

October 19, 2023 at 10 a.m.
Via Videoconference and PBS North Carolina Livestream

AGENDA

- A-1. Approval of the Minutes of September 13, 2023Lee Roberts
- A-2. 2023-24 Operating Budget Allocations.....Jennifer Haygood
- A-3. Amend Section 1000.1.1 of the UNC Policy Manual, *Policy on Tuition Rates*Jennifer Haygood
- A-4. Amend Section 1100.1 of the UNC Policy Manual, *Intercollegiate Athletics*Jennifer Haygood
- A-5. 2023-24 NC Promise Tuition Plan Annual Report.....Jennifer Haygood
- A-6. 2023-24 State Capital and Infrastructure Fund (SCIF)
Repair and Renovations (R&R) Allocations..... Katherine Lynn
- A-7. Capital Improvement Projects Katherine Lynn
- A-8. Adjourn

Additional Information Available:

FY 2018-2023 Actual General Fund Expenditures and Revenues

DRAFT MINUTES

September 13, 2023 at 12:30 p.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Board Room (17th Floor)
Raleigh, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Lee Roberts. The following committee members, constituting a quorum, were also present in person: Jimmy Clark, Joel Ford, Reginald Holley, Mark Holton, and Terry Hutchens.

Chancellors participating were Karrie Dixon, Sharon Gaber, and Philip Rogers.

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

Committee Faculty Assembly Advisors present by phone included Carol Cain, Susan Harden, and Jim Westerman.

1. Approval of the Minutes of July 19, 2023 (Item A-1)

The chair called the meeting to order at 12:30 p.m. on Wednesday, September 13, 2023, and called for a motion to approve the minutes from the regular meetings of July 19, 2023.

MOTION: Resolved, that the Committee on Budget and Finance approve the regular meetings minutes of July 19, 2023, as distributed.

Motion: Reginald Holley

Motion carried

2. State Budget Update (Item A-2)

Senior Vice President Jennifer Haygood provided brief comments on the state budget given that the North Carolina General Assembly had not yet approved the 2023-24 conference budget. As previously authorized by the University of North Carolina Board of Governors, the committee would be ready to schedule a special meeting to approve budget allocations if a budget was enacted into law prior to the next Board meeting. The entire Board would be invited to participate.

This item was for information only.

3. Task Force on Pricing, Flexibility, and Affordability Update (Item A-3)

Mrs. Wendy Murphy gave an update from the Task Force on Pricing, Flexibility, and Affordability August 16 meeting. The task force received a progress report on the self-funded student health insurance implementation plan and began a discussion of debt service fees.

This item was for information only.

4. Enterprise Resource Planning (ERP) Total Cost of Ownership Study (Item A-4)

Over the summer, the University of North Carolina System Office engaged Deloitte to conduct a study of the total cost to replace the existing enterprise resource planning (ERP) technology at 14 institutions using Banner, the North Carolina School of Science and Mathematics, and the UNC System Office with a single-instance cloud-based ERP. The Deloitte team, Jim Kemp, Stacey Dula, and Cole Clark, presented an overview of the study, which found wide variation in business processes across institutions, a disparate landscape of redundant software systems, and limited access to reliable reporting and analytics. The study estimated a one-time total implementation cost of \$164.2 million over a six-year period.

This item was for information only.

5. 2024-25 Tuition and Fees Instructions (Item A-5)

Ms. Haygood presented the 2024-25 Tuition and Fees instructions that will be sent to the institutions. Resident undergraduate tuition will be held flat for an eighth straight year. While institutions may propose a fee increase if it is critical to maintaining core activities supported by the fee, the committee emphasized the expectation that institutions be circumspect in considering any proposed increases.

This item was for information only.

6. Establishment of For-Profit Associated Entity – University of North Carolina at Chapel Hill (Item A-6)

Vice President Brandy Andrews presented the University of North Carolina at Chapel Hill's request for authorization to establish a for-profit associated entity, "KFBSF Private Equity Fund V," to manage student investment funds as an educational program at the Kenan-Flagler School of Business. The establishment of this fund will continue to provide Master of Business Administration (MBA) and Bachelor of Science in Business Administration (BSBA) students with hands-on experience in operating a private investment fund.

MOTION: Resolved, that the Committee on Budget and Finance approve the establishment of a for-profit associated entity for the UNC-Chapel Hill and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Reginald Holley

Motion carried

7. Report on FY 2021 Facilities Inventory and Utilization Study (Item A-7)

Ms. Haygood gave a presentation on the FY 2021 Facilities Inventory and Utilization Study, which included the fall 2021 scheduling data of space utilization based on class hours of instruction and seat fill. The 2021 report was based on data that each campus reported on the institution's physical assets, including the age and condition of buildings.

The System Office has been working with its enterprise data office to accelerate the production of this report and anticipates presenting the FY2022 report in spring 2024.

This item was for information only.

8. Sale of Special Obligation Bonds – Appalachian State University (Item A-8)

Ms. Haygood presented Appalachian State University's request for authorization to issue special obligation bonds in an aggregate principal amount not to exceed \$10 million, plus an additional amount not to exceed 5 percent of such principal amount to finance the construction of App 105 Phase 3 – Women's Softball and Indoor Tennis project and pay costs incurred in connection with the issuance of the 2023 bond.

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

Motion: Jimmy Clark

Motion carried

9. Authorized Use of Special Obligation Bonds "Commercial Paper" – University of North Carolina at Chapel Hill (Item A-9)

Ms. Haygood presented a request to authorize the University of North Carolina at Chapel Hill to finance, under its existing commercial paper program, all or a portion of the costs of the capital improvement projects not to exceed \$54 million for the following projects: \$30 million for the Avery Residence Hall Renovation, \$9 million for the Bingham Hall Comprehensive Renovation, and \$15 million for the Chilled Water Infrastructure Expansion – Phase 1. The projects were previously approved by the Board of Governors and authorized by the North Carolina General Assembly under S.L. 2023-66 (H.B. 364).

MOTION: Resolved, that the Committee on Budget and Finance approve the use of special obligation bonds "Commercial Paper" at UNC-Chapel Hill not to exceed \$54 million for the three capital projects and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Reginald Holley

Motion carried

10. Alternative Construction Delivery Report (Item A-10)

Vice President Katherine Lynn explained to the committee that the alternative project delivery method report was a statutory requirement, and this was the first time the report had been submitted to the Board of Governors since the statute was changed. The UNC System Office asked for a change to the statute to allow the Board to adopt policies for reporting on the university projects. G.S. 143-133.1(a) requires specific information regarding the selection and award of capital projects awarded utilizing construction manager at risk, design-builder, public-private partnerships, and other alternative project delivery methods. By statute, these contracts are awarded using a qualifications-based selection process. The report included projects awarded between July 8, 2021, and June 30, 2023.

This item was for information only.

11. Capital Improvement Projects (Item A-11)

Ms. Lynn presented requests for three increased authorizations of capital improvement projects at East Carolina University, North Carolina School of Science and Mathematics, and the University of North Carolina at Pembroke. The capital improvement projects totaled approximately \$1.8 million. In compliance with G.S. 143C-8-13 (d), one chancellor's repairs and renovations project below \$600,000 was reported to the Board.

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

Motion: Reginald Holley

Motion carried

12. Acquisition of Property by Deed – Appalachian State University (A-12)

Ms. Lynn presented a request to authorize Appalachian State University to acquire property by deed of 15.5 acres located at 800 17th Street NW, Hickory, North Carolina. The property included a 225,800-square-foot building and a 700-car parking lot. The building will be a gift from the Board of Trustees of the Endowment Fund (BOTEF) of Appalachian State University.

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

Motion: Reginald Holley

Motion carried

13. 2022-23 Annual Report of the Committee on Budget and Finance (A-13)

Ms. Haygood presented the 2022-23 Annual Report of the Committee on Budget and Finance. 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. Ms. Haygood informed the committee that the report was ready for submission to the Board.

Motion: Resolved, that the Committee on Budget and Finance accept the report for submission to the full Board of Governors.

Motion: Reginald Holley

Motion carried

Lastly, Ms. Haygood announced the Higher Education Emergency Relief Funds (HEERF) expenditures through June 30, 2023, and University of North Carolina Quarterly Capital Project Report for October 1, 2023, were completed and available on BoardEffect.

14. Adjourn (Item A-14)

There being no further business and without objection, the meeting adjourned at 1:40 p.m.

Reginald Holley, Secretary

A-2. 2023-24 Operating Budget AllocationsJennifer Haygood

- Situation:** While most of the funding for each institution’s current operations budget comes in the base budgets approved by the North Carolina General Assembly, some funds for expansions and improvements are appropriated to the University of North Carolina Board of Governors for allocation to the institutions.
- Background:** By statute, the Board is directed to allocate such funds in accordance with its 2023-25 Budget Priorities and with any specifications in the 2023 Appropriations Act (S.L. 2023-134) and the Joint Conference Committee Report, dated September 20, 2023. The General Assembly also made appropriations and adjustments for designated programs in University Operations and Aid to Private Institutions.
- Assessment:** During the Long Session, the General Assembly approved the 2023-25 biennial budget, as enacted through the 2023 Appropriations Act (S.L. 2023-134). S.L. 2023-134 included significant investments in the University of North Carolina System. Delivery and execution of each of these investments will be the primary focus for the immediate future. The Systemwide priorities focus on budget adjustments critical to core operations helping advance the Strategic Plan.
- Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

**THE UNIVERSITY OF NORTH CAROLINA
2023-24 Operating Budget Allocations**

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2023-24 Operating Budget Allocations

This document includes recommended allocations for operating funding, as well as additional information about the 2023-24 budget. A comparison of the final enacted budget to the University of North Carolina Board of Governors budget priorities can be found in Appendix A.

It is recommended that the following proposed allocations for FY 2023-24 be approved, and that the president be authorized to make refinements in the interest of accuracy and completeness. It is also recommended that the president be authorized to seek such concurrence as may be required of the director of the budget in the allocation of budget priorities.

A. Recommended Allocations for Items Requiring Board Approval

Table 1 summarizes the operating allocations requiring Board of Governors approval. Following the table is a summary of the methodology for each allocation.

Table 1: 2023-24 Recommended Allocations

Institution	Performance-Weighted Enrollment Change Funding	Completion Assistance Program (NR)	Athletic Department Operating Support	Nursing Faculty – Salary Adjustments	Other	Total
App State	\$(1,189,804)	-	-	\$261,092	-	(\$928,712)
ECU	(5,800,657)	-	-	1,533,804	1,000,000	(3,266,853)
ECSU	719,373	66,744	1,000,000	-	-	1,786,117
FSU	(1,419,789)	242,562	1,000,000	403,630	-	226,403
N.C. A&T	(2,767,470)	477,883	1,000,000	232,385	-	(1,057,202)
NCCU	(1,854,443)	206,353	1,000,000	123,750	-	(524,340)
NC State	924,773	-	-	-	3,000,000	3,924,773
UNCA	(1,444,512)	68,088	1,000,000	-	-	(376,424)
UNC-CH	7,573,657	-	-	958,772	-	8,532,429
UNCC	(151,229)	-	-	678,315	-	527,086
UNCG	(3,560,173)	528,202	1,000,000	848,720	-	(1,183,251)
UNCP	(4,068,183)	217,328	1,000,000	224,460	-	(2,626,395)
UNCW	269,462	-	1,000,000	1,959,214	-	3,228,676
UNCSA	364,785	-	-	-	-	364,785
WCU	(1,342,882)	-	1,000,000	740,767	-	397,885
WSSU	(3,002,877)	192,840	1,000,000	546,640	-	(1,263,397)
NCSSM	35,991	-	-	-	-	35,991
System Office	-	-	-	-	5,600,000	5,600,000
UNC Health	-	-	-	-	59,000,000	59,000,000
Total	\$(16,713,978)	\$2,000,000	\$10,000,000	\$8,511,549	\$68,600,000	\$72,397,571

The amounts shown for Performance-Weighted Enrollment Change include both recurring and nonrecurring dollars. See Table 2 for more detail.

1. Performance-Weighted Enrollment Change Funding

Enrollment funding was reduced by \$52,472,417 recurring in response to lower enrollments at University of North Carolina institutions. The funding reduction was partially offset by increased appropriations for performance change and a cap on enrollment loss. The performance change funding is \$32,921,356 nonrecurring and based on each institution’s performance according to metrics related to student success, affordability, and productivity. The cap on enrollment loss funding of \$2,837,084 nonrecurring ensures that no institution experiences more than a 4.5 percent decline in its student credit hour enrollment factor over the past two years, as compared to its certified budget. The General Assembly made the appropriation to the UNC System Office, Institutional Programs (BOG Reserve). The UNC System based its enrollment funding request on actual credit hours completed in arrears. It is recommended that the enrollment change funding be allocated as shown in Table 2. *(Note: The General Assembly also appropriated \$60,000,000 recurring in 2024-25 to a reserve fund for education enrollment needs.)*

Table 2: 2023-24 Performance-Weighted Enrollment Change Funding

Institution	Recurring	Nonrecurring		Total
	Enrollment Change	Performance Change	Cap on Enrollment Loss	
App State	\$(1,518,851)	\$329,047	-	\$(1,189,804)
ECU	(8,366,492)	2,565,835	-	(5,800,657)
ECSU	291,781	427,592	-	719,373
FSU	(1,659,319)	239,530	-	(1,419,789)
N.C. A&T	(4,396,677)	1,629,206	-	(2,767,470)
NCCU	(2,445,568)	591,124	-	(1,854,443)
NC State	(6,583,499)	7,508,272	-	924,773
UNCA	(1,973,356)	44,206	484,639	(1,444,512)
UNC-CH	1,676,414	5,897,243	-	7,573,657
UNCC	(5,850,900)	5,699,671	-	(151,229)
UNCG	(8,307,585)	2,394,967	2,352,445	(3,560,173)
UNCP	(5,549,862)	1,481,679	-	(4,068,183)
UNCW	(2,033,965)	2,303,427	-	269,462
UNCSA	(118,925)	483,710	-	364,785
WCU	(2,515,744)	1,172,862	-	(1,342,882)
WSSU	(3,155,862)	152,985	-	(3,002,877)
NCSSM	35,991	-	-	35,991
Total	\$(52,472,417)	\$32,921,356	\$2,837,084	\$(16,713,978)

2. Completion Assistance Program

The General Assembly provided nonrecurring funds of \$2 million in receipts in each year of the biennium from the Escheats Fund for the Completion Assistance Programs at selected institutions. The funds will provide aid to students who are on track to graduate but at risk of dropping out because of financial shortfalls. The funds are allocated proportional to the number of in-state federal Pell Grant recipients at the selected institutions. It is recommended that these funds be allocated as shown in Table 3.

Table 3: FY 2023-24 Completion Assistance Program

Institution	Program Allocation (Nonrecurring)
ECSU	\$66,744
FSU	242,562
N.C. A&T	477,883
NCCU	206,353
UNCA	68,088
UNCG	528,202
UNCP	217,328
WSSU	192,840
Total	\$2,000,000

3. Athletic Department Operating Support

The General Assembly provided nonrecurring funds of \$10 million in FY 2023-24 and \$7 million in FY 2024-25 to the UNC Board of Governors to distribute equally among the selected institution athletic departments. The athletic departments of the selected institutions shall submit a plan to the President detailing the economic benefit to the institution and the service region that the athletics program provides. Upon approval of the submitted plan by the president, it is recommended that these funds be allocated as shown in Table 4.

