

University of North Carolina FY 2026-27 Budget Priorities



FY 2026-27

Certified Appropriation \$3,773,254,785

(Excludes State Education Assistance Authority & Aid to Private Institutions)

Operating Budget Priorities

Enrollment Change

Adjusts funding to reflect each institution's change in enrollment. Actual resident student credit hours (SCHs) increased by 1.6% in 2024 (funding was not appropriated during 2025 Long Session) and 3.7% in 2025. Over the two years, 92% of the enrollment funding change occurred in STEM – most notably in engineering, biology, and nursing – and business disciplines. This request also includes funding to fully support current and anticipated growth in NC Promise.

\$158,829,874

\$46,375,508 *FY 2025-26 Δ*
 \$107,504,366 *FY 2026-27 Δ*
 \$4,950,000 *NC Promise Δ*

Building Reserves

Provides maintenance and operation funding needs for new or expanded facilities funded through the State Capital and Infrastructure Fund (SCIF) coming online in FY27. Includes facilities at App State, ECSU, FSU, NC State, NCSM, and UNC-Chapel Hill.

\$9,450,701

\$1,513,601 NR

\$168,280,575

\$1,513,601 NR

Total Requested Increase in Appropriation

\$169,794,176

Total Percent Change

4.5%

Faculty and Staff Salaries

Due to inflation and the tight labor market, institutions are struggling to recruit and retain talent. Our faculty and staff are key to our continued progress on improving graduation rates, decreasing student debt, and increasing research productivity. Each 1% increase in salary and associated benefits costs \$40 million.

UNC System requests funding commensurate with state agencies and strongly supports Labor Market Adjustment Reserve funding.

State Capital and Infrastructure Fund (SCIF) Priorities

UNC Repairs & Renovations

Ongoing investment in the UNC R&R program is critical to eliminate the backlog of deferred maintenance and enable campuses to move toward a preventive maintenance approach.

\$250M NR

Previously Authorized SCIF Named Projects

Prior enacted legislation authorized a number of specifically named projects at designated institutions that require continued funding to complete.

see reverse side

Policy Priorities

- Increase dollar threshold for "capital project" definition from \$100,000 to \$150,000.
- Increase dollar threshold for "formal" capital projects from \$500,000 to \$1.5 million.
- Provide construction management capacity flexibility for low-capacity institutions.
- Align NCSM residency definition with "legal North Carolina resident for tuition purposes" and enable use of Residency Determination Service.

Special Provision Requests

Note: All items are recurring unless specified as nonrecurring.

