

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

AGENDA

- A-1. General Fund Update.....Jennifer Haygood
- A-2. 2025-26 Operating Budget Allocations..... Brandy Andrews
- A-3. Performance Funding Reallocations.....Jennifer Haygood
- A-4. 2026-27 Tuition and Fees InstructionsJennifer Haygood
- A-5. Amend Section 600.1.3 of the UNC Policy Manual
Policy on Authority for Real Property TransactionsJennifer Haygood
- A-6. 2025-26 State Capital and Infrastructure Fund (SCIF)
Repairs and Renovations (R&R) Allocations Katherine Lynn
- A-7. Adjourn

AGENDA ITEM

A-1. 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 July meeting, the committee received an update on the stalled State budget process. Since the July meeting, legislation has been enacted to appropriate the base budget and make a limited number of budgetary adjustments for FY 2025-26.

Assessment: In addition to appropriating the 2025-27 base budget, the recently enacted S.L. 2025-89 (“mini-budget”) provides additional operating funds for NC Promise, building reserves, and benefit rate increases, as well as reduces funding for nonresident graduate tuition waivers. The legislation also allocates State Capital and Infrastructure Fund monies for various capital projects already in progress and \$100 million for the UNC Repair and Renovation Program. S.L. 2025-89 did not include funding for enrollment growth, performance funding, or legislative salary adjustments; it also did not amend the existing sports wagering tax rate or revenue allocations.

Action: This item is for information only.

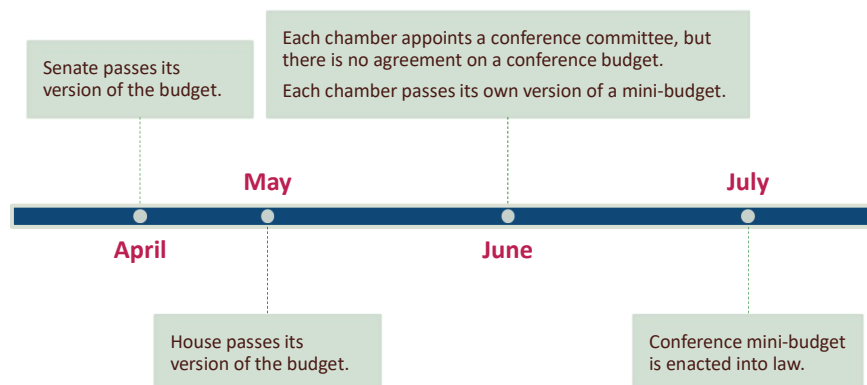


2025-27 GENERAL FUND BUDGET UPDATE

Committee on Budget and Finance

September 17, 2025

State Budget Recap



S.L. 2025-89 (H125) Mini-Budget

- Includes:
 - NC Promise: \$9.5m R
 - Building reserves: \$2.87m R + \$516k NR
 - Benefit rate increases: \$29.0m R
 - Nonresident graduate student tuition waiver: (\$3.5m) R
 - SCIF Funding: \$100m for UNC R&R + various named projects in progress
 - Lifts continuing resolution salary freeze
- Does not include:
 - Enrollment growth: \$46.4m R
 - Performance funding: \$30.0m R
 - Legislative salary increases
 - Sports wagering tax revenue changes






S.L. 2025-89 also includes DAVE Act

- Division of Accountability, Value, and Efficiency
 - Under State Auditor: \$6m R, 45 positions
- No later than October 1, 2025, every State agency shall report to the Division both of the following:
 - (1) An explanation of how the agency, including each division or office within that agency, utilizes public monies to execute its powers and duties under law.
 - (2) A description of all positions within that agency that have remained vacant for six months or more ***as of the effective date of this section***. The description shall include the original position vacancy dates, the dates of any postings or repostings of the positions, and an explanation for the length of the vacancies.
- The Division shall assess the continued need for each State agency and the vacant positions within each agency.
- No later than December 31, 2025, the Division shall report the results of the assessment conducted pursuant to this section to the General Assembly.



QUESTIONS?

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AGENDA ITEM

A-2. 2025-26 Operating Budget Allocations Brandy Andrews

- Situation:** During the long session, the North Carolina General Assembly approved S.L. 2025-89 “mini-budget” to appropriate state funds for 2025-27 base budgets and other specific adjustments to be incorporated in the procedures for budget continuation provisions set out in G.S. 143C-5-4. At this time, the 2025-27 biennial budget has not been passed by the General Assembly.
- Background:** 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 governor recommends and 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. Unless funds are appropriated directly to institutional budgets, the Board of Governors is responsible for allocating appropriated funds among the institutions, consistent with applicable legislation.
- Assessment:** The General Assembly approved adjustments to 2025-26 state base budgets through S.L. 2025-89. Budget adjustments appropriated funds to the Board of Governors for allocation and require Board action. The recommended allocations meet all the General Assembly directives as enacted.
- Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

2025-26 Operating Budget Allocations

This document includes actions taken by the North Carolina General Assembly for the University of North Carolina System in Session Law 2025-89, Continuing Budget Operations. A comparison of the long session 2025-27 budget adjustments to the University of North Carolina Board of Governors budget priorities can be found in Appendix A.

It is recommended that the following proposed allocations for FY 2025-26 be approved, and that the president be authorized to make refinements in the interest of accuracy and completeness. It is also recommended that the president be authorized to seek such concurrence as may be required of the director of the budget in the allocation of budget priorities.

A. Recommended Allocations for Items Requiring Board Approval

1. UNC Building Reserves

The General Assembly appropriated \$2,867,222 in recurring funds and \$516,664 in nonrecurring funds to operate and maintain the Apiculture Facility at NC State University, the School of Business Addition at the University of North Carolina at Chapel Hill, and the Morganton Campus Student Wellness Center at the North Carolina School of Science and Mathematics. The allocation is based on the UNC System building reserve model. Consistent with Section 2A.13 of S.L. 2025-89 it is recommended that the funds be allocated as shown in Table 1.

Table 1: 2025-26 UNC Building Reserves

Institution	Recurring	Nonrecurring
NC State	\$65,459	\$57,951
UNC-CH	2,321,169	397,927
NCSSM	480,594	60,786
Total	\$2,867,222	\$516,664

2. Employee Benefit Rate Changes

The General Assembly appropriated \$29,004,662 in recurring funds for the costs associated with employee benefits. The benefit rate for the Teachers and State Employees Retirement System (TSERS) increased by 0.63 percent, the benefit rate for the Optional Retirement Program (ORP) went up by 0.28 percent, and the health plan amount increased by \$405. Funds are allocated to the institutions based on the appropriated salary base for employees in TSERS and ORP, as well as the total number of appropriated employees for the health plan increase.

Table 2: Employee Benefit Rate Changes

Institution	Benefit Allocation Recurring
App State	\$2,031,295
ECU	2,966,816
ECSU	289,130
FSU	640,322
N.C. A&T	1,430,168
NCCU	874,692
NC State	5,861,753
UNCA	412,078
UNC-CH	5,049,402
UNCC	2,763,616
UNCG	1,729,494
UNCP	648,554
UNCSA	349,540
UNCW	1,798,738
WCU	1,086,043
WSSU	543,129
NCSSM	281,497
UNCSO	248,394
Total	\$29,004,662

3. Nonresident Graduate Tuition Waiver

The General Assembly reduced the appropriation for graduate tuition waivers by \$3,500,000, in recurring funds. The reduction will be allocated pro rata based on each institution's General Fund nonresident graduate assistant waiver expenditures.

Table 1: Nonresident Graduate Tuition Waiver Reduction

Institution	FY24 Nonresident Graduate Tuition Waiver Amount	% of Total Amount	Pro-Rata Share of Reduction
App State	\$326,090	0.7%	(\$23,530)
ECU	1,872,004	3.9%	(135,080)
N.C. A&T	677,944	1.4%	(48,919)
NCCU	723,578	1.5%	(52,212)
NC State	14,209,946	29.3%	(1,025,363)
UNC-CH	19,481,996	40.2%	(1,405,784)
UNCC	5,141,240	10.6%	(370,982)
UNCG	3,799,272	7.8%	(274,148)
UNCP	54,000	0.1%	(3,896)
UNCSA	279,357	0.6%	(20,158)
UNCW	1,586,538	3.3%	(114,482)
WCU	352,636	0.7%	(25,446)
Total	\$48,504,603	100%	(\$3,500,000)

B. Budget Allocations Delegated to the President

1. NC Promise Tuition Plan

The General Assembly appropriated \$9,500,000 recurring for the NC Promise Tuition Plan, which sets undergraduate tuition at \$500 per semester for NC residents and \$2,500 per semester for nonresidents at Elizabeth City State University, Fayetteville State University, University of North Carolina at Pembroke, and Western Carolina University. Funds will be used to support increased enrollment at the institutions.

Funds will be allocated based upon enrollment to the four NC Promise institutions after the fall census and adjusted after the spring census. It is recommended that the president be authorized to make allocations for 2025-26 and 2026-27 as enrollment data becomes available.

C. Appropriated Directly to the North Carolina State Education Assistance Authority (NCSEAA)

The General Assembly made several budget changes to the NCSEAA, which do not require Board allocation. These are described below, for information only.

1. Longleaf Commitment Community College Grant Program

The General Assembly reduced the General Fund appropriation by \$125,000 in recurring funds and eliminated the grant program. The General Assembly also reduced the budgeted receipts from the Escheat Fund by \$12,375,000 in recurring funds. The program provided need-based grants to community college students who graduated high school during the 2022-23 school year. There are no students eligible for the program in the 2025-27 fiscal biennium.

2. Need-Based Scholarship for Public Colleges and Universities

The General Assembly adjusted how the scholarship is funded. The appropriation from the Education Lottery Fund was reduced by \$23,445,964. The General Fund appropriation of \$74,972,548 in recurring funds was eliminated. Receipts from the Escheats Fund were increased by \$98,418,512 in recurring funds. The total budget for the program is unchanged.

3. Scholarship for Children of Wartime Veterans

The General Assembly reduced funding for the scholarship program by \$11,070,964 in recurring Escheat Fund receipts and increased funding for the program by \$11,070,964 in recurring receipts from the Education Lottery Fund. The total budget for the program is unchanged.

FY 2025-27 Operating Budget Comparison

	UNC Budget Priorities		Conference Mini Budget	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
UNC Base Budget	3,734,978,720	3,735,382,901	3,734,978,720	3,735,382,901
UNC System Priorities				
UNC Enrollment Change	46,375,508	66,375,508	-	-
Performance Funding Pool	30,000,000	30,000,000	-	-
Building Reserves	2,867,222 ¹	3,731,400	2,867,222	2,867,222
	516,664 NR	-	516,664 NR	
NC Promise	9,500,000	13,000,000	9,500,000	9,500,000
Total UNC System Priorities	89,259,394	113,106,908	12,883,886	12,367,222
Faculty and Staff Salaries				
Faculty and Staff Salary Increases	UNC System requests equity with State agencies and strongly supports Labor Market Adjustment Reserve funding.		-	-
Employee Benefit Rate Changes	-	-	29,004,662	29,004,662
Other UNC System Items (Not Requested)				
Graduate Tuition Waiver	-	-	(3,500,000)	(3,500,000)
Total Recurring Operating Changes	88,742,730	113,106,908	37,871,884	37,871,884
Total Nonrecurring Operating Changes	516,664	-	516,664	-
Total Recommended FY 25-27 UNC Budget	3,824,238,114	3,848,489,809	3,773,367,268	3,773,254,785
Total Percent Change	2.4%	3.0%	1.0%	1.0%

Note: All items are recurring unless specified as nonrecurring.