Table 4: FY 2023-24 Athletic Department Operating Support

Institution	Program Allocation (Nonrecurring)
ECSU	\$1,000,000
FSU	1,000,000
N.C. A&T	1,000,000
NCCU	1,000,000
UNCA	1,000,000
UNCG	1,000,000
UNCP	1,000,000
UNCW	1,000,000
WCU	1,000,000
WSSU	1,000,000
Total	\$10,000,000

4. Nursing Faculty – Salary Adjustments

The General Assembly appropriated \$8,511,549 in recurring funds to provide across-the-board salary increases for nursing faculty. Nursing faculty starting pay shall be increased by an additional 10 percent and other nursing faculty may receive salary increases of up to 15 percent. The funds are allocated to institutions based upon the total number of nursing student credit hours at the institution. It is recommended that these funds be allocated as shown in Table 5.

Table 5: FY 2023-24 Nursing Faculty Salary Adjustment

Institution	Program Allocation (Recurring)
App State	\$261,092
ECU	1,533,804
FSU	403,630
N.C. A&T	232,385
NCCU	123,750
UNC-CH	958,772
UNCC	678,315
UNCG	848,720
UNCP	224,460
UNCW	1,959,214
WCU	740,767
WSSU	546,640
Total	\$8,511,549

5. University Cancer Research Fund

The General Assembly provided recurring funding of \$43.5 million to the University Cancer Research Fund to support cancer research at UNC Health and the Lineberger Comprehensive Cancer Center. The funding replaces receipts previously budgeted from tax collections on tobacco products. It is recommended that these funds be allocated as shown in Table 6.

Table 6: FY 2023-24 University Cancer Research Fund

Institution	Program Allocation (Recurring)
UNC Health	\$43,500,000

6. Rural Health Care Stabilization Program

The General Assembly provided nonrecurring funding of \$12.5 million in each year of the biennium to the UNC Board of Governors to allocated to the Rural Health Care Stabilization Program to provide loans to eligible hospitals in rural areas experiencing financial crisis. It is recommended that these funds be allocated as shown in Table 7.

Table 7: FY 2023-24 Rural Health Care Stabilization Program

Institution	Program Allocation (Nonrecurring)
UNC Health	\$12,500,000

7. Systemwide Cybersecurity

The General Assembly appropriated recurring funding of \$2.35 million and nonrecurring funding of \$3.25 million to the UNC Board of Governors for systemwide approach to central log management, network monitoring, endpoint detection and response, and other cybersecurity operational needs. It is recommended that these funds be allocated as shown in Table 8.

Table 8: FY 2023-24 Systemwide Cybersecurity

Institution	Program Allocation (Recurring)	Program Allocation (Nonrecurring)
UNC Board of Governors	\$2,350,000	\$3,250,000

8. Education and Workforce Training Opportunities for Individuals with Disabilities

The General Assembly appropriated recurring funding of \$3 million to the UNC Board of Governors to allocate to education, training, and workforce programs at NC State University for individuals with intellectual disabilities. North Carolina Central University will adopt the program developed by NC State and receive \$3 million in recurring funding beginning in FY 2024-25. It is recommended that these funds be allocated as shown in Table 9.

Table 9: FY 2023-24 Education and Workforce Training Opportunities for Individuals with Disabilities

Institution	Program Allocation (Recurring)
NC State	\$3,000,000

9. UNC Health Southeastern – Campbell University Residency Programs

The General Assembly provided nonrecurring funds of \$3 million in each year of the biennium to the UNC Board of Governors to allocate to UNC Health to support residency programs affiliated with Campbell University School of Medicine. It is recommended that these funds be allocated as shown in Table 10.

Table 10: FY 2023-24 Campbell University Residency Programs

Institution	Program Allocation (Nonrecurring)
UNC Health	\$3,000,000

10. NC New Teacher Support Program

The General Assembly provided recurring funds of \$1 million to the UNC Board of Governors to allocated to the North Carolina New Teacher Support Program at East Carolina University. The program assists beginning teachers through coaching and mentorship activities. It is recommended that these funds be allocated as shown in Table 11.

Table 11: FY 2023-24 NC New Teacher Support Program

Institution	Program Allocation (Recurring)
ECU	\$1,000,000

B. Budget Allocations Delegated to the President

1. Compensation Increase Reserve

The General Assembly appropriated \$139,371,162 in recurring funds for 2023-24 for a four percent across-the-board salary increase and recurring funds of \$241,897,638 in 2024-25 for an additional three percent increase for UNC System employees both subject to and exempt from the State Human Resources Act (SHRA and EHRA). Although funding for compensation was appropriated directly to the UNC System budget, the allocation will be approved by the Office of State Budget and Management based on actual employee salary data as of June 30, 2023. The recurring funds will impact the employee's base salary and retirement contributions.

2. Faculty Retention Fund

The General Assembly appropriated \$15 million in recurring funds to support the UNC faculty recruitment and retention fund.

3. State Retirement Contributions – TSERS Members

The General Assembly appropriated \$12,236,616 in recurring funds and \$16,686,295 in nonrecurring funds in FY 2023-24 and \$15,295,770 in recurring funds in FY 2024-25 to fund the actuarially determined contribution and retiree medical premiums. The funds also provide a one-time cost of living supplement of four percent to retirees.

4. State Retirement Contributions – ORP Members

The General Assembly appropriated \$5,500,400 in recurring funds and \$1,787,630 in nonrecurring funds to fund retiree medical premiums for members of the Optional Retirement Program (ORP).

5. State Health Plan

The General Assembly appropriated \$5,569,488 in recurring funds in FY 2023-24 and \$24,296,891 recurring in FY 2024-25 to support health benefit coverage for enrolled active employees supported by the General Fund.

6. UNC Laboratory Schools

The General Assembly cut the appropriation to the UNC Laboratory Schools program by \$500,000 recurring in proportion to the decrease in the number of laboratory schools in operation.

7. Health Care Workforce Programs Expansion – UNC Institutions

The General Assembly appropriated \$15 million in nonrecurring funds in FY 2023-24 and \$25 million in nonrecurring funds in FY2024-25 to the UNC Board of Governors to allocate to constituent institutions to support the development and expansion of health care related degree courses.

8. UNC Faculty Realignment Program

The General Assembly appropriated \$16.8 million in nonrecurring funds in FY 2023-24 to the UNC Board of Governors to implement the Faculty Realignment Program with priority given to institutions most impacted by changing enrollment patterns.

9. Rural Residency Medical Education and Training Fund

The General Assembly appropriated \$11.25 million in nonrecurring funds in FY 2023-24 and \$8 million recurring and \$4.25 million nonrecurring in FY 2024-25 to the UNC Board of Governors to establish the UNC System Medical Education and Training Fund. Funding provided for this purpose shall support

training and residency programs associated with ECU Health, UNC Health, and UNC System constituent institution medical schools and health affairs programs.

10. NC Care Clinically Integrated Network

The General Assembly appropriated \$10 million in nonrecurring funds to the UNC Board of Governors to allocate to UNC Health to form a clinically integrated network (CIN) with ECU Health. Funding provided for this purpose is intended to connect UNC Health and ECU Health providers and facilities under the same CIN in support of the NC Care initiative.

11. Distinguished Professors Endowment Trust Fund

The General Assembly appropriated \$5 million in nonrecurring funds in both years of the biennium to the Distinguished Professors Endowment Trust Fund to address the backlog in state funds needed to match private donations to establish endowed professorships.

12. Information Technology Rates

The General Assembly appropriated \$67,333 in recurring funds for the increase in the Department of Information Technology (DIT) rates based on the 2023-24 approved rate. These funds were appropriated to the UNC System Office, Institutional Programs (Board Reserve), and it is recommended that the president be authorized to make further allocations.

C. Appropriated Directly to Campuses and Other Entities

The General Assembly increased appropriations directly to several institutional budgets, which do not require Board allocation. These are described on the following pages, for information only.

1. UNC School of Government

The General Assembly reduced the funding for the UNC School of Government at UNC-Chapel Hill by \$2.5 million on a nonrecurring basis.

2. Water Safety Act of 2023

The General Assembly appropriated \$6 million recurring and \$20 million nonrecurring to the Collaboratory at UNC-Chapel Hill to fulfill the requirements of the Water Safety Act of 2023. The funds will be used to study per- and polyfluoroalkyl substances (PFAS) and other research.

3. Energy Research and Development Partnerships

The General Assembly appropriated \$15 million in nonrecurring funds to the Collaboratory at UNC-Chapel Hill to create academic research partnerships with North Carolina businesses that work in next-generation energy fields.

4. UNC-Chapel Hill Computer Science Program Expansion

The General Assembly appropriated \$7.5 million recurring and \$2.5 million nonrecurring to UNC-Chapel Hill to expand its computer science program to include applications in data science.

5. Opioid Remediation Research and Development

The General Assembly appropriated \$5.2 million in nonrecurring receipts in FY 2023-24 and \$5.5 million nonrecurring receipts in FY 2024-25 from the Opioid Abatement Trust Fund to the Collaboratory at UNC-Chapel Hill for competitive grants to UNC constituent institutions for opioid abatement research and development projects.

6. Artificial Intelligence Study

The General Assembly appropriated \$3.5 million in nonrecurring funds to the Collaboratory at UNC-Chapel Hill to study the use of artificial intelligence in improving nonconfidential patient information.

7. Digital Engineering Grants

The General Assembly appropriated \$2 million in recurring funds to the Collaboratory at UNC-Chapel Hill to distribute grants that support digital engineering activities at UNC constituent institutions.

8. School of Civic Life and Leadership

The General Assembly appropriated \$2 million in nonrecurring funds in both years of the biennium to provide academic startup funds to UNC-Chapel Hill to create and operate a new School of Civic Life and Leadership. Funding provided for this purpose shall support development of the school and the initial hiring of faculty and staff.

9. Recovery Court Study

The General Assembly appropriated \$300,000 in nonrecurring receipts from the Opioid Abatement Reserve to the Collaboratory at UNC-Chapel Hill to study existing judicially managed accountability and recovery courts and the potential for statewide implementation.

10. FerryMon Water Monitoring

The General Assembly appropriated \$170,000 in nonrecurring receipts in both years of the biennium from the State Emergency Response and Disaster Relief Fund (SERDRF) to the Collaboratory at UNC-Chapel Hill for the continuation of a ferry-based water quality monitoring system.

11. ModMon River Monitoring

The General Assembly appropriated \$160,000 in nonrecurring receipts in both years of the biennium from the SERDRF to the Collaboratory at UNC-Chapel Hill for the continuation of a water quality modeling and monitoring program in the Neuse River and Neuse River estuary.

12. Department of Health Sciences Provider Education and Training

The General Assembly appropriated \$2 million in nonrecurring receipts from the American Rescue Plan Act (ARPA) Temporary Savings Fund to the Department of Health Sciences in the UNC School of Medicine at UNC-Chapel Hill to support an expansion of health care provider education and training.

13. Team-Based Clinical Teaching Hubs

The General Assembly appropriated \$1 million in nonrecurring receipts from the ARPA Temporary Savings Fund in FY 2023-24 and \$1 million recurring appropriation in FY 2024-25 to the Area Health Education Centers (AHEC) at UNC-Chapel Hill to develop five outpatient team-based clinical teaching sites in rural areas of the state.

14. Engineering North Carolina's Future NC State

The General Assembly appropriated \$10 million in recurring funds to NC State for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.

15. Veterinary Medicine Class Size Expansion

The General Assembly appropriated \$5.5 million in recurring funds to NC State's College of Veterinary Medicine to increase class size from 100 to 125 students.

16. Small Business and Technology Development Center

The General Assembly appropriated \$1 million in recurring funds to the Small Business and Technology Development Center (SBTDC), which is administratively housed at NC State, to support additional positions at the SBTDC main and regional offices.

17. NC Clean Energy Technology Center

The General Assembly appropriated \$400,000 in nonrecurring funds to the NC Clean Energy Technology Center at NC State.

18. Green Industry Economic Impact Study

The General Assembly appropriated \$350,000 in nonrecurring funds to NC State's College of Agriculture and Life Sciences to study the statewide, regional, and county-level economic impact of the green industry in the state.

19. NC State Agricultural Research Platform

The General Assembly appropriated \$650,000 in recurring funds in FY 2023-24 and an additional \$350,000 recurring in FY 2024-25 to NC State to contract with SAS Institute for an agricultural research platform to enrich research initiatives and support future grant opportunities.

20. NC State Christmas Tree Genetics Program

The General Assembly appropriated \$150,000 in recurring funds to the Christmas Tree Genetics Program at NC State's College of Natural Resources.

21. North Carolina Future Farmers of America CTE Grants

The General Assembly appropriated \$2 million in nonrecurring funds in both years of the biennium to NC State for a grant to the North Carolina Association of Future Farmers of America Inc. (FFA). FFA shall administer grants to support agriculture education at middle and high school career and technical education (CTE) programs.

22. UNCG Scholastic Esports League

The General Assembly appropriated \$1.45 million recurring appropriation and \$7 million nonrecurring receipts from the State Fiscal Recovery Reserve in both years of the biennium to form the University of North Carolina at Greensboro Scholastic Esports Alliance, which will be a statewide esports league for North Carolina middle and high schools.

23. UNCG Information Technology Support

The General Assembly appropriated \$4 million nonrecurring receipts from the State Fiscal Recovery Reserve in both years of the biennium to UNCG for critical information technology infrastructure improvements.

24. Engineering North Carolina's Future UNC Charlotte

The General Assembly appropriated \$5 million in recurring funds to University of North Carolina at Charlotte for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.

25. Esports Programming Support

The General Assembly appropriated \$250,000 in nonrecurring funds in both years of the biennium to UNC Charlotte to support esports programming.

26. UNCW Research Programs in Critical Workforce Areas

The General Assembly appropriated \$8 million in recurring funds to University of North Carolina Wilmington to expand research programs in critical workforce areas. Funding provided for this purpose shall only be used to increase research expenditures and shall not supplant existing funds.

27. UNCW Comprehensive Transition Program Development

The General Assembly appropriated \$500,000 in recurring funds to UNCW to develop and operate a comprehensive transition program for students with intellectual disabilities.

28. ECU Primary Care Programs Expansion

The General Assembly appropriated \$6,126,102 in nonrecurring funds in FY 2023-24 and \$9,363,534 recurring appropriation and \$693,000 nonrecurring ARPA Temporary Savings Fund in FY 2024-25 to East Carolina University to support various health care degree programs. Funds shall be used to expand the Brody School of Medicine class size by 40 students, to increase the number of nursing degrees at the College of Nursing, to double the size of the physician assistant program, and to grow the services clinic under the health psychology doctoral program.

29. ECU Medical Examiner's Office Operating Funds

The General Assembly appropriated \$1 million in recurring funds to ECU to support the added operating costs associated with the replacement of an existing medical examiner's office.

