowment Fund for the project are as follows:

- Top line rent annually paid to UNCA Endowment Fund (not subject to performance risk).
- Rent payments based on independent appraisal done by BBG Real Estate Services.
- Phase 1 property valued at \$11.9M.
- Fixed payment + escalation over term of agreement (initial term up to 50 years with at least 2 extension periods).

Expected Phase 1 Payment Structure

\$1.07M

Base rent paid to UNCA
Endowment Fund,
escalated annually over
the term of the lease

3%

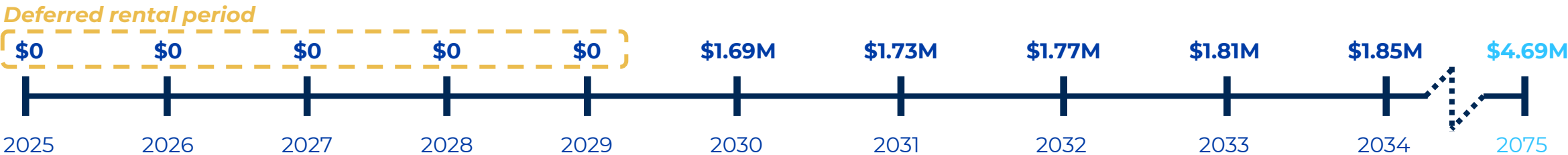
Annual escalation of
ground rent

5 year*

Deferral period of rent at
the initiation of the
ground lease

**5 years for Phase 1B and 1C;
If city approvals delay construction of stadium,
rent deferral for Phase 1A may be extended to
earlier of stadium opening or 8 years.*

Preliminary Rent Schedule



Ground Lease – Endowment Fund

The University of North Carolina Asheville is requesting approval to enter into a Ground Lease with the University Endowment Fund



99-year Ground Lease



Endowment Fund

Requested Board Actions

1

Request the authority to enter into a ground lease agreement with the endowment fund for approximately 54 acres and a term of 99 years for the development of a millennial campus project

2

Request approval for the endowment fund to enter negotiations with a developer for a ground lease(s) for the development of the mixed-use stadium project

Next Steps

At a future Board of Governors meeting, approval of delegated authority for the Endowment Fund to enter into one or more Ground Leases with Asheville Stadium District Real Estate Project, LLC (Developer) to develop the mixed-use stadium project on the millennial campus.



Endowment Fund

Ground Lease

99-Year Ground Lease:
50-year initial term, two extension periods





UNIVERSITY *of* NORTH CAROLINA
ASHEVILLE

Questions?





UNIVERSITY *of* NORTH CAROLINA
ASHEVILLE

Appendix



Preliminary Schedule

- July: Board of Governors authorizes UNCA Endowment to negotiate a ground lease with the developer.
- September: Board of Governors authorizes UNCA Endowment to execute ground lease with developer.
- Design and permitting is expected to take two years to complete.
- Construction is anticipated to take approximately two years to complete.
- Stadium is expected to be completed by the end of year 2028, and housing & retail in the spring of 2029.

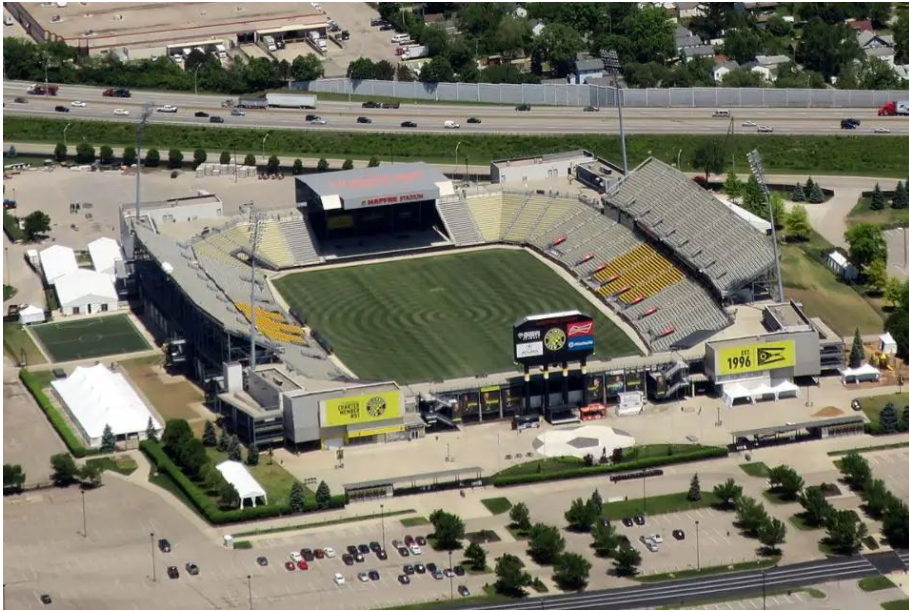
Preliminary Budget & Financing-Investment Approach Summary

