THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Budget and Finance

November 18, 2026 at 9 a.m.
Via Videoconference and PBS North Carolina Livestream
Fayetteville State University
Rudolph Jones Student Center, Ballroom 242
692 W T Brown Drive
Fayetteville, North Carolina

AGENDA

A-1. Approval of the Open Session Minutes of September 16, 2026 ..... Kirk Bradley

A-2. Amend Section 700.1.3 of the UNC Policy Manual,
Policy on Nonresident Undergraduate Enrollment ..... Jennifer Haygood

A-3. 2026-27 NC Promise Tuition Plan Annual Report ..... Brandy Andrews

A-4. 2026-27 State Capital and Infrastructure Fund (SCIF) Maintenance
Repairs and Renovations (R&R) Capital Projects ..... Katherine Lynn

A-5. Expansion of Millennial Campus — University of North Carolina at Charlotte ..... Katherine Lynn

A-6. Capital Improvement Projects ..... Katherine Lynn

A-7. Disposition of Property by Demolition — Appalachian State University ..... Katherine Lynn

A-8. Acquisition of Property by Lease — University of North Carolina at Chapel Hill ..... Katherine Lynn

A-9. Disposition of Property by Lease — PBS North Carolina ..... Katherine Lynn

A-10. Adjourn

Additional Information Available
Comprehensive SCIF Maintenance R&R List
FY25 and FY26 Millennial Campus Report
Section 600.1.1 of the UNC Policy Manual, *Policy on Design, Construction, and Financing of Capital Improvement Projects*
University of North Carolina Quarterly Capital Report for October 1, 2026

DRAFT MINUTES

September 16, 2026 at 9 a.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Board Room
Raleigh, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Kirk Bradley. The following committee members, constituting a quorum, were also present in person or by phone: Harry Brown, Carolyn Coward, John A. Fraley, and Art Pope.

Chancellors participating were Karrie Dixon, Lee Roberts, and Philip Rogers.

Staff members present included Jennifer Haygood, Brandy Andrews, Katherine Lynn, Josh Lassiter, and others from the UNC System Office.

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1. Call to Order and Approval of OPEN Session Minutes of July 23, 2026 (Item A-1)

The chair called the meeting to order at 9 a.m., on Wednesday, September 16, 2026.

The chair reminded committee members of their duty under the State Government Ethics Act to avoid conflicts of interests. The chair asked members if there were any conflicts or appearances of conflict of interest with respect to any matter coming before the committee; no members identified any conflicts.

Chair Bradley recognized North Carolina House Representative Ray Pickett and Mya Lowry, from the North Carolina General Assembly Fiscal Research Division, attending the meeting.

The open session minutes from the July 23, 2026, meeting were approved by unanimous consent.

2. 2025-26 Annual Report of the Committee on Budget and Finance (Item A-2)

Chair Bradley called on Senior Vice President Jennifer Haygood to present the 2025-26 annual report summarizing the actions of the committee during FY26. Under the UNC Policy Manual, at least annually, each standing committee should make a written report to the full Board of Governors reviewing the committee's work from the preceding year.

The chair called for a motion to approve the committee's annual report.

MOTION: Resolved, that the Committee on Budget and Finance approve the 2025-26 Annual Report of the Committee on Budget and Finance and submit it to the full Board of Governors.

Motion: Harry Brown
Motion carried

3. 2027-28 Tuition and Fees Instructions (Item A-3)

Chair Bradley called on Ms. Haygood to give the presentation of the 2027-28 Tuition and Fees instructions that will provide guidance to the University of North Carolina System institutions. The instructions will allow institutions flexibility to propose limited tuition and fee adjustments. The committee emphasized that institutions should first manage expenses and identify efficiencies before considering increases. The committee will evaluate and act on specific proposals in early 2027.

This item was for discussion only.

4. Overview of Intercollegiate Athletics Finance (Item A-4)

Chair Bradley recognized President Peter Hans to give opening remarks. Vice President Josh Lassiter gave an overview of intercollegiate athletics finance and described how the national intercollegiate athletics landscape has changed in recent years. Ms. Haygood provided details on the University's data.

The item was for information only and did not require a vote.

5. Amend Section 600.1.1 of the UNC Policy Manual,
***Policy on Design, Construction, and Financing of Capital Improvement Projects* (Item A-5)**

Chair Bradley called on Ms. Haygood to present the proposed policy amendment to align the authority levels to the increased dollar threshold for informal bidding of capital projects, to reflect recent statutory changes, and to incorporate other clarifications. Conforming changes will be made to other sections of the Policy Manual. This action will include conforming changes to update UNC Policy 200.6, *Policy on Delegation of Authority to the President*, and will repeal UNC Policy 600.1.5, *Equal Access in Construction Contracting*, and UNC Policy 600.1.1.1[G], *Guidelines on the Delegation of Authority to Execute Construction Contracts*.

The chair called for a motion to approve the *Policy on Design, Construction, and Financing of Capital Improvement Projects*.

MOTION: Resolved, that the Committee on Budget and Finance approve Section 600.1.1 of the UNC Policy Manual, *Policy on Design, Construction, and Financing of Capital Improvement Projects* and recommend it to the full Board of Governors for a vote through the consent agenda at its next meeting.

Motion: Art Pope
Motion carried

6. Adopt Section 600.1.2 of the UNC Policy Manual, *Policy on Debt Management* (Item A-6)

Chair Bradley called on Ms. Haygood to present the proposed adoption of the policy to define and clarify the Board's authority for the authorization and issuance of debt to support specific projects and real property transactions that are repaid from non-appropriated funds and revenues. This action will also repeal UNC Policy 600.1.2, *Selection of Bond Counsel*.

The chair called for a motion to approve the *Policy on Debt Management*.

MOTION: Resolved, that the Committee on Budget and Finance approve Section 600.1.2 of the UNC Policy Manual, *Policy on Debt Management*, and recommend it to the full Board of Governors for a vote through the consent agenda at its next meeting.

Motion: Harry Brown
Motion carried

7. 2026-27 State Capital and Infrastructure Fund (SCIF) Repairs and Renovations (R&R) Allocations (Item A-7)

Chair Bradley called on Vice President Katherine Lynn to present the 2026-27 State Capital and Infrastructure Fund (SCIF) allocations for repairs and renovations (R&R) projects. The Appropriations Act authorized $200 million in 2026-27 for the University of North Carolina SCIF R&R. It was recommended that $50 million be allocated for maintenance R&R and the funds distributed to each institution in accordance with the R&R allocation model. It was further recommended that $33,322,422 be allocated to specific major R&R projects.

The chair called for a motion to approve the 2026-27 UNC SCIF R&R allocations.

MOTION: Resolved, that the Committee on Budget and Finance approve the allocation of $83,322,422 from the 2026-27 UNC State Capital and Infrastructure Fund Repairs and Renovations allocation and recommend them to the full Board of Governors for a vote through the consent agenda.

Motion: John A. Fraley
Motion carried

8. Sale of Special Obligation Bonds — University of North Carolina Wilmington (Item A-8)

Chair Bradley called on Ms. Haygood to present the University of North Carolina Wilmington's request to issue special obligation bonds in a principal amount not to exceed $97.4 million, plus an additional amount not to exceed 5% of such aggregate principal amount, for the purpose of (a) financing the acquisition of the Seahawk Housing Complex, which includes the acquisition of Seahawk Crossing, Seahawk Landing, Seahawk Village, the East Parking Deck, and the Shops at the Crossing, and (b) paying certain costs incurred related to the issuance of the 2026 Bonds.

The chair called for a motion to approve the authorized sale of special obligation bonds for UNC Wilmington.

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

Motion: Art Pope
Motion carried

9. Sale of Special Obligation Bonds — Western Carolina University (Item A-9)

Chair Bradley called on Ms. Haygood to present Western Carolina University's request to issue special obligation bonds in a principal amount not to exceed $28.5 million, plus an additional amount not to exceed 5% of such aggregate principal amount for issuance expenses and related costs, for the purpose of (a) acquiring Noble Hall, including real estate property located on WCU's campus, and (b) paying certain costs incurred related to the issuance of the 2026 Bonds.

The chair called for a motion to approve the authorized sale of special obligation bonds for WCU.

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

Motion: Harry Brown
Motion carried

10. Capital Improvement Projects (Item A-10)

Chair Bradley called on Ms. Lynn to present the capital improvement projects for the authorization of 12 new capital projects at Appalachian State University, North Carolina Agricultural and Technical State University, North Carolina Central University, NC State University , University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, and University of North Carolina at Greensboro for a total of $34,145,678; six increased authorizations at East Carolina University, NC State, UNC Charlotte, and University of North Carolina Pembroke for a total of $5,316,000; and seven scope authorizations for named projects at App State, NC State, North Carolina School of Science and Mathematics, and Western Carolina University for a total of $515,388,042.

In addition, six projects were reported as chancellor-authorized repairs and renovation projects less than $600,000 at ECU, NCCU, UNC Pembroke, and UNC Wilmington.

The chair asked for a motion to approve the new capital improvement projects, increased authorizations, and scope authorizations for named projects.

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

Motion: Harry Brown
Motion carried

11. Disposition of Property by Demolition — NC State University (Item A-11)

Chair Bradley called on Ms. Lynn to present NC State University's request for authorization for disposition of property by demolition of Poe Hall in Raleigh, North Carolina.

The chair asked for a motion to approve the authorization to dispose of property by demolition.

MOTION: Resolved, that the Committee on Budget and Finance approve the disposition of property by demolition for NC State and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: John A. Fraley
Motion carried

12. Disposition of Property by Lease — University of North Carolina Asheville (Item A-12)

Chair Bradley called on Ms. Lynn to present the University of North Carolina Asheville's request for authorization to amend an existing ground lease agreement with The University Botanical Gardens at Asheville, Inc., for a 10-acre parcel to extend the ground lease from a 10-year term to a 30-year term with an option to extend for an additional 20 years.

The chair asked for a motion to approve the authorization to dispose of property by lease.

MOTION: Resolved, that the Committee on Budget and Finance approve the disposition of property by lease for UNC Asheville and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Harry Brown
Motion carried

13. Acquisition of Property by Deed — University of North Carolina Wilmington (Item A-13)

Chair Bradley called on Ms. Lynn to present University of North Carolina Wilmington's request for authorization to acquire property by deed of Seahawk Housing Complex located in Wilmington, North Carolina.

The chair asked for a motion to approve the authorization to acquire property by deed.

MOTION: Resolved, that the Committee on Budget and Finance approve the disposition of property by deed for UNC Wilmington and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: John Fraley
Motion carried

14. Acquisition of Property by Deed — Western Carolina University (Item A-14)

Chair Bradley called on Ms. Lynn to present Western Carolina University's request authorization to acquire Noble Hall, a 121,000-square-foot, five-story residential and mixed-use building, from CHF-Cullowhee, LLC. Western Carolina University Board of Trustees also requested authorization to acquire the 3.89-acre parcel owned by the Endowment Fund of Western Carolina University.