30. N.C. A&T Premier Research Institution Funding

The General Assembly appropriated \$10 million recurring and \$5 million nonrecurring to North Carolina A&T State University to support its efforts to be recognized as a leading R1 research university as defined by the Carnegie Classification of Institutions of Higher Education. Funding provided for this purpose shall be used for programs, research faculty and staff, research expenditures, and building infrastructure.

31. N.C. A&T Agriculture Research and Extension

The General Assembly appropriated \$10,660,661 in recurring funds to N.C. A&T to support agriculture research and Cooperative Extension programs, which have a focus on small farmers and limited resource communities.

32. Engineering North Carolina's Future N.C. A&T

The General Assembly appropriated \$5 million in recurring funds to N.C. A&T for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.

33. N.C. A&T Agricultural Research Platform

The General Assembly appropriated \$1 million in recurring funds to N.C. A&T to contract with SAS Institute for an agricultural research platform to enrich research initiatives and support future grant opportunities.

34. N.C. A&T Center for Energy Research and Technology

The General Assembly appropriated \$200,000 in nonrecurring funds to N.C. A&T's Center for Energy Research and Technology.

35. WCU Engineering Expansion

The General Assembly appropriated \$3,500,000 in recurring funds to Western Carolina University to expand its College of Engineering and Technology to support robotics, energy, controls, and automation concentrations.

36. App State Hickory Campus Operating and Startup Funds

The General Assembly appropriated \$3,096,291 recurring appropriation and \$2,416,888 nonrecurring receipts in FY 2023-24 and \$4,714,830 recurring appropriation and \$1,477,752 nonrecurring receipts in FY 2024-25 to Appalachian State University to support the new Hickory Campus, including costs associated with building operation and academic instruction. The nonrecurring receipts are transferred from the State Fiscal Recovery Reserve.

37. App State Beaver College of Health Sciences

The General Assembly appropriated \$225,000 in nonrecurring receipts from the ARPA Temporary Savings Fund to App State's Beaver College of Health Sciences to purchase equipment.

38. App State Appalachian Energy Center

The General Assembly appropriated \$200,000 in nonrecurring funds to App State Appalachian Energy Center.

39. UNCP Health Sciences

The General Assembly appropriated \$10 million in nonrecurring receipts from the ARPA Temporary Savings Fund in both years of the biennium to University of North Carolina at Pembroke to provide support for new health care-oriented programs at UNCP to meet regional workforce demands.

40. NCCU Storm Damage Repairs

The General Assembly appropriated \$50,000 in nonrecurring receipts from the SERDRF to repair storm damage at NCCU.

41. NCSSM Dining, Housekeeping, and Security Services

The General Assembly appropriated \$1.5 million in recurring funds to NCSSM to improve dining services, hire housekeeping staff, and bolster security services.

42. NCSSM Storm Damage Repairs

The General Assembly appropriated \$264,000 in nonrecurring receipts from the SERDRF to repair storm damage at North Carolina School of Science and Mathematics.

43. Athletic Department Support from Sports and Horse Wagering Receipts

The General Assembly budgeted anticipated receipts from S.L. 2023-42, Sports Wagering/Horse Racing Wagering, to support the collegiate athletic departments for \$1,164,615 recurring each at App State, ECU, ECSU, FSU, N.C. A&T, NCCU, UNCA, UNC Charlotte, UNCG, UNCP, UNCW, WCU, and WSSU beginning in FY 2024-25.

44. State Education Assistance Authority and Aid to Private Institutions

The General Assembly appropriated funds to the North Carolina State Education Assistance Authority and to programs for private institutions. Descriptions of these items can be found in Appendix C.

Appendix A: FY 2023-25 Operating Budget Comparison

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
UNC Base Budget	3,338,170,416	3,338,147,695	3,338,170,416	3,338,147,695
UNC System Priorities				
Faculty Realignment (Retirement Incentive) Program	16,800,000 NR	-	16,800,000 NR	
UNC Performance-Weighted Enrollment Change <i>Note: \$60M has been reserved in FY25 for education enrollment adjustments.</i>	(16,713,978)	5,000,000	(52,472,417) 35,758,440 NR	(52,472,417)
Completion Assistance Programs ³	10,500,000	10,500,000	\$2M in receipts NR	\$2M in receipts NR
Cybersecurity ⁴	5,350,000 3,250,000 NR	5,350,000 -	2,350,000 \$3.25M in receipts NR	2,350,000
Distinguished Professorship Matching Funds ⁵	10,000,000 NR	10,000,000 NR	\$5M in receipts NR	\$5M in receipts NR
Total Recommended UNC System Priority Budget Changes	29,186,022	30,850,000	2,436,023	(50,122,417)
Faculty and Staff Salaries				
Conference budget includes a 4% across-the-board increase in FY23-24 and an additional 3% in FY24-25.	UNC System requests equity with State agencies and strongly supports Labor Market Adjustment Reserve funding.		139,371,162	241,897,638
Labor Market Salary Adjustment Reserve			-	-
Nursing Faculty - Salary Adjustments	-	-	8,511,549	8,511,549
State Retirement Contributions ⁶	-	-	17,737,016 1,787,630 NR \$16.7m in receipts NR	20,796,170
State Health Plan	-	-	5,569,488	24,296,891
UNC Institution-Specific Requests				
ECU- Growing Primary Care Workforce	5,433,107 693,000 NR	9,363,534 693,000 NR	\$6.1M in receipts NR	9,363,534 \$693k in receipts NR
N.C. A&T- Premier Research Institution Funding	10,000,000 5,000,000 NR	10,000,000	10,000,000 5,000,000 NR	10,000,000
N.C. A&T- Agriculture Research and Extension	10,660,611	10,660,611	10,660,661	10,660,661
UNCP- Health Sciences New Program Development	1,000,000 1,000,000 NR	1,000,000 1,000,000 NR	\$10M in receipts NR	\$10M in receipts NR
NCSU- Veterinary Medicine Class Size Expansion	5,500,000	5,500,000	5,500,000	5,500,000
UNCCH- Computer Science Program Expansion	7,500,000 2,500,000 NR	7,500,000 -	7,500,000 2,500,000 NR	7,500,000 -
UNCC- Data Science Program Expansion	3,000,000 3,000,000 NR	3,000,000 3,000,000 NR	- -	- -

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
UNCW- Critical Workforce Programs, Research, and Teaching	5,000,000	5,000,000	8,000,000	8,000,000
	3,000,000 NR	3,000,000 NR		
WCU- Expand Engineering to Meet Regional Industrial Needs	3,500,000	3,500,000	3,500,000	3,500,000
	3,500,000 NR			
ASU- Hickory Campus Building Reserves & Academic Start-Up ⁵	3,096,291	4,714,830	3,096,291	4,714,830
	2,416,888 NR	1,477,752 NR	\$2.4M in receipts NR	\$1.47M in receipts NR
ECU- Eastern NC Merit Scholarship Program	2,000,000	2,000,000	-	-
UNCG- Create Prosperity Scholars Program	5,000,000	5,000,000	-	-
UNCSA- Student Mental and Physical Health	1,000,000	1,000,000	\$1M from SCIF to UNCSA Foundation NR	-
NCSSM- Dining, Housekeeping, and Security Services	1,500,000	1,500,000	1,500,000	1,500,000
PBS NC- Audio/Video Production Systems	3,130,000 NR	-	-	-
Other UNC System Items				
Faculty Recruitment and Retention	-	-	15,000,000	15,000,000
UNC Laboratory Schools	-	-	(500,000)	(500,000)
University Cancer Research Fund	-	-	43,500,000	43,500,000
Healthcare Workforce Programs Expansion - UNC Institutions	-	-	\$15M in receipts NR	\$25M in receipts NR
Rural Health Care Stabilization Program	-	-	\$12.5M in receipts NR	\$12.5M in receipts NR
Rural Residency Medical Education and Training Fund	-	-	-	8,000,000
	-	-	\$11.25M in receipts NR	\$4.25M in receipts NR
Athletic Department Operating Support	-	-	10,000,000 NR	7,000,000 NR
Athletic Department Support from Sports Wagering Receipts				\$15.1M in receipts
NC Care Clinically Integrated Network	-	-	\$10M in receipts NR	
NCCU/NCSU - Education and Workforce Training Opportunities	-	-	3,000,000	6,000,000
UNC Health Southeastern - Campbell U. Residency Programs	-	-	\$3M in receipts NR	\$3M in receipts NR
New Teacher Support Program	-	-	1,000,000	1,000,000
Information Technology Rates	-	-	67,333	67,333
Children and Adolescent Mental Health Facility Planning Funds ¹⁰	-	-		
NC Care Community Hospitals ¹⁰	-	-		
UNCCH - School of Government	-	-	(2,500,000) NR	
UNCCH - Water Safety Act of 2023	-	-	6,000,000	6,000,000
	-	-	20,000,000 NR	
UNCCH - Energy Research and Development Partnerships	-	-	15,000,000 NR	
UNCCH - Opioid Remediation Research and Development ⁷	-	-	\$5.2M in receipts NR	\$5.5M in receipts NR
UNCCH - Artificial Intelligence Study			3,500,000 NR	
UNCCH - Digital Engineering Grants			2,000,000	2,000,000
UNCCH - School of Civic Life and Leadership	-	-	2,000,000 NR	2,000,000 NR

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
UNCCH - Recovery Court Study ⁷	-	-	\$300k in receipts NR	
UNCCH - FerryMon Water Monitoring ⁸	-	-	\$170k in receipts NR	\$170k in receipts NR
UNCCH - ModMon River Monitoring ⁸	-	-	\$160k in receipts NR	\$160k in receipts NR
UNCCH - Health Sciences Provider Education & Training			\$2M in receipts NR	
UNCCH - Gillings School of Global Public Health ¹⁰	-	-		
UNCCH - School of Law ¹⁰	-	-		
UNCCH AHEC - Team-Based Clinical Teaching Hubs	-	-	\$1M in receipts NR	1,000,000
NCSU - Engineering North Carolina's Future	-	-	10,000,000	10,000,000
NCSU - Small Business and Technology Development Center	-	-	1,000,000	1,000,000
NCSU - NC Clean Energy Technology Center	-	-	400,000 NR	
NCSU - Green Industry Economic Impact Study			350,000 NR	
NCSU - Agricultural Research Platform	-	-	650,000	1,000,000
NCSU - Christmas Tree Genetics Program	-	-	150,000	150,000
NCSU - North Carolina Future Farmers of America CTE Grants	-	-	2,000,000 NR	2,000,000 NR
UNCG - Scholastic Esports League ⁵	-	-	1,450,000	1,450,000
	-	-	\$7M in receipts NR	\$7M in receipts NR
UNCG - Information Technology Support ⁵	-	-	\$4M in receipts NR	\$4M in receipts NR
UNCC - Engineering North Carolina's Future	-	-	5,000,000	5,000,000
UNCC - Esports Programming Support	-	-	250,000 NR	250,000 NR
UNCW - Comprehensive Transition Program Development	-	-	500,000	500,000
ECU - Mobile Medical Outreach ¹⁰	-	-		
ECU - Medical Examiner's Office Operating Funds	-	-	1,000,000	1,000,000
N.C. A&T - Engineering North Carolina's Future	-	-	5,000,000	5,000,000
N.C. A&T - Agricultural Research Platform	-	-	1,000,000	1,000,000
N.C. A&T - Center for Energy Research and Technology	-	-	200,000 NR	
WCU - Mobile Medical Outreach ¹⁰	-	-		
ASU - Beaver College of Health Sciences	-	-	\$225k in receipts NR	
ASU - Appalachian Energy Center	-	-	200,000 NR	
NCSSM - Storm Damage Repairs ⁸			\$264k in receipts NR	
NCCU - Storm Damage Repairs ⁸			\$50k in receipts NR	
FSU - Risk Management School ⁹			\$2.5M in receipts NR	
Total Recurring Operating Changes	63,326,031	90,588,975	266,641,083	414,286,189
Total Nonrecurring Operating Changes	54,289,888	19,170,752	113,246,070	11,250,000
Total Recommended FY 23-25 UNC Budget	3,455,786,335	3,447,907,422	3,718,057,569	3,763,683,884
Total Percent Change	3.5%	3.3%	11.4%	12.7%

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
SEAA & Aid to Private Institutions Base Budget (Budget Codes 16012 & 16015)	467,548,175	483,548,175	467,548,175	483,548,175
Opportunity Scholarship Reserve	-	-	87,000,000	163,000,000
Opportunity Scholarship Program Award Funds ¹⁰				
Need-Base Assistance Program Technical Adjustment	-	-	1,237,500	1,237,500
Growing Health Care Workforce Grant to NCICU ¹⁰	-	-		
Longleaf Commitment Community College Grant Program ³	-	-	125,000 <i>\$12.4M in receipts</i>	125,000 <i>\$12.4M in receipts</i>
State Education Assistance Authority IT Enhancements ⁴	-	-	<i>\$15.6M in receipts NR</i>	<i>\$25.5M in receipts NR</i>
Children of Wartime Veterans Scholarship Transfer ³				2,669,504 <i>\$10.9M in receipts</i>
Children of Wartime Veterans Scholarship Administration ³	-	-		<i>\$150k in receipts</i>
North Carolina Need-Based Scholarship ¹⁰	-	-		
NCSSM/UNCSPA Tuition Grant Scale-up and Private Inst. Inclusion ¹⁰	-	-		
NCSSM/UNCSPA Tuition Grant Scale-up	-	-	1,550,000	3,600,000
Washington Center Internship Scholarship Program	-	-	250,000 NR	250,000 NR
Need-Based Scholarship for Public Colleges and Universities ³	-	-	(10,625,000) <i>\$10.6M in receipts</i>	(10,625,000) <i>\$10.6M in receipts</i>
Primary Care Providers and Psych. Forgivable Loan Program	-	-	<i>\$8M in receipts NR</i>	<i>\$8M in receipts NR</i>
Common Digital Transcript ⁴			<i>\$7M in receipts NR</i>	
High Point University Healthcare Start-up Funds	-	-	<i>\$1.5M in receipts NR</i>	
Total SEAA and Aid to Private Institutions	467,548,175	483,548,175	547,085,675	643,805,179

Note: 1) All items are recurring unless specified as nonrecurring.

2) All receipts supported items funded by ARPA Temporary Savings Fund unless otherwise noted.

3) Receipts budgeted from the Escheat Fund.

4) Receipts budgeted from the Information Technology Reserve.

5) Receipts budgeted from interest earned on State Fiscal Recovery Reserve.

6) Receipts budgeted from the Retiree Supplement Reserve.

7) Receipts budgeted from the Opioid Abatement Fund.

8) Receipts budgeted from the State Emergency Response and Disaster Relief Fund.

9) Receipts budgeted from the Regional Economic Development Reserve.

10) Item was included in either the House or Senate budget, but was not included in BOG Priorities or Conference budget.