Phase 1 Financing

Source	Phase 1A Stadium	Phase 1B Housing & Retail	Total
Developer Debt	\$0	\$64.5M-\$78.8M	\$64.5-78.8M
Developer Equity	\$29M	\$64.5M-\$78.8M	\$93.5-\$107.8M
Potential Grants & Public Support	\$29M	\$0	\$29M
University Debt	\$0	\$0	\$0
University Equity	\$0	\$0	\$0
Total	\$58M	\$143.4M	\$201.4M

McCullers

Completed Project Examples



Project Description: 22,000 seat stadium.
First soccer-specific stadium in Major League Soccer.
Home of MLS inaugural franchise Columbus Crew 1999 – 2021.

- Project Cost: \$27 million
- Project Completion: May 15, 1999
- Architect: NBBJ
- Builder: Corna-Kokosing

Financing Source: City of Columbus, Hunt Sports Group
McCullers Role: Owners Representative, Stadium Management



Project Description: 27,000 seat stadium. Home of MLS FC Cincinnati

- Project Cost: \$250 million
- Project Completion: May 16, 2021
- Architect: Populous
- Builder: Turner Construction

Financing Source: City of Cincinnati, FC Cincinnati

McCullers Role: Predevelopment Planning, Public Private Partnership Negotiation, Development Financial Analysis, Land Acquisition Coordination, Conceptual Design, Development Agreement Negotiation

McCullers Active Project: Greenville, South Carolina

Project Description: 5,000 seat USL League 1 Stadium anchoring Bridgeway Station Mixed-Use Development

Completion Date: Summer 2026

Project Value: \$50 million

Architect: MacMillan Pazden Smith & Johnston Design

Builder: Edifice

Financing Source – City of Mauldin, State of South Carolina, Greenville Pro Soccer




BRIDGEWAY
STATION

McCullers Active Project: Omaha, Nebraska

Project Description: 8,000 seat USL Championship Stadium anchoring downtown mixed-use development

Completion Date: 2027

Project Value: \$80 million stadium; \$200 million mixed-use development

Architect: Perkins & Will

Builder: TBD

Financing Source – City of Omaha, State of Nebraska, Union Omaha



University of North Carolina Asheville
Lease Agreements
Draft Term Sheet

July 2025

The University of North Carolina Asheville Board of Trustees requests authority to negotiate and enter into a ground lease agreement with its Endowment Fund to facilitate the development of a multi-use stadium, market-rate multifamily housing, retail, surface parking, and related infrastructure, as described herein, on substantially the terms set forth in this term sheet.

The University of North Carolina Asheville Endowment Fund requests authority to negotiate one or more ground lease agreements with a developer to develop a multi-use stadium, market-rate multifamily housing, retail, surface parking, and related infrastructure, as described herein, in multiple phases on substantially the terms set forth in this term sheet.

Final approval of the ground lease agreement(s) with the Developer must be approved by the University of North Carolina Board of Governors.