The chair asked for a motion to approve the authorization to acquire property by deed.

MOTION: Resolved, that the Committee on Budget and Finance approve the acquisition of property by deed for WCU and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Harry Brown
Motion carried

15. Acquisition of Property by Lease — The University of North Carolina System Office (Item A-15)

Chair Bradley called on Ms. Lynn to present The University of North Carolina System Office's request to amend the existing lease for an additional two years for office space at The Dillon, located at 223 S. West Street, Raleigh, North Carolina.

The chair asked for a motion to approve the authorization to acquire property by lease.

MOTION: Resolved, that the Committee on Budget and Finance approve the acquisition of property by lease for The UNC System Office and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Harry Brown
Motion carried

Chair Bradley called on Ms. Haygood to remind the committee that the 2024-25 Consolidated Financial Report and FY26 Report on Alternative Project Delivery were provided as additional information available in its materials.

There being no further business and without objection, the meeting adjourned at 10:18 a.m.

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John A. Fraley, Secretary

AGENDA ITEM

A-2. Amend Section 700.1.3 of the UNC Policy Manual,
Policy on Nonresident Undergraduate Enrollment.....Jennifer Haygood

Situation: Section 700.1.3 of the UNC Policy Manual, *Policy on Nonresident Undergraduate Enrollment*, sets a limit on the number of nonresident students in the entering fall first-time undergraduate class of each institution. The Board of Governors should revise the policy to apply a penalty for each year an institution exceeds its cap and give the president flexibility to direct the resulting funds to the System's most pressing strategic needs, with a report to the Board on their use.

Background: Section 700.1.3 of the UNC Policy Manual establishes institution-specific limits on nonresident enrollment in each entering fall first-time undergraduate class. Under the current policy, an institution's State operating budget is reduced if it exceeds its cap for two consecutive fiscal years. The reduction is imposed in the second year, based on the number of students above the cap multiplied by the base nonresident undergraduate tuition rate, and the funds are transferred to the North Carolina State Education Assistance Authority to support need-based scholarships for eligible students attending UNC constituent institutions.

Assessment: The proposed amendment removes the two-consecutive-year requirement, allowing a reduction whenever an institution exceeds its cap. It also authorizes the president to redirect the funds to need-based financial aid, enrollment initiatives, or other strategic initiatives determined by the president, and requires the president to report to the Board on how the funds were redirected. If approved, the revised penalty provisions would first apply to an institution whose entering fall first-time undergraduate class exceeds its cap in Fall 2027.

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.

The UNC Policy Manual
700.1.3
Adopted 04/07/22
Amended 01/19/23
Amended 09/12/24
Amended 02/26/2026
Amended __/__/27

Policy on Nonresident Undergraduate Enrollment

I. Purpose. To ensure that constituent institutions maintain a level of nonresident undergraduate enrollment consistent with historical University policy and tradition, and ~~one~~ consistent with strong and balanced educational programs, this policy defining nonresident undergraduate student enrollment has been promulgated by the Board of Governors.~~1~~[1] Each constituent institution has, since 1988, limited the proportion of students classified as a nonresident for tuition purposes~~2~~[2] in the entering fall first-time undergraduate class.~~3~~[3]

II. Requirements. Effective with the fall semester 2025, the following caps are established for students classified as nonresidents for tuition purposes in the fall first-time undergraduate class. The cap shall be equal to the percentage of the total number of first-time undergraduate students enrolled in the fall of the prior academic year.

A. The cap shall be 18% ~~percent~~ for Appalachian State University, ~~North Carolina~~NC State University ~~at Raleigh~~, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, and University of North Carolina Wilmington.

B. The cap shall be 25% ~~percent~~ for East Carolina University, Fayetteville State University, University of North Carolina at Greensboro, University of North Carolina Pembroke, and Western Carolina University.

C. The cap shall be 35% ~~percent~~ for North Carolina Agricultural & Technical State University,~~4~~[4] North Carolina Central University, University of North Carolina Asheville, and Winston-Salem State University.

D. The cap shall be 50% ~~percent~~ for Elizabeth City State University.

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[1] North Carolina School of Science and Mathematics, the constituent high school, may not admit or enroll out-of-state students, and therefore is not subject to this policy G.S. 116-235. The University of North Carolina School of the Arts nonresident enrollment levels shall not exceed 50 percent, per S.L. 1985-479, Sec. 73, and therefore is not subject to this policy. is not subject to this policy.

[2] See G.S. 116-143.1 for the definition of nonresident student for tuition purposes.

[3] As reported by the institution to the UNC System Office and the U.S. Department of Education as defined by the Integrated Postsecondary Education Data System (IPEDS).

[4] Does not include undergraduate engineering students enrolled at North Carolina A&T State University per Board of Governors action, January 11, 2002.

NC Promise constituent institutions shall not receive tuition buydown funding for first-time undergraduate students in excess of the above caps in any year.

III. Penalties. Any constituent institution that exceeds its nonresident enrollment cap prescribed in ~~section~~ paragraph II., above, ~~for two consecutive fiscal years~~ shall have its State operating budget reduced. This ~~reduction shall be made in the second fiscal year in which the two consecutive fiscal year condition is violated; the~~ reduction shall be made, on a non-recurring basis, ~~immediately~~ after the Board of Governors reviews final fall semester enrollment figures. The budget reduction shall be based on the number of nonresident students for tuition purposes in the entering fall first-time class enrolled in excess of the specified institutional percent limitation multiplied by the base nonresident undergraduate tuition rate for the academic year. The operating funds subject to reduction shall be ~~transferred to the North Carolina State Education Assistance Authority to help fund the need-based scholarship program established under G.S. 116-209.80 et seq. and be directed to benefit eligible students attending a UNC constituent institution.~~made available for redirection by the president to need-based financial aid, enrollment initiatives, or other strategic initiatives as determined by the president. The president shall report to the Board of Governors on how funds subject to reduction have been redirected.

IV. Pilot Programs. The Board of Governors may, on the president's recommendation, authorize enrollment pilot programs that are exempt from the requirements of ~~sections~~ paragraphs II. and III. of this policy.

V. Academic Competitiveness. It is the Board's expectation that institutions will admit only academically well-qualified out-of-state students. In any year in which the average combined SAT score or ACT composite score for students classified as first-time nonresidents for tuition purposes are below that for students classified as first-time residents for tuition purposes, the president shall require a written report from the chancellor.

VI. Other Matters.

A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.

B. Relation to Federal and State laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations. This policy shall be implemented and applied in accordance with such regulations as may be adopted from time to time by the president.

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[4]~~Does not include undergraduate engineering students enrolled at North Carolina A&T State University per Board of Governors action, January 11, 2002.~~

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Policy on Nonresident Undergraduate Enrollment

I. Purpose. To ensure that constituent institutions maintain a level of nonresident undergraduate enrollment consistent with historical University policy and tradition, and consistent with strong and balanced educational programs, this policy defining nonresident undergraduate student enrollment has been promulgated by the Board of Governors.[1] Each constituent institution has, since 1988, limited the proportion of students classified as a nonresident for tuition purposes[2] in the entering fall first-time undergraduate class.[3]

II. Requirements. Effective with the fall semester 2025, the following caps are established for students classified as nonresidents for tuition purposes in the fall first-time undergraduate class. The cap shall be equal to the percentage of the total number of first-time undergraduate students enrolled in the fall of the prior academic year.

A. The cap shall be 18% for Appalachian State University, NC State University, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, and University of North Carolina Wilmington.

B. The cap shall be 25% for East Carolina University, Fayetteville State University, University of North Carolina at Greensboro, University of North Carolina Pembroke, and Western Carolina University.

C. The cap shall be 35% for North Carolina Agricultural & Technical State University,[4] North Carolina Central University, University of North Carolina Asheville, and Winston-Salem State University.

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[4] Does not include undergraduate engineering students enrolled at North Carolina A&T State University per Board of Governors action, January 11, 2002.

NC Promise constituent institutions shall not receive tuition buydown funding for first-time undergraduate students in excess of the above caps in any year.

III. Penalties. Any constituent institution that exceeds its nonresident enrollment cap prescribed in paragraph II., above, shall have its State operating budget reduced. This reduction shall be made, on a non-recurring basis, after the Board of Governors reviews final fall semester enrollment figures. The budget reduction shall be based on the number of nonresident students for tuition purposes in the entering fall first-time class enrolled in excess of the specified institutional percent limitation multiplied by the base nonresident undergraduate tuition rate for the academic year. The operating funds subject to reduction shall be made available for redirection by the president to need-based financial aid, enrollment initiatives, or other strategic initiatives as determined by the president. The president shall report to the Board of Governors on how funds subject to reduction have been redirected.

IV. Pilot Programs. The Board of Governors may, on the president's recommendation, authorize enrollment pilot programs that are exempt from the requirements of paragraphs II. and III. of this policy.

V. Academic Competitiveness. It is the Board's expectation that institutions will admit only academically well-qualified out-of-state students. In any year in which the average combined SAT score or ACT composite score for students classified as first-time nonresidents for tuition purposes are below that for students classified as first-time residents for tuition purposes, the president shall require a written report from the chancellor.

VI. Other Matters.

A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.

B. Relation to Federal and State laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations. This policy shall be implemented and applied in accordance with such regulations as may be adopted from time to time by the president.

AGENDA ITEM

A-3. 2026-27 NC Promise Tuition Plan Annual Report ..... Brandy Andrews

Situation: General Statute 116-143.11(d) requires the University of North Carolina Board of Governors to report annually on the amount required to offset the forgone tuition receipts at each of the NC Promise institutions, how the funds were allocated to the institutions, the number of enrolled resident students at each institution, and the number of enrolled nonresident students at each institution.

Background: S.L. 2016-94 created the NC Promise Tuition Plan at Elizabeth City State University, University of North Carolina Pembroke, and Western Carolina University. The 2021 Appropriations Act added Fayetteville State University to the NC Promise Program beginning in 2022-23. The plan originally set resident tuition at $500 per semester and nonresident tuition at $2,500 per semester beginning in the fall 2018 academic semester. The State promised to buy down the difference in tuition receipts created by the lower tuition compared to the established tuition rate at the four NC Promise schools. With continued support the North Carolina General Assembly has appropriated $96.95 million to offset the lower tuition receipts for 2026-27 and increased the nonresident tuition to $3,500 per semester starting with new students in fall 2026.

Assessment: The NC Promise Tuition Plan Annual Report includes all the information required by G.S.116-143.11(d). To offset the decrease in tuition revenue, ECSU will receive $8.1 million, FSU will receive $17.8 million, UNCP will receive $17.7 million, and WCU will receive $40.7 million. The University of North Carolina System Office will make initial allocations to the institutions in the fall based upon fall census data and an average of fall-to-spring retention rates. Allocations will be further adjusted in late February based on spring census data, and any funds remaining after the spring adjustment will be allocated based on the prior year's summer term enrollment on a nonrecurring basis.