Appendix B: UNC-Related Provisions Summary

Link to full bill text: [S.L.2023-134](#)

Section & Title		House Budget	Senate Budget	Conference Budget
<i>UNC Section</i>				
8.1	UNC/Escheats Fund for Student Financial Aid Programs	Requires the financial aid from the Escheat Fund to be allocated in accordance with G.S. 116-B7 and allows the principal of the Escheat Fund to be used for scholarships if the interest is insufficient provided the principal does not drop below the statutory amount. Requires the State Education Assistance Authority (SEAA) to conduct periodic evaluations of its financial aid programs and allows SEAA to make recommendations to the presidents of the UNC and Community College systems regarding the redistribution of unutilized funds.	Same as House Budget	Same as House Budget
8.2	UNC Building Reserve Study	Requires the BOG to report to the Joint Legislative Education Oversight Committee (JLEOC) and the Fiscal Research Division (FRD) by April 1, 2024 on the building reserve model. The report should include an analysis of the expenditures on operations and maintenance, number of full-time positions for building operations and maintenance, recurring expenditures generated by the current building reserve model.	Same as House Budget	Same as House Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.3	Completion Assistance Programs	Directs the BOG to establish the Completion Assistance Program at ECSU, FSU, N.C. A&T, NCCU, UNCA, and UNCP. Sets the maximum annual grant to students at \$5,000 and creates the eligibility requirements. Requires the BOG to report to the JLEOC by March 15, 2025 on the effect of the program on graduation rates and debt at graduation. Requires the BOG to allocate the funds for the program proportionately between the institutions based upon the number of undergraduate students enrolled at the institution that are NC residents and recipients of Pell Grants.	Directs the BOG to establish the Completion Assistance Program at ECSU, FSU, N.C. A&T, NCCU, UNCA, and UNCP. Sets the maximum annual grant to students at \$1,000 and creates the eligibility requirements. Requires the BOG to report to the JLEOC annually by March 15 on the effect of the program on graduation rates and debt at graduation. Requires the BOG to allocate the funds equally to the eligible institutions.	Directs the BOG to establish the Completion Assistance Program at ECSU, FSU, N.C. A&T, NCCU, UNCA, UNCG, UNCP, and WSSU. Sets the maximum annual grant to students at \$1,000 and creates the eligibility requirements. Requires the BOG to report to the JLEOC by March 15, 2025 on the effect of the program on graduation rates and debt at graduation. Requires the BOG to allocate the funds based upon the number of Pell Grant recipients at the eligible institutions.

Section & Title		House Budget	Senate Budget	Conference Budget
8.4	NC AHEC to Establish Team-Based Care Clinical Teaching Hubs and Study Impediments to the Availability of Community-Based Preceptors	Requires North Carolina Area Health Education Centers Program (NC AHEC) to contract with up to five rural community-based medical teaching practices for at least \$150,000 per teaching practice per year to establish and maintain up to five outpatient, clinical, team-based healthcare teaching sites across the rural areas of the State. NC AHEC may use up to \$250,000 in each year of the 2023-2025 fiscal biennium to study the availability of community preceptors in North Carolina and nearby states and the demand for those preceptors, including factors that influence the supply and barriers that community-based outpatient clinicians face in teaching healthcare professional students. NC AHEC shall provide a preliminary report of its findings to JLEOC and the Joint Legislative Oversight Committee by April 1, 2024 and a final report by September 1, 2024.	Not included	Same as House Budget
8.5	Establish the School of Civic Life and Leadership at the University of North Carolina at Chapel Hill	Directs the Board of Trustees at UNC Chapel Hill to establish the school and develop course curriculum. Directs UNC Chapel Hill to expend sufficient additional funds if the nonrecurring funds appropriated in the budget are insufficient. The Board of Trustees shall report to the JLEOC and FRD by March 15, 2024 on the progress made toward establishing the school and factors affecting the long-term sustainability of the school.	Same as House Budget	Same as House Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.6	Reduce Number of Required UNC Laboratory Schools from Nine to Eight	Reduces the number of required UNC laboratory schools from nine to eight.	Same as House Budget	Same as House Budget
8.7	Funds for Athletic Departments with Approved Plans to Provide Economic Benefits	Requires ESCU, FSU, N.C. A&T, NCCU, UNCA, UNCG, UNCP, UNCW, WCU, and WSSU to provide plans to the president of the UNC System on the economic benefit to the constituent institution and surrounding area of the institutions athletic department. If the president approves the plan, then the BOG shall allocate \$1,000,000 to the constituent institution to support its athletic department.	Not included	Same as House Budget
8.8	Educational Opportunities Pilot Program	Directs the BOG to establish the College of Educational Opportunities Pilot Program at NCCU and NCSU. The program will provide postsecondary educational opportunities to students with intellectual and developmental disabilities. The BOG shall report to the JLEOC by May 15, 2024 on the impact of the program including its effect on the performance of eligible students.	Not included	Directs the BOG to establish the College of Educational Opportunities Pilot Program at NCCU and NCSU. The program will provide postsecondary educational opportunities to students with intellectual and developmental disabilities. NCSU will receive \$3 million recurring in FY 2023-24 to begin the program and NCCU will receive \$3 million recurring in FY 2024-25 to adapt and operate the program. The BOG shall report to the JLEOC by May 15, 2024 on the impact of the program including its effect on the performance of eligible students.

Section & Title		House Budget	Senate Budget	Conference Budget
8.9	CTE Grants for Agriculture	Directs NCSU to use up to \$2M in Agricultural Extension funds to provide grants to the NC Future Farmers of America (FFA) program to fund career and technical education programs in middle or high schools. FFA shall prioritize public schools in low wealth counties and have a high population of at-risk or students with disabilities. FFA shall report to the JLEOC and FRD by December 15 on the outcomes of the grant program.	Not included	Directs NCSU to use up to \$2M in Agricultural Extension funds to provide grants to the NC Future Farmers of America (FFA) program to fund career and technical education programs in middle or high schools. FFA shall prioritize public schools in low wealth counties and have a high population of at-risk or students with disabilities. Funds shall not revert until June 30, 2025. FFA shall report to the JLEOC and FRD by December 15, 2024 on the outcomes of the grant program.
8.10	Board of Governors Study New Teacher Support Program/Elizabeth City State	Requires the BOG to submit a report to the JLEOC on the advisability and feasibility of incorporating additional constituent institutions, including ECSU, as administrators of the New Teacher Support Program.	Not included	Requires the BOG to submit a report to the JLEOC by December 15, 2023 on the advisability and feasibility of incorporating additional constituent institutions, including ECSU, as administrators of the New Teacher Support Program.

Section & Title		House Budget	Senate Budget	Conference Budget
8.11	Collaboratory Report on Recovery Court Study Results	Not included	Requires the Collaboratory to study existing Judicially Managed Accountability and Recovery Courts (JMARC) and by October 1, 2024 to report to the Joint Legislative Committees on Health and Human Services, Justice and Public Safety, and Education as well as the chairs of the House and Senate Appropriations Committees on Health and Human Services, Justice and Public Safety, and Education. The report shall include a summary of each JMARC's operating model and funding sources, an analysis of demand and capacity for each JMARC, a summary of need and local interest for additional JMARC, an analysis of the feasibility of JMARC operating across counties and judicial districts, and a proposed JMARC expansion plan including funding sources.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.12	Require Comprehensive Transition Postsecondary Programs Report and Establish CTP Program at UNCW	Not included	Requires the System Office to report annually by March 15 to the JLEOC on the impact of Comprehensive Transition Postsecondary (CTP) programs. The report shall include admissions requirements, the number of participants, and participant outcomes including credits earned toward a degree, diploma, or certificate and job placement data. Requires UNCW to establish a CTP program and report to the JLEOC and FRD by March 15, 2025. The report shall include progress towards establishing the program, admissions requirements, support services to be provided by the program including eligibility of participants to receive college credits, number of participants, estimated additional costs to provide scholarships to students, and whether the program has been approved by the US Department of Education and if not, the timeline for approval.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.13	Agriculture Analytics Platform Initiative <i>(formerly NC Plant Sciences Initiative)</i>	Not included	Requires N.C. A&T and NCSU to contract with SAS Institute, Inc. to establish or maintain a software platform to use data collection via in-field sensors to improve agricultural systems and profitability and to detect and respond to plant disease. N.C. A&T and NCSU shall report to the JLEOC by August 15, 2025 on the impact of the initiative. The report shall include the sustainability and profitability of agricultural systems in the State including any improved efficiencies, research grants secured by each constituent institution, students and faculty recruitment and retention, engagement and collaboration with private farmers, faculty research on agriculture, and collaboration between N.C. A&T and NCSU.	Senate Budget language but removes the references to the NC Plant Sciences Initiative
8.14	University of North Carolina System Faculty Realignment Incentive Program <i>(formerly University of North Carolina System Faculty Retirement Incentive Program)</i>	Not included	Establishes a faculty retirement incentive pilot program for full-time, tenured faculty who are at least 55 years old and retirement eligible. The payments and participation shall be at the discretion of constituent institutions. The payments shall be equivalent to the employee's prior year salary. The Board of Governors shall report to the JLEOC and FRD by December 1, 2024 and annually until all funds are expended on the number of faculty members that received funds through the program and the total amount paid by the program. The funds appropriated for the program shall not revert.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.15	Revise Postsecondary Attainment Goal Reporting Time	Not included	Changes the annual reporting date from September 1 to March 1 beginning March 1, 2024.	Same as Senate Budget
8.16	Water Safety Act of 2023	Not included	Directs the Collaboratory to used \$20M in nonrecurring funds to study aqueous film-forming foams (AFFF) containing per- and poly-fluoroalkyl substances (PFAS) used by state and local fire departments and describes the allowable uses of the funding. Directs the Collaboratory to use \$4M in recurring funds for a multiyear human exposure study related to PFAS in NC counties with higher than average exposure risks. Directs the Collaboratory to use \$2M in recurring funds for water-related research for emerging compounds, water quality improvements, and other research. Requires the Collaboratory to include the uses of the funds in its annual report. Allows the Collaboratory to negotiate data use, data management, and revenue sharing requirements for intellectual property developed using State funds. States that funds appropriated to the Collaboratory shall not revert.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.17	UNCW Research Programs in Critical Workforce Areas Funds and Report	Not included	Directs UNCW to use the appropriated funds to expand research programs in critical research areas to maintain its classification in the Carnegie Classification of Institutions of Higher Education as R2 – High Research Activity. Funds shall be used to expand relevant research programs and not supplant current funding. UNCW shall report by March 15, 2024 and annually thereafter to the JLEOC and FRD on the use of the funds. The report shall include a detailed explanation of how the funds are used including all expansions of research areas, all critical research areas at the university, the impact of the expansions of research areas, recommended actions to maintain R2 status or to improve to R1 - Very High Research Activity, and any other matter UNCW deems relevant.	Same as Senate Budget
8.18	Revise Distinguished Professors Endowment Trust Fund	Not included	Revises the authorizing language of the trust fund to focus the addition of new endowed professorships in STEM subject areas. Requires the BOG by December 15, 2024 and annually thereafter to provide the JLEOC a list of degree programs in STEM subject areas and the number of distinguished professorships at each constituent institution in each STEM subject area and to make the list available on the BOG website.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.19	Collaboratory Study Next-Generation Energy Research and Development	Not included	Directs the Collaboratory to establish partnerships with NC businesses working in the field of next-generation energy to perform research and development of new technologies. The funds allocated for this purpose shall not revert. The Collaboratory shall report to the JLEOC on its activities by March 15, 2024 and annually thereafter. The report shall include all academic research partnerships entered into, the research and development projects undertaken alone or via those partnerships, and the results of those projects.	Same as Senate Budget
8.20	Reallocation of Funds Between Patriot Star Family Scholarship Nonprofit Corporations	Not included	Not included	Directs the Marine Corps Scholarship Foundation to transfer any unencumbered funds remaining at the end of FY 2022-23 to the Patriot Foundation.
8.21	Green Industry Economic Impact Study/NCSU	Not included	Not included	Directs NCSU to consult with the Department of Agriculture and Consumer Services and The North Carolina Green Industry Council to study the economic impact of the green industry in North Carolina. NCSU shall report the results tot the Joint Legislative Committee on Agriculture and Natural and Economic Resources by January 15, 2025.
8.22	Clarify Definition of Eligible Private Institutions for Patriot Scholarship Programs	Not included	Not included	Makes changes to the definition of private institution.

Section & Title		House Budget	Senate Budget	Conference Budget
<i>UNC/SEAA Section</i>				
8A.1	Washington Center Internship Scholarship Program	Directs SEAA to establish the Washington Center Scholarship Program to provide scholarships to eligible students to pursue internships and workshops through the Washington Center. The BOG shall develop guidance for awarding academic credit for participation in the internships. SEAA shall report by March 1 of each year to the JLEOC and FRD on the implementation of the program including the number of participating students and amount awarded.	Not included	Directs SEAA to establish the Washington Center Scholarship Program to provide scholarships to eligible students to pursue internships and workshops through the Washington Center. The BOG shall develop guidance for awarding academic credit for participation in the internships by December 1, 2023. SEAA shall report by September 1, 2024 and annually thereafter to the JLEOC and FRD on the implementation of the program including the number of participating students and amount awarded.
8A.2	State Education Assistance Authority Disburse State's Scholarships for Children of Wartime Veterans	Moves the responsibility of disbursing the scholarships from the Department of Military and Veterans Affairs to SEAA.	Not included	Same as House Budget
8A.3	Expand Scholarships for High School Graduates of NCSSM and UNCSA to Attend Private Postsecondary Institutions Located in North Carolina	Expands the grant program from students attending UNC constituent institutions to include students attending private postsecondary institutions located in NC. Limits the amount of the scholarship for private institutions to the highest undergraduate resident tuition charged at an UNC constituent institution.	See below	Not Included

Section & Title		House Budget	Senate Budget	Conference Budget
8A.3	Permit NCSSM and UNCSA Tuition Scholarships to be Used for Summer Tuition and Establish Institutional Trust Fund	See above	Expands the allowable uses of the scholarships for NCSSM and UNCSA graduates attending a UNC constituent institution to pay for summer courses. Requires SEAA to establish an institutional trust fund for all funds appropriated for the tuition grants. Requires eligible students to complete the Free Application for Federal Student Aid (FAFSA) form.	Same as Senate Budget
8A.4	Revise Teaching Fellows Program	Expands the eligibility for the program by removing the requirement for teaching fellows to teach STEM or special education. Expands to program to each UNC constituent and requires the Teaching Fellows Commission to select four private postsecondary institutions with teacher preparation programs to participate in the teaching fellows program. Decreases the amount of time a scholarship recipient needs to work as a teacher in NC to receive loan forgiveness.	Not included	Expands the eligibility for the program by to include elementary education license areas. The North Carolina Teaching Fellows Commission shall select 10 public and private institutions with approved educator preparation programs to be in the program. Increases the amount per semester of the forgivable loan. Decreases the amount of time a scholarship recipient needs to work as a teacher in NC to receive loan forgiveness.
8A.5	Revise Selection Criteria for Principal Fellows Program	Increases the number of recipients and requires that two recipients shall be private postsecondary institutions operating directly or through a consortium.	Not included	Not Included
8A.6	Expand Eligibility and Revise Administration for Opportunity Scholarships	Expands eligibility for the scholarship program and requires that the parent of recipient be domiciled in NC at least six months prior to the scholarship award. Increases the amount of funds in the Grant Reserve Fund for fiscal years 2025-26 through 2031-32.	See below	Not Included