	UNC Budget Priorities		Conference Mini Budget	
	FY 2025-26	FY 2026-27	FY 2025-26	FY 2026-27
SEAA & Aid to Private Institutions Base Budget (Budget Codes 16012 & 16015)	935,785,439	986,785,439	935,785,439	986,785,439
Longleaf Commitment Comm. Coll. Grant Program	-	-	(125,000) (\$12,375,000) in recurring receipts	(125,000) (\$12,375,000) in recurring receipts
Need-Based Scholarship for Public Colleges and Universities	-	-	(74,972,548)	(74,972,548)
Need-Based Scholarship for Public Colleges and Universities Escheat Funding	-	-	\$98,418,512 in recurring receipts	\$98,418,512 in recurring receipts
Scholarship for Children of Wartime Veterans Funding Change	-	-	(\$11,070,964) Escheat \$11,070,964 Lottery in recurring receipts	(\$11,070,964) Escheat \$11,070,964 Lottery in recurring receipts
Total SEAA and Aid to Private Institutions	935,785,439	986,785,439	860,687,891	911,687,891

¹ Revised in June 2025 to reflect expected project completions dates. Original request was 3,187,530.

AGENDA ITEM

A-3. Performance Funding ReallocationsJennifer Haygood

- Situation:** Recurring funding for the performance funding model continues to be a top priority of the University of North Carolina Board of Governors. Since no proposed or enacted budget legislation has included recurring funds for this purpose, an alternative funding strategy is needed.
- Background:** In November 2022, the Board approved incorporating a performance weighting component to the enrollment funding model. During the 2023 Long Session, the North Carolina General Assembly expressed concerns about this methodology and only appropriated non-recurring funds for performance allocations during the 2023-25 biennium. In February 2025, the Board of Governors decided to pivot its approach and approved 2025-27 budget priorities that included \$30 million for a set pool of recurring performance funding. Neither the Senate nor the House version of the 2025-27 budget included recurring funds for this purpose.
- Assessment:** Given constrained State resources, it is recommended that the Board approve a \$30 million reallocation from institutions, proportionally based on FY 2024 operating revenues and State appropriations, to fund the performance model on a recurring basis.
- 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 Performance Funding Reallocations

It is recommended that the UNC Board of Governors approve a \$30 million reallocation of funding to support the implementation of the performance funding model. This reallocation is authorized under G.S. 116-11(9)(c), which states:

“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.”

Performance Pool Investment: Each institution contributes to the \$30 million performance pool through a proportional, recurring reduction based on its FY2024 operating revenues and State appropriations (see Appendix A). This approach aligns the investment methodology with institutional capacity and ensures Systemwide participation in funding the performance pool.

Performance Funding Allocation: The performance pool is then reallocated annually based on the Board-approved performance funding model, which has two components (see Appendix B for FY 2026 performance allocation calculations):

- **Performance Change Component:** Institutions are eligible to earn up to their proportional share of the \$30 million pool (based on their share of systemwide FTE enrollment). Actual allocations are based on institutional performance scores, calculated relative to baseline and annual stretch goals across Board-approved performance metrics. Subject to funding availability for each metric, an institution can receive “extra credit” funding if it exceeds its stretch goal.
- **Impact Component:** Remaining funds in the pool are allocated based on the number of degree completers at each institution, rewarding institutions with significant gains in degree completion.

Table 1: FY 2025-26 Performance Funding Reallocations

Institution	Performance Pool Investment	FY26 Performance Allocation	Net Change
App State	(\$1,516,458)	\$1,838,634	\$322,176
ECU	(2,971,712)	3,204,882	\$233,170
ECSU	(196,291)	281,318	\$85,027
FSU	(342,900)	763,503	\$420,603
N.C. A&T	(1,057,207)	1,525,767	\$468,560
NCCU	(629,606)	708,002	\$78,396
NC State	(5,532,055)	5,648,191	\$116,136
UNCA	(284,254)	106,423	(\$177,831)
UNC-CH	(10,814,814)	3,928,055	(\$6,886,759)
UNCC	(2,244,828)	3,603,096	\$1,358,268
UNCG	(1,255,109)	2,934,860	\$1,679,751
UNCP	(419,711)	1,271,157	\$851,446
UNCW	(1,350,093)	2,305,275	\$955,182
UNCSA	(203,670)	127,776	(\$75,894)
WCU	(829,873)	1,654,870	\$824,997
WSSU	(351,419)	98,191	(\$253,228)
Total	(\$30,000,000)	\$30,000,000	\$0

Appendix A: Performance Pool Investments

Institution	FY24 Operating Revenues + State Appropriations*	Pro-Rata Share	Performance Pool Investments
App State	\$508,527,706	5%	(\$1,516,458)
ECU	\$996,531,262	10%	(\$2,971,712)
ECSU	\$65,824,132	1%	(\$196,291)
FSU	\$114,987,707	1%	(\$342,900)
N.C. A&T	\$354,522,827	4%	(\$1,057,207)
NCCU	\$211,131,356	2%	(\$629,606)
NC State	\$1,855,114,528	18%	(\$5,532,055)
UNCA	\$95,321,384	1%	(\$284,254)
UNC-CH	\$3,626,630,281	36%	(\$10,814,814)
UNCC	\$752,778,683	7%	(\$2,244,828)
UNCG	\$420,887,028	4%	(\$1,255,109)
UNCP	\$140,745,606	1%	(\$419,711)
UNCW	\$452,738,944	5%	(\$1,350,093)
UNCSA	\$68,298,369	1%	(\$203,670)
WCU	\$278,288,764	3%	(\$829,873)
WSSU	\$117,844,589	1%	(\$351,419)
Total	\$10,060,173,166	100%	(\$30,000,000)

*Per FY24 audited financial statements. Operating revenues primarily include tuition and fees, contract and grants, sales and services.

Appendix B: FY 2025-26 Performance Allocations

Institution	Performance Change Component					Impact Component		Total Performance Funding
	Eligible Funding	Composite Performance Score	Performance Change Funding	Extra Credit Funding	Total Performance Change Funding	FY23 Degree Completions	Impact Funding	
App State	2,738,782	40.6%	\$1,113,198	83,476	1,196,675	5,070	641,960	1,838,634
ECU	3,122,726	71.3%	2,225,751.29	84,439	2,310,190	7,066	894,692	3,204,882
ECSU	270,000	65.2%	176,059.99	53,470	229,530	409	51,787	281,318
FSU	826,526	67.3%	556,276.21	24,008	580,285	1,447	183,218	763,503
N.C. A&T	1,785,119	60.5%	1,079,836.46	117,987	1,197,823	2,590	327,944	1,525,767
NCCU	1,039,354	48.2%	501,066.43	293	501,359	1,632	206,643	708,002
NC State	4,654,371	82.2%	3,826,179.68	478,960	4,305,140	10,607	1,343,051	5,648,191
UNCA	385,277	5.7%	21,967.67	-	21,968	667	84,455	106,423
UNC-CH	3,998,827	65.4%	2,613,912.30	172,036	2,785,949	9,020	1,142,106	3,928,055
UNCC	3,768,141	67.1%	2,527,430.99	14,722	2,542,153	8,379	1,060,943	3,603,096
UNCG	2,139,878	88.5%	1,892,840.99	440,830	2,333,671	4,748	601,188	2,934,860
UNCP	849,181	80.3%	682,015.68	318,682	1,000,698	2,136	270,459	1,271,157
UNCW	2,257,553	66.3%	1,496,376.16	149,212	1,645,588	5,210	659,686	2,305,275
UNCSA	147,394	39.6%	58,326.10	15,004	73,330	430	54,446	127,776
WCU	1,413,703	75.3%	1,064,855.85	177,111	1,241,967	3,261	412,905	1,654,870
WSSU	603,169	-6.5%	(39,142.76)	78	(39,064)	1,084	137,255	98,191
Total	30,000,000	57.3%	\$19,796,951	2,130,310	21,927,261	63,756	\$ 8,072,739	\$ 30,000,000

AGENDA ITEM

A-4. 2026-27 Tuition and Fees InstructionsJennifer Haygood

- Situation:** The annual process for establishing tuition and fees begins with the senior vice president for finance and administration issuing instructions to the institutions for submitting requests for consideration by the University of North Carolina Board of Governors. These instructions communicate the parameters that institutions must stay within when developing their requests.
- Background:** G.S. 116-143 requires that the Board fix tuition and fees, not inconsistent with the actions of the North Carolina General Assembly, at the constituent institutions of the University of North Carolina System.
- Assessment:** The committee discussion will guide the instructions issued to the constituent institutions, ensuring alignment with committee.
- Action:** This item is for discussion only.



2026-27 TUITION AND FEES INSTRUCTIONS

Committee on Budget and Finance

September 17, 2025

Timeline for the Tuition and Fee Process

September	The Budget and Finance Committee discusses the parameters for tuition and fee proposals. System Office sends tuition and fee instructions to campuses based on those parameters and BOG policy.
August through November	Institutions hold tuition and fee committee meetings to discuss potential rate increases. Committees are comprised of faculty, staff, and students.
October through November	Institutions finalize tuition and fee proposals and submit to their Board of Trustees for approval.
Early December	Chancellors submit tuition and fee requests to the System Office.
December through January	A tuition and fee committee within the System Office is established with representatives from Finance, Academic Affairs, and Strategy and Policy divisions. The committee reviews tuition and fee requests.
January	Campus tuition and fee proposals are presented at the Board meeting. Tuition and fee detailed information is also provided to Board members.
February	Board of Governors consider tuition and fee proposals.