Action: This item is for information only.

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

NC Promise Tuition Plan FY 2026-27 Annual Report

Committee on Budget and Finance

November 18, 2026

NC Promise: An Overview

- Established in S.L. 2016-94
- Provides special undergraduate tuition rates
  - $500 per semester for residents
  - $2,500 per semester for nonresidents
  - Starting Fall 2026: $3,500 per semester for NEW nonresidents
- Funding "buys down" difference between the regular tuition rates and NC Promise rates
- NC Promise institutions
  - ECSU, UNCP, WCU since inception (Fall 2018)
  - FSU added effective Fall 2022

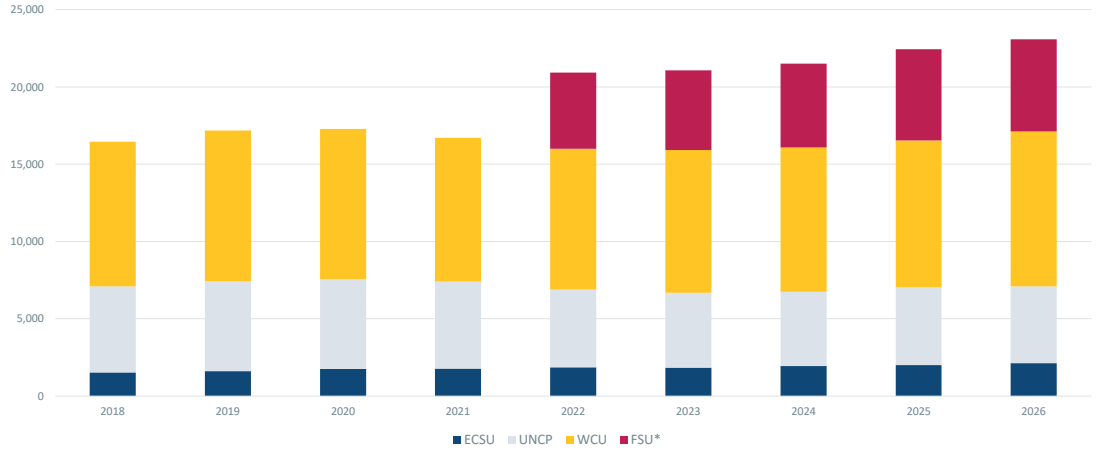
Buydown Rate Calculation

Institution	Residency	Previous Base Tuition	New Base Tuition	NC Promise Tuition	Buydown Rate
ECSU	Resident - New	$2,856	$2,899	$1,000	$1,899
	Resident	$2,856	$2,856	$1,000	$1,856
	Nonresident - New	$16,956	$17,239	$7,000	$10,239
	Nonresident	$16,956	$17,239	$5,000	$12,239
FSU	Resident - New	$2,982	$3,027	$1,000	$2,027
	Resident	$2,982	$2,982	$1,000	$1,982
	Nonresident - New	$15,084	$15,335	$7,000	$8,335
	Nonresident	$15,084	$15,335	$5,000	$10,335
UNCP	Resident - New	$3,602	$3,656	$1,000	$2,656
	Resident	$3,602	$3,602	$1,000	$2,602
	Nonresident - New	$16,101	$16,369	$7,000	$9,369
	Nonresident	$16,101	$16,369	$5,000	$11,369
WCU	Resident - New	$3,971	$4,031	$1,000	$3,031
	Resident	$3,971	$3,971	$1,000	$2,971
	Nonresident - New	$15,222	$15,476	$7,000	$8,476
	Nonresident	$15,222	$15,476	$5,000	$10,476

FY 2026 Initial Allocation

	Residency	Fall FTE	Allocation
ECSU	Resident	1,641	$2,912,809
	Nonresident	491	$5,267,885
	Total	**2,132**	**$8,180,695**
FSU	Resident	5,111	$9,887,874
	Nonresident	856	$7,931,956
	Total	**5,967**	**$17,819,830**
UNCP	Resident	4,263	$10,534,289
	Nonresident	709	$7,196,756
	Total	**4,972**	**$17,731,045**
WCU	Resident	8,062	$23,168,328
	Nonresident	1,860	$17,568,715
	Total	**9,922**	**$40,737,043**
Total	Resident	19,077	$46,503,301
	Nonresident	3,916	$37,965,312
	Total	**22,993**	**$84,468,613**

NC Promise Serves Nearly 23,000 Students

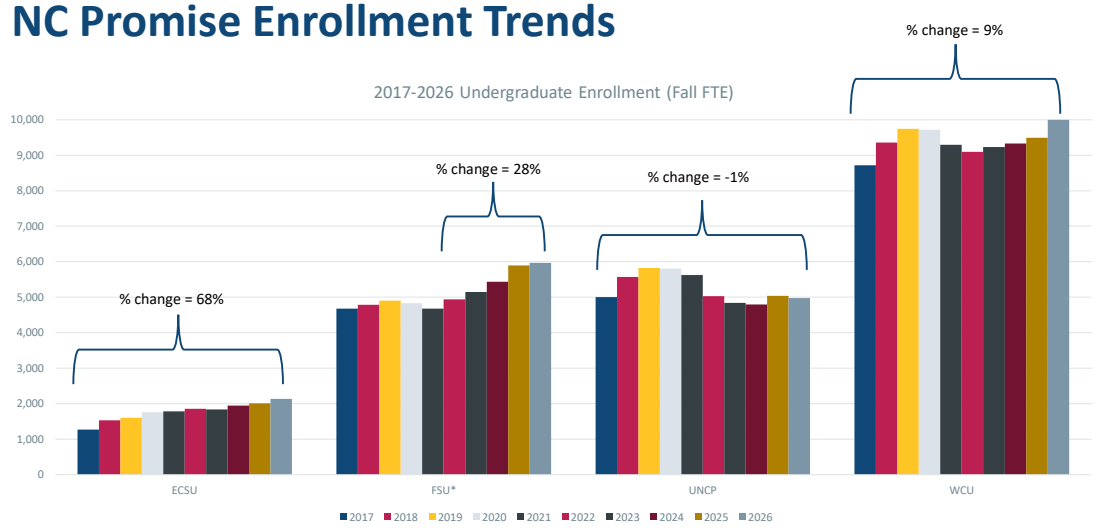


*FSU added to NC Promise effective Fall 2022

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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NC Promise Enrollment Trends

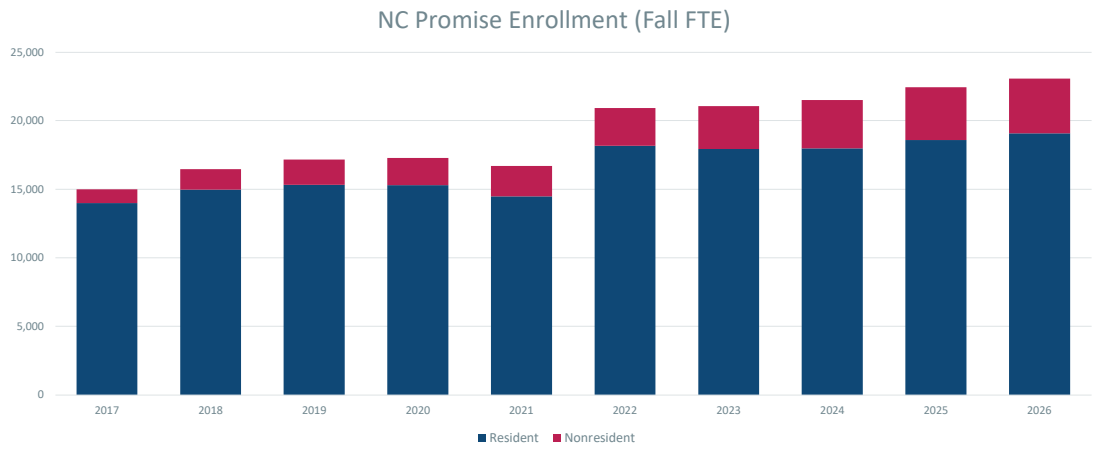


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THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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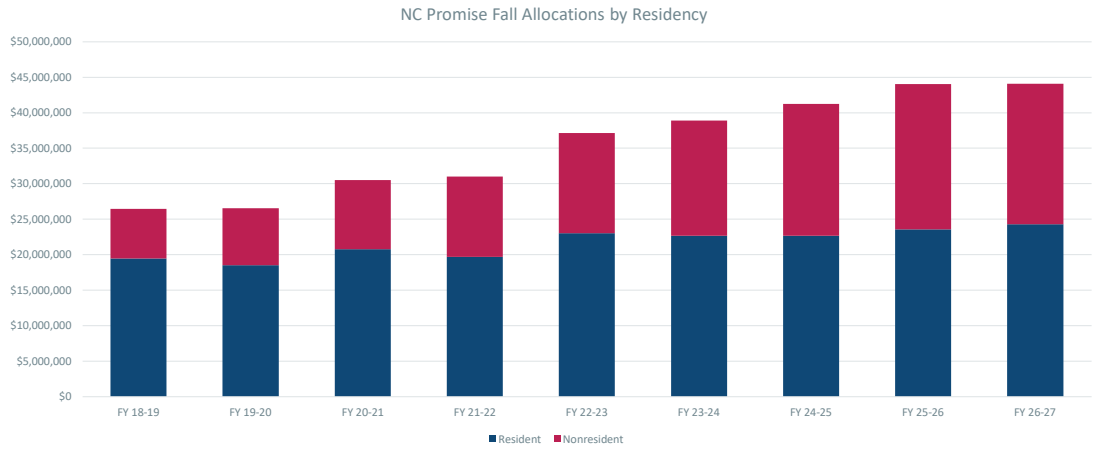
NC Promise Enrollment by Residency



*FSU added to NC Promise effective Fall 2022

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

NC Promise Allocation by Residency



*FSU added to NC Promise effective Fall 2022

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QUESTIONS?