	Section & Title	House Budget	Senate Budget	Conference Budget
8A.6	Expand Eligibility for Opportunity Scholarships, Require a Sequence of Courses for Early High School Graduation, and Establish the Early Graduate Scholarship Program	See above	Expands eligibility for the Opportunity Scholarship Program. Requires SEAA to set up a system to verify that the domicile requirements are met. Requires SEAA to submit a report to JLEOC and FRD by April 1 of any fiscal year in which the SEAA uses funds from the Opportunity Scholarship Grant Fund Reserve. The report shall include the methodology used by SEAA for determining awards for the school year, number of eligible students and amount of scholarship grants received by eligible students, amount of funds used from the Reserve, and any legislative recommendations. Allows SEAA to use up to 30% of the unencumbered cash balance in the Reserve if appropriated funds are insufficient to award scholarship grants. Removes the family income limits on eligibility for the scholarships beginning with the 2024-25 school year. Increases the amount of funds in the Grant Reserve Fund for fiscal years 2025-26 through 2031-32. Establishes the Early Graduate Scholarship Program and requires SEAA to report to JLEOC by December 1, 2026 and annually thereafter on the dollar amount of awards disbursed, number of eligible students	Expands eligibility for the Opportunity Scholarship Program. Adds a new definition of eligible student. Allows for grants to students who attend any nonpublic school on full time or part time basis. Requires SEAA to set up a system to verify that the domicile requirements are met. Makes changes to the testing requirements of schools receiving scholarship funds. Makes changes to existing reporting requirements. Requires SEAA to submit a report to JLEOC and FRD by April 1 of any fiscal year in which the SEAA uses funds from the Opportunity Scholarship Grant Fund Reserve. The report shall include the methodology used by SEAA for determining awards for the school year, number of eligible students and amount of scholarship grants received by eligible students, amount of funds used from the Reserve, and any legislative recommendations. Allows SEAA to use up to 30% of the unencumbered cash balance in the Reserve if appropriated funds are insufficient to award scholarship grants. Removes the family income limits on eligibility for the scholarships beginning with the 2024-25 school year. Increases the amount of funds in the Grant Reserve Fund

Section & Title		House Budget	Senate Budget	Conference Budget
8A.7	Longleaf Commitment Community College Grant Program	Establishes the Longleaf Commitment Community College Grant Program to award grants to eligible high school graduates for tuition and fees at community college. Requires SEAA to report annually to JLEOC on the implementation of the program by September 1, 2024.	Not included	Establishes the Longleaf Commitment Community College Grant Program to award grants to eligible high school graduates for tuition and fees at community college. Eligibility requirements include an expected family contribution of below \$15,000. Sets the minimum annual grant amount at \$700 and the maximum at \$2,800. Requires SEAA to report annually to JLEOC on recommendations for a permanent community college grant program based upon the goals of the Longleaf commitment Grant program by March 15, 2024 and on the implementation of the program by September 1, 2024.
8A.8	Remove Requirement for Opportunity Scholarship Programs Evaluations	Removes the requirement that schools receiving opportunity scholarship funds submit testing data to SEAA.	Not included	Not Included
8A.9	Conform SEAA Requirements with Federal Changes to FAFSA Simplification Act	Makes conforming changes to State law to match federal changes to FAFSA.	Not included	Same as House Budget
8A.10	Conform In-State Tuition for Military-Related Individuals to Federal Law	Makes conforming changes to State law to match federal law.	Same as House Budget	Same as House Budget
8A.11	Allow Preapproval of PESA Expenses in Lieu of Expense Reports, as Recommended by the Internal Auditor	Allows for preapproval of certain expenses and removes the requirement for an expense report for any preapproved expenses.	Same as House Budget	Same as House Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8A.12	Allow Cash Basis Accounting for Schools Participating in the Opportunity Scholarship Program	Allows schools participating in the Opportunity Scholarship Program to use cash basis accounting.	Not included	Same as House Budget
8A.13	Personal Education Student Account Unexpended Funds to Establish an Institutional Trust Fund	Not included	Requires SEAA to establish an institutional trust fund for any unexpended funds for the program. The fund may accrue a balance of up to \$10M. The funds shall be used to award scholarships in any year in which the number of eligible students exceeds the appropriated amount. SEAA shall report to the JLEOC and FRD by April 1 in any year in which funds were spent from the institutional trust fund. The report shall include the methodology for determining awards, number of eligible students, amount of scholarship funds received by students, amount of funds used to fully fund the awards, and legislative recommendations.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8A.14	Primary Care Medicine and Psychiatry Targeted Assistance Program (formerly PCP and Psychiatrists Forgivable Loan Program)	Not included	Establishes a forgivable loan program administered by SEAA for medical students who agree to practice as primary care providers or psychiatrists in eligible counties. The loans shall be for \$25,000 per academic year up to \$100,000. The loans shall be forgiven at a rate of \$25,000 per year for each year the physician practices in an eligible county up to \$100,000. SEAA shall report to the JLEOC and Joint Legislative Oversight Committee on Health and Human Services by December 1, 2025 and annually thereafter. The report shall include information on the forgivable loans awarded, placement rates, repayment rates, and recommendations to improve the program.	Same as Senate Budget with technical changes
8A.15	Common Digital Transcript	Not included	Not included	Requires SEAA to consult with Department of Public Instruction, the Community Colleges System Office, and The University of North Carolina System Office and shall contract with the College Foundation, Inc., to design, develop, and maintain a common digital transcript for students enrolled in eligible public education entities. SEAA shall report by March 15, 2024 to JLEOC on additional steps necessary for completion and any additional costs.
8A.16	Revise Reporting Requirements for SEAA and DNPE	Not included	Not included	Makes changes to various reporting requirements and dates.

Section & Title		House Budget	Senate Budget	Conference Budget
8A.17	Allow the Authority to Use Administrative Funds from Opportunity Scholarships for Personal Education Student Accounts	Not included	Not included	Allows SEAA to use funds set aside for the administrative costs of the Opportunity Scholarship Program if the actual costs of administering the Personal Education Student Accounts for Children with Disabilities Program exceed the funds authorized for administration.
Salaries and Benefits				
39.2	Labor Market Adjustment Reserve Note: House budget does not include LMAR funding for UNC. Senate budget includes \$15M.	Sets requirements for adjustments using funds from the Labor Market Adjustment Reserve including a maximum increase of \$15,000 or 15% of current base salary and no more than 25% of an agency's employees may receive an increase from the reserve. The Director of the Budget may adjust a State agency's budgeted receipts to provide an equivalent 1% Labor Market Adjustment Salary Reserve for FY 23-25.	Sets requirements for adjustments using funds from the Labor Market Adjustment Reserve including a maximum increase of \$15,000 or 15% of current base salary and no more than 25% of an agency's employees may receive an increase from the reserve. The Director of the Budget may adjust a State agency's budgeted receipts to provide an equivalent 2% Labor Market Adjustment Salary Reserve for FY 23-25.	UNC System was not appropriated any funding from the Labor Market Adjustment Reserve.
39.3	State Agency Hiring, Pay and Classification Flexibility Pilot During 2023-25 Biennium <i>(formerly State Agency Hiring, Pay and Classification Flexibility)</i>	Authorizes the UNC system to classify positions according to the classification system established by the State Human Resources Commission (SHRC) and set salaries within the salary ranges established by the SHRC.	Not included	For the FY 2023-25 biennium, authorizes the UNC system to classify positions according to the classification system established by the State Human Resources Commission (SHRC) and set salaries within the salary ranges established by the SHRC.
39.14	The University of North Carolina	Provides a 4.25% salary increase to all UNC employees on July 1, 2023 and a 3.25% salary increase on July 1, 2024.	Provides a 2.5% salary increase to all UNC employees on July 1, 2023 and a 2.5% salary increase on July 1, 2024.	Provides a 4% salary increase to all UNC employees on July 1, 2023 and a 3% salary increase on July 1, 2024.
39.23	Other Salary Adjustments/UNC & Community College Nursing Faculty	Not included	Requires that starting pay for nursing faculty at UNC constituent institutions receive a salary increase of at least 10% effective July 1, 2023. Limits salary increases for nursing faculty to 15%.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
39.24	Mitigate Bonus Leave	Allows State agencies including UNC System Office and institutions to offer employees the opportunity to cash in bonus leave benefits. Requires a report to FRD by September 1, 2024 on the position characteristics of the employees participating in the program.	Allows State agencies including UNC System Office and institutions to offer employees the opportunity to cash in bonus leave benefits. Requires a report to FRD by March 1, 2025 on the position characteristics of the employees participating in the program.	Same as Senate Budget
39.26	Salary-Related Contributions	Sets the State's employer contribution rates for retirement and related benefits based on funding levels included in the House budget	Sets the State's employer contribution rates for retirement and related benefits based on funding levels included in the Senate budget	Sets the State's employer contribution rates for retirement and related benefits based on funding levels included in the Conference budget

Section & Title		House Budget	Senate Budget	Conference Budget
Capital				
40.1	Capital Improvement & Repairs and Renovations Appropriations	Assigns the project codes for named capital improvement and R&R projects and authorizes the funding in the committee report. Sets a limit of \$15M for any single R&R project not listed in Section 40.1(d) of SL 2021-180. Requires NCSU to provide \$50M in from non-State sources by Dec. 31, 2024, to match the \$70M in State appropriations for the Veterinary Hospital project and requires NCSU to deposit \$25M with OSBM before the letting of construction and design contracts. Requires UNCW to provide \$4,450,000 from non-State sources by Dec. 31, 2025, to match the \$40M in State appropriations for the Cameron Hall project. Requires UNCW to provide \$2.4M from non-State sources by Dec. 31, 2025, to match the \$21.6M in State appropriations for the Kenan Auditorium project. Requires the BOG to allocate funds to the athletic departments of ESCU, FSU, N.C. A&T, NCCU, UNCA, UNCG, UNCP, UNCW, WCU, and WSSU upon submission of plans to utilize the funds for capital improvements to intercollegiate athletic facilities.	Assigns the project codes for named capital improvement and R&R projects and authorizes the funding in the committee report. Sets a limit of \$15M for any single R&R project not listed in Section 40.1(d) of SL 2021-180. Requires UNCW to provide \$4,450,000 from non-State sources by Dec. 31, 2025, to match the \$40M in State appropriations for the Cameron Hall project. Requires UNCW to provide \$2.4M from non-State sources by Dec. 31, 2025, to match the \$21.6M in State appropriations for the Kenan Auditorium project. Extends the maximum length of the System Office lease in Raleigh from four to five years.	Assigns the project codes for named capital improvement and R&R projects and authorizes the funding in the committee report. Sets a limit of \$15M for any single R&R project not listed in Section 40.1(d) of SL 2021-180. Allows the BOG to reallocate funds provided the funds are still used for repairs and renovations. Allows ECSU to use up to \$1.5 million to renovate the chancellor's residence. Requires NCSU to provide \$50M in from non-State sources by Dec. 31, 2024, to match the \$70M in State appropriations for the Veterinary Hospital project and requires NCSU to deposit \$25M with OSBM before the letting of construction and design contracts. Requires UNCW to provide \$4,450,000 from non-State sources by Dec. 31, 2025, to match the \$40M in State appropriations for the Cameron Hall project. Requires UNCW to provide \$2.4M from non-State sources by Dec. 31, 2025, to match the \$21.6M in State appropriations for the Kenan Auditorium project. Extends the maximum length of the System Office lease in Raleigh from four to five years. Increases the maximum authorization for UNC-CH's Business School from \$150M to \$194,250,000. Requires NCSU to use project
40.2	Six Year Intended Project Allocation Schedule	Sets the House's intended capital improvement projects and cash flow for projects funded through the State Capital and Infrastructure Fund through FY 2028-29.	Sets the Senate's intended capital improvement projects and cash flow for projects funded through the State Capital and Infrastructure Fund through FY 2028-29.	Sets the Conference intended capital improvement projects and cash flow for projects funded through the State Capital and Infrastructure Fund through FY 2028-29.

Section & Title		House Budget	Senate Budget	Conference Budget
40.5	Various Capital Changes	Not included	Increases the non-State funds UNCCH must commit to the new business school building from \$75M to \$97M and decreases the intended match of State funds from \$75M to \$53M.	Clarifies the requirement that funds unspent and unencumbered upon completion of a project revert to the State Capital and Infrastructure Fund includes any allocation from the fund to the UNC System.
<i>Other UNC-Related Sections</i>				
2.1	General Fund Appropriations	Includes budget code specific appropriations.	Same as House Budget	Same as House Budget
2.2	General Fund Availability	Directs the State Controller to transfer \$15M from the Information Technology Reserve to UNC.	Directs the State Controller to transfer \$330k in each year of the biennium from the State Emergency Response and Disaster Relief Fund to UNCCH. Establishes the NCInnovation Reserve to make funds available for NCInnovation, Inc. and directs the State Controller to transfer \$1.425 billion for the Reserve.	Directs the State Controller to transfer \$3,250,000 from the Information Technology Reserve to UNC for cybersecurity and \$48,140,000 from the Reserve to SEAA information technology enhancements. Directs the State Controller to transfer \$330k in each year of the biennium from the State Emergency Response and Disaster Relief Fund to UNCCH, \$264,000 in FY 2023-24 to NCSSM, and \$50,000 in FY 2023-24 to NCCU. Establishes the NCInnovation Reserve to make funds available for NCInnovation, Inc. and directs the State Controller to transfer \$500 million for the Reserve to the Department of Commerce.

Section & Title		House Budget	Senate Budget	Conference Budget
4.9	American Rescue Plan Act (ARPA) Temporary Savings Fund	Appropriates the funds from the ARPA Temporary Savings Fund and states the funds shall not revert.	Appropriates the funds from the ARPA Temporary Savings Fund and states the funds shall not revert. Beginning October 1, 2024 and annually thereafter, requires agencies receiving funds to report to FRD on the use of the appropriated funds. Allows agencies to use up to five percent of the ARPA funds for administration except for capital projects.	Appropriates the funds from the ARPA Temporary Savings Fund and states the funds shall not revert. Creates a prioritization list for the disbursement schedule of ARPA funds for biennium. Allows agencies to use the lessor of up to five percent or \$1,000,000 of the ARPA funds for administration except for capital projects. Beginning October 1, 2024 and annually thereafter, requires agencies receiving funds to report to FRD on the use of the appropriated funds. The report shall include how the funds were spent and the amount remaining.
4.10	Clarification of the Authority of the University of North Carolina Health Care System and East Carolina University Health Care System with Respect to Operations and Personnel Flexibilities	Not included	Makes significant structural changes to the governance structures of UNC Health and ECU Health.	Makes significant structural changes to the governance structures of UNC Health and ECU Health. By April 1, 2024, and every six months thereafter, ECU Health and the University of North Carolina Health Care System shall jointly report to the Senate Committee on Appropriations/Base Budget, the House Appropriations Committee, and FRD regarding the NC Care initiative.
5.6(a)	Disaster Relief and Recovery/Mitigation/Resiliency	Directs the State Controller to transfer \$3,739,701 in remaining funds from the 2018 Hurricane Florence Disaster Recovery Act from UNC.	Directs the State Controller to transfer \$3,739,701 in remaining funds from the 2018 Hurricane Florence Disaster Recovery Act from UNC. Allocates \$340k in each year of the biennium to the Collaboratory for the FerryMon Program. Allocates \$320k in each year of the biennium to the Collaboratory for the ModMon Program.	Directs the State Controller to transfer \$1,984,499 in remaining funds from the 2018 Hurricane Florence Disaster Recovery Act from UNC. Allocates \$340k in each year of the biennium to the Collaboratory for the FerryMon Program. Allocates \$320k in each year of the biennium to the Collaboratory for the ModMon Program. Allocates \$264,000 to NCSSM and \$50,000 to NCCU for storm damage mitigation.