APPENDIX J

THE UNIVERSITY OF NORTH CAROLINA FY26-27 STATE CAPITAL AND INFRASTRUCTURE FUND (SCIF) NAMED CAPITAL PROJECTS

NC GA Code	Project Name	Total Project Authorization	Proposed Increased Authorization	Prior Appropriations	FY26-27 Funds Request
		\$1,509,461,264	\$741,892,451	\$563,417,031	\$490,138,964
Appalachian State University					
UNC/ASU21-2	Innovation Campus	\$54,000,000	\$74,000,000	\$54,000,000	\$20,000,000
UNC/ASU22-1	Hickory Campus	\$50,000,000		\$34,700,000	\$11,350,000
UNC/ASU23-1	Walker Hall-Interior Renovation	\$18,000,000		\$0	\$11,700,000
East Carolina University					
UNC/ECU21-1	Brody School of Medicine	\$265,000,000		\$155,250,000	\$109,750,000
UNC/ECU23-1	Howell Science Building North-Comprehensive Renovation	\$46,000,000		\$4,600,000	\$28,400,020
UNC/ECU23-3	Medical Examiner Office	\$35,000,000		\$26,250,000	\$8,750,000
Elizabeth City State University					
UNC/ECS21-2	Sky Bridge	\$2,500,000	\$7,500,000	\$2,500,000	\$5,000,000
UNC/ECS23-1	Infrastructure Repairs-Phase 3	\$20,000,000		\$19,172,727	\$827,273
Fayetteville State University					
UNC/FSU23-2	H.L. Cook Building Renovation and Addition	\$10,000,000		\$4,500,000	\$5,500,000
North Carolina Agricultural & Technical State University					
UNC/A&T23-2	Health and Human Sciences Building	\$125,500,000		\$0	\$5,335,000
North Carolina Central University					
UNC/NCC23-1	Dent Building - Comprehensive Renovation	\$12,073,798		\$1,207,380	\$2,000,418
UNC/NCC23-2	Edmonds Classroom Building - Comprehensive Renovation	\$12,999,424	\$19,499,424	\$1,299,424	\$650,000
NC State University					
UNC/NCS23-1	Mann Hall-Renovation, Phase 2	\$30,000,000	\$40,000,000	\$30,000,000	\$10,000,000
UNC/NCS23-3	Polk Hall-Renovation, Phase 2	\$63,000,000		\$6,300,000	\$40,950,000
UNC/NCS23-4	Veterinary School-Large Animal Hospital	\$120,000,000		\$0	\$60,000,000
UNC/NCS24-1	Poe Hall	\$5,000,000	\$185,000,000	\$5,000,000	\$25,048,753
North Carolina School of Science and Mathematics					
UNC/SSM23-2	Durham Campus-Renovation of Residence Halls	\$28,988,042	\$43,988,042	\$15,750,000	\$4,800,000
University of North Carolina Asheville					
UNC/AVL23-1	Lipinsky Hall-Comp. Modernization/Addition	\$26,150,000		\$9,152,500	\$16,997,500
University of North Carolina at Chapel Hill					
UNC/CH23-1	Gardner Hall-Comprehensive Renovation	\$25,000,000		\$0	\$5,000,000
University of North Carolina at Charlotte					
UNC/CLT23-1	Smith Hall-Comprehensive Renovation	\$36,000,000		\$3,600,000	\$12,600,000
University of North Carolina at Greensboro					
UNC/GBO23-1	Moore Building-Renovation	\$24,200,000		\$2,420,000	\$8,470,000
University of North Carolina Pembroke					
UNC/PEM21-1	Health Sciences Center	\$91,000,000		\$62,350,000	\$24,400,000
UNC/PEM23-1	Givens Performing Arts Center (GPAC) Renovation	\$61,000,000	\$131,004,985	\$6,100,000	-
University of North Carolina School of the Arts					
UNC/SA23-1	Stevens Center Renovation Phase 2	\$51,000,000		\$40,800,000	\$10,200,000
University of North Carolina Wilmington					
UNC/WIL23-1	Cameron Hall - Comp Reno/Expansion	\$44,500,000		\$4,005,000	\$7,725,000
UNC/WIL23-2	Kenan Auditorium - Comp Reno/Expansion	\$24,000,000		\$2,160,000	\$5,200,000
UNC/WIL23-4	Integrated Science & Technology Building	\$8,000,000	\$83,000,000	\$8,000,000	\$7,500,000
Western Carolina University					
UNC/WCU23-1	Replacement Engineering Building	\$95,300,000	\$157,900,000	\$2,000,000	\$6,260,000
Winston-Salem State University					
UNC/WSS21-1	K.R. Williams Auditorium	\$57,000,000		\$42,350,000	\$14,650,000
University of North Carolina Board of Governors					
UNC/BOG21-1	UNC Lease Funds	\$18,750,000		\$15,000,000	\$3,750,000
PBS North Carolina					
UNC/PBS23-1	Public Safety Communications Upgrades	\$49,500,000		\$4,950,000	\$17,325,000

**The NC General Assembly previously authorized all of the above projects.
All proposed increases in authorization were included in both House and Senate Long Session budgets.**

The University of North Carolina System 2026-27 Operating Budget Priorities

The University of North Carolina System remains committed to delivering high-quality, affordable education, while ensuring a strong return on investment for students and taxpayers alike. A recent independent study confirms the strong value of a UNC degree. Graduates of our institutions earn, on average, a \$500,000 income premium compared to those who do not attend, and the premium is nearly \$1 million for those who earn advanced degrees. The study also found that nearly 90 percent of low-income graduates experience upward economic mobility. These numbers demonstrate real benefits for North Carolina families and reflect our commitment to responsible stewardship of public investment. In addition, our institutions have made significant strides in affordability. Average debt at graduation has fallen by more than 28 percent for first-time students and more than 29 percent for transfers. Our budget priorities continue the focus on sustaining this momentum by supporting student success, ensuring financial accessibility, and strengthening our institutions.

Operating Budget Requests

UNC Enrollment Change

The enrollment model adjusts funding to reflect changes in **actual resident student credit hours** delivered. Because funding was not appropriated during the 2025 Long Session, this request reflects two years of enrollment funding changes in student credit hours delivered from calendar year 2023 to 2024 and 2024 to 2025. Systemwide, resident student credit hours increased by 1.6 percent in 2024 and 3.7 percent in 2025.