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NC Promise Tuition Plan
FY 2026-27 Annual Report
as required by G.S. 116-143.11(d)

November 18, 2026

NC Promise Tuition Plan Annual Report
2026-27

Session Law 2016-94 created the NC Promise Tuition Plan, which originally set tuition at $500 per semester for residents and $2,500 per semester for nonresidents at Elizabeth City State University, Fayetteville State University, University of North Carolina Pembroke, and Western Carolina University. The North Carolina General Assembly implemented a "buydown" of any financial obligations resulting from the loss of tuition receipts with a $51 million recurring appropriation for each of the first two years of the program, 2018-19 and 2019-20. The General Assembly appropriated an additional $15 million in nonrecurring funds in 2020-21, which was then appropriated on a recurring basis in 2021-22 in the 2021 Appropriations Act, for a total of $66 million recurring. The 2021 Appropriations Act also added Fayetteville State University to the NC Promise program beginning in 2022-23. There was an additional $11.5 million appropriated on a recurring basis beginning in 2022-23 for the tuition buydown of FSU students and an additional $5 million recurring in 2022-23 for enrollment growth at ECSU, UNCP, and WCU. The total appropriated for the program in 2023-24 and 2024-25 was $82.5 million recurring. In 2025, The General Assembly appropriated an additional $9.5 million in recurring funds for 2025-26, bringing the total appropriation to $92 million. They also increased the tuition for nonresidents to $3,500 per semester starting with new students in the 2026-27 academic year. The 2026 Appropriations Act appropriated another $4.95 million recurring for a total of $96.95 million. It also created the NC Promise Tuition Plan Reserve and appropriated $3 million nonrecurring to be used when recurring funds appropriated fall short of program costs. The 2026 Appropriations Act also further increased nonresident tuition to $4,000 per semester starting with new students in the 2027-28 academic year. Resident tuition rates have remained unchanged since the creation of the NC Promise Tuition Plan.

The $96.95 million buydown that is appropriated to offset the reduced tuition will be allocated for the 2026-27 fiscal year by the University of North Carolina System Office to ECSU, FSU, UNCP, and WCU based upon the enrollment at each institution and the difference in the tuition rate charged by the institution and the NC Promise rate.

Undergraduate enrollment at three of the four NC Promise institutions is above enrollment prior to the implementation of the program, and nonresident enrollment has increased significantly at all four institutions. UNCP and WCU enrolled their largest classes to date in the fall 2018 at the outset of the program, and ECSU reversed a decreasing enrollment trend. FSU has increased enrollment each year since joining the NC Promise program. Undergraduate fall 2026 full-time equivalent (FTE) enrollment increased for three of the four NC Promise institutions compared to fall 2025. UNCP experienced a slight decline of around 1%. The NC Promise Program has been a success on multiple fronts. In addition to increased enrollments at all four institutions, college affordability has increased, contributing to a significant decrease in undergraduate student debt at graduation at all NC Promise institutions.

The table below shows the buydown rate calculation for the four NC Promise institutions. To keep up with higher costs and for parity with other institutions, the base tuition rate for new residents and nonresidents attending NC Promise institutions increased by 1.5% and 1.67%, respectively, in 2026-27. The increase is equal to the average increase in new resident and nonresident tuition at the other non-research institutions in the UNC System for the 2026-27 academic year. This parity adjustment, increasing the base tuition, will increase the buydown rate for the institutions but not increase the tuition paid by students.

Table 1: Buydown Rate Calculation

Institution	Residency	Previous Base Tuition	New Base Tuition	NC Promise Tuition	Buydown Rate
ECSU	Resident – New	$ 2,856	$ 2,899	$ 1,000	$ 1,899
	Resident	2,856	2,856	1,000	1,856
	Nonresident – New	16,956	17,239	7,000	10,239
	Nonresident	16,956	17,239	5,000	12,239
FSU	Resident – New	2,982	3,027	1,000	2,027
	Resident	2,982	2,982	1,000	1,982
	Nonresident – New	15,084	15,335	7,000	8,335
	Nonresident	15,084	15,335	5,000	10,335
UNCP	Resident – New	3,602	3,656	1,000	2,656
	Resident	3,602	3,602	1,000	2,602
	Nonresident – New	16,101	16,369	7,000	9,369
	Nonresident	16,101	16,369	5,000	11,369
WCU	Resident – New	3,971	4,031	1,000	3,031
	Resident	3,971	3,971	1,000	2,971
	Nonresident – New	15,222	15,476	7,000	8,476
	Nonresident	15,222	15,476	5,000	10,476

Now that enrollment has been verified at census, the initial 2026-27 allocation of the NC Promise funds will be distributed. Spring semester enrollment was estimated using a three-year average fall-to-spring retention at each institution, differentiating between resident and nonresident students. ECSU averaged 89.8% retention for resident students and 86.1% retention for nonresident students. FSU averaged 93.9% retention for resident students and 91.9% for nonresident students. UNCP averaged 88.7% retention for resident students and 92.0% for nonresident students. WCU averaged 92.2% retention for resident students and 92.9% for nonresident students.

Table 2: FY 2026-27 Calculated Buydown and Initial Allocation

Institution	Residency	Fall FTE	Estimated Spring FTE	Buydown Rate	Calculated Buydown
ECSU	Resident – New	550	494	$ 1,899	$ 991,183
	Resident	1,091	980	1,856	1,921,626
	Nonresident – New	174	150	10,239	1,657,766
	Nonresident	317	273	12,239	3,610,119
	Total	**2,132**	**1,896**		**8,180,695**
FSU	Resident – New	1,532	1,439	2,027	3,010,650
	Resident	3,579	3,361	1,982	6,877,224
	Nonresident – New	290	267	8,335	2,319,255
	Nonresident	566	520	10,335	5,612,701
	Total	**5,967**	**5,586**		**17,819,830**
UNCP	Resident – New	1,348	1,196	2,656	3,378,002
	Resident	2,915	2,586	2,602	7,156,287
	Nonresident – New	282	259	9,369	2,536,376
	Nonresident	427	393	11,369	4,660,380
	Total	**4,972**	**4,434**		**17,731,045**
WCU	Resident – New	2,606	2,403	3,031	7,590,733
	Resident	5,456	5,030	2,971	15,577,595
	Nonresident – New	635*	590	8,476	5,191,190*
	Nonresident	1,225	1,138	10,476	12,377,525
	Total	**9,922**	**9,161**		**40,737,043**
Total	Resident	19,077	17,487		46,503,301
	Nonresident	3,916	3,590		37,965,312
	Total	**22,993**	**21,077**		**$ 84,468,613**

*WCU nonresident total reflects the adjustment of 83 FTE out of the new nonresident amount due to exceed the nonresident cap.

Due to the reporting requirement in G.S. 116-143.11(d) and because only fall census data is available at this time, this report only reflects the initial allocation of NC Promise funds for this fiscal year. Allocations will be further adjusted after spring census. Any funds remaining after the spring adjustment will be allocated based on the prior year's summer term enrollment on a nonrecurring basis. The System Office will distribute the funds for summer based on the buydown rates and summer credit hours. In FY 2025-26, the summer allocation was only able to cover 70% of the buydown. The System Office estimates that for FY 2026-27 the increased allocation will fully fund NC Promise enrollment for the first time since FY 2022-23.

AGENDA ITEM

A-4. 2026-27 State Capital and Infrastructure Fund (SCIF)
Maintenance Repairs and Renovations (R&R) Capital Projects ..... Katherine Lynn

Situation: In accordance with G.S. 143C-8-13(b)(2), the University of North Carolina Board of Governors shall report to the Fiscal Research Division on the initial allocation of State Capital and Infrastructure Fund (SCIF) for repairs and renovations (R&R) projects prior to the expenditure of funds. The Board of Governors must also approve any changes to previously approved UNC SCIF R&R projects.

Background: On September 17, 2026, the Board approved the allocation of $50 million in 2026-27 SCIF maintenance R&R funds based on the previously approved R&R allocation model. The Board of Governors must approve the SCIF maintenance R&R projects so that particular projects can be reported to the North Carolina General Assembly Fiscal Research Division.

The compiled list of 2026-27 UNC SCIF maintenance R&R capital projects for each constituent institution is submitted for approval, including requested reallocations of prior year R&R funds. Any remaining unassigned 2026-27 UNC SCIF R&R funds for the constituent institution are designated to the constituent institution's cost escalation and contingency reserve.

The allocation of the remaining $116,677,578 of 2026-27 UNC SCIF R&R funds will be brought to the Board for consideration at a future meeting prior to the end of the fiscal year.

Assessment: It is recommended that the Board approve the 2026-27 SCIF maintenance R&R projects for submission to the Fiscal Research Division. It is further recommended that the Board delegate to the president the approval to allocate unassigned cost escalation and contingency reserves and to reallocate funds between approved SCIF maintenance R&R projects upon request of the constituent institution.

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

2026-27 State Capital and Infrastructure Fund (SCIF) Maintenance Repairs and Renovations (R&R) Capital Projects

ISSUE OVERVIEW

The Appropriations Act (S.L. 2026-41) authorized State Capital and Infrastructure Fund (SCIF) allocations of $200 million for FY 2026-27 specifically for the capital repairs and renovations (R&R) projects approved by the University of North Carolina Board of Governors. On September 17, 2026, the Board approved a total allocation of $83,322,422 for 2026-27 UNC SCIF R&R funds including approximately $33.3 million for major R&R capital projects and $50 million for maintenance R&R funds based on the previously approved R&R allocation model. The Board of Governors must approve the SCIF maintenance R&R projects so that particular projects can be reported to the North Carolina General Assembly Fiscal Research Division.

Each constituent institution submitted their list of priority maintenance R&R projects to be funded from their allocation of 2026-27 R&R funds and requests for the reallocation of prior year R&R funds. The compiled list of maintenance R&R capital projects and recommended allocations is included in **Attachment A**. Any remaining unassigned R&R funds from the constituent institution's 2026-27 R&R allocation are designated to the constituent institution's cost escalation and contingency reserve. The reallocations and assignment of contingencies shall be included in the annual report of reallocated funds to the General Assembly Fiscal Research Division.

The allocation of the remaining $116,677,578 of 2026-27 UNC 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 approve the 2026-27 SCIF maintenance R&R projects for submission to the Fiscal Research Division. It is further recommended that Board delegate to the president the approval to allocate unassigned cost escalation and contingency reserves and to reallocate funds between approved SCIF maintenance R&R projects upon request of the constituent institution.