Section & Title		House Budget	Senate Budget	Conference Budget
5.7	State Budget Act/Funds Carryforward	Adds a definition of carryforward funds to the State Budget Act. Restricts expenditures of carryforward funds to the purpose for which they were carried forward. Restricts carryforward funds from being transferred out of the General Fund. Funds carried forward shall revert at the end of the fiscal year.	Adds a definition of carryforward funds to the State Budget Act. Restricts expenditures of carryforward funds to the purpose for which they were carried forward. Funds carried forward shall revert at the end of the fiscal year.	Same as Senate Budget
5.8	Medical Freedom/COVID-19 Vaccinations	Bans the UNC System from requiring students to provide proof of COVID-19 vaccinations.	Same as House Budget	Same as House Budget
7.9	Opportunity Gap Task Force	Creates the Opportunity Gap Task Force and makes the President of the University System a member.	Not included	Not Included
7.16	Standards Advisory Commission	Creates the Standard Course of Study Advisory Commission and makes the President of the University System a member.	Not included	Not Included
7.64	Prohibition Against "Three-Cueing"	Not included	Requires that chancellors at institutions with lab schools ensure that the three-cueing model of reading instruction is not taught to students grades kindergarten through three.	Same as Senate Budget
9G.8	Use of Opioid Settlement Funds	Not included	Directs the Collaboratory to use appropriated funds to study judicially managed accountability and recovery courts. Appropriates funds to the Collaboratory to make competitive grants available to constituent institutions for opioid abatement research and development projects.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
11.9	NCInnovation	Not included	Establishes NCInnovation, Inc. and provides funds to develop a network of regional innovation hubs, incentivize applied research opportunities, support the commercial growth and scale of emerging technologies, promote the welfare of the people of the State, maximize the economic growth in the State. NCInnovation may consult with the Collaboratory for any duties requiring the distribution of State funds and the Collaboratory shall manage the distributions. NCInnovation shall assist in targeting applied scientific research conducted by universities.	Same as Senate Budget
33.4	DMVA/Children of Veterans' Scholarships	Requires a student receiving the scholarship to maintain a 2.0 grade point average.	Same as House Budget	Same as House Budget
43.8	Effective Date	Legislative is effective July 1, 2023.	Same as House Budget	Same as House Budget

The 2023 General Assembly appropriated funds for the following programs. The funds were appropriated directly to the State Education Assistance Authority (Budget Code 16012) and Aid to Private Institutions (Budget Code 16015).

1. Opportunity Scholarship Grant Fund Reserve

The General Assembly appropriated additional recurring funding of \$87,000,000 in FY 2023-24 and \$163,000,000 recurring in FY 2024-25 for the Opportunity Scholarship Grant Fund Reserve to support awards for Opportunity Scholarship recipients.

2. State Education Assistance Authority IT Enhancements

The General Assembly appropriated \$15,622,000 in nonrecurring receipts in FY 2023-24 and \$25,518,000 nonrecurring receipts in FY 2024-25 from the IT Reserve to the North Carolina State Education Assistance Authority (NCSEAA) for upgrades of its K-12 grant system and to offer Free Application for Federal Student Aid (FAFSA) completion tracking for private schools.

3. Children of Wartime Veterans Scholarship Transfer

The General Assembly adjusted the budget to reflect the transfer of funds appropriated from the General Fund and the Escheat Fund for scholarships for children of wartime veterans to NCSEAA for program administration in 2024-25.

4. Children of Wartime Veterans Scholarship Administrative Cost

Budgets receipts from the Escheat Fund to offset a reduction in General Fund appropriations for scholarships resulting from the NCSEAA's authorized use of \$150,000 for administrative costs in 2024-25.

5. Longleaf Commitment Community College Grant Program

The General Assembly appropriated \$12,375,000 in recurring escheat receipts and \$125,000 recurring funding for the Longleaf Commitment community college grant program, which provides need-based financial aid to high school graduates who attend a North Carolina community college. Funding provided for this purpose this biennium shall be used to support the high school class of 2023.

6. Primary Care Providers and Psychiatrists Forgivable Loan Program

The General Assembly appropriated \$8,000,000 in nonrecurring receipts from the American Rescue Plan Act (ARPA) Temporary Savings Fund in both years of the biennium for a new forgivable education loan program for medical students who go on to practice primary care medicine or psychiatry in eligible counties.

7. Common Digital Transcript

The General Assembly appropriated \$7,000,000 in nonrecurring receipts from the IT Reserve to NCSEAA to contract with the College Foundation Inc. to create a common digital transcript between public school units, community colleges, and UNC constituent institutions.

8. NCSSM and UNCSA Tuition Grant Scale-up

The General Assembly appropriated \$1,550,000 in recurring funding in FY 2023-24 and an additional \$2,050,000 recurring in FY 2024-25 to NCSEAA to support tuition grants for students graduating from

North Carolina School of Science and Mathematics (NCSSM) and University of North Carolina School of the Arts (UNCSA) who attend a UNC constituent institution.

9. Need-Based Scholarship for Public Colleges and Universities Fund Source

The General Assembly switched the funding source for \$10,625,000 from appropriations to receipts from the Escheat Fund that go to the Need-Based Scholarship for Public Colleges and Universities.

10. Need-Based Scholarship Program for Public Colleges and Universities Technical Adjustment

The General Assembly appropriated \$1,237,500 in recurring funds to complete the consolidation of need-based assistance programs for the UNC System and North Carolina Community College System.

11. Washington Center Internship Scholarship Program

The General Assembly appropriated \$250,000 in nonrecurring funds to provide scholarships to students attending UNC constituent institutions to participate in the internship program through the Washington Center.

12. High Point University Health Care Start-up Funds

The General Assembly appropriated \$1,500,000 nonrecurring in ARPA Temporary Savings Fund to provide a grant to High Point University to support new health care-oriented programs to meet regional workforce demands.

AGENDA ITEM

A-3. Amend Section 1000.1.1 of the UNC Policy Manual, *Policy on Tuition Rates*.....Jennifer Haygood

Situation: In November 2021, the University of North Carolina Board of Governors Committee on Budget and Finance adopted the Task Force on Pricing, Flexibility, and Affordability’s recommendation that the president develop, via regulation, a common methodology for estimating the total Cost of Attendance. In order to implement this regulation, a change to Section 1000.1.1 of the UNC Policy Manual is necessary.

Background: The Task Force on Pricing, Flexibility, and Affordability was appointed to undertake a strategic review of tuition and fee policies and identify whether there are reforms that could improve our ability to better serve the interests of our students, taxpayers, and universities. Through this work, the Task force recommended establishing a common methodology to calculate Cost of Attendance budgets.

In Summer 2023, the Cost of Attendance Working Group worked diligently to review institutions’ current methods for calculating Cost of Attendance, hear from other states on how they collect data for Cost of Attendance calculations, and examine available administrative data at the institution and System levels. Together, they developed a proposed regulation that provides consistency in the methodology used to define and calculate Cost of Attendance for all University of North Carolina System universities. While expenses may vary across institutions due to regional economics and other factors, the Cost of Attendance budget should provide students with a projection of “reasonable and realistic” expenses for attendance. A change to Section 1000.1.1 of the UNC Policy Manual is necessary to implement this regulation.

Assessment: The Committee on Budget and Finance will consider revisions to Section 1000.1.1 of the UNC Policy Manual, *Policy on Tuition Rates*.

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

Policy on Tuition Rates

The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense. –North Carolina Constitution, Article IX, Section 9

I. Purpose. The North Carolina Constitution sets the parameters for establishing resident tuition rates at the constituent institutions of the University of North Carolina (UNC). The constitutional provisions for setting tuition are codified in North Carolina General Statutes (hereinafter G.S.) 116-11(7), which states, in part, “The Board [of Governors] shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly.” This statute governed the setting of tuition rates for both resident and nonresident students from 1971 through 1999, during which time the Board of Governors recommended no tuition increases except as required by session law. In November 1998, the Board adopted a tuition policy, as directed by the General Assembly, which allowed for the consideration of tuition increases as requested by the constituent institutions. These funds are subsequently appropriated by the General Assembly for use by the institution. This policy outlines the framework to be followed by the Board in establishing tuition levels for constituent institutions.² Tuition is charged to students enrolled in academic programs during regular terms and summer sessions, or through off-campus instruction, and is used to partially defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits.

II. General Policy

A. Undergraduate Tuition. The appropriate tuition policy at the undergraduate level encourages students to pursue academic and intellectual interests without regard to program costs. Accordingly, no difference in tuition between undergraduate programs will occur within an institution, and there will be only minimal differences in undergraduate tuition among campuses in similar institutional categories as defined by the Board to reflect both varying missions and contrasting costs of education, or at the direction of the General Assembly, such as the NC Promise program. Deviation in undergraduate tuition among campuses in different institutional categories will be based upon institutional offerings and will be reasonable. Combined tuition and fee rates for undergraduate residents shall be in the bottom quartile of each respective institution’s Board-approved public peers.

B. Graduate and Professional Tuition. The Board will apply Article IX, Section 9 of the North Carolina Constitution to graduate- and professional-level students but with the realization that the costs, sources of funds, and purposes of graduate and professional education are materially different from undergraduate education. The application of what is “practicable” varies by level of instruction for a number of reasons, and those differences will be reflected in the tuition policies associated with each level. Tuition for graduate and professional students will be set with an understanding that tuition revenues may be needed to maintain and increase the excellence of the University’s graduate and professional programs. In setting tuition rates, the Board will consider the need to provide access to these programs for students irrespective of their financial capacity as well as the desire to attract and retain the best students to serve North Carolina’s needs in each field.

C. Nonresident Tuition

1. Under G.S. 116-144, the Board of Governors is required to set tuition rates for nonresident students at levels “. . . higher than the rates charged residents of North Carolina and comparable to the rates charged nonresident students by comparable public institutions nationwide. . . .” In complying with the statute, the Board will set tuition for nonresident students after considering the results of a review of rates set by comparable public institutions nationwide. Each constituent institution should set a goal to keep its combined undergraduate nonresident tuition and fee rates at or above the third quartile of its respective Board-approved public peers. Nonresident tuition rates should be market driven and cover the full cost of providing a quality education. The Board will further consider the need for tuition remissions for nonresident graduate students when setting tuition rates and tuition remission policies.

2. Constituent institutions are authorized to award tuition remission to certain nonresident graduate students to reduce the tuition rate for these students to the in-state rate. This tuition remission may be given to nonresident graduate students who are awarded a graduate teaching or research assistantship and who are paid a stipend of at least \$2,000 per academic year. Individual institutions may also establish higher minimum stipend amounts or additional policies relating to eligibility for tuition remission. The following conditions apply:

- a. Each institution shall limit the granting of tuition remissions to conform with established budgetary limitations.
- b. Each institution may supplement this appropriation from other non-state sources.
- c. Institutions may not provide tuition remissions to all graduate students.
- d. The president shall adopt administrative procedures and regulations for the implementation of the tuition remission.

D. Tuition Rates for Part-time Students. Effective with the fall term of 2021, part-time resident students and part-time nonresident students taking courses within North Carolina are charged the regular-term tuition rates established by the Board, and the tuition rates for these students are implemented on a per-credit-hour basis to be calculated as follows:

1. Part-time undergraduate students shall be charged tuition per credit hour, at a rate equal to the annual undergraduate tuition rate at their institution divided by 24. The per-credit rate shall be capped at 12 credits per semester for fall and spring semesters, meaning undergraduate students shall not be charged for additional credits beyond 12 in a fall or spring semester.

2. Part-time graduate students shall be charged tuition per credit hour, at a rate equal to the annual graduate tuition rate divided by 18. The per-credit rate shall be capped at nine credits for fall and spring semesters, meaning graduate students shall not be charged for additional credits beyond nine per semester in a fall or spring semester.

E. Other Tuition Rates

1. The authority to set tuition rates for nonresident students taking courses outside North Carolina and to approve tuition rates for self-supported summer enrollment is delegated to the president. The president may also grant exceptions to the method by which the tuition rate is implemented on a per-credit-hour basis, provided that the relevant course or program is receipt-supported.

2. Student Exchange Programs. The constituent institutions are authorized to enter into and extend or modify agreements with institutions in other countries to provide for a balanced exchange of students. A UNC student participating in such an exchange shall be charged tuition by the home UNC institution at a rate consistent with the residency status the student would otherwise have at the home institution and shall be counted in the official FTE of the home institution in that residency status. A foreign student participating in such an exchange agreement shall not be charged tuition by the host UNC institution and shall not be counted in the official FTE of the host UNC institution.

3. Project Kitty Hawk Programs. At the request of Project Kitty Hawk, Inc., on an annual basis the Board of Governors shall establish a maximum per-credit tuition rate for self-supported digital learning programs offered through a partnership with Project Kitty Hawk ("Maximum Tuition Rate"). In consultation with the participating constituent institutions and upon approval of the president, the Project Kitty Hawk, Inc., Board of Directors shall approve tuition rates for Project Kitty Hawk programs, provided the rates do not exceed the Maximum Tuition Rate.³ Project Kitty Hawk programs may request approval from the Board of Governors to exceed the Maximum Tuition Rate where the Project Kitty Hawk, Inc., Board of Directors and the president find that it is in the best interest of the program to do so. Notwithstanding, tuition rates established for nonresident students shall exceed the resident tuition rate charged for the applicable Project Kitty Hawk program.

III. Process for Setting Tuition Rates

A. Undergraduate Rates. The Board recognizes that campuses may experience circumstances that suggest an across-the-board change in undergraduate tuition may be needed at one or more institutions. In the event that circumstances lead a campus or campuses to the conclusion that a change in undergraduate tuition rates is needed, campuses are permitted to bring proposals for undergraduate tuition changes to the Board for its consideration. Campuses wishing to submit requests for undergraduate tuition changes will conduct a process that includes meaningful participation by and input from students. A student involvement form signed by the student body

president, or designee, should be included with any campus-initiated tuition increase request. A campus will consider the following factors when creating an undergraduate tuition proposal:

1. Availability of state general fund revenue to maintain quality and access within the campuses of the University of North Carolina System;
2. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;
3. Analysis of the impact of tuition and fee charges on student access to the constituent institutions of the University of North Carolina System as measured by the college-going rate and other metrics so as not to limit access to the University;
4. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index, Median Household Income);
5. The current level of student charges (tuition, fees, room and board) at UNC System institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;
6. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;
7. Availability of financial aid and amount of unmet need. Financial aid should be reviewed in the context of the different missions of the institutions, the diverse capacities of the institutions to provide financial assistance, and the contrasting needs of students attending the institutions.