Actions to Address Affordability

■ Tuition

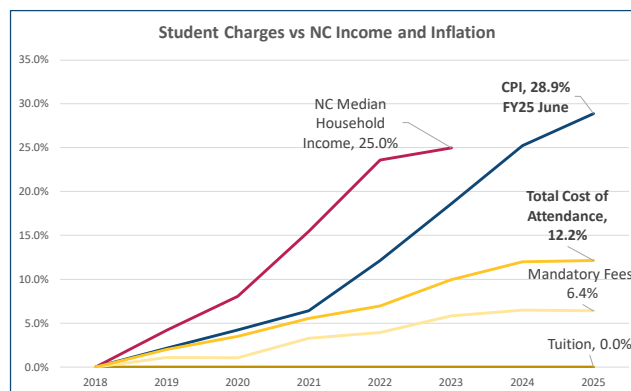
- Flat resident undergraduate rate since Fall 2017
- Fixed Tuition Program guarantees rate for 8 consecutive semesters*
- Implementation of NC Promise (ECSU, FSU, UNCP, WCU)
- Bottom-quartile requirement for resident undergraduates
- Cap on tuition at 12 Credit Hours
- 15% cap on need-based aid from tuition revenue

■ Fees

- 3% statutory cap on mandatory student fee increases
- Adopted fee review criteria to clarify expectations

Student Costs vs Inflation

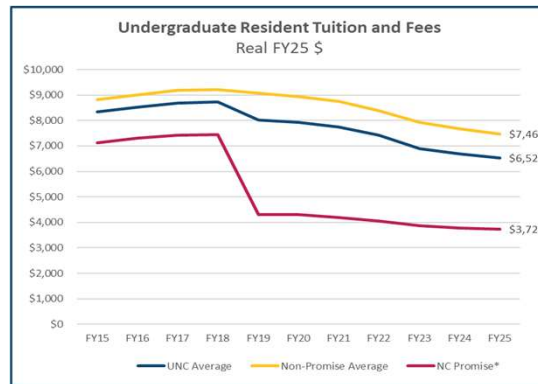
UNC System cost change vs inflation



- The NC Promise institutions are excluded from the Tuition YoY change. The system average resident tuition decreased by 10.7% in FY19 due to NC Promise and by 3.2% in FY23 due the addition of FSU.
- Inflation is measured using the fiscal year average for the CPI-U (excluding food and energy).

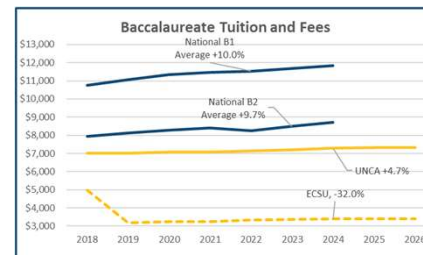
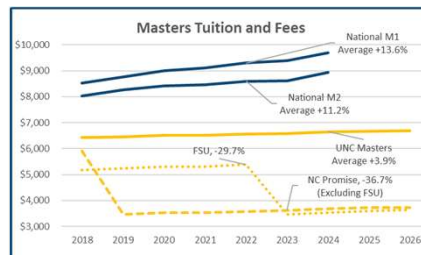
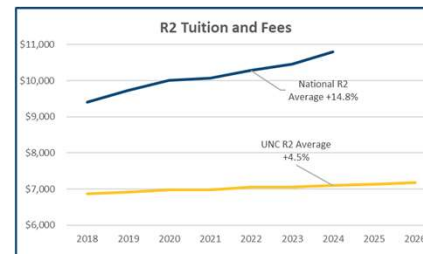
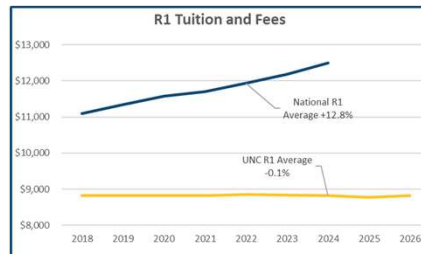
Resident Tuition & Fees (inflation-adjusted)

Real-dollar tuition and fee rates have fallen \$1,800 since FY15, including \$1,400 at non-Promise institutions.



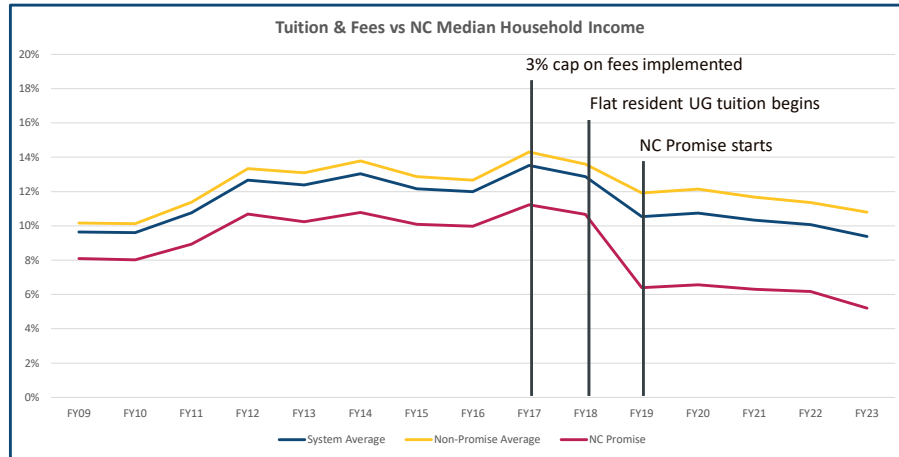
- The NC Promise average excludes Fayetteville State University, which was added to the program in FY23.
- Inflation is measured using the fiscal year average for the CPI-U (excluding food and energy).

Tuition and Fees vs Peers



Tuition & Fees vs NC Incomes

Sustained Progress on Affordability = Decreased Tuition & Fee Burden on Families

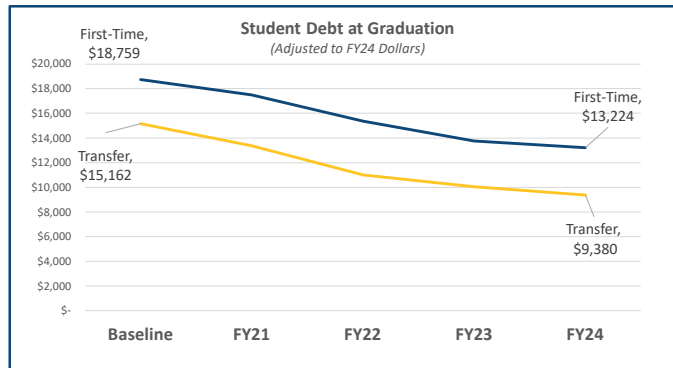


THE UNIVERSITY OF NORTH CAROLINA SYSTEM

7

Reducing Student Debt

- Student Debt at Graduation fell by an average of 30% for first-time students and by an average of 38% for transfer students.
- Students that graduated in FY24 had an average debt savings of \$5,600 relative to their FY20 peers.



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

8

Our Current Context



Achieved meaningful gains in affordability



Absorbed multiple years of inflationary cost increases
(including the two highest years of inflation in over 40 years)



Experienced an enrollment rebound



Anticipating a tightening State budget

Safeguarding Quality. Sustained Affordability.

- **Affordability** remains central to the UNC System's mission, with tuition and fees among the lowest in the country.
- **Nearly a decade of flat tuition** has reset standards of affordability, providing significant value for students and families.
- **State support has made this possible—but fiscal pressures are growing**, requiring greater financial resilience at the institutional level.
- **Strategic, inflation-aligned tuition increases are now necessary** to preserve academic quality, student support, and institutional competitiveness.

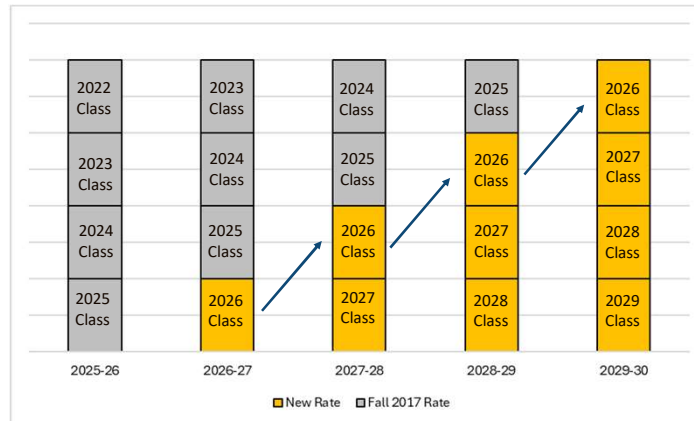
Our goal is to strike the right balance:

- ✓ **Excellence** in instruction, research, and student success
- ✓ **Affordability** for students and families
- ✓ **Sustainability** for institutions



Four Years to Realize Full Revenue Impact from Resident Undergraduate Tuition Increase

Our State's Guarantee: In-state undergraduates who remain continuously enrolled will not see an increase in their tuition for eight consecutive semesters.



Proposed 2026-27 Tuition and Fees Instructions

Tuition	May an increase be proposed?
Undergraduate Resident	Institutions may propose increases up to 3% (only applies to newly enrolled students).
Undergraduate Nonresident	Proposals must justify both the need for the increase and why it is not expected to negatively impact enrollment. Requests may not propose using tuition revenue for financial aid.
Graduate Resident	
Graduate Nonresident	
Fees	May an increase be proposed?
Mandatory Fees (including debt service)	<p>An increase may only be proposed if it is critical to maintaining core activities supported by the fee and must meet the fee review criteria on the subsequent slide.</p> <p>Notwithstanding to the above, increases may be proposed that are offset by a commensurate decrease to another fee.</p> <p>Total increases are subject to the 3% statutory cap.</p>
Special Fees	<p>An increase may only be proposed if it is critical to cover inflationary cost increases associated with an existing fee. Only well-justified proposals that meet the fee review criteria on the subsequent slide will be approved</p> <p>New fees may only be proposed for newly approved programs.</p>
Application Fees	No

Tuition Review Criteria

- **Demonstrated restraint in administrative spending**, including efforts to streamline operations and reallocate resources to core academic functions.
- **Ongoing academic program evaluation and realignment**, with evidence of steps taken to strengthen program relevance, reduce duplication, and improve efficiency.
- **Minimal or no growth in mandatory fees**, particularly in areas where cost containment or offsetting revenues are feasible.
- **Alignment with planned increases in housing and dining rates**, to ensure that the total cost of attendance remains manageable for students and families.
- **Use of tuition revenue to sustain academic quality**, including investments in student success, faculty excellence, and high-impact learning practices.
- **Evidence that proposed increases are consistent with inflationary trends**, avoiding large or abrupt tuition shifts.

Fee Review Criteria

■ **Revenues**

- Is the number of student FTE used to estimate revenues reasonable given current enrollment data?
- Is the amount of “Other Revenues” budgeted for reasonable given historic trends and any other known factors?




■ **Expenditures**

- Are expenditures increasing for reasons other than required legislative salary increases, benefit rate changes, and other reasonable inflationary adjustments?
- If so, is the rationale for the additional expenditures adequately justified and aligned with BOG priorities?

■ **Fund Balance**

- Is the fee expected to generate revenues that exceed expenditures?
- Does the fund balance exceed 6 months of annual expenditures? If so, is there a plan for using the fund balance in the future?

DISCUSSION

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AGENDA ITEM

A-5. Amend Section 600.1.3 of the UNC Policy Manual,
Policy on Authority for Real Property Transactions.....Jennifer Haygood

Situation: Revisions to Section 600.1.3 of the UNC Policy Manual are required to increase the authority levels for delegated real property transactions, define real property terms, and align with the policies for millennial campuses and associated entities. Conforming changes will be made to other sections of *The Code* and UNC Policy Manual.