I. Project	
1. Project Summary	The Board of Trustees of the Endowment Fund of the University of North Carolina Asheville (“Endowment Fund”) will enter into one more long-term ground lease agreements (each, a “Ground Lease Agreement”) with a private developer for the purpose of developing and operating a stadium-anchored mixed-use district that will be delivered in multiple phases at no cost to the University of North Carolina Asheville (“UNCA”) or the Endowment Fund, in exchange for ground rent and other strategic benefits.
2. Enabling Ground Lease	UNCA will enter into a 99-year ground lease agreement for the project site with the Endowment Fund.
3. Developer Ground Lease	The Endowment Fund will enter into one or more Ground Lease Agreements with Asheville Stadium District Real Estate Project, LLC (“Developer”) initially encompassing the Phase 1 project site. The Developer group includes the McCullers Group and the ownership group for Asheville City Soccer Club.
4. Project	Phase 1 of the project will be developed on a site that is approximately 31.28 acres. Phase 1 is proposed to include a stadium of approximately 5,000 seats, up to 450 units of market-rate housing, and up to 50,000 SF of retail, as well as related public space and infrastructure. Parking and roadway infrastructure will be developed onsite to meet city and state requirements at a minimum. The Phase 1 program may be modified to reflect feasibility as pre-development work and financing are finalized. Phase 1 of the project is anticipated to take approximately two years to complete design and permitting, and approximately two years to complete construction, with completion of the initial stadium, market-rate housing, and retail improvements expected to occur in 2029. The Phase 2 project site is approximately 22.75 acres and initially will not be included in the Phase 1 Ground Lease Agreement(s) with the Developer. However, the Phase 2 site will be held for future development under an Option Agreement between the Endowment Fund and the Developer. UNCA will seek approval to amend the Phase 1 Ground Lease Agreement(s) or enter into a new ground lease agreement specific to Phase 2 if Developer exercises its option. The Phase 2 program has not been defined and will require the Board of Governors review and approval. The Project will be developed at no cost to UNCA or the Endowment Fund.
5. Financing	Construction will be financed with the Developer equity and one or more construction loans obtained by the Developer. Permanent financing will be a combination of Developer equity, third-party investor equity, public grants and subsidized financing, and debt. The Developer will attract additional investors and assemble a detailed capital stack following execution of the Ground Lease Agreement(s) for Phase 1.

II. Lease Agreements	
6. Lease Agreements	A ground lease agreement for the site associated with the project will be entered into between UNCA and the Endowment Fund. The Endowment Fund will then enter into one or more Ground Lease Agreements for the Phase 1 project site with the Developer, which is a special purpose entity jointly owned by the members of the ownership group of Asheville City Soccer Club and McCullers Group. The Ground Lease Agreement(s) will obligate the Developer to fully design, finance, build, operate, and maintain the project.
7. Existing Encumbrances	The Phase 1 project site is partially encumbered by a 99-year ground lease between UNCA and the US Forest Service. The Phase 1 ground lease agreement(s) between the Developer and the Endowment Fund will be subject to existing encumbrances. The Phase 2 project site is partially encumbered by a ground lease with the Odyssey School, which will be accounted for in the Option Agreement. UNCA will assist in facilitating the disposition or demolition of the Odyssey School following the expiration of the Odyssey School lease term, and subject to approval of the Board of Governors.
8. Rental Payments	Base rental payments from the Developer to the Endowment Fund under the Ground Lease Agreement(s) will equal the appraised fair market rental value of the leased property, escalated annually by 3%. The Developer may defer payment of rent during design and construction of the assets, up to 5 years for the housing and retail components and up to 8 years for the stadium component if the start of stadium construction is delayed because of permitting. Deferred rent will be paid with interest, amortized over 20 years, concurrent with base rent then due.
9. Capital Refinance Payment	If the Developer refinances to extract equity during the term of the Ground Lease Agreement(s), the Developer will pay the Endowment Fund a refinancing service fee of 25 basis points multiplied by the total approved refinancing amount.
10. Lease Term	The Developer will lease the property from the Endowment Fund for an initial term of up to 50 years with at least two extension periods (up to a maximum term of 99 years) provided that the Developer is performing under the terms of the Ground Lease Agreement(s) and not in default. The Endowment Fund may bifurcate the term of the Phase 1 Ground Lease Agreement(s) for specific portions of the project (e.g. – the stadium portion from the housing/retail portion of the project).
11. Permitted and Prohibited Uses	The Ground Lease Agreement(s) will define permitted uses and non-permitted uses. All improvements or activities conducted on the premises