B. Graduate and Professional Tuition Rates. The Board of Governors will permit individual campuses to initiate requests for Board approval of different base or program tuition rates at the graduate and professional level. If a campus explores the possibility of developing such a request, it will present evidence to ensure that students in the affected graduate and/or professional programs have been consulted. Graduate and professional schools should establish rates consistent with each program's unique market and academic requirements. Tuition for graduate and professional students will be set with an emphasis on maintaining and increasing the excellence of the institution's graduate and professional programs as well as ensuring access. To the extent possible, there should be full tuition remission for graduate assistants to improve an institution's competitiveness in recruiting and retaining highly qualified nonresident graduate students.

In reviewing potential criteria to recommend as a basis for deciding when specific graduate or professional tuition differentials may be appropriate at a particular institution, a flexible policy framework that allows judgments to be reached based on a number of factors is preferable either to cost-based formulas or to discipline or program typologies that treat all academic or professional programs the same. In particular, a flexible approach based on the unique factors associated with specific programs is desirable because of the potential mix of graduate and professional programs that one may find within any given school or college, e.g., a professional school may offer a Ph.D. program in addition to one or more professional degree programs. Therefore, the campuses will consider the following factors in developing graduate and professional school tuition proposals:

1. The anticipated impact of a proposed change on program quality;
2. The projected impact of a proposed change in tuition on access for North Carolina residents;
3. The availability of student financial aid for students with economic need and of tuition remission;
4. The extent to which current and prospective students can afford possible increases in tuition;
5. The relationship of projected tuition revenue to institutional and/or program costs;
6. Tuition and fees, net of remissions and waivers, charged by peer institutions or programs, as compared to tuition and fees, net of remissions, at the UNC institution or program (the public subsidy received by students at public institutions or programs in the peer set, including the UNC institution or program in question, will also be identified as part of the comparison);
7. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.);
8. Assistantships or grant support for graduate students; and
9. Analysis of student indebtedness levels within the University.

C. Timing of Board Action. The Board will act by March of each year, or as soon as possible thereafter, to establish the University's campus-initiated tuition rates for the next academic year. Setting campus-initiated tuition rates by March will permit students and their families to know in early spring what their tuition charges for the fall semester will be, assuming consistency between the actions of the Board of Governors and the General Assembly.

D. Individual Consideration of a Campus Request. The Board will review each campus-based tuition request on an individual basis, within the context of the UNC System's strategic plan, the need for tuition increases, the state's economic environment, and the financial impact on students. The Board is obligated to exercise its discretion in granting, modifying, or denying a campus request. Revenue generated from a campus-initiated change in tuition rates will be accounted for in the budget of the originating campus and transferred within the institution by the chancellor in accordance with the priorities identified in the approved campus proposal.

E. In the event that circumstances require that an increase in tuition be made outside of the process described above, the president may recommend proposed increases in general tuition rates for consideration by the Board. The president will seek counsel from the chancellors and a committee of campus representatives, appointed by the president in consultation with the chancellors, before making the recommendations for tuition changes. The committee of campus representatives appointed by the president shall include students.

The president, the chancellors, and the committee of campus representatives will consider a number of factors in deciding whether to recommend changes to general tuition rates in any given year. After the president recommends any action to the Board of Governors, the Board will also consider the factors in sections III.A and III.B., above.

IV. NC Promise Tuition Plan

A. Pursuant to G.S. 116-143.11, beginning with the 2018 fall academic semester, the Board of Governors shall set the rate of in-state undergraduate tuition at Elizabeth City State University, the University of North Carolina at Pembroke, Fayetteville State University, and Western Carolina University at \$500 per academic semester, and the tuition rate for nonresident undergraduate students at \$2,500 per academic semester. The Board of Governors shall give due consideration to maintaining the unique historical character of each institution, including service to students who are first-first-generation, college-going, economically disadvantaged, or minority.

B. By October 1 of each year, the Board of Governors and the chancellors of the institutions named in this subsection, respectively, shall submit a report to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division on the amount of any financial obligation resulting from the established tuition rate incurred at each constituent institution and at least the following information for the fiscal year:

1. The amount required to offset the forgone tuition receipts at each of the three constituent institutions as a result of the tuition rate established by this section and how those funds were allocated to each institution;~~;~~
2. The number of enrolled resident students at each institution; and-
3. The number of enrolled nonresident students at each institution.

V. Fixed Tuition

A. Fixed Tuition Program. Pursuant to G.S. 116-143.9, the Board of Governors of the University of North Carolina shall ensure that policies and procedures are established for a fixed tuition program beginning with the fall 2016 academic year and all subsequent years. The rate of tuition of any eligible first-first-year, continuing, or transfer undergraduate student who is admitted to any constituent institution of the University of North Carolina and deemed to be a North Carolina resident for purposes of tuition shall be guaranteed for a designated time period based on program length and classification. The tuition period shall be eight consecutive academic semesters for a first-time student seeking a baccalaureate degree in a four-year program or 10 consecutive academic semesters for a first-time student seeking a baccalaureate degree in a program officially designated by the Board of Governors as a five-year program, not including any summer sessions. Transfer students shall receive fixed tuition for a period determined based on the balance of a designated program length after making the proper adjustments for a student who transfers to the constituent institution. Current undergraduates shall receive fixed tuition for a period determined based on the balance of their designated program length after making the proper adjustments for semesters already completed. The calculation to determine the balance of a designated program length will be determined by the UNC System Office.

B. Guarantee Rate of Tuition. The fixed tuition program is a guarantee that the rate of tuition approved by the Board of Governors will remain constant or decrease during the tuition period. Students must remain continuously enrolled at the constituent institution during the designated time period to receive this benefit. At the end of the tuition period, the cost of tuition for any additional academic semesters reverts to the amount of the current tuition for that constituent institution.

C. Students Subject to Fixed Tuition. Fixed tuition will be for all eligible students deemed to be a North Carolina resident for tuition purposes for the following three categories of degree-seeking undergraduates in four- or five-year baccalaureate degree programs:

1. Baccalaureate degree-seeking students entering into an undergraduate four- or five-year degree program as a first-time student;
2. New degree-seeking transfer students entering into an undergraduate four- or five-year degree program; and
3. Currently enrolled resident continuing students who are enrolled in an undergraduate four- or five-year degree program.

Any program authorized by the Board of Governors to require 135 semester credit hours or more shall be officially designated as a five-year baccalaureate program. Fixed tuition applies to students enrolled in distance education and traditional on-campus programs.

D. Fixed Tuition Time Period. First-time degree-seeking students are eligible for fixed tuition for a maximum of eight consecutive semesters for a four-year program and 10 consecutive semesters for a five-year program as long as they are continuously enrolled. Continuous enrollment is defined as a student being consecutively enrolled at the same higher education institution in fall and spring semesters in courses creditable toward a baccalaureate degree. A break in continuous enrollment occurs when a student is not enrolled in consecutive semesters at the same constituent institution. Summer terms are not considered part of the fixed tuition time period.

E. Transfer and Currently Enrolled Students. New transfers and currently enrolled continuing students shall receive fixed tuition for a prorated time period calculated based on the number of enrolled semesters accumulated at the transferring or home institution(s).

F. Break in Enrollment. Once a student breaks continuous enrollment at a UNC constituent institution he/she is no longer eligible for the current rate of fixed tuition at the home institution. If the student transfers to another UNC institution they will be treated as a new transfer student, as described above, and will be eligible for fixed tuition at that institution's current rate for the remaining balance of his or her fixed tuition eligibility period.

G. Withdrawal from Home Institution. Students who withdraw from all classes at their home institution before the date of census will have broken continuous enrollment and will no longer be eligible for fixed tuition at the current rate at their home institution. Students who withdraw from their home institution after the date of census and then subsequently enroll at the same institution in the next semester will not have broken continuous enrollment and will receive the benefit of fixed tuition at the rate they paid in the prior semester of enrollment.

H. Exhaustion of Eligibility Period. Tuition will convert to the amount of the current tuition for that constituent institution for students who exhaust their eligibility period, are not continuously enrolled, or become ineligible as designated in section I., below. Upon application by a student, the reversion to current tuition may be waived if the student demonstrates that any of the following have substantially disrupted or interrupted their continuous enrollment: (1) a military service obligation, (2) serious medical debilitation, (3) short-term or long-term disability, or (4) other extraordinary hardship.

I. Students Exempt from Fixed Tuition. The fixed tuition shall not be implemented for the following students: continuing education, cooperative innovative high school/early college students while enrolled in high school, consortium, dual-enrollment program, second degree seeking, transient, nonresident students, non-degree seeking, and graduate and professional students.

J. Nonresident Students. Students who are originally classified as nonresident for tuition purposes and subsequently are reclassified as a resident for tuition purposes will be eligible for fixed tuition at the institution's current rate for the balance of his or her remaining eligibility period.

K. Fixed Tuition for Part-Time Students. Campuses shall establish fixed tuition rates for part-time enrollment for students eligible for fixed tuition pursuant to this policy.

L. Cost of Attendance Calculation. The president shall adopt administrative procedures and regulations for the calculation of cost of attendance. ~~Financial aid offices shall establish cost of attendance budgets that are realistic and reasonable.~~

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 State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

¹Supersedes Section 1000.1.1 originally entitled, *Establishing Tuition and Fees*.

²Consistent with G.S. 116-143, no tuition or fees may be charged to students in the high school program at the North Carolina School of Science and Mathematics (NCSSM).

³Per G.S. 116-11(9)(e), digital learning student credit hours provided with the support of Project Kitty Hawk may not be included in the UNC System's enrollment change request.

AGENDA ITEM

A-4. Amend Section 1100.1 of the UNC Policy Manual, *Policy on Intercollegiate Athletics*.....Jennifer Haygood

Situation: The 2023 Appropriations Act (S.L. 2023-134) appropriates \$10 million and \$7 million on a non-recurring basis in FY 2024 and FY 2025, respectively, to distribute to athletic departments at certain University of North Carolina institutions. This legislation also budgets sports betting tax revenues appropriated to 13 constituent institution athletic departments starting in FY 2025, as provided by S.L. 2023-42.

Background: The 2023 Appropriations Act (S.L. 2023-134) appropriates non-recurring funds to athletic departments at 10 UNC institutions: Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, University of North Carolina at Asheville, University of North Carolina at Greensboro, University of North Carolina at Pembroke, University of North Carolina Wilmington, Western Carolina University, and Winston-Salem State University. These athletic departments are our smallest National Collegiate Athletic Association (NCAA) Division I (annual expenditures less than \$20 million) and Division II programs. Starting in FY 2025, S.L. 2023-42 appropriates sports betting tax revenues to these 10 institutions as well as Appalachian State University, East Carolina University, and University of North Carolina at Charlotte. These athletic programs provide valuable economic benefits to their institutions and regions, yet a significant portion of their costs are supported by student fees.

Assessment: The Committee on Budget and Finance will consider revisions to Section 1100.1 of the UNC Policy Manual, *Policy on Intercollegiate Athletics* that are designed to enhance oversight of these funds, ensuring they are used to provide economic benefits to the institutions and their regions as well as promoting student affordability and financially sustainable operations.

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.

Intercollegiate Athletics

1. The Board of Governors has delegated the responsibility for intercollegiate athletics to the chancellors under *The Code's Delegation of Duty and Authority*. That delegation is subject to the requirements and mandates in this policy.
2. The chancellors shall ensure that all athletes admitted to the institution are capable of progressive academic success and graduation within six years.
3. The chancellors shall ensure that the policies for admission of student athletes are reviewed by appropriate members or bodies of the faculty and that any advice or recommendations ~~or advice~~ from those members or bodies are received and considered.
4. The chancellors shall ensure that exceptions or waivers for the admission of student athletes are reviewed by appropriate members or bodies of the faculty and that any recommendation concerning these applicants are received and considered by the chancellors in a timely manner.
5. The chancellors shall ensure that student athletes follow a coherent course of study that is designed to accomplish reasonable progress toward a baccalaureate degree.
6. Chancellors shall ensure that the tutorial and remedial programs for student athletes will be administered by appropriate academic offices in cooperation with athletics department officials.
7. The chancellors shall ensure that athletes who are not making satisfactory academic progress are not allowed to continue as team players.
8. The chancellors shall ensure that a mandatory drug-testing program for student athletes is implemented and monitored.
9. The chancellors shall ensure that formal awareness programs on the dangers of gambling in athletics ~~is~~ are implemented.
10. The chancellors shall ensure that the institutions conform with NCAA standards.
11. The chancellors shall ensure that all foundations, clubs, and associations established primarily to raise money on behalf of constituent institutions are audited annually and that those audits are reviewed by the institutional Boards of Trustees and are forwarded to the President.
12. The chancellors shall ensure that the position of director of athletics is separate and distinct from the position of a coach of any sport.

13. If an institution receives funds from the State from any source that are specifically appropriated for its athletics department operations, the chancellor shall submit to the president a proposed athletics department operating budget and a five-year budget projection that demonstrates how these funds will be used towards achieving the following objectives:

- a. Providing an economic benefit to the institution and its service region;
- b. Remediating any athletics department operating deficits;
- c. Decreasing the reliance on non-athletics-specific institutional trust fund revenues to cover athletics department expenditures; and
- d. Mitigating against future significant increases in student fees.

14. The chancellors shall submit an annual report to the Board of Trustees of the constituent institutions with a copy to the President, who will report to the Board of Governors. The annual report shall be designed according to criteria and format defined by the Office of the President and shall include the following elements:

- a. organization and philosophy of athletics programs;
- b. the admission policy for student athletes including the definitions utilized for exceptions to campus-based criteria;
- c. student-athlete exceptions to the minimum course requirements set by the Board of Governors and defined in Policy 700.1.1 and Regulation 700.1.1.1[R];
- d. the student-athlete profiles for admitted student athletes including SAT/ACT scores, high school grade point averages, and NCAA classifications;
- e. information about the majors or programs of study chosen by student athletes;
- f. academic progression information for student athletes and six-year graduation rates;
- and
- g. information about “booster” club organizations and procedures; ~~and-~~
- h. athletics financial data as reported to the NCAA.

~~1415.~~ The chancellors shall report to the Board of Trustees the student-athlete exceptions to the institution’s undergraduate admissions criteria.

~~1516.~~ The chancellors shall ensure that the annual report is forwarded to appropriate members or bodies of the faculty and that any response from such members or bodies is received and considered by the chancellors.

[This policy consolidates policies 1100.1 and 1100.2]

AGENDA ITEM

A-5. 2023-24 NC Promise Tuition Plan Annual ReportJennifer Haygood

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: Session Law 2016-94 created the NC Promise Tuition Plan at Elizabeth City State University, University of North Carolina at Pembroke, and Western Carolina University. The 2021 Appropriations Act added Fayetteville State University to the NC Promise Program beginning in 2022-23. The plan 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. The General Assembly appropriated \$82.5 million to offset the lower tuition receipts for 2023-24.

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 \$7.9 million, FSU will receive \$13.8 million, UNCP will receive \$15.8 million, and WCU will receive \$36.7 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. Funds will be reallocated in the spring after the spring census to match actual enrollment.

Action: This item is for information only.