Background: The University of North Carolina System Division of Legal Affairs has been systematically and comprehensively reviewing the entire UNC Policy Manual. That review began with Chapter 100 of the UNC Policy Manual and will progress through Chapter 1400 over the coming months. Comprehensive updates have been made to *The Code*, Chapter 200, and Chapter 300. Section 600.1.3 of the UNC Policy Manual has not been revised since May 2019. The proposed revisions clarify the general and additional authorities for real property transactions that are delegated to the president, boards of trustees, and chancellors. The policy adds definitions for real property terms and increases the dollar thresholds to align with current market conditions. The policy also incorporates references to Section 600.1.6 of the UNC Policy Manual, *Policy on Millennial Campuses*, adopted April 7, 2022, and clarifies the application of the policy to real property transactions executed by endowment funds or associated entities.

Pursuant to G.S. 116-31.12, the proposed policy was sent to the State Property Office for review prior to adoption by the University of North Carolina Board of Governors. The constituent institutions were also provided an opportunity to comment on the current policy and to review the proposed draft policy.

Assessment: It is recommended that the Board of Governors amend Section 600.1.3 of the UNC Policy Manual as contemplated above and make necessary conforming changes to *The Code* and Section 200.6 of the UNC Policy Manual, *Policy on Delegated Authority to the President*, and Section 600.1.1 of the UNC Policy Manual, *Policy on Design, Construction, and Financing of Capital Improvement Projects*, consistent with the delegations provided herein. The secretary, in consultation with the senior vice president and general counsel, shall be authorized to make such updates as technical updates upon the adoption of these policy amendments.

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 Authority for Real Property Transactions

I. Pursuant to its authority under G.S. 116-3, 116-11(13), 116-12, 116-13, 116-31.12, and other North Carolina law, and consistent with Appendix 1 of *The Code* and Section 200.6 of the UNC Policy Manual, *Policy on Delegation of Authority to the President*, the Board of Governors adopts the following policy regarding authority to acquire and dispose of interests in real property.

II. Application.

- A. This policy applies to real property transactions of the constituent institutions, it does not govern transactions by the board of trustees of the endowment fund of the institution, organized pursuant to G.S. 116-36, or Associated Entities, organized pursuant to G.S. 116-30.20. Notwithstanding the foregoing, unless approved by the Board of Governors, any acquisition or disposition of real property undertaken by an endowment fund or Associated Entity shall not materially alter the value or functionality of any State property; further, any real property transaction undertaken by an endowment fund or Associated Entity that will require an increase of state funds, tuition revenue, or student fees must be approved in advance by the Board of Governors.
- B. This policy shall apply to Millennial Campus real property transactions, provided however, that acquisitions of real property on a Millennial Campus for a period of 10 years or less and dispositions of real property by easement, lease, or rental agreement on a Millennial Campus for a period of 99 years or less shall not require the approval of the governor and the North Carolina Council of State.
- C. All instruments involving acquisition or disposition of an interest in real property are entered into in the name of the constituent institution or UNC System by and on behalf of the state, regardless of whether executed by the governor, president, chancellor, or other official.
- D. In addition to the authorizations provided under this policy and supplemental regulation, all permanent acquisitions and dispositions of real property, including by Deed or demolition, must be approved by the governor and Council of State.
- E. Real property may not be sold, leased, or rented at less than Market Value to any private entity that operates, or is established to operate for profit.
 - 1. Real property may be sold, leased, or rented at less than Market Value to a Public Entity.
 - 2. Real property may be sold, leased, or rented at less than Market Value to a private, nonprofit corporation, association, organization or society (including an Associated Entity organized pursuant to G.S. 116-30.20) where the transaction is in

consideration of public service rendered or to be rendered by the nonprofit consistent with the mission of the constituent institution or the University of North Carolina and the property will be used in connection with the nonprofit's tax-exempt purpose and not in connection with its unrelated trade or business.

- F. No permanent improvements, as defined by UNC Regulation 600.1.3[R], may be made on premises leased by the University that are not owned by the University without the prior approval of the Department of Administration and the Board of Governors.

III. Definitions.

- A. Annual Rental. Annual Rental shall mean the annual rental Value for the first year of the Lease, provided however, that such Value is not artificially lowered in the first year to circumvent authorizations as required by this policy and should not take into account rental concessions and other incentives that reduce the first-year rental Value.
- B. Deed. A Deed is a permanent conveyance of a real property interest. For the purposes of this policy, a demolition or permanent easement shall be considered an acquisition or disposition by Deed.
- C. Market Value. Market Value shall mean the true value of the real property, that is the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used. Market Value may be demonstrated through an appraisal or assessment, tax valuation, or other quantitative assessment of the value of the property.
- D. Lease. A Lease shall mean a lease, temporary easement, rental, or other time-limited rights to have exclusive possession and control of real property. A Lease shall not include (i) non-exclusive use agreements or other similar instruments, or (ii) freely revocable, non-transferrable licenses or agreements that have a term of one-year or less (including renewals).
- E. Millennial Campus. A Millennial Campus shall mean a property designated as a Millennial Campus property as defined in Section 600.1.6 of the UNC Policy Manual, *Policy on Millennial Campuses*.
- F. Public Entity. Public Entity means a constituent institution, endowment fund, county, municipal corporation, local board of education, community college, special district or other political subdivision of the State and the United States or any of its agencies.
- G. Value. Value for the purposes of acquisitions and dispositions of real property shall be the actual monetary value of the transaction. The Value of an asset to be demolished shall be defined as its actual insured replacement value, except that the Value of any asset that has been condemned by the Department of Administration shall be deemed to be \$0.

IV. General Delegations of Authority to the President.

- A. The Board of Governors delegates to the president the power to authorize acquisition or

disposition of the following interests in real property without obtaining approval of the Board of Governors:

1. Any acquisition or disposition by Deed with a Value less than \$2,000,000.
2. A Lease with Annual Rental Value less than \$2,000,000 and a term of not more than 10 years.
3. Authority to execute or authorize a constituent institution to execute a strategic lease with an annual rental less than \$2,000,000 and a term of not more than 10 years. The senior vice president for finance and administration, in consultation with the senior vice president and general counsel, shall establish the process by which a constituent institution may request approval to execute a strategic Lease.

The president's authority may be exercised on behalf of the University of North Carolina System Office, affiliated entities, or the constituent institutions in the president's discretion.

B. The Board of Governors delegates to the boards of trustees of the constituent institutions the power to authorize the acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors:

1. The acquisition or disposition by Deed with a Value less than \$1,000,000.
2. The acquisition or disposition by Lease, on a Millennial Campus or otherwise, where the Annual Rental Value is less than \$1,000,000 and the term is not more than 10 years.
3. This delegation of authority may be delegated to a standing committee of the board of trustees but may not be further delegated.

C. The Board of Governors delegates to the chancellors the power to authorize the acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors or the board of trustees:

1. The acquisition or disposition by Deed with a Value less than \$100,000.
2. The acquisition or disposition by Lease, on a Millennial Campus or otherwise, where the Annual Rental Value is less than \$100,000 and the term is not more than three years.
3. All acquisitions or dispositions of real property made pursuant to this subsection shall be reported to the board of trustees.

D. All delegations of authority in this section are subject to any necessary approvals from State officials and agencies, including any required approvals from the governor and Council of State as identified in the supplemental regulation.

V. Additional Delegated Authority to the President and Boards of Trustees.

A. Upon request by the chancellor, the president may delegate to the board of trustees of a

constituent institution or the chancellor additional authority beyond the authorizations set forth in Sections IV.B and C to acquire and dispose of an interest in real property as provided in a supplemental regulation. Such additional delegated authority shall not exceed the delegation limits established under Section IV.A of this policy. The president may modify, revoke, or suspend the additional delegated authority of a constituent institution or take other remedial action as the president deems necessary and appropriate in his discretion. The minimum criteria a constituent institution must meet to receive and maintain additional delegated authority shall include, but not be limited to:

1. The constituent institution has performed a written, comprehensive assessment that demonstrates it has the administrative, technical, and support resources necessary to properly carry out the delegated authority.
2. The chancellor has certified in writing that the constituent institution has the administrative, technical, and support resources necessary to properly carry out the delegated authority.
3. The constituent institution has a properly constituted and active campus property review committee comprised of individuals with sufficient technical expertise, strategic perspective, and executive authority to perform the duties required.
4. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the development, evaluation and execution of commercial real property transactions.
5. An assessment team, assembled and led by the senior vice president for finance and administration, including the senior vice president for legal affairs (or designee), has reviewed the constituent institution's assessment, has performed an on-site or virtual review of the capabilities appraisal that confirms the institution's assessment, and has recommended delegation to the president.
6. Constituent institutions will be reviewed for re-authorization pursuant to this section at least every five years.

VI. Procedures and Reporting Requirements.

- A. The senior vice president for finance and administration shall have general authority to establish such procedures and reporting requirements for constituent institutions and affiliated entities as may be prudent to enable implementation of this policy and associated regulations.
- B. Constituent institutions without additional delegated authority shall report all real property transactions to the senior vice president for finance and administration at least quarterly.
- C. Copies of all real property instruments must be filed with the Department of Administration, including an annual report submitted to the UNC System Office and Department of Administration documenting all real property transactions made pursuant to this policy.

VII. Other Matters.

- A. Effective Date. The requirements of this policy shall be effective on [DATE].
 - B. Relation to Other Laws. This policy is designed to supplement, and does not purport in any way to supplant or modify, those statutory enactments and rights which may govern the acquisition and disposition of real property in the State of North Carolina.
 - C. Regulations. This policy shall be implemented and applied in accordance with such regulations as may be adopted by the president.
-

Policy on Authority for Real Property Transactions

I. Pursuant to its authority under G.S. 116-3, 116-11(13), 116-12, 116-13, 116-31.12,⁴ and other North Carolina law, and consistent with Appendix 1 of *The Code* and Section 200.6 of the UNC Policy Manual, *Policy on Delegation of Authority to the President*, the Board of Governors adopts the following policy regarding authority to acquire and dispose of interests in real property.

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II. Application.

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A. This policy applies to real property transactions of the constituent institutions, it does not govern transactions by the board of trustees of the endowment fund of the institution, organized pursuant to G.S. 116-36, or Associated Entities, organized pursuant to G.S. 116-30.20. Notwithstanding the foregoing, unless approved by the Board of Governors, any acquisition or disposition of real property undertaken by an endowment fund or Associated Entity shall not materially alter the value or functionality of any State property; further, any real property transaction undertaken by an endowment fund or Associated Entity that will require an increase of state funds, tuition revenue, or student fees must be approved in advance by the Board of Governors.

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B. This policy shall apply to Millennial Campus real property transactions, provided however, that acquisitions of real property on a Millennial Campus for a period of 10 years or less and dispositions of real property by easement, lease, or rental agreement on a Millennial Campus for a period of 99 years or less shall not require the approval of the governor and the North Carolina Council of State.

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C. All instruments involving acquisition or disposition of an interest in real property are entered into in the name of the constituent institution or UNC System by and on behalf of the state, regardless of whether executed by the governor, president, chancellor, or other official.