Attachment A

2026-27 UNC SCIF MAINTENANCE REPAIR AND RENOVATION PROJECTS

Pending UNC Board of Governors Approval - November 19, 2026

	Total Capital Authorization	Total Prior FY Allocations	FY26-27 $50M	Requested Reallocations
APPALACHIAN STATE UNIVERSITY				
IG Greer Roof & Bldg. Envelope	$200,000	$700,000		-$500,000
RUB 1 Chilled Water Tower	$800,000		$300,000	$500,000
University Hall Elevator	$1,100,000		$1,100,000	
Leon Levine Health Science Chiller Repair/Replacement	$73,447		$73,447	
Campus Tours ADA Repairs and Wayfinding Improvements	$450,000		$450,000	
Potable Water Lines - Valve Cluster (Sanford Mall area)	$100,000		$100,000	
Realignment of CFAA Photography Program (KHKS)	$250,000		$250,000	
Schaefer Center State Improvements	$200,000		$200,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for App State			**$2,473,447**	**$0**
EAST CAROLINA UNIVERSITY				
Coastal Studies Annex–Repair & Coat Siding & Roofing	$100,000		$100,000	
Old Cafeteria Building Controls Upgrade (Specific Direct Digital Control)	$400,000		$400,000	
Joyner Library AHU-1 Replacement (Legal Records)	$91,511	$170,030		-$78,519
Old Cafeteria Replace Roof	$1,037,645	$1,316,567		-$278,922
Speight Roof	$141,308	$175,000		-$33,692
Ragsdale Upgrade Fire Alarm System	$326,412	$328,497		-$2,085
Biotechnology Building Replace Fire Alarm Control Panel and Devices	$446,419	$478,137		-$31,718
Warren Life Sciences Envelope Repair	$157,165	$200,000		-$42,835
Ward Sports Medicine Storm Water Repair	$0	$100,000		-$100,000
MC Steam Plant Tank Farm Containment Repair	$196,556	$257,266		-$60,710
Science and Technology Building Canopy Repair	$94,669	$250,000		-$155,331
Warren Life Sciences Building Domestic Water Heater Replacement	$105,391	$110,000		-$4,609
Health Sciences Building Upgrade AHU Controllers (18)	$291,245	$342,000		-$50,755
Messick to McGinnis Scene Shop UG Heating Water, Chilled Water, and HEX Replacement	$208,545	$400,000		-$191,455
Innovation Hub Floor Repair	$259,155	$267,000		-$7,845
HSC CUP Medium Voltage Cable Replacement	$0	$600,000		-$600,000
MC Steam Plant Basement Structural Repair	$301,431	$313,000		-$11,569
Minges Pool Controls Upgrade	$63,428	$100,000		-$36,572
Greenville Centre-HVAC Controls Upgrade (Specific Remote Terminal Unit Variable Air Volumes)	$250,000	$400,000		-$150,000
Brody Building Replace Domestic Water Heater - GW-58	$69,154	$104,691		-$35,537
HSC CUP 1 Replace 75,000 Gal AST	$803,000		$801,881	$1,119
Brewster B Elevator Modernization	$500,000		$500,000	
CUP 1 - Boiler Communications back to Johnson Controls	$118,500		$118,500	
Exterior Building Painting and Repairs (PY House, McGinnis Theatre Soffit, Old Café Soffit)	$100,000		$100,000	
Science and Technology Building AHU Pan Recoating	$105,000		$105,000	
Warren Life - Old Life Sciences - Replace Steam Pressure Reducing Station	$100,000		$100,000	
Health Sciences Campus - Replace Med Gas Panels	$80,000		$80,000	
Brody Generator Replace Generator #3	$800,000		$800,000	
Rawl Annex and Carol Belk Annex - Replace Roof	$425,000		$425,000	
Replace Minges Chiller #2	$1,000,000			$1,000,000
Ross Hall South Side Fiber Relocation and Roof Leader Repairs	$850,000			$850,000
2022-23 Cost Escalation and Contingency Reserve	$0	$33,147		-$33,147
2025-26 Cost Escalation and Contingency Reserve	$54,181	$0		$54,181
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for ECU			**$3,530,381**	**$0**
ELIZABETH CITY STATE UNIVERSITY				
Campus-Wide HVAC, Electrical, and Plumbing Repairs (Thomas Jenkins, IT Center, Vaughan, GR Little, Thorpe, KE White, Williams Hall, Trigg Hall, STEM, New Student Center, and Fine Arts)	$1,161,786	$1,086,786	$75,000	
Gilchrist Cooling Tower Repairs	$2,200,000	$700,000	$1,500,000	
Upfit Meeting Space (Chancellor's Residence)	$770,000	$545,000	$225,000	
Lane Hall Structural Repairs	$100,000		$100,000	
GR Little Boiler Replacement	$100,000		$100,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for ECSU			**$2,000,000**	**$0**
FAYETTEVILLE STATE UNIVERSITY				
Building Automation Systems - Barber/Collins	$700,000		$700,000	
Building Automation Systems - Lyons Science Annex	$1,300,000		$1,300,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for FSU			**$2,000,000**	**$0**

	Total Capital Authorization	Total Prior FY Allocations	FY26-27 $50M	Requested Reallocations
NC STATE UNIVERSITY				
CVM Main–Fire Alarm Upgrade, Phase 3	$1,300,000	$650,000	$650,000	
Biltmore–Code Deficiencies	$850,000	$200,000	$650,000	
Replace Car Wash Facility and Water Recycling System	$325,000		$325,000	
Fleet Services Building - Repair Insulation	$150,000		$150,000	
Utility Plant Equipment R&R including cyclic refurbishment	$400,000		$400,000	
Building Electrical Main Distribution Panel (Broughton)	$1,100,000		$1,100,000	
Building Transformers & Generators R&R (Broughton and Hillsborough)	$1,000,000		$1,000,000	
Building HVAC, Electrical, Plumbing Systems R&R (Brooks and Kamphoefner)	$135,000		$135,000	
Building Façade, Windows, & Waterproofing R&R (Holladay and Jordan)	$475,000		$475,000	
Roofing R&R (Tompkins and Schaub)	$815,000		$815,000	
ADA Compliance & Improvement (Brooks and Kamphoefner)	$100,000		$100,000	
110 Class Improvement (Riddick and Caldwell)	$150,000		$150,000	
Elevator Modernization (D.S. Weaver and CVM Main)	$250,000		$250,000	
Building Chiller R&R (Varsity Research and Partners II)	$500,000		$500,000	
Building Boiler R&R (EHS and CMAST #2)	$100,000		$100,000	
Stormwater R&R - Device Repairs & Improvements	$150,000		$150,000	
Building Fire Life Safety R&R (Headhouse 3 and McKimmon)	$150,000		$150,000	
Road R&R (Faucette: Morrill to Dan Allen and Motor Pool Fuel Island)	$300,000		$300,000	
Building Control Upgrade & R&R (Partners III and EB-I)	$100,000		$100,000	
2026-27 Cost Escalation and Contingency Reserve	$2,733		$2,733	
Total for NC State			**$7,502,733**	**$0**
NORTH CAROLINA A&T UNIVERSITY				
HVAC - Webb Hall/ VAV Boxes, Air Handlers	$289,400		$289,400	
HVAC - Dowdy Hall/ VAV Boxes, Fire Damper, Air Handlers	$206,203		$206,203	
Roof Replacement - Moore	$1,233,450		$1,233,450	
Roof Replacement - Coltrane Hall	$609,840		$609,840	
Fire Safety Upgrades - Crosby Hall	$142,710		$142,710	
Fire Safety Upgrades - Fort IRC	$124,600		$124,600	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for N.C. A&T			**$2,606,203**	**$0**
NORTH CAROLINA CENTRAL UNIVERSITY				
Campuswide ADA Compliance Upgrades, Phase 2	$729,000	$675,000	$54,000	
Fine Arts Building–Fire Alarm System Replacement	$100,000		$100,000	
Miller Morgan Fire Alarm Replacement	$693,514		$693,514	
Asbestos/Mold Remediation & Contaminants Removal (23-24)	$416,102	$291,950	$124,152	
HVAC Repairs (Hydronic Systems and Control System Repair) - School of Education, BRITE, Taylor Education, Miller Morgan, BBRI, Mary Townes, Nursing, CT Willis, Shepard Library, William Jones, Hubbard-Totton, Farrison Newton	$224,152		$224,152	
Chiller Cooling Tower Repairs at Edmonds	$50,000		$50,000	
Farrison Newton Elevator Repairs/Upgrade	$452,944		$452,944	
FACP Smoke Detectors, Pull Stations, and Modules Repairs at Alexander Dunn, BN Duke, Shepard Library, Robinson, Hubbard-Totton, and Turner Law	$125,058		$125,058	
BAS Controls Repair & Replacement at Alexander Dunn, BN Duke, Criminal Justice, Hubbard-Totton, Miller Morgan, Nursing, and William Jones	$176,180		$176,180	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for NCCU			**$2,000,000**	**$0**
NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS				
Morganton - Sanitary Sewer Infrastructure Repairs	$195,000		$195,000	
Durham - Watts Heating System Repairs	$560,000		$560,000	
Morganton - Jeter Building Dehumidification	$85,000		$85,000	
Durham - Tennis Court Resurfacing	$290,000		$290,000	
Durham - Controls System Upgrades and FCU Replacements (Hill)	$186,242		$186,242	
Durham - ADA Egress Repairs & Upgrades (lighting, doors, and frames)	$147,809		$147,809	
Bryan Lobby Renovation (Bathrooms, Conference Rooms, Information Desk, Offices, Flooring, Paint and Ceiling)	$340,949		$340,949	
Durham - Cottage Renovation (Historical Building: Exterior repairs, ADA access, parking lot, and bathrooms)	$195,000		$195,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for NCSSM			**$2,000,000**	**$0**
UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE				
Ramsey Library-Fire Alarm Panel Upgrade	$1,410,000	$165,000	$1,245,000	
Replace Sidewalks at Zageir Hall and Library Lane Parking Improvements	$1,283,958	$648,958	$635,000	
Replace Outdoor Staircase to Botanical Gardens	$230,000	$110,000	$120,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for UNC Asheville			**$2,000,000**	**$0**
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL				
498 Kenan Center -Fire Alarm Systems: Replace Initiating Devices & Control Panel	$1,600,000	$1,200,000	$400,000	
211 Brauer Hall–Fire Alarm Systems: Replace Fire Alarm Initiating Devices & Control Panel	$3,815,868	$565,868	$3,250,000	