FY 2026-27 Enrollment Funding Request

Institution	2024 Enrollment Change	2025 Enrollment Change	Total
App State	\$4,399,924	\$1,089,969	\$5,489,893
ECU	(4,129,746)	(2,560,939)	(6,690,685)
ECSU	565,890	1,790,130	2,356,020
FSU	2,496,837	3,558,550	6,055,387
N.C. A&T	(778,165)	9,572,637	8,794,472
NCCU	4,713,562	4,958,126	9,671,687
NC State	14,048,265	21,061,328	35,109,593
UNCA	831,429	1,133,628	1,965,057
UNC-CH	2,443,372	15,237,040	17,680,412
UNCC	8,588,565	21,751,865	30,340,430
UNCG	6,399,830	8,961,440	15,361,270
UNCP	875,241	3,420,994	4,296,235
UNCW	5,244,133	12,342,090	17,586,222
UNCSA	923,652	611,532	1,535,184
WCU	143,610	2,481,724	2,625,334
WSSU	(483,783)	1,925,619	1,441,836
NCSSM	92,892	168,636	261,527
TOTAL	\$46,375,508	\$107,504,366	\$153,879,874

APPENDIX J

The chart below reflects enrollment growth by discipline. Over the past two years, 92 percent of the enrollment funding change occurred most notably in engineering, biology, nursing, other STEM, and business disciplines. This focused growth aligns with requests by the NC General Assembly to fulfill needs in engineering, nursing, and STEM to meet current and future workforce needs. In addition to the record enrollment in fall 2025 reaching more than 256,000 students, growth includes significant strides made in system performance metrics aligned with the UNC System Strategic Plan of increased student credit hours per student to achieve on-time, four-year graduation.

FY 2025-27 Enrollment Growth Funding Request by Discipline

Discipline	2024 Enrollment Change	2025 Enrollment Change	Total	Percent of Total
Engineering	\$7,176,594	\$23,077,744	\$30,254,338	19.7%
Biology	11,075,874	12,316,440	23,392,314	15.2%
Nursing	8,633,535	13,488,493	22,122,028	14.4%
Business	7,441,860	13,708,750	21,150,610	13.7%
Other STEM	22,641,645	21,926,226	44,567,871	29.0%
All Other	(10,594,000)	22,986,713	12,392,714	8.1%
TOTAL	\$46,375,508	\$107,504,366	\$153,879,874	100%

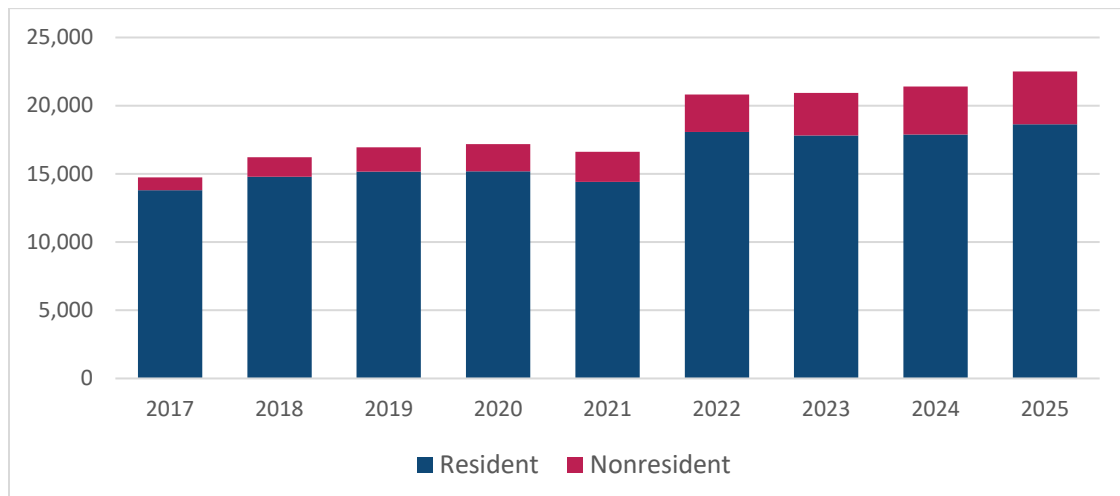
UNC Enrollment Change — NC Promise

Enrollment change funding also includes funding to fully support current and anticipated enrollment growth in NC Promise. NC Promise enrollment has grown significantly since the program's inception in FY 2018-19. As a result, in the 2025 Long Session the UNC System requested \$9.5 million recurring in FY 2025-26 and \$13 million recurring in FY 2026-27 to ensure the program was fully funded.