	must be consistent with UNCA's research, teaching, and service mission, or to enhance the economic development of the region served by UNCA.
12. Ownership of Improvements	The Developer will own the improvements constructed by the Developer comprising the housing and retail development for the duration of the term of the applicable Ground Lease Agreement(s). During the term of the Ground Lease Agreement for the stadium, the stadium improvements constructed by the Developer will be owned by a tax-exempt LLC, of which the Endowment Fund will be the sole member, through an ownership agreement with the Developer. The purpose of this ownership structure is to facilitate the use of public grants and other financial support in the financing of the stadium improvements. The financing of the stadium project will be non-recourse to the Endowment Fund. If no such public grants or financial support are utilized, then all improvements will be owned by the Developer in the same manner as listed above. At the expiration or earlier termination of the Ground Lease Agreement(s), ownership of all improvements covered by such Ground Lease Agreement will revert to the Endowment Fund. The Endowment Fund will have the option at that time to receive the improvements or require the Developer to demolish the improvements and clear the leased property.
13. Anticipated Related Project Agreements	The Endowment Fund and the Developer will enter into an Option Agreement (either pursuant to a separate agreement or under the Ground Lease Agreement(s)) reserving the Developer's right to lease the Phase 2 site, or portions thereof, subject to payment of an option fee, completion of Phase 1 within defined time frames, and Developer's compliance with the terms and conditions of the Option Agreement and the Ground Lease Agreement(s). The tax-exempt LLC, of which the Endowment Fund will be the sole member, will enter into an Ownership Agreement with the Developer through which it will own the stadium improvements. The same tax-exempt LLC will enter into a triple net Operating and Leasing Agreement with the Developer for the operation and maintenance of the stadium improvements.
14. UNCA Design Approval	The Ground Lease Agreement(s) will include a Design Guidelines exhibit that will govern planning and design of the project by the Developer following execution of the Ground Lease Agreement(s). The University will be entitled to review and approve final plans for conformance with the Design Guidelines prior to the start of construction.
15. Operations and Maintenance	The Developer will be comprehensively responsible for the operations and maintenance of the project including any repairs, renewals, renovations, or improvements to maintain the value of the project.

16. Insurance	The Developer will be responsible for the insurance, including all-risk coverage and flood/wind insurance, of the project for the duration of the term of the Ground Lease Agreement(s).
17. Failure of Developer to Complete Project	The Developer will trigger an event of default if it: - Has not completed a mutually agreed upon pre-development scope of work within a specified timeframe; - Has not timely provided to the Endowment Fund evidence of having secured full financing for the project and obtained equivalent payment and performance bonds from its design-builder; - Has not begun construction of any particular phase within 120 days after receiving applicable permits for such phase; - Fails to progress construction for a period of 120 days once begun (except for events of Force Majeure and as a result of actions of 3rd parties not under control of the Developer); or - Fails to make rent payments, fails to operate and maintain the project, or fails to meet mutually agreed-upon operating standards. - Fails to comply with any other terms and conditions of the Ground Lease Agreement(s). Subject to reasonable cure periods and lender step-in rights, the Endowment Fund would have the right to terminate the Ground Lease Agreement(s) if any event of default occurs. The Endowment Fund will be an additional beneficiary on all payment and performance bonds.
18. Buyout Provision	The Endowment Fund will have an option to purchase the project and terminate the Ground Lease Agreement(s) at various stages throughout the term of the Ground Lease Agreement(s).
19. Other Terms	This term sheet does not include all the terms contemplated to be in the Ground Lease Agreement(s) and other agreements contemplated herein. Other terms shall be incorporated into the Ground Lease Agreement(s) and/or related project agreements, including the rights to be retained by UNCA or the Endowment Fund, as modified in the documents consistent with the parties' intentions.