	Total Capital Authorization	Total Prior FY Allocations	FY26-27 $50M	Requested Reallocations
Campuswide Envelope Repairs (New East, New West, Old Playmakers, Hooker)	$1,400,000	$1,200,000	$200,000	
Tate-Turner Kuralt - Elevator Repairs (#15244, #15245)	$3,000,000	$1,000,000	$2,000,000	
North Campus Academic Bldg. ADA Improvements	$793,634	$500,000	$293,634	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for UNC-Chapel Hill			**$6,143,634**	**$0**
UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE				
EPIC Building BAS-Phase 1	$600,000		$600,000	
Central Campus Chiller Refurbishment-Phase 4 (Quad, Kennedy, RUP-4)	$810,000		$810,000	
Garinger VAV Controls Replacement	$200,000		$200,000	
Colvard Chiller Renewal	$150,000		$150,000	
Storrs Elevator Upgrades	$400,000		$400,000	
Grigg Elevator Replacements	$800,000		$800,000	
Harris Alumni Center Envelope	$110,419		$110,419	
Robinson Elevator Replacement (Elevator #3)	$400,000		$400,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for UNC Charlotte			**$3,470,419**	**$0**
UNIVERSITY OF NORTH CAROLINA AT GREENSBORO				
Cone Art Bldg.–Replace Gallery Lighting/Light Controls, Phases 2 & 3	$307,251	$461,750		-$154,499
Roof Restoration (MHRA and other State-owned buildings)	$300,000		$300,000	
Campus Elevator Replacements, Renovations, and Upgrades	$170,000		$15,501	$154,499
Carmichael Building Assessment	$100,000		$100,000	
Life Safety & Code Compliance Repairs (Weatherspoon, Foust, Surplus, 525 Tate)	$100,000		$100,000	
Coleman Metal Roof Replacement	$1,500,000		$1,500,000	
Campuswide Access Controls-Blackboard Updates (Bryan, Stone, School of Ed & Other Potential Sites)	$600,000		$600,000	
2026-27 Cost Escalation and Contingency Reserve	$9,912		$9,912	
Total for UNC Greensboro			**$2,625,413**	**$0**
UNIVERSITY OF NORTH CAROLINA PEMBROKE				
Lumbee Hall & Old Main–Elevator Replacement	$751,571	$451,571	$300,000	
Chavis–Air Handlers	$1,657,337	$1,567,019	$90,318	
Pinchbeck Chiller and Boiler	$559,692		$559,692	
Regional Center/Bio-Tech Chiller and Boiler	$300,000		$300,000	
Weinstein Health Science Green Roof Removal	$199,990		$199,990	
HVAC Digital Controls Renovation (Old Main, Moore Hall, Locklear Hall, Dial)	$250,000		$250,000	
Livermore Library Elevator	$300,000		$300,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for UNC Pembroke			**$2,000,000**	**$0**
UNC SCHOOL OF THE ARTS				
Film Building 2 Exterior Elevator	$800,000	$580,000	$220,000	
D & P Dust Collector	$750,000		$750,000	
Boilers - Library, WP & Film Production	$1,030,000		$1,030,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for UNCSA			**$2,000,000**	**$0**
UNIVERSITY OF NORTH CAROLINA WILMINGTON				
Alderman Hall HVAC and Exterior Repair	$617,770		$617,770	
Bear Hall Window and Door Replacements	$580,000		$580,000	
Kenan Hall Roof Replacement (emergent need)	$1,200,000		$1,200,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for UNC Wilmington			**$2,397,770**	**$0**
WESTERN CAROLINA UNIVERSITY				
Belk Building - Chiller Replacement	$1,425,000		$1,425,000	
Belk Building - Controls/BAS Replacement	$455,000		$455,000	
Stillwell Building - Flooring Replacement (4th Floor)	$120,000		$120,000	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for WCU			**$2,000,000**	**$0**
WINSTON-SALEM STATE UNIVERSITY				
Gaines Complex - Roof Replacement (Phase 2)	$103,137	$180,356		-$77,219
Thompson Center Fire Pump	$125,000		$47,781	$77,219
Fire Alarm System Replacement (WB Atkinson, Blair Hall, CDI, DJR)	$750,000		$750,000	
Campuswide Exit Signs & Emergency Lights (Gaines, Thompson, O'Kelly)	$150,000		$150,000	
FL Atkins Lighting Upgrades	$362,500		$362,500	
Mobile Unit Demolition and Site Improvement	$85,000		$85,000	
Invertors / Battery Back-ups (Gaines, FL Atkins)	$75,000		$75,000	
Operations Center Generator	$40,000		$40,000	
Campuswide Interior Signage Upgrades (RJR, Thompson, FL Atkins)	$30,000		$30,000	
New Science Data Center & Shell Space Upgrade	$200,000		$200,000	
Classroom Modernizations	$200,000		$200,000	
Lab Modernizations	$59,719		$59,719	
2026-27 Cost Escalation and Contingency Reserve	$0		$0	
Total for WSSU			**$2,000,000**	**$0**

	Total Capital Authorization	Total Prior FY Allocations	FY26-27 $50M	Requested Reallocations
PBS-NC				
Fire and Security Monitoring System-WUNC-TV Chapel Hill, WUNP-TV Roanoke Rapids, and WUNM-TV Jacksonville Sites	$200,000	$150,000	$50,000	
Roof Repairs - Multiple Sites (Lumberton, Wilmington)	$200,000		$200,000	
Total for PBS-NC			**$250,000**	**$0**
NORTH CAROLINA ARBORETUM				
EcoLab Classroom Bathrooms and Renovations	$720,000		$720,000	$0
Total for NC Arboretum			**$720,000**	**$0**
UNC SYSTEM OFFICE				
2026-27 Cost Escalation and Contingency Reserve	$280,000		$280,000	
Total for UNC System Office			**$1,250,000**	**$0**
TOTAL 2026-27 UNC SCIF MAINTENANCE R&R PROJECTS			**$50,000,000**	**$0**

AGENDA ITEM

A-5. Expansion of Millennial Campus — University of North Carolina at Charlotte ..... Katherine Lynn

Situation: The University of North Carolina at Charlotte Board of Trustees requests an expansion to the Millennial Campus by approximately 117.603 acres to support the development of human performance and exercise science research and teaching and to support the university's existing and future partnerships.

Background: The UNC Charlotte Board of Trustees proposes to expand the Millennial Campus to include two parcels: 103.0 acres on the southwestern edge of campus and east of W.T. Harris Boulevard and 14.603 acres west of W.T. Harris Boulevard. The designation also includes existing buildings, improvements, and auxiliary facilities. The university currently partners with a technology-, data-, and science-driven human performance organization that utilizes recreational facilities on campus. The current Millennial Campus designation bisects areas available for current and future activities and restricts opportunities to seek additional partnerships. The Millennial Campus expansion also aligns with the 2024 campus master plan. A cellular tower is located on the smaller parcel and supports partnerships to boost service coverage on campus.

The UNC Charlotte Board of Trustees approved the expansion of the Millennial Campus on August 28, 2026.

Assessment: It is recommended that the Board approve UNC Charlotte's request to expand the Millennial Campus by 117.603 acres to facilitate partnership opportunities to enhance the university's research, teaching, and service missions, and to continue to enhance the economic development of the region.

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

Expansion of Millennial Campus — University of North Carolina at Charlotte

ISSUE OVERVIEW

G.S. 116-198.34 grants the University of North Carolina Board of Governors authority to designate real property as a Millennial Campus when recommended by the president. It states that "designation shall be based on an express finding by the Board of Governors that the institution desiring to create a Millennial Campus has the administrative and fiscal capability to create and maintain such a campus and provided further, that the Board of Governors has found that the creation of the constituent institution's Millennial Campus will enhance the institution's research, teaching, and service missions as well as enhance the economic development of the region served by the institution."

The University of North Carolina at Charlotte Board of Trustees requests an expansion of its Millennial Campus by 117.603 acres to facilitate partnership opportunities with the private sector to enhance the university's research, teaching, and service missions, and to continue to enhance the economic development of the region. The expansion includes 103.0 acres on the southwestern edge of campus and east of W.T. Harris Boulevard and 14.603 acres west of W.T. Harris Boulevard. The designation of the 117.603 acres also includes the following buildings, improvements, and appurtenant facilities:

- Parking Lot 27
- Washington Cell Tower Structure (used to operate the tower and antennae)

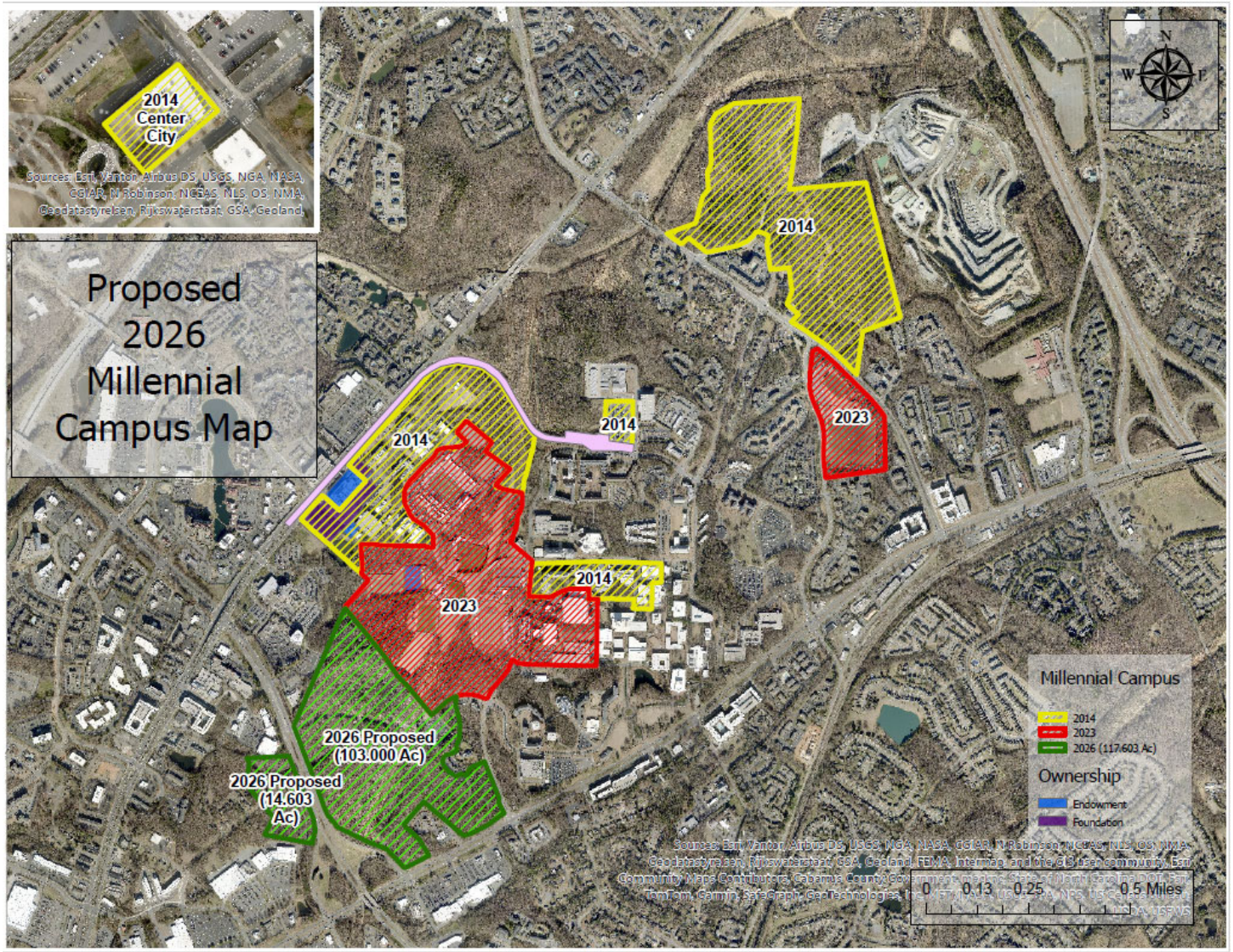
The current millennial campus designation bisects areas available for current and future activities and restricts opportunities to seek additional partnerships. The millennial campus expansion also aligns with the 2024 campus master plan. A cellular tower is located on the smaller parcel and supports partnerships to boost service coverage on campus.

The Board of Governors approved the establishment of a Millennial Campus at UNC Charlotte in January 2002, which included 100 acres. The Board approved expansions to the Millennial Campus in June 2007, September 2014, and January 2023, which included 1.5 acres, 105.87 acres, and 145 acres respectively. The request to include an additional 117.603 acres will expand the Millennial Campus to 494.973 total acres.