FY 2026-27 NC Promise Enrollment Funding Request

Program	2026-27
NC Promise	\$4,950,000

NC Promise Fall Full-Time Equivalent Enrollment by Residency

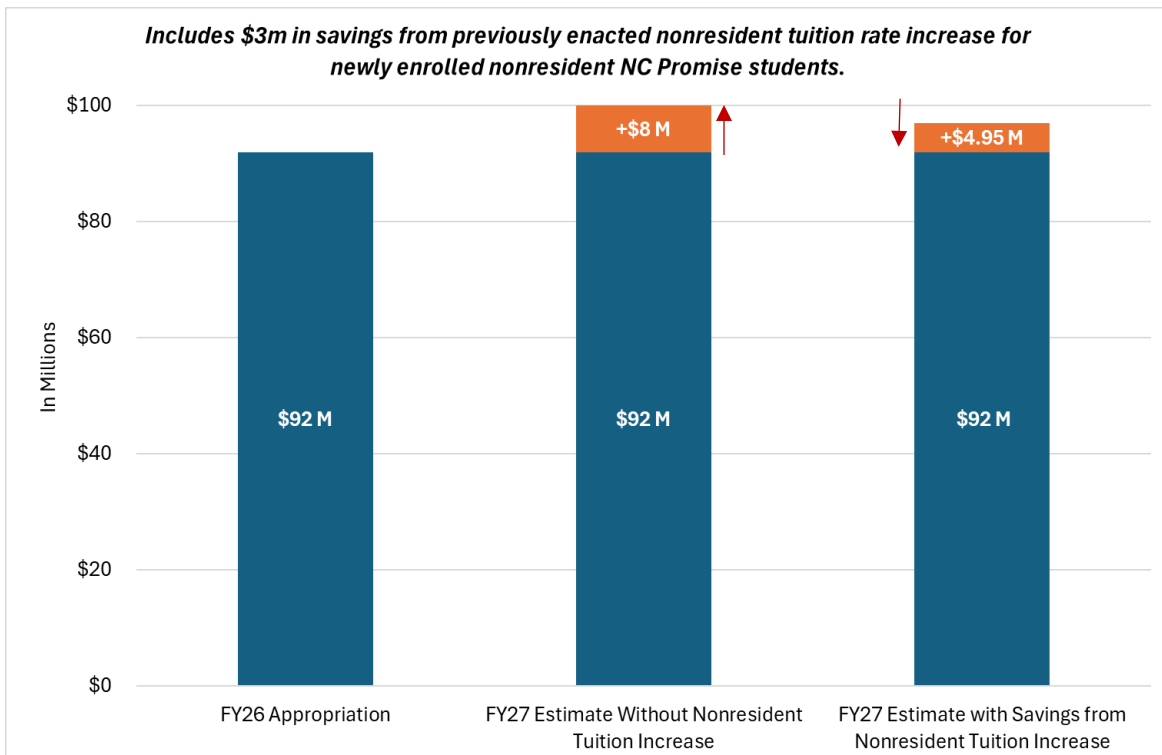


*Fayetteville State University was added to NC Promise effective Fall 2022.

APPENDIX J

In the 2025 Long Session, \$9.5 million was appropriated and nonresident tuition was changed from \$5,000 annually to \$7,000 for new students beginning in FY 2026-27. While the 2025 legislative changes did provide continued program support, the \$92 million appropriation for the NC Promise program still does not keep up with the considerable growth in student enrollment. Continued growth resulted in the NC Promise program being short \$3.3 million in FY 2025-26, and the program is estimated to be short by \$4.95 million in FY 2026-27.

FY 2026-27 NC Promise Growth Request



Building Reserves

As a result of various State Capital and Infrastructure Fund (SCIF) investments, the University of North Carolina System has several projects that will come online during the fiscal year 2026-27. The University of North Carolina System requests building reserves to support the maintenance and operations of six new or expanded facilities expected to be completed in FY 2026-27.

- App State's Conservatory for Biodiversity Education and Research at the Innovation Campus is a new 37,500 square feet (SF) science, technology, engineering, and mathematics (STEM) building for academic instruction and research and includes biology laboratories, classroom space, an event space, and public and research gardens.
- App State's Peacock Hall Addition is a 61,000 SF addition to the Walker College of Business, located at Peacock Hall, and includes additional classrooms and instructional technical lab spaces, special use areas, and offices.
- ECSU's Flight School is a new 58,000 SF building for aviation science, unmanned aircraft systems (UAS), and emergency management programs and includes an indoor drone facility, drone operations and expansive engineering labs, two-story flight simulator room, air traffic control lab and simulated control tower, classrooms, and support spaces.