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D. In addition to the authorizations provided under this policy and supplemental regulation, all permanent acquisitions and dispositions of real property, including by Deed or demolition, must be approved by the governor and Council of State.

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E. Dispositions at less than fair market value are subject to the constraints of G.S. 146-29.1. Real property may not be sold, leased, or rented at less than Market Value to any private entity that operates, or is established to operate for profit.

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1. Real property may be sold, leased, or rented at less than Market Value to a Public Entity.

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2. Real property may be sold, leased, or rented at less than Market Value to a private, nonprofit corporation, association, organization or society (including an Associated

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Entity organized pursuant to G.S. 116-30.20) where the transaction is in consideration of public service rendered or to be rendered by the nonprofit consistent with the mission of the constituent institution or the University of North Carolina and the property will be used in connection with the nonprofit's tax-exempt purpose and not in connection with its unrelated trade or business.

- F. No permanent improvements, as defined by UNC Regulation 600.1.3[R], may be made on premises leased by the University that are not owned by the University without the prior approval of the Department of Administration and the Board of Governors.

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III. Definitions

- A. Annual Rental. Annual Rental shall mean the annual rental Value for the first year of the Lease, provided however, that such Value is not artificially lowered in the first year to circumvent authorizations as required by this policy and should not take into account rental concessions and other incentives that reduce the first-year rental Value.
- B. Deed. A Deed is a permanent conveyance of a real property interest. For the purposes of this policy, a demolition or permanent easement shall be considered an acquisition or disposition by Deed.
- C. Market Value. Market Value shall mean the true value of the real property, that is the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used. Market Value may be demonstrated through an appraisal or assessment, tax valuation, or other quantitative assessment of the value of the property.
- D. Lease. A Lease shall mean a lease, temporary easement, rental, or other time-limited rights to have exclusive possession and control of real property. A Lease shall not include (i) non-exclusive use agreements or other similar instruments, or (ii) freely revocable, non-transferrable licenses or agreements that have a term of one-year or less (including renewals).
- E. Millennial Campus. A Millennial Campus shall mean a property designated as a Millennial Campus property as defined in [Section 600.1.6 of the UNC Policy Manual, Policy on Millennial Campuses](#).
- F. Public Entity. Public Entity means a constituent institution, endowment fund, county, municipal corporation, local board of education, community college, special district or other political subdivision of the State and the United States or any of its agencies.
- G. Value. Value for the purposes of acquisitions and dispositions of real property shall be the actual monetary value of the transaction. The Value of an asset to be demolished shall be defined as its actual insured replacement value, except that the Value of any asset that has been condemned by the Department of Administration shall be deemed to be \$0.

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IV. General Delegations of Authority to the President and Boards of Trustees

A. The Board of Governors delegates to the president the power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors:

1. ~~Any interest~~ Any acquisition or disposition in real property by Deed, other than a leasehold, with a ~~V~~value less than ~~\$2,000,000~~ \$750,000; and
2. ~~A leasehold interest~~ Lease in real property with A annual ~~Rental Value value~~ less than ~~\$2,000,000~~ \$750,000 and a term of not more than 10 years.
- 2.3. Authority to execute or authorize a constituent institution to execute a strategic lease with an annual rental less than \$2,000,000 and a term of not more than 10 years. The senior vice president for finance and administration, in consultation with the senior vice president and general counsel, shall establish the process by which a constituent institution may request approval to execute a strategic Lease.

The president's authority may be exercised on behalf of the University of North Carolina System Office, affiliated entities, or the constituent institutions in the president's discretion.

B. The Board of Governors delegates to the ~~boards of trustees~~ boards of trustees of the constituent institutions of the constituent institutions the power to authorize the acquisition or disposition to authorize acquisition or disposition by the institutions of the following interests in real property without obtaining approval of the Board of Governors:

1. ~~The acquisition or disposition by Deed~~ Any interest in real property, other than a leasehold, with a ~~V~~value less than ~~\$1,0500,000;~~ and
2. ~~The acquisition or disposition by Lease, on a Millennial Campus or otherwise, A leasehold interest in real property with~~ where the annual value Annual Rental Value is less than ~~\$1,0500,000~~ and ~~a the term of is~~ not more than 10 years.²
3. This delegation of authority may be delegated to a standing committee of the board of trustees but may not be further delegated.
2. _____

C. ~~The boards of trustees of the constituent institutions are authorized to delegate to the chancellors of their respective institutions the power to authorize for their institutions acquisition or disposition of an interest in real property valued at less than \$50,000,³ without obtaining the approval of the board of trustees of the pertinent institution or of the Board of Governors.~~

C. All delegations of authority in this section are subject to any necessary approvals from State officials and agencies. The Board of Governors delegates to the chancellors the power to authorize the acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors or the board of trustees:

1. The acquisition or disposition by Deed with a Value less than \$100,000.
2. The acquisition or disposition by Lease, on a Millennial Campus or otherwise, where the Annual Rental Value is less than \$100,000 and the term is not more than three years.

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3. All acquisitions or dispositions of real property made pursuant to this subsection shall be reported to the board of trustees.

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D. All delegations of authority in this section are subject to any necessary approvals from State officials and agencies, including any required approvals from the governor and Council of State as identified in the supplemental regulation.

III.V. Additional Delegations of Authority to the President and Boards of Trustees

A. ~~—The Board of Governors may delegate to the president of the University of North Carolina additional authority to acquire and dispose of an interest in real property other than a lease if valued at less than \$1,250,000, and/or, consistent with G.S. 116-31.12, to acquire and dispose of real property by lease if the lease is valued annually at less than \$1,000,000 and has a term of not more than 10 years. The president's authority may be exercised on behalf of the University of North Carolina System Office, its affiliates, or the constituent institutions in the president's discretion.~~

B. ~~—Upon request by the board of trustees/chancellor, of a constituent institution and with the recommendation of the president, the Board of Governors may delegate to the board of trustees of a constituent institution or the chancellor additional authority beyond the authorizations set forth in Sections IV.B and C to acquire and dispose of an interest in real property as provided in a supplemental regulation other than a lease if valued at less than \$1,000,000, and/or, consistent with G.S. 116-31.12, to acquire and dispose of real property by lease if the lease is valued annually at less than \$750,000 and has a term of not more than 10 years. Such additional delegated authority shall not exceed the delegation limits established under Section IV.A of this policy. The president may modify, revoke, or suspend the additional delegated authority of a constituent institution or take other remedial action as the president deems necessary and appropriate in his discretion. The minimum criteria a constituent institution must meet to receive and maintain additional delegated authority shall include, but not be limited to:~~

A.

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1. The constituent institution has performed a written, comprehensive assessment that demonstrates it has the administrative, technical, and support resources necessary to properly carry out the delegated authority.

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2. The chancellor has certified in writing that the constituent institution has the administrative, technical, and support resources necessary to properly carry out the delegated authority.

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3. The constituent institution has a properly constituted and active campus property review committee comprised of individuals with sufficient technical expertise, strategic perspective, and executive authority to perform the duties required.

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4. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the development, evaluation and execution of commercial real property transactions.

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5. An assessment team, assembled and led by the senior vice president for finance

and administration, including the senior vice president for legal affairs (or designee), has reviewed the constituent institution's assessment, has performed an on-site or virtual review of the capabilities appraisal that confirms the institution's assessment, and has recommended delegation to the president.

6. Constituent institutions will be reviewed for re-authorization pursuant to this section at least every five years.

~~C. — Should the Board of Governors delegate additional authority to one or more boards of trustees consistent with paragraph B., above, the president shall automatically receive authority at a level equal to the highest level of authority delegated to a board of trustees. The president's authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president's discretion.~~

~~D. — The senior vice president for finance and administration, in consultation with the senior vice president and general counsel, shall establish the process by which a constituent institution may request and maintain delegated authority consistent with G.S. 116-31.12 and other relevant law. The minimum criteria a constituent institution must meet to receive and maintain authorization from the Board of Governors shall include, but not be limited to, performance of a written, comprehensive self-assessment that demonstrates:~~

~~1. — The constituent institution has performed a written, comprehensive self-assessment that demonstrates it has the administrative, technical, and support resources necessary to properly carry out the delegated authority.~~

~~2. — The chancellor has certified in writing that the constituent institution has the administrative, technical, and support resources necessary to properly carry out the delegated authority.~~

~~3. — The constituent institution has a properly constituted and active campus property review committee comprised of individuals with sufficient technical expertise, strategic perspective and executive authority to perform the duties required herein.~~

~~4. — The constituent institution has an individual on staff with substantial experience in managing commercial real estate transactions and the chancellor has designated that individual as the campus property officer.~~

~~5. — The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the development, evaluation and execution of commercial leasing transactions.~~

~~6. — An assessment team, assembled and led by the senior vice president for finance and administration, has reviewed the constituent institution's self-assessment, has performed an on-site capabilities appraisal that confirms the institution's self-assessment, and has recommended delegation to the president.~~

~~Constituent institutions will be reviewed for re-authorization under this section on a~~

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~~periodic basis, to be established by the senior vice president for finance and administration.~~

~~E. Upon review in response to a request for re-authorization or in response to a report of noncompliance with this policy or its associated regulations, for good cause, and consistent with G.S. 116-31.12 and other relevant state law, the president may revoke or suspend the authority of a constituent institution or take other remedial action as the president deems necessary and appropriate. Once authority has been revoked or suspended pursuant to this policy, all future real property transactions for the institution involved shall be completed in accordance with Chapter 146 of the General Statutes of North Carolina and the general delegations provided for in section II of this policy.~~

VI. Procedures and Reporting Requirements.

~~A. The senior vice president for finance and administration shall have general authority to establish such procedures and reporting requirements for constituent institutions and affiliated entities as may be prudent to enable implementation of this policy and associated regulations.~~

~~B. Constituent institutions without additional delegated authority shall report all real property transactions to the senior vice president for finance and administration at least quarterly.~~

~~W.C. Copies of all real property instruments must be filed with the Department of Administration, including an annual report submitted to the UNC System Office and Department of Administration documenting all real property transactions made pursuant to this policy.~~

W.VII. Other Matters.

A. Effective Date. The requirements of this policy shall be effective on ~~July 1, 2019~~[DATE].

B. Relation to Other Laws. This policy is designed to supplement, and does not purport in any way to supplant or modify, those statutory enactments and rights which may govern the acquisition and disposition of real property in the State of North Carolina.

C. Regulations ~~and Guidelines~~. This policy shall be implemented and applied in accordance with such regulations ~~and guidelines~~ as may be adopted by the president.

³G.S. 116-31.12 delegates to the Board of Governors of the University of North Carolina the authority to authorize the constituent institutions and the University of North Carolina System Office to acquire and dispose of real property by lease if the lease is for a term of not more than 10 years. The statute directs the Board of Governors to establish a policy by which this leasing authorization may be further delegated to the boards of trustees of the constituent institutions or to the president of the University of North Carolina.

²Pursuant to G.S. 116-11(13), and notwithstanding ~~The Code~~ or any other Board of Governors policy, the Board of Governors delegates certain authorities to the president of the University. See Section 200.6 of the UNC Policy Manual.