The UNC Charlotte Board of Trustees approved the recommendation to expand the Millennial Campus on August 28, 2026.

RECOMMENDATION

It is recommended that the Board of Governors approve the expansion of the millennial campus designation with the understanding that specific projects, leases, and other actions related to the Millennial Campus, including those on property owned by an endowment board, shall be subject to the Board's approval unless otherwise authorized by law or under delegated authority.


2014 Center City
Sources: Esri, Vantor, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland
Proposed 2026 Millennial Campus Map
2014
2014
2014
2014
2023
2023
2026 Proposed (103.000 Ac)
2026 Proposed (14.603 Ac)
N
W
E
S
Millennial Campus
2014
2023
2026 (117.603 Ac)
Ownership
Endowment
Foundation
0
0.13
0.25
0.5 Miles

AGENDA ITEM

A-6. Capital Improvement Projects..... Katherine Lynn

Situation: Appalachian State University, NC State University, University of North Carolina at Charlotte, University of North Carolina at Greensboro, University of North Carolina Pembroke, and University of North Carolina Wilmington have requested 14 new projects, and East Carolina University, North Carolina Central University, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, University of North Carolina Wilmington, Western Carolina University, Winston-Salem State University, and The North Carolina Arboretum have requested increased authorization for nine projects. In addition, NC State is requesting scope authorization for two capital projects pursuant to G.S. 116.31.11.(e1).

Background: The University of North Carolina Board of Governors may authorize capital construction projects at University of North Carolina System institutions using available funds.

Assessment: App State, ECU, NC State, NC Central University, UNC-Chapel Hill, UNC Charlotte, UNC Greensboro, UNC Pembroke, UNC Wilmington, WCU, WSSU, and The Arboretum are requesting authorization of new capital projects or increased authorizations that meet statutory requirements. It is recommended that the Board approve the projects and the method of funding. It is further recommended that these projects be reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

NC State is requesting approval of the proposed scope and expenditures for named projects previously authorized by the North Carolina General Assembly. It is recommended that the Board approve the projects pursuant to G.S. 116.31.11.(e1).

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

Capital Improvement Projects – Appalachian State University, East Carolina University, NC State University, North Carolina Central University, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, University of North Carolina at Greensboro, University of North Carolina Pembroke, University of North Carolina Wilmington, Western Carolina University, Winston-Salem State University, and The North Carolina Arboretum

ISSUE OVERVIEW

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

Eleven UNC System institutions and one affiliate have requested 25 capital improvement projects: 14 new projects, nine projects for increased authorization, and two projects for scope authorization.

I. NEW PROJECTS

	Institution/Project Title	Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
Appalachian State University					
1.	Kidd Brewer Stadium East Side Lower Bowl Replacement	$10,000,000	$0	$10,000,000	Trust Funds (Donations/ Gifts & Grants) - 70%/Trust Funds (Millennial Campus) - 30%
App State Subtotal		*$10,000,000*	*$0*	*$10,000,000*	
NC State University					
2.	Fire Alarm System Upgrades - North Residence Hall	$1,300,000	$0	$1,300,000	Trust Funds (Housing)
3.	Roof Replacement - Wood Residence Hall - Buildings A & B	$1,200,000	$0	$1,200,000	Trust Funds (Housing)
4.	Structural Repairs - Avent Ferry Complex[1]	$8,000,000	$400,000	$7,600,000	Trust Funds (Housing)
5.	Varsity Drive Corridor Expansion[1]	$10,000,000	$500,000	$9,500,000	Trust Funds (Millennial Campus)
NC State Subtotal		*$20,500,000*	*$900,000*	*$19,600,000*	
University of North Carolina at Charlotte					
6.	Fretwell-Mebane Classroom Renovations 2027	$1,075,000	$0	$1,075,000	Carry-forward
7.	Mebane Elevator Upgrades	$935,000	$0	$935,000	Carry-forward
8.	Popp Martin Student Union Freight Elevator Conversion	$900,000	$0	$900,000	Trust Funds (Dining/Other Auxiliary)
9.	University Recreation Field Turf Replacement	$5,500,000	$0	$5,500,000	Trust Funds (Other Auxiliary)
10.	Woodward Classroom Renovations 2027	$925,000	$0	$925,000	Carry-forward
UNC Charlotte Subtotal		*$9,335,000*	*$0*	*$9,335,000*	

I. NEW PROJECTS (cont.)

	Institution/Project Title	Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
University of North Carolina at Greensboro					
11.	North and South Spencer Residence Halls HVAC Replacement[1]	$10,980,000	$598,000	$10,382,000	Trust Funds (Housing)
UNC Greensboro Subtotal		*$10,980,000*	*$598,000*	*$10,382,000*	
University of North Carolina Pembroke					
12.	Jones Main Gym Flooring Replacement[1]	$750,000	$375,000	$375,000	Carry-forward
UNC Pembroke Subtotal		*$750,000*	*$375,000*	*$375,000*	
University of North Carolina Wilmington					
13.	Leonard Student Recreation Center Locker Room Modification	$1,447,287	$0	$1,447,287	Trust Funds (Other Auxiliary)
14.	Park and Ride Lot Expansion - 632 St James Drive Surface Lot	$1,474,158	$0	$1,474,158	Trust Funds (Parking and Transportation)
UNC Wilmington Subtotal		*$2,921,445*	*$0*	*$2,921,445*	
Grand Total		**$54,486,445**	**$1,873,000**	**$52,613,445**	

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

II. INCREASED AUTHORIZATION

	Institution/Project Title	Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
East Carolina University					
1.	Clark LeClair Baseball Elevator Improvements	$930,000	$500,000	$430,000	Trust Funds (Athletics)
ECU Subtotal		*$930,000*	*$500,000*	*$430,000*	
North Carolina Central University					
2.	Alfonso Elder Student Union Game Room Conversion	$1,499,950	$499,950	$1,000,000	Trust Funds (Donations/Gifts & Grants)
NC Central University Subtotal		*$1,499,950*	*$499,950*	*$1,000,000*	
University of North Carolina at Chapel Hill					
3.	2025-27 Parking Decks Elevator Modernizations	$2,000,000	$1,800,000	$200,000	Trust Funds (Parking and Transportation)
UNC-Chapel Hill Subtotal		*$2,000,000*	*$1,800,000*	*$200,000*	
University of North Carolina at Charlotte					
4.	Substation Switchgear Number Two Replacement	$900,000	$700,000	$200,000	Carry-forward
UNC Charlotte Subtotal		*$900,000*	*$700,000*	*$200,000*	
University of North Carolina Wilmington					
5.	Kenan Auditorium Comprehensive Renovation and Expansion	$32,000,000	$24,000,000	$8,000,000	Appropriated Funds - 68%/ Trust Funds (Donations/ Gifts & Grants) - 32%
6.	MARBIONC - Energy Recovery System Repairs	$1,081,000	$681,000	$400,000	Energy Savings 1292 Carry-forward
UNC Wilmington Subtotal		*$33,081,000*	*$24,681,000*	*$8,400,000*	

II. INCREASED AUTHORIZATION (cont.)

	Institution/Project Title	Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
Western Carolina University					
7.	Abutment Repairs - Cullowhee Dam	$2,001,168	$798,000	$1,203,168	Trust Funds (Donations/ Gifts & Grants) - 60%/ Carry-forward - 40%
WCU		*$2,001,168*	*$798,000*	*$1,203,168*	
Winston-Salem State University					
8.	K.R. Williams Auditorium	$70,704,545	$62,700,000	$8,004,545	Appropriated Funds - 81%/ OSBM Flex Funds - 8%/ Trust Funds (Fac & Admin/ Donations/Gifts & Grants) - 9%/ Carry-Forward - 2%
WSSU Subtotal		*$70,704,545*	*$62,700,000*	*$8,004,545*	
The North Carolina Arboretum					
9.	Front Entrance and Education Center Plaza	$5,145,000	$2,145,000	$3,000,000	Trust Funds (Donations/ Gifts & Grants) - 58%/SCIF Appropriations - 42%
The Arboretum Subtotal		*$5,145,000*	*$2,145,000*	*$3,000,000*	
Grand Total		**$116,261,663**	**$93,823,950**	**$22,437,713**	

III. SCOPE AUTHORIZATION FOR NAMED PROJECTS

Projects in this section are named capital projects that have been authorized by the North Carolina General Assembly and will be funded from the State Capital and Infrastructure Fund (SCIF) but have not been previously authorized by the Board. Pursuant to G.S. 116-31.11.(e1), the projects are being submitted for Board approval of scope and proposed expenditures. Further project details are included on the specific capital project forms which can be found on BoardEffect.

	Institution/Project Title	Total SCIF Authorization	Project Scope
NC State University			
1.	Commercial Leap Ahead for Wide Bandgap Semiconductors (CLAWS) Hub Program	$20,000,000	Project scope will focus on dual-use technologies (i.e., broadband infrastructure, wireless chips, AI) to support the State's semiconductor ecosystems. The funding will be used in conjunction with approximately $100 million in CHIPS federal funding. The funds may be used for capital or non-capital expenditures.
2.	Nuclear Study/Advanced Research & Test Reactor	$16,000,000	Project scope supports further planning for a nuclear research reactor to support a federal grant proposal. The scope includes expanded reactor design, site characterizations, and regulatory/stakeholder engagement. The total amount authorized is increased by $13 million to $16 million.
NC State Subtotal		*$36,000,000*	
Grand Total		**$36,000,000**	

RECOMMENDATION

All projects and associated funding sources listed in Sections I and II are in compliance with G.S. 143C-8-12 (State Budget Act). It is recommended that the projects in Sections I and II be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that will be funded and operated entirely with non-General Fund and non-State Capital and Infrastructure Fund monies.

It is further recommended that the projects in Section III be approved for project scope and expenditure authorization pursuant to G.S. 116-31.11.(e1)

IV. REPORTING

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

Institution/Project Title		Amount	Fund Source	R&R Category
University of North Carolina Pembroke				
1.	Oxendine Data Center Generator Replacement	$500,000	General Funds	(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems.

AGENDA ITEM

A-7. Disposition of Property by Demolition — Appalachian State University ..... Katherine Lynn

Situation: Appalachian State University's Board of Trustees requests authorization for disposition of property by demolition of East Hall located 175 Locust Street in Boone, North Carolina.

Background: Constructed in 1952, East Hall is a former residence hall that was no longer needed when new and renovated housing was constructed. The building is 81,538 square feet and is currently being used as temporary swing space. The building is past its useful life and is no longer needed for student housing.

The North Carolina General Assembly appropriated $2 million in FY 2026-27 for the demolition of East Hall.

Assessment: It is recommended that the Board approve the disposition by demolition.