APPENDIX J

- ECSU’s Infrastructure Upgrades — Phases I, II, and III include the campuswide replacement and upgrade of the electrical distribution and water distribution systems.
- FSU’s College of Education is a new 72,000 SF building that includes learning and collaboration spaces, updated classrooms, offices, and support spaces.
- NC State’s STEM Building, also called the Integrative Sciences Building, is a new 166,000 SF building that will support the basic and applied molecular science programs and includes three research accelerator labs, state-of-the-art academic classrooms, research space, and support space.

In addition, four facilities previously received a prorated portion of recurring building reserves funding, and the UNC System requests the additional recurring funding needed to support the full year of maintenance and operations. The four projects include NCSSM’s Joiner Hall, NCSSM’s Student Wellness Center, NC State’s Apiculture Facility, and UNC-Chapel Hill’s School of Business Addition (Bell Hall).

Building Reserves Request FY 2026-27

Institution	Building	2026-27	
		Recurring	Nonrecurring
App State	Innovation District — Conservatory for Biodiversity Education and Research (CBEaR)	\$594,007	\$159,082
App State	Peacock Hall Addition	650,124	146,868
ECSU	Flight School	1,034,270	241,605
ECSU	Infrastructure Upgrade — Phases I, II, and III	542,957	46,539
FSU	College of Education	1,148,437	184,201
NC State	STEM Building (Integrative Sciences Building)	4,506,540	735,306
<i>NCSSM</i>	<i>Morganton Campus — Joiner Hall</i>	<i>110,188</i>	<i>-</i>
<i>NCSSM</i>	<i>Morganton Campus — Student Wellness Center</i>	<i>46,579</i>	<i>-</i>
<i>NC State</i>	<i>Apiculture Facility</i>	<i>43,692</i>	<i>-</i>
<i>UNC-CH</i>	<i>School of Business Addition (Bell Hall)</i>	<i>773,727</i>	<i>-</i>
Total		\$9,450,701	\$1,513,601

* *Projects in italics were partially funded in S.L. 2024-57 and S.L. 2025-89 and require additional recurring funding to support a full year of building operations and maintenance.*

Faculty and Staff Salaries

The UNC System’s most important assets are the talented faculty and staff that educate and support our students, researchers that produce scientific breakthroughs and attract significant federal and private funding to the state, and public servants that leverage the expertise and resources of the universities to positively impact communities in North Carolina. Therefore, faculty and staff salaries remain a top priority. The UNC System requests funding commensurate with state agencies for salary increases. Each one percent increase in salary and associated benefits is estimated to cost \$40 million.

The UNC System strongly supports Labor Market Adjustment Reserve (LMAR) funding for targeted labor market salary adjustments to address recruitment and retention for hard-to-fill positions. The LMAR funding included in the 2022 Appropriations Act provided an important source of funding for targeted salary adjustments to address our most pressing workforce challenges.

State Capital and Infrastructure Fund (SCIF) Requests

UNC Repairs & Renovations

Funding is requested to support the ongoing investment in the UNC R&R program. Continued support is critical to eliminate the backlog of deferred maintenance and enable institutions to move toward a preventive maintenance approach. Timely and consistent investment in facilities can reduce deferred maintenance costs for the System and the State and extend the life and efficiency of existing buildings. Such investment also reduces costly repairs due to critical system failures, unexpected disruption of services, increased urgency to restore operations, and the compounding impact of neglected maintenance and deterioration on other areas of the building or infrastructure.

FY 2026-27 UNC Repairs & Renovations Request

Program	2026-27
UNC SCIF R&R	\$250,000,000

Previously Authorized SCIF Named Projects

The NC General Assembly previously authorized several specifically named projects at designated institutions. Thirty-one projects are included in a chart on page two of the budget priorities document. Many projects require additional SCIF allocations to complete construction, while others have completed the design phase but need SCIF funding to proceed with construction. All requested increases in capital project authorization were included in both the Senate and House versions of the budget proposed during the 2025 Long Session but were not enacted into law.

FY 2026-27 Previously Authorized SCIF Named Projects Request

Program	2026-27
UNC SCIF R&R	\$490,138,964