³The value of an interest in real property shall, with respect to a leasehold interest, be deemed the annual rental value thereof.

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AGENDA ITEM

- A-6. 2025-26 State Capital and Infrastructure Fund (SCIF)
Repairs and Renovations (R&R) Allocations..... Katherine Lynn

Situation: The Continuing Budget Operations Act (S.L. 2025-89) authorized FY 2026 State Capital and Infrastructure Fund (SCIF) allocations for repairs and renovations (R&R) projects totaling \$291,237,227 and appropriated \$100 million in FY 2026 for the University of North Carolina SCIF R&R projects. While the Act includes specific projects to be funded from SCIF R&R funding, the University of North Carolina Board of Governors determines the allocation of the SCIF R&R funds to the University of North Carolina System constituent institutions.

Background: The Act includes an appropriation of \$100 million of FY 2025-26 SCIF R&R funds to fund construction for specific R&R projects at each institution. It is recommended that the Board approve \$44,948,878 to be allocated as follows:

- \$4,948,878 to fund the design and construction of specified projects
- \$40 million for maintenance R&R to be distributed in accordance with the approved R&R allocation model

The recommended allocations for specific maintenance R&R projects will be submitted at a future meeting and, upon approval, reported to the North Carolina Joint Legislative Oversight Committee on Capital Improvements and North Carolina General Assembly Fiscal Research Division.

It is also recommended that the Board approve increased project authorizations for SCIF major R&R inflationary costs consistent with the previously approved FY 2025-26 Capital Priorities.

Assessment: It is recommended that the Board approve the allocation of the \$44,948,878 of FY 2025-26 SCIF R&R funds as indicated on Attachments A and C.

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

2025-26 State Capital and Infrastructure Fund (SCIF) Repairs and Renovations (R&R) Allocations

ISSUE OVERVIEW

The Continuing Budget Operations Act (S.L. 2025-89) authorized State Capital and Infrastructure Fund (SCIF) allocations of \$100 million for FY 2025-26 specifically for the capital repairs and renovations (R&R) projects approved by the University of North Carolina Board of Governors.

It is recommended that \$4,948,878, be approved to fund design and construction for specific major R&R projects. The specific major R&R projects to be funded and the recommended amounts are shown in **Attachment A**. For SCIF major R&R projects that are not fully funded, a future FY intended project allocation schedule is shown in **Attachment B**. The future FY intended allocation schedule indicates a proposed schedule for allocating future SCIF funding, but any future allocations are subject to the appropriation of SCIF funds for UNC R&R projects and Board approval of the UNC SCIF R&R to the specific projects.

Additionally, it is recommended that \$40 million of the FY 2025-26 UNC SCIF R&R funds be allocated to fund the maintenance R&R projects. The distribution of funds to each institution is shown on **Attachment C** and is in accordance with the R&R allocation model approved by the Board of Governors on September 20, 2019. The prioritized maintenance R&R project lists from each institution will be brought to the Board for approval at a future meeting. The Board is required to report to the North Carolina General Assembly Fiscal Research Division on the initial allocation of funding for specific repair and renovations projects prior to the expenditure of funds.

In summary, the recommendation for the allocation of FY 2025-26 SCIF R&R funds is:

Major R&R allocations	\$ 4,948,878
Maintenance R&R projects	<u>\$40,000,000</u>
TOTAL	\$44,948,878

The allocation of the remaining \$55,051,122, of FY 2025-26 SCIF R&R funds will be brought to the Board for consideration at a future meeting prior to the end of the fiscal year.

RECOMMENDATION

It is recommended that the Board of Governors approve the allocation of the FY 2025-26 SCIF R&R funds in the amount of \$44,948,878.

Attachment A
2025-26 UNC SCIF R&R ALLOCATIONS
MAJOR REPAIR AND RENOVATION PROJECTS
Proposed for Board Approval - September 17, 2025

	Original Capital Project Authorization	Additional Capital Project Authorization	FY21-22 Allocations	FY22-23 Allocations	FY23-24 Allocations	FY24-25 Allocations	FY25-26 Allocation
<u>Appalachian State University</u>							
Wey Hall Envelope & Roof Repair	\$5,000,000		\$500,000	\$4,500,000			
Wey Hall Partial Renovation – Building Systems	\$10,000,000	\$4,000,000	\$1,000,000	\$9,000,000	\$4,000,000		
Duncan Hall Renovation	\$20,000,000	\$6,000,000	\$2,000,000	\$4,692,308	\$6,000,000	\$13,307,692	
Total	\$35,000,000	\$10,000,000	\$3,500,000	\$18,192,308	\$10,000,000	\$13,307,692	\$0
<u>East Carolina University</u>							
Brody High-Rise Code Compliance, Phase 2	\$6,000,000		\$6,000,000				
Main Campus - College Hill Drive Steam, Phase 3	\$2,500,000		\$2,500,000				
Whichard Building Comprehensive Renovation	\$10,000,000		\$1,000,000		\$500,000	\$8,500,000	
Speight Building Roof, Window, & Envelope Replacement	\$4,000,000		\$400,000	\$3,600,000			
Chilled Water Extension to Whichard & Graham	\$6,475,000		\$6,475,000				
Main Campus - Relocate Steam & Condensate, Phase 1	\$5,000,000		\$5,000,000				
Health Science Building Envelope Infiltration Repairs	\$5,000,000		\$5,000,000				
Howell Science Building South	\$30,000,000	\$2,500,000	\$3,000,000		\$27,000,000	\$2,500,000	
Main Campus - Replace Electrical Sectionalizing Switches (7)-Phase I		\$2,000,000			\$200,000	\$1,800,000	
Jenkins Art Roof and South Side Envelope Repairs		\$3,000,000			\$300,000	\$2,700,000	
Main Campus - Replace Condensate - Bate to Wright Steam		\$3,000,000			\$300,000	\$2,700,000	
Brody Upgrade HVAC Ground Floor and Replace AHU AC-3		\$3,500,000			\$350,000	\$3,150,000	
Minges Coliseum Replace Roof		\$3,250,000			\$325,000	\$2,925,000	
Main Campus Steam Plant Fuel Tank Farm Service Road, Tank and Fuel Pump Phase 3		\$5,000,000			\$500,000	\$4,500,000	
Total	\$68,975,000	\$22,250,000	\$29,375,000	\$3,600,000	\$29,475,000	\$28,775,000	\$0
<u>Elizabeth City State University</u>							
Repair Campus Main Switch	\$700,000		\$700,000				
Repair Campus Pump Station	\$650,000		\$650,000				
Infrastructure Upgrades – Water & Electrical, Phase 1	\$12,000,000		\$1,200,000	\$10,800,000			
Emergency Generator Power – Operations	\$4,900,000	\$1,212,824	\$4,900,000				\$1,212,824
Emergency Generator Power – Residence Halls	\$2,100,000		\$2,100,000				
Campuswide Lockdown System	\$2,000,000		\$200,000	\$1,800,000			
Building Demolition (7 buildings)	\$1,500,000	-\$207,012	\$150,000	\$1,350,000			-\$207,012
Butler Residence Hall (Reallocate to New Dining Hall)	\$2,500,000		\$250,000	\$2,250,000			
Infrastructure Upgrades – Water & Electrical, Phase 2	\$27,000,000		\$2,700,000		\$24,300,000		
Chancellor's Residence - Comprehensive Renovation	\$1,500,000		\$0		\$1,500,000		
Vaughan Center Renovation and Repairs		\$9,000,000			\$900,000	\$8,100,000	
Johnson Hall HVAC and Dehumidification Installation		\$594,188			\$160,000	\$1,440,000	-\$1,005,812
Campus Accessibility Renovation (Phases I, II, and III)		\$13,000,000			\$1,300,000	\$5,521,410	
Total	\$54,850,000	\$22,594,188	\$12,850,000	\$16,200,000	\$28,160,000	\$15,061,410	\$0
<u>Fayetteville State University</u>							
Lyons Science Renovation	\$1,500,000		\$1,500,000				
Butler Renovation (HVAC, Bldg. Envelope, Fire Alarm)	\$3,450,000		\$3,450,000				
A.B. Rosenthal Building – Targeted Renovation	\$10,000,000	\$3,037,585	\$1,000,000				
Campuswide Utility Infrastructure	\$9,950,000		\$995,000				
H.T. Chick – Targeted Renovation	\$9,500,000	\$2,768,385	\$950,000			\$5,818,385	
Total	\$34,400,000	\$5,805,970	\$7,895,000	\$0	\$0	\$5,818,385	\$0
<u>North Carolina Agricultural and Technical State University</u>							
Carver Hall – Comprehensive Modernization, Phase 1 (reallocate portion to Marteena Hall Renovation)	\$9,700,000	-\$9,511,284	\$970,000		-\$781,284		
Price Hall – Renovation, Phase 1 (scope reduced to roof replacement only, reallocate remaining portion to Marteena Hall Renovation)	\$8,000,000	-\$6,100,754	\$800,000		\$1,099,246		
Marteena Hall Renovation	\$9,100,000	\$34,512,038	\$910,000		\$1,396,284		
Carver Hall – Comprehensive Modernization, Phase 2 (reallocate to Marteena Hall Renovation)	\$10,400,000	-\$10,400,000	\$1,040,000		-\$1,040,000		
Price Hall Renovation, Phase 2 (reallocation to Marteena Hall Renovation)	\$8,500,000	-\$8,500,000	\$850,000		-\$850,000		
Upgrade Heating/Hot Water in Four Dormitories (Barbee, Morrison, Morrow, and VanStory)		\$4,966,000			\$496,600	\$4,469,400	
Upgrade Heating/Hot Water in Curtis and Holland Dormitories and Williams Cafeteria		\$4,250,000			\$425,000	\$3,825,000	
Total	\$45,700,000	\$9,216,000	\$4,570,000	\$0	\$745,846	\$8,294,400	\$0

Attachment A
2025-26 UNC SCIF R&R ALLOCATIONS
MAJOR REPAIR AND RENOVATION PROJECTS
Proposed for Board Approval - September 17, 2025