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

Disposition of Property by Demolition — Appalachian State University

ISSUE OVERVIEW

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

Appalachian State University's Board of Trustees is requesting authorization for disposition of property by demolition of East Hall, located at 175 Locust Street in Boone, North Carolina. Built in 1952, East Hall is a five-story, 81,538-square-foot building that was last used as a residence hall in 2022. The building was vacated when new and renovated housing became available and is currently being used as temporary swing space to support other construction projects on campus. The building will be demolished when various construction projects are completed, which is projected to be summer 2027. The insured replacement value for East Hall is $36,524,881.

The North Carolina General Assembly appropriated $2 million in FY 2026-27 for the demolition of East Hall. The building is no longer needed for housing, and the building is past its useful life.

RECOMMENDATION

It is recommended that the Board of Governors approve the request for disposition of property by demolition.

Form PO-2
Rev. 10/01
Original and one copy to State Property Office

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

DISPOSITION OF REAL PROPERTY

Institution or Agency: **Appalachian State University** Date: **September 17, 2026**

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

This disposition is recommended for the following reasons:

End of life of the building. State-appropriated funding for demolition.

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

East Residence Hall 175 Locust St, Boone, NC 28608.
Parcel ID: 2900970608000
81,538 SF Building, 5 Levels, Construction; CMU, Concrete & Brick Veneer

Estimated value: **Insured Value: Building $36,078,475, Contents $491,000**

Where deed is filed, if known: **Watauga Co, NC Reg. of Deeds, Book: 242, Page; 521**

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

NA

Rental income, if applicable, and suggested terms:

NA

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

NA

(Complete if Agency has a Governing Board.)
Action recommending the above request was taken by the Governing Board of **Appalachian State University** and is recorded in the minutes thereof on **September 4, 2026**.

Signature: Heather Norris
Title: Chancellor



Location Map



East Hall

AGENDA ITEM

A-8. Acquisition of Property by Lease — University of North Carolina at Chapel Hill..... Katherine Lynn

Situation: The University of North Carolina at Chapel Hill Board of Trustees requests authorization to acquire property by lease from Carolina Square Project LP of approximately 90,455 square feet in Carolina Square Building C at 123 W. Franklin Street, Chapel Hill, North Carolina.

Background: In 2017, UNC-Chapel Hill executed a 10-year lease for commercial office space on the second, third, and fourth floors at Carolina Square. The space is utilized for university-affiliated research centers, institutes, and academic administrative offices. UNC-Chapel Hill would like to renew the current lease, which expires in November 2027, for an additional 10-year term and has negotiated more favorable terms, including a lower base rental rate. The proposed annual rental rate is $37.41 per square foot, or approximately $3.38 million, with a 2.5% annual escalation.

Assessment: It is recommended that the Board approve UNC-Chapel Hill's request to extend the lease at Carolina Square.

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

Acquisition of Property by Lease — University of North Carolina at Chapel Hill

ISSUE OVERVIEW

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

The University of North Carolina at Chapel Hill Board of Trustees requests authorization to extend the lease for an additional 10 years with Carolina Square Project LP for approximately 90,455 square feet of office space in Carolina Square Building C at 123 W. Franklin Street, Chapel Hill, North Carolina. The lease includes the second, third, and fourth floors and is being utilized for university-affiliated research centers, institutes, and academic administrative offices. UNC-Chapel Hill also has three additional leases for space on the first, fifth, and sixth floors, totaling 37,370 square feet. The lease space provides the opportunity to collocate core university-related functions in close proximity to campus.

UNC-Chapel Hill's entered into a 10-year lease in November 2017. The proposed lease renewal term would begin November 1, 2027, for a 10-year term. UNC-Chapel Hill has negotiated more favorable terms, which include a reduced rental rate, common area maintenance charges reset to a lower baseline, and other favorable provisions. The annual base rent for the first year of the renewal period is $37.41 per square foot, or approximately $3,383,922, with an annual rental escalation rate of 2.5%.

The UNC-Chapel Hill Board of Trustees approved the lease renewal on September 24, 2026.

RECOMMENDATION

It is recommended that the Board of Governors approve UNC-Chapel Hill's request to approve the lease for an additional 10 years with the revised lease terms.

Form PO-1
Rev. 10/01
Original and one copy to State Property Office

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

*ACQUISITION OF REAL PROPERTY

Institution or Agency: **University of North Carolina at Chapel Hill** Date: **October 6, 2026**

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

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

The University has leased this space since 2017. Current occupants include: the NC Collaboratory, Office of University Counsel, Institute for Risk Management and Insurance Innovation, Admissions Office, Office of the Vice Chancellor for Research, and the School of Public Health. There are limited appropriate spaces on campus to accommodate these users.

Name and Address of Present Owner: **Carolina Square Project LP**
Owned and operated by Northwood Office
1057 E. Morehead Street Suite 300
Charlotte, NC 28204

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

127,825 square feet of office and performing arts space on multiple floors at 123 W. Franklin Street, Chapel Hill, NC.

Estimated value: _____ Rental price *(if applicable)*: **see attached**

Funds for the acquisition of this property are available in our budget under **Code:** _____, **Item:** _____, **Other:** **University funds**

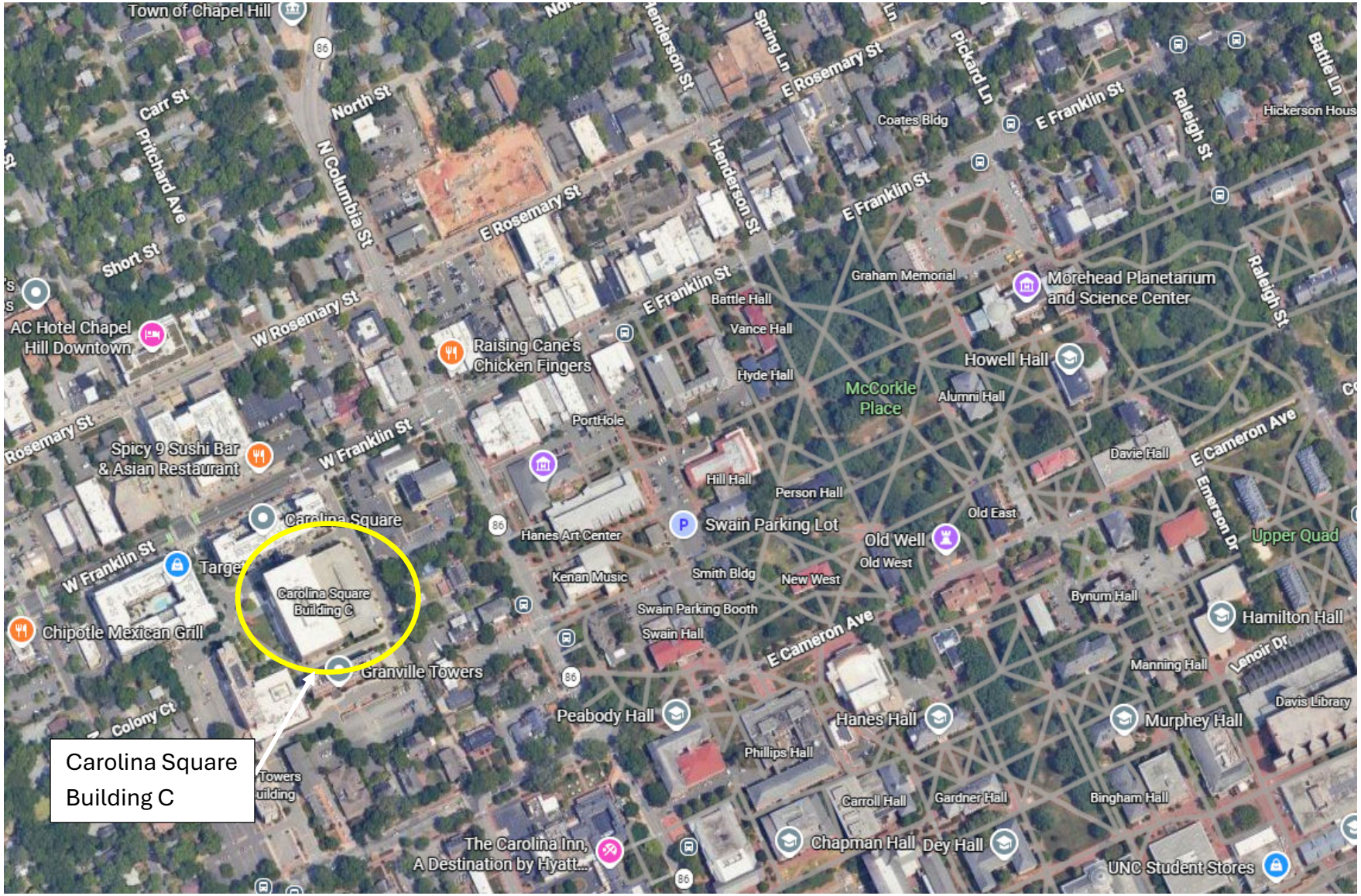
In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirements of your agency? If so, give details.

n/a

(Complete if Agency has a Governing Board.)
Action recommending the above request was taken by the Governing Board of **The UNC-CH Board of Trustees** and is recorded in the minutes thereof on **September 24, 2026** *(date)*.

Signature: _____
Title: **Chancellor, UNC-CH**

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



Location Map

AGENDA ITEM

A-9. Disposition of Property by Lease — PBS North Carolina..... Katherine Lynn

Situation: PBS North Carolina requests authorization to lease tower space to Verizon Wireless on the communications tower at 1468 Grandmother Mountain Road, Linville, North Carolina.

Background: PBS NC has leased space on the communications tower in Linville, North Carolina, to Verizon Wireless since 2016. The lease expired on August 31, 2026, and Verizon Wireless wishes to renew the lease for a 10-year term with an option to renew for an additional 10 years. The annual base rent in the first year is $39,000, with a 3% annual escalation rate.

Assessment: It is recommended that the Board approve the disposition of property by lease.

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

Disposition of Property by Lease — PBS North Carolina

ISSUE OVERVIEW

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

PBS North Carolina requests authorization to lease space to Verizon Wireless on the communications tower at 1468 Grandmother Mountain Road, Linville, North Carolina. The lease expired on August 31, 2026, and Verizon Wireless wishes to renew the lease for a 10-year term with an option to renew for an additional 10 years. The proposed annual base rent in the first year is $39,000, with a 3% annual escalation rate.

PBS NC has leased space on the communications tower in Linville, North Carolina, to Verizon Wireless for their communications equipment since 2016. The previous annual rent was $19,800 and has been increased so that the rate is similar to lease terms for another telecommunications provider at the same location. The communications tower is in good condition with no known required repairs or upgrades. The proposed lease terms reflect comparable market rates and support the continued relationship with a nationally recognized telecommunications provider.

RECOMMENDATION

It is recommended that the Board of Governors approve the disposition of property by lease to Verizon Wireless at the communications tower in Linville, North Carolina.