	Original Capital Project Authorization	Additional Capital Project Authorization	FY21-22 Allocations	FY22-23 Allocations	FY23-24 Allocations	FY24-25 Allocations	FY25-26 Allocation
<u>North Carolina Central University</u>							
Lee Biology Renovation	\$8,100,000		\$810,000				
Taylor Education Building Renovation	\$13,750,000		\$1,375,000				
School of Education - HVAC and BAS Repairs		\$14,200,000				\$1,420,000	
Mary Townes and Brite Complex - HVAC and BAS Repairs, Phase 1 (formerly Mary Townes Sciences Complex - HVAC and BAS Repairs)		\$15,000,000				\$1,500,000	
Turner Law - HVAC and BAS Repairs		\$10,000,000				\$1,000,000	
Walker Complex - HVAC and BAS Repairs		\$14,000,000				\$1,400,000	
Mary Townes and Brite Complex - HVAC and BAS Repairs, Phase 2 (formerly Brite Complex - HVAC and BAS Repairs & Fire Alarm Repairs)		\$8,000,000				\$800,000	
Steam Plant Boiler #1 Replacement		\$1,959,940				\$1,959,940	
Total	\$21,850,000	\$63,159,940	\$2,185,000	\$0	\$0	\$8,079,940	\$0
<u>North Carolina School of Science and Mathematics</u>							
Campuswide HVAC Renovations	\$2,000,000		\$200,000		\$1,800,000		
Chiller Replacement	\$3,000,000	\$1,250,000	\$300,000		\$2,700,000	\$1,250,000	
Building Envelope Repairs	\$5,850,000		\$585,000		\$5,265,000		
Academic Commons & Dining Hall Renovation	\$12,400,000		\$1,240,000				
Total	\$23,250,000	\$1,250,000	\$2,325,000	\$0	\$9,765,000	\$1,250,000	\$0
<u>NC State University</u>							
Page Hall – Building Envelope Repairs & Plumbing Upgrades	\$4,000,000		\$400,000	\$3,600,000			
Scott Hall – HVAC Renovation	\$5,000,000		\$500,000			\$4,500,000	
Mann Hall – HVAC & Plumbing Renovation	\$10,000,000		\$1,000,000	\$6,857,143		\$2,142,857	
Kilgore Hall – HVAC Renovation	\$10,000,000		\$1,000,000			\$9,000,000	
North & Central Campus – Domestic Water Line Replacement	\$4,303,000		\$4,303,000				
Poe Hall – Fire Alarm Upgrade (Reallocate for Adv. Planning)	\$3,500,000		\$350,000	\$3,150,000			
Thomas Hall – HVAC Renovation	\$4,000,000		\$400,000			\$3,600,000	
111 Lampe Drive Renovation	\$42,000,000		\$4,200,000				
Dabney Hall*	\$60,000,000		\$30,000,000	\$30,000,000			
Polk Hall*	\$10,000,000		\$10,000,000				
Total	\$152,803,000	\$0	\$52,153,000	\$43,607,143	\$0	\$19,242,857	\$0
<u>University of North Carolina Asheville</u>							
Campus Safety Improvements, Access Control, Cameras	\$2,300,000		\$2,300,000				
Campus Roadway Repairs	\$4,400,000		\$4,400,000				
Lipinsky Renovation	\$10,000,000		\$1,000,000				
Underground Waterline Replacement - Phase 1		\$1,850,083			\$185,008	\$1,665,075	
Electrical Infrastructure Upgrade - Phase 1		\$2,868,250			\$286,825		
Total	\$16,700,000	\$4,718,333	\$7,700,000	\$0	\$471,833	\$1,665,075	\$0
<u>University of North Carolina at Chapel Hill</u>							
Wilson Library – Means of Egress (Reallocate to Phillips Hall)	\$9,300,000	-\$9,300,000	\$930,000	\$4,388,236	-\$5,318,236		
Swain Hall (Reallocate to Hamilton Hall)	\$5,800,000	-\$5,800,000	\$580,000		-\$580,000		
Phillips Hall–1958 Central HVAC System	\$6,000,000	\$12,722,000	\$600,000	\$5,400,000	\$7,327,236	\$5,394,764	
Hamilton Hall–Central HVAC System	\$8,800,000	\$12,800,000	\$880,000		\$4,950,313	\$10,269,687	
Wilson Library – 1953 Central HVAC System AHU 1 & 2 (Reallocate to Hamilton Hall)	\$7,000,000	-\$7,000,000	\$700,000	\$3,670,313	-\$4,370,313		
Wilson Library – 1953 Central HVAC System AHU 3 (Reallocate portion to Phillips Hall)	\$4,000,000	-\$3,422,000	\$400,000	\$2,187,000	-\$2,009,000		
Total	\$40,900,000	\$0	\$4,090,000	\$15,645,549	\$0	\$15,664,451	\$0
<u>University of North Carolina at Charlotte</u>							
Atkins Library Tower – ADA & Elev.	\$10,000,000	\$200,000	\$1,000,000		\$9,000,000	-\$200,000	\$400,000
Smith – Replace HVAC & Controls, Envelope, Replace Roof	\$5,950,000		\$595,000				
Atkins Library Tower – Fire & Smoke Systems	\$3,840,000		\$384,000		\$3,456,000		
Woodward – Controls & Lab HVAC Modernization	\$2,700,000	-\$400,000	\$2,700,000			-\$400,000	
Friday – HVAC, Controls & Electrical Upgrade	\$9,700,000	\$200,000	\$970,000			\$9,330,000	-\$400,000
Cameron – Second Floor Renovation	\$19,100,000		\$1,910,000	\$17,190,000			
Burson – Renovation	\$25,900,000	\$12,600,000	\$2,590,000			\$15,310,000	
Chiller/Condenser Water System Renewal		\$14,000,000			\$1,400,000		
Stormwater Master Plan Implementation Phase 2		\$4,000,000			\$400,000		
Total	\$77,190,000	\$30,600,000	\$10,149,000	\$17,190,000	\$14,256,000	\$24,040,000	\$0

Attachment A
2025-26 UNC SCIF R&R ALLOCATIONS
MAJOR REPAIR AND RENOVATION PROJECTS
Proposed for Board Approval - September 17, 2025

	Original Capital Project Authorization	Additional Capital Project Authorization	FY21-22 Allocations	FY22-23 Allocations	FY23-24 Allocations	FY24-25 Allocations	FY25-26 Allocation
University of North Carolina at Greensboro							
Coleman – Fire Alarm Replacement	\$2,440,000		\$2,440,000				
Steam Distribution Replacement, Phase IV-B	\$1,550,000	-\$610,961	\$1,550,000			-\$610,961	
Campus Chiller Water Infrastructure & Equip. Improvements	\$10,400,000	\$3,403,000	\$1,040,000		\$12,763,000		-\$500,000
Jackson Library – Renovation/Addition	\$81,000,000	\$17,710,961	\$8,100,000		\$89,747,591	\$863,370	
Campus Chilled Water Infrastructure and Equipment Improvements - Phase 2		\$5,726,250			\$572,625		\$1,500,000
Campus Steam & Condensate Infrastructure Improvements		\$16,330,438			\$1,633,044		
Campus Elevator Replacements, Renovations, and Upgrades		\$3,757,056			\$375,706		
Total	\$95,390,000	\$46,316,744	\$13,130,000	\$0	\$105,091,965	\$252,409	\$1,000,000
University of North Carolina at Pembroke							
Jacobs Hall – Demolition/Site Restoration	\$1,250,000		\$1,250,000				
Campus Roof Replacements	\$1,500,000	\$769,536	\$1,500,000				\$769,536
Campus Safety & Regional Emergency Response Center	\$4,480,000	\$3,248,850	\$448,000				
Business Administration Renovation	\$15,000,000		\$1,250,000				
Total	\$22,230,000	\$4,018,386	\$4,448,000	\$0	\$0	\$0	\$769,536
UNC School of the Arts							
Stevens Center – Roof, Water Intrusion, Bldg. Envelope	\$4,800,000		\$480,000	\$4,320,000			
Gray Building – Roof, Bldg. Envelope, HVAC, Fire Suppression	\$3,350,000	\$730,062	\$3,350,000			\$730,062	
Performance Place/Workplace/WPV – Roof Replacements	\$2,435,000	-\$730,062	\$2,435,000			-\$730,062	
Stevens Center Renovation, Phase 1	\$25,000,000		\$2,500,000		\$22,500,000		
Kenan Drive Utilities and Resurfacing		\$2,003,554			\$200,355	\$1,803,199	
Design & Production BAS Upgrade/HVAC/Boiler/Fire Alarm		\$4,000,000			\$400,000		
Campus Entrance Stream Restoration		\$2,000,000			\$200,000	\$1,800,000	
Total	\$35,585,000	\$8,003,554	\$8,765,000	\$4,320,000	\$23,300,355	\$3,603,199	\$0
University of North Carolina Wilmington							
Coastal Marine Studies – Plumbing, Mech., Elec. Renovation	\$9,930,000	\$5,024,524	\$993,000		\$8,937,000	\$5,024,524	
Randall Library Renovation & Expansion	\$56,000,000		\$8,425,000	\$47,575,000			
Total	\$65,930,000	\$5,024,524	\$9,418,000	\$47,575,000	\$8,937,000	\$5,024,524	\$0
Western Carolina University							
Killian Building – HVAC Upgrades/Window Replacement	\$3,570,000		\$3,570,000				
Reid Building – Roof Replacement	\$2,520,000		\$2,520,000				
Moore Building – Abatement, Demo. & Struct. Improvements	\$7,100,000		\$710,000	\$6,390,000			
Moore Building – Infrastructure & Accessibility	\$4,200,000		\$420,000	\$3,780,000			
Moore Building Renovation	\$15,000,000	\$16,700,000	\$1,500,000	\$13,500,000		\$15,520,658	\$1,179,342
Campuswide - Centralized Fire Alarm Reporting Upgrade		\$3,000,000			\$300,000		
Total	\$32,390,000	\$19,700,000	\$8,720,000	\$23,670,000	\$300,000	\$15,520,658	\$1,179,342
Winston-Salem State University							
Hauser Hall Renovations – Restore the Core	\$7,500,000	\$5,100,000	\$750,000			\$11,850,000	
Hauser Hall Renovation - Phase 2	\$9,500,000		\$950,000			\$8,550,000	
New Chiller Project - Cooling Tower, Piping, and Electrical Connections)		\$1,700,000				\$1,700,000	
Electrical Distribution System Repairs (Hall Patterson (S-12)		\$2,800,000				\$2,800,000	
Critical Steam Repairs (Phase I - KRW to MLK Steam Replacement, Phase 2 - Campus Police New Steam Utility)		\$9,500,000				\$9,500,000	
Total	\$17,000,000	\$19,100,000	\$1,700,000	\$0	\$0	\$34,400,000	\$0
PBS North Carolina							
Tower Lighting/FAA Markers/Tower Elev. Repair	\$2,200,000		\$2,200,000				
Bryan Center – Replace HVAC Air Handler & Controls	\$2,707,000		\$2,707,000				
Bryan Center – Chiller & Cooling Tower Replacement	\$1,120,000		\$1,120,000				
Total	\$6,027,000	\$0	\$6,027,000	\$0	\$0	\$0	\$0
North Carolina Arboretum							
Infrastructure Restoration & Road Projects	\$1,000,000		\$1,000,000		\$0		
Education Center Plaza Renovation		\$2,000,000			\$0		\$2,000,000
Total	\$0	\$2,000,000	\$1,000,000	\$0	\$0	\$0	\$2,000,000
UNC SCIF Minor R&R Allocation			\$60,000,000	\$60,000,000	\$50,000,000	\$50,000,000	\$40,000,000
GRAND TOTAL	\$846,170,000	\$273,757,639	\$250,000,000	\$250,000,000	\$280,503,000	\$250,000,000	\$44,948,878

* Funds are allocated for the repairs and renovations at Dabney Hall and Polk Hall in accordance with Section 40.1.(c2).

Projects in blue are fully funded.

Projects in bold are requesting 2025-26 SCIF funds, change in capital authority, scope modification, or reallocation of prior year SCIF funding.

Attachment B
FUTURE FY INTENDED UNC SCIF R&R ALLOCATION SCHEDULE
MAJOR REPAIR AND RENOVATION PROJECTS

For information only

It is the intent of the University of North Carolina Board of Governors to fund capital improvement projects on a cash flow basis and to plan for future project funding based upon projected availability of funds from the State Capital and Infrastructure Fund (SCIF) and proposed project milestones. Nothing in the intended allocation schedule shall be construed to allocate funds or as an obligation of the Board to allocate funds for the projects listed in the future years. The following schedule lists UNC SCIF capital improvement projects that will begin or be completed in fiscal years beyond FY24-25 and indicates the estimated amounts of UNC SCIF R&R needed for completion of those projects.

	Original Capital Project	Additional Capital Project	Capital Project Authorization	Previous Allocations	Additional FY25-26	FY26-27	FY27-28
<u>Elizabeth City State University</u>							
Campus Accessibility Renovation (Phases I, II, and III)		\$13,000,000	\$13,000,000	\$6,821,410	\$0	\$0	\$6,178,590
Total	\$0	\$13,000,000	\$13,000,000	\$6,821,410	\$0	\$0	\$6,178,590
<u>Fayetteville State University</u>							
A.B. Rosenthal Building – Targeted Renovation	\$10,000,000	\$3,037,585	\$13,037,585	\$1,000,000	\$2,500,000	\$9,537,585	
Campuswide Utility Infrastructure	\$9,950,000		\$9,950,000	\$995,000	\$1,742,525	\$7,212,475	
H.T. Chick – Targeted Renovation	\$9,500,000	\$2,768,385	\$12,268,385	\$6,768,385		\$5,500,000	\$0
Total	\$29,450,000	\$5,805,970	\$35,255,970	\$8,763,385	\$4,242,525	\$22,250,060	\$0
<u>North Carolina Agricultural and Technical State University</u>							
Marteena Hall Renovation	\$9,100,000	\$34,512,038	\$43,612,038	\$2,306,284		\$1,500,000	\$39,805,754
Total	\$9,100,000	\$34,512,038	\$43,612,038	\$2,306,284	\$0	\$1,500,000	\$39,805,754
<u>North Carolina Central University</u>							
Lee Biology Renovation	\$8,100,000		\$8,100,000	\$810,000	\$2,290,000	\$5,000,000	
Taylor Education Building Renovation	\$13,750,000		\$13,750,000	\$1,375,000	\$1,375,000	\$6,500,000	\$4,500,000
School of Education - HVAC and BAS Repairs		\$14,200,000	\$14,200,000	\$1,420,000	\$4,000,000	\$8,780,000	
Mary Townes and Brite Complex - HVAC and BAS Repairs, Phase 1		\$15,000,000	\$15,000,000	\$1,500,000	\$1,500,000	\$4,000,000	\$8,000,000
Turner Law - HVAC and BAS Repairs		\$10,000,000	\$10,000,000	\$1,000,000	\$2,235,000	\$6,765,000	\$0
Walker Complex - HVAC and BAS Repairs		\$14,000,000	\$14,000,000	\$1,400,000	\$4,600,000	\$8,000,000	
Mary Townes and Brite Complex - HVAC and BAS Repairs, Phase 2		\$8,000,000	\$8,000,000	\$800,000		\$1,450,000	\$5,750,000
Total	\$21,850,000	\$61,200,000	\$83,050,000	\$8,305,000	\$16,000,000	\$40,495,000	\$18,250,000
<u>North Carolina School of Science and Mathematics</u>							
Academic Commons & Dining Hall Renovation	\$12,400,000		\$12,400,000	\$1,240,000	\$4,551,122	\$6,608,878	\$0
Total	\$12,400,000	\$0	\$12,400,000	\$1,240,000	\$4,551,122	\$6,608,878	\$0
<u>NC State University</u>							
111 Lampe Drive Renovation	\$42,000,000		\$42,000,000	\$4,200,000	\$4,000,000	\$13,800,000	\$20,000,000
Total	\$42,000,000	\$0	\$42,000,000	\$4,200,000	\$4,000,000	\$13,800,000	\$20,000,000
<u>University of North Carolina Asheville</u>							
Lipinsky Renovation	\$10,000,000		\$10,000,000	\$1,000,000	\$7,000,000	\$2,000,000	\$0
Electrical Infrastructure Upgrade - Phase 1		\$2,868,250	\$2,868,250	\$286,825		\$2,581,425	\$0
Total	\$10,000,000	\$2,868,250	\$12,868,250	\$1,286,825	\$7,000,000	\$4,581,425	\$0
<u>University of North Carolina at Chapel Hill</u>							
Hamilton Hall – Central HVAC System	\$8,800,000	\$12,800,000	\$21,600,000	\$16,100,000	\$5,500,000	\$0	\$0
Total	\$8,800,000	\$12,800,000	\$21,600,000	\$16,100,000	\$5,500,000	\$0	\$0
<u>University of North Carolina at Charlotte</u>							
Smith – Replace HVAC & Controls, Envelope, Replace Roof	\$5,950,000		\$5,950,000	\$595,000	\$2,355,000	\$3,000,000	\$0
Burson – Renovation	\$25,900,000	\$12,000,000	\$37,900,000	\$17,900,000		\$15,000,000	\$5,000,000
Chiller/Condenser Water System Renewal		\$14,000,000	\$14,000,000	\$1,400,000	\$4,000,000	\$8,600,000	\$0
Stormwater Master Plan Implementation, Phase 2		\$4,000,000	\$4,000,000	\$400,000		\$3,600,000	\$0
Total	\$31,850,000	\$30,000,000	\$61,850,000	\$20,295,000	\$6,355,000	\$30,200,000	\$5,000,000
<u>University of North Carolina at Greensboro</u>							
Campus Chilled Water Infrastructure and Equipment Improvements - Phase 2		\$5,726,250	\$5,726,250	\$2,072,625	\$3,653,625	\$0	\$0
Campus Steam & Condensate Infrastructure Improvements		\$16,330,438	\$16,330,438	\$1,633,044		\$4,197,394	\$10,500,000
Campus Elevator Replacements, Renovations, and Upgrades		\$3,757,056	\$3,757,056	\$375,706		\$3,381,350	\$0
Total	\$0	\$25,813,744	\$25,813,744	\$4,081,374	\$3,653,625	\$7,578,744	\$10,500,000
<u>University of North Carolina at Pembroke</u>							
Campus Safety & Regional Emergency Response Center	\$4,480,000	\$3,248,850	\$7,728,850	\$448,000	\$0	\$1,200,850	\$6,080,000
Business Administration Renovation	\$12,500,000	\$2,500,000	\$15,000,000	\$1,250,000	\$3,748,850	\$10,001,150	
Total	\$16,980,000	\$5,748,850	\$22,728,850	\$1,698,000	\$3,748,850	\$11,202,000	\$6,080,000
<u>UNC School of the Arts</u>							
Design & Production BAS Upgrade/HVAC/Boiler/Fire Alarm		\$4,000,000	\$4,000,000	\$400,000		\$3,600,000	\$0
Total	\$0	\$4,000,000	\$4,000,000	\$400,000	\$0	\$3,600,000	\$0
<u>Western Carolina University</u>							
Campuswide - Centralized Fire Alarm Reporting Upgrade		\$3,000,000	\$3,000,000	\$300,000		\$2,700,000	\$0
Total	\$0	\$3,000,000	\$3,000,000	\$300,000	\$0	\$2,700,000	\$0
TOTAL INTENDED ALLOCATIONS					\$55,051,122	\$144,516,107	\$105,814,344
UNC MINOR R&R ALLOCATIONS					\$40,000,000	\$50,000,000	\$50,000,000
OTHER UNC MAJOR R&R ALLOCATIONS					\$4,948,878	\$5,483,893	\$44,185,656
TOTAL					\$100,000,000	\$200,000,000	\$200,000,000

Attachment C
UNC System FY2025-26 R&R Allocation
Proposed for Board Approval - September 17, 2025

\$40,000,000 Total Allocation							
Institution	Base Model					12.5% GSF 12.5% # of Bldgs 25% Condition 25% # of FTE 25% Avail. Res.	% Allocation
	Gross Square Footage (GSF)	Adjustment for Building Condition	# of Bldgs	# of Students (Fall 2024) ²	Available Resources ³		
ASU	2,274,983	4,825,300	38	20,551	\$31,104,504	\$2,000,000	5.0%
ECU	4,324,411	8,640,685	100	23,432	\$72,681,468	\$2,235,691	5.6%
ECSU	700,287	1,156,431	26	2,026	\$26,985,282	\$2,000,000	5.0%
FSU	813,963	1,858,502	27	6,202	\$9,558,943	\$2,000,000	5.0%
N.C. A&T	2,365,952	5,566,470	64	13,395	\$7,423,898	\$2,000,000	5.0%
NCCU	1,446,442	1,788,342	35	7,799	\$6,744,004	\$2,000,000	5.0%
NC State	9,283,232	20,801,375	323	34,925	\$78,911,756	\$4,694,244	11.7%
UNCA	915,822	2,292,802	21	2,891	-\$42,797	\$2,000,000	5.0%
UNC-CH	10,793,165	26,976,334	167	30,006	\$39,684,510	\$3,938,493	9.8%
UNCC	3,622,024	10,128,708	50	28,275	\$12,397,555	\$2,131,572	5.3%
UNCG	2,720,087	6,306,204	55	16,057	\$10,371,700	\$2,000,000	5.0%
UNCP	1,230,633	3,645,420	29	6,372	\$33,054,151	\$2,000,000	5.0%
UNCSA	815,069	1,118,276	31	1,106	\$23,832,217	\$2,000,000	5.0%
UNCW	1,908,539	1,913,605	48	16,940	\$6,999,688	\$2,000,000	5.0%
WCU	1,790,878	2,450,813	30	10,608	\$4,175,208	\$2,000,000	5.0%
WSSU	1,034,382	1,688,701	25	4,526	\$26,065,583	\$2,000,000	5.0%
NCSSM	442,877	442,877	8	830	\$3,165,936	\$2,000,000	5.0%
Total	46,482,746	101,600,845	1,077	225,941	\$393,113,607	\$39,000,000	97.5%
System Reserve¹						\$1,000,000	2.5%
System Total						\$40,000,000	100.0%

Notes: ¹ System Office, PBSNC and NC Arboretum will be addressed from reserve balance.

² # Students is based on Full-Time Equivalent (Fall 2024), including undergraduate and graduate students, degree-seeking only, and excludes fully online student enrollment

³ Available Resources includes Change in F&A Fund Balance (Revenues less Expenses) + Carryforward (2.5%) + Infrastructure Fee Revenue + R&R-Related Capital Earmarks (all items budgeted in SCIF or otherwise) - System-approved reductions