NC PROMISE TUITION PLAN FY 2023-24 ANNUAL REPORT

**Board of Governors
Committee on Budget and Finance**

October 19, 2023

NC Promise: An Overview

- Established in S.L. 2016-94
- Provides special undergraduate tuition rates
 - \$500 per semester for residents
 - \$2500 per semester for 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

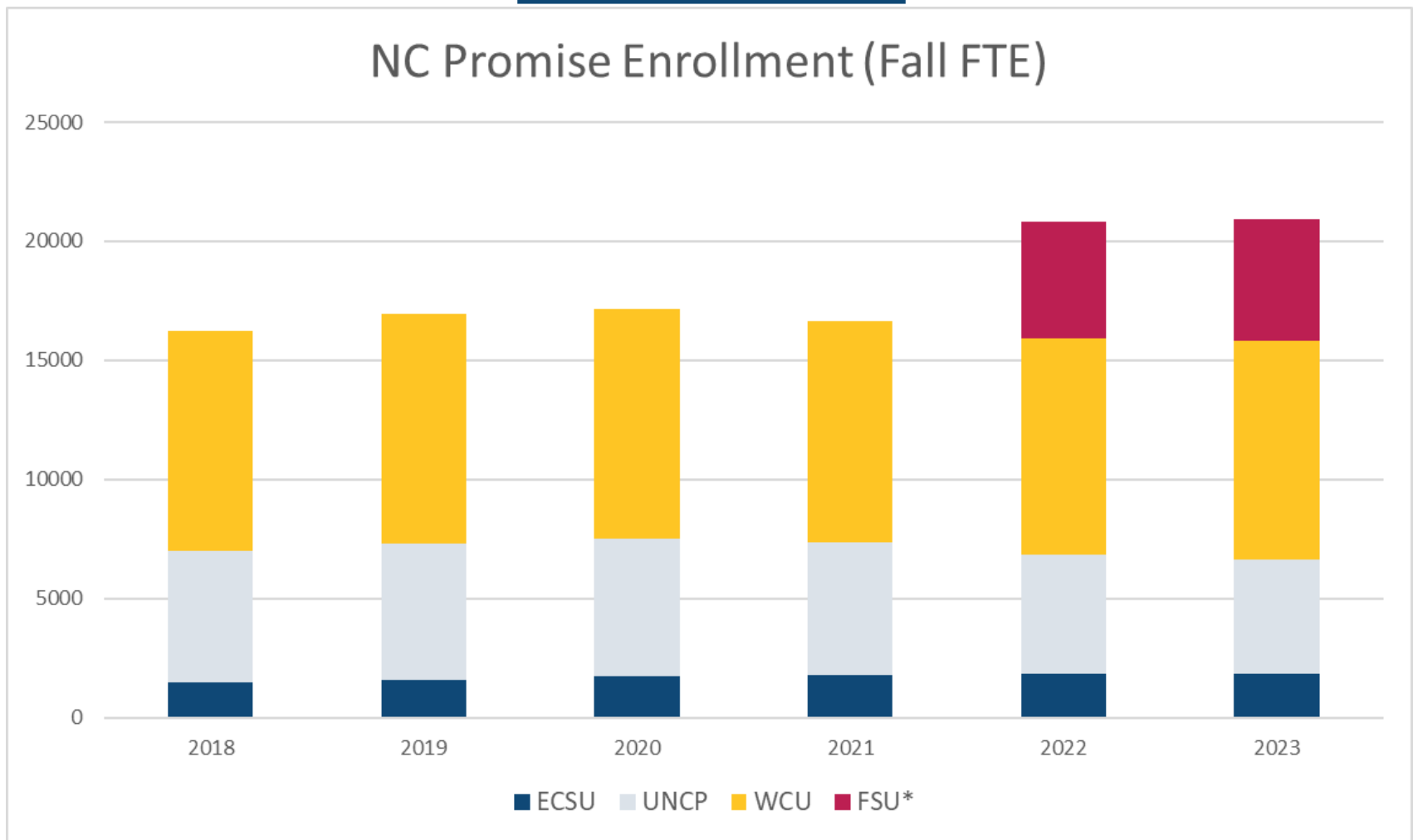
Buy-down Rate Calculation

		Annual Rates			
Institution	Residency	Previous Base Tuition	New Base Tuition	NC Promise Tuition	Buy-Down Rate
ECSU	Resident	\$ 2,856	\$ 2,856	\$1,000	\$ 1,856
	Nonresident	16,523	16,755	5,000	11,755
FSU	Resident	2,982	2,982	1,000	1,982
	Nonresident	14,699	14,905	5,000	9,905
UNCP	Resident	3,602	3,602	1,000	2,602
	Nonresident	15,690	15,910	5,000	10,910
WCU	Resident	3,971	3,971	1,000	2,971
	Nonresident	14,833	15,041	5,000	10,041

FY 2023-24 Calculated Buy-down and Initial Allocation

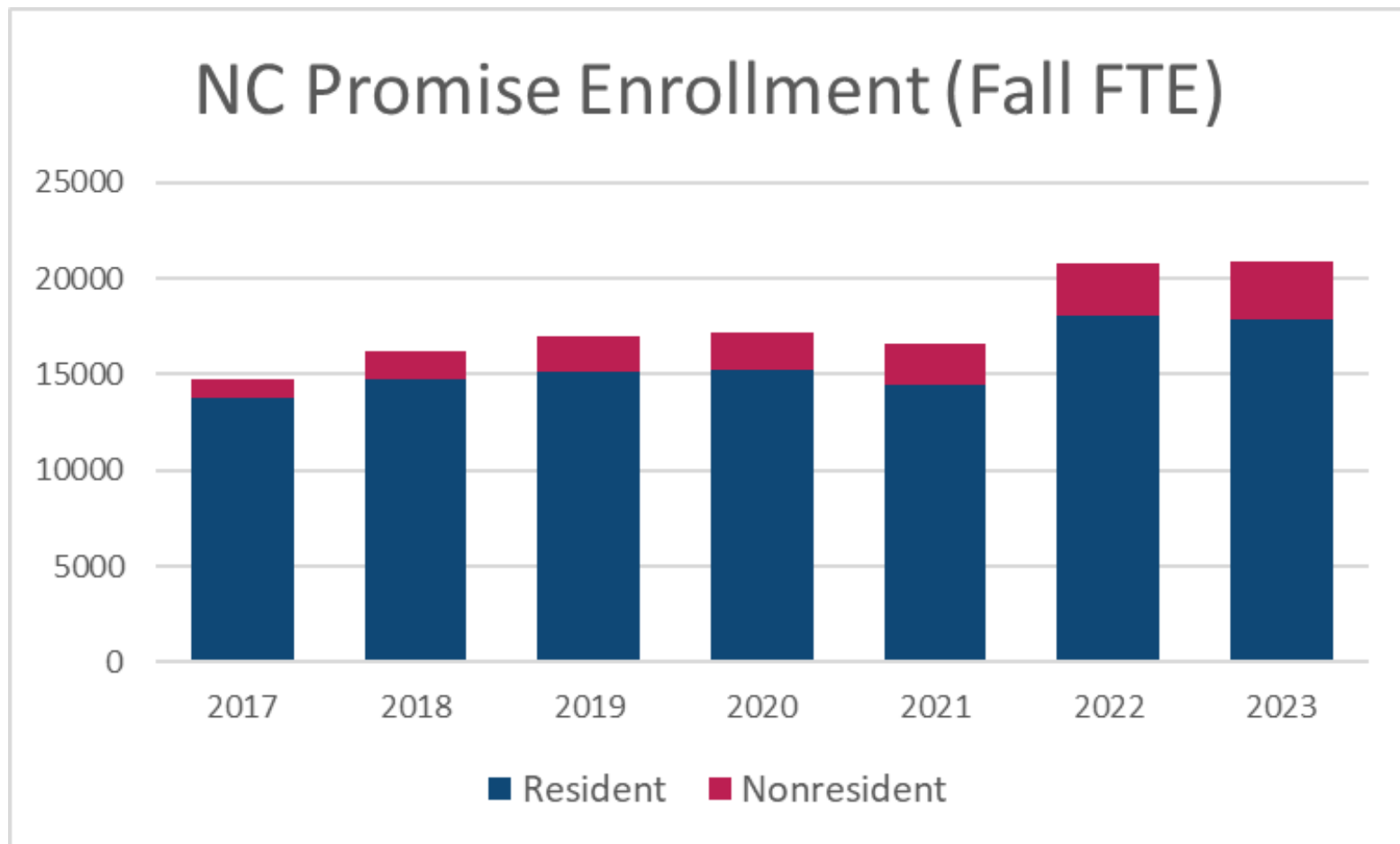
Institution	Residency	Fall FTE	Estimated Spring FTE	Buy-down Rate	Calculated Buy-down
ECSU	Resident	1,346	1,222	\$ 1,856	\$ 2,383,547
	Nonresident	489	444	11,755	5,487,243
	Total	1,835	1,667		7,870,791
FSU	Resident	4,569	4,243	1,982	8,732,671
	Nonresident	526	489	9,905	5,024,699
	Total	5,095	4,732		13,757,370
UNCP	Resident	4,287	3,780	2,602	10,495,289
	Nonresident	522	460	10,910	5,352,878
	Total	5,003	4,505		15,848,167
WCU	Resident	7,623	6,931	2,971	21,619,801
	Nonresident	1,573	1,430	10,041	15,079,383
	Total	9,068	8,318		36,699,184
Total	Resident	17,825	16,176		43,231,308
	Nonresident	3,110	2,823		30,944,204
	Total	20,935	18,999		74,175,511

NC Promise Serves Over 20,000 Students



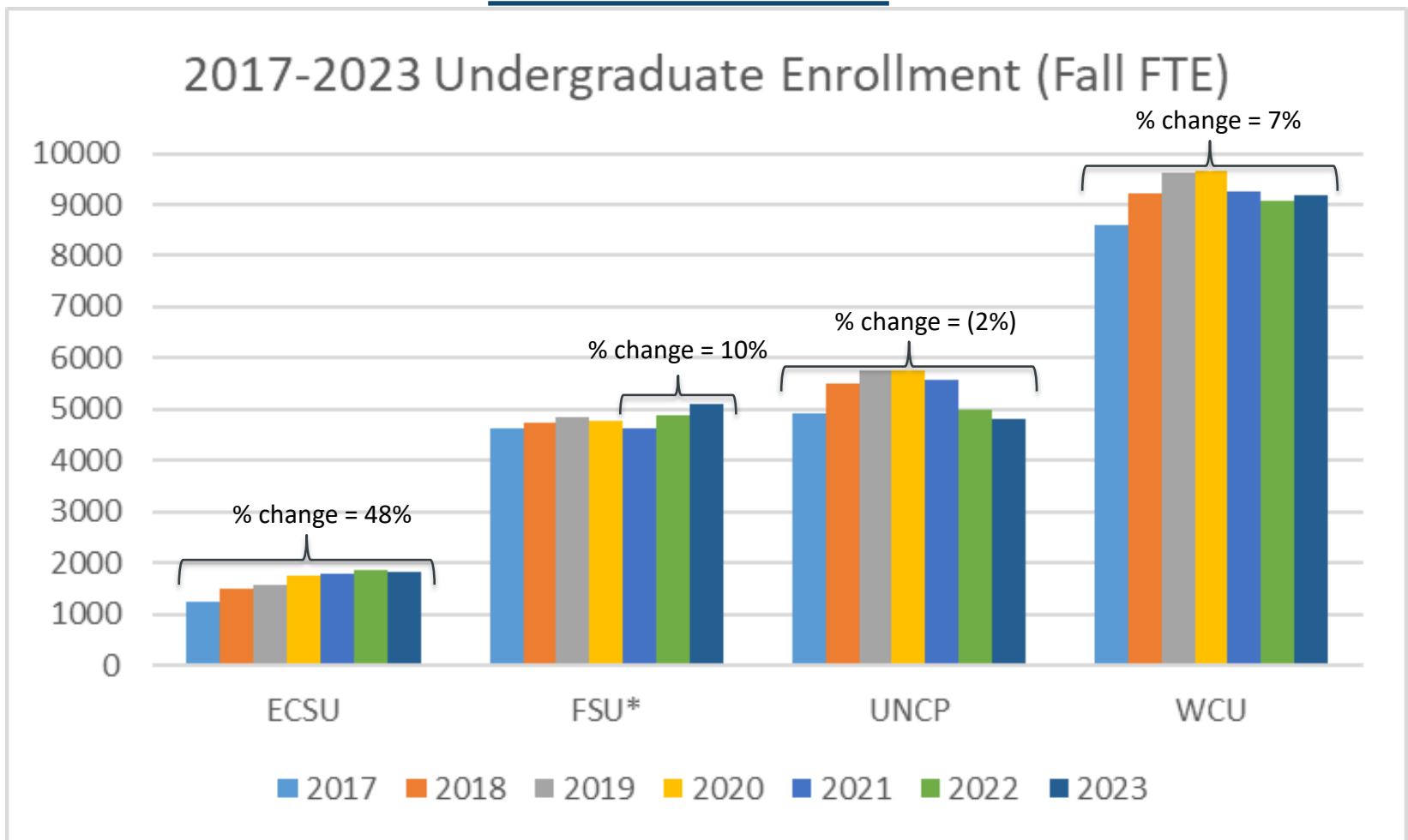
*FSU added to NC Promise effective Fall 2022

NC Promise Enrollment by Residency



*FSU added to NC Promise effective Fall 2022

NC Promise Enrollment Trends



*FSU added to NC Promise effective Fall 2022





**THE UNIVERSITY OF
NORTH CAROLINA SYSTEM**

**NC Promise Tuition Plan
FY 2023-24 Annual Report
as required by G. S. 116-143.11(d)**

October 19, 2023

NC Promise Tuition Plan Annual Report 2023-24

Session Law 2016-94 created the NC Promise Tuition Plan, which sets 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 at Pembroke, and Western Carolina University. The North Carolina General Assembly implemented a “buy down” of any financial obligations resulting from the loss of tuition receipts with a \$40 million appropriation in the first year (2018-19) and \$51 million in recurring funds for the 2019-20 academic year. 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. 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 buy down 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 is \$82.5 million recurring.

The \$82.5 million buy down that is appropriated to offset the reduced tuition will be allocated for the 2023-24 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 campus and the NC Promise rate.

Enrollment at three of the four NC Promise institutions remains above enrollment prior to the implementation of the NC Promise program, and out-of-state enrollment has increased at all four institutions. UNCP and WCU enrolled their largest classes ever in the fall of 2018, and ECSU reversed a decreasing enrollment trend. Undergraduate fall 2023 full-time equivalent (FTE) enrollment increased at WCU and FSU and decreased at ECSU and UNCP compared to fall 2022.

The table below shows the buy down calculation for the four NC Promise institutions. To keep up with higher costs and for parity with other institutions, the base tuition rate for nonresidents attending NC Promise institutions increased by 1.4 percent in 2023-24. The increase is equal to the average increase in nonresident tuition at the other non-research institutions in the UNC System for the 2023-24 academic year. Increasing the base tuition will increase the buy down rate for the institutions but not increase the tuition paid by students.

Table 1: Buy Down Rate Calculation

		Annual Rates			
Institution	Residency	Previous Base Tuition	New Base Tuition	NC Promise Tuition	Buy Down Rate
ECSU	Resident	\$ 2,856	\$ 2,856	\$1,000	\$ 1,856
	Nonresident	16,523	16,755	5,000	11,755
FSU	Resident	2,982	2,982	1,000	1,982
	Nonresident	14,699	14,905	5,000	9,905
UNCP	Resident	3,602	3,602	1,000	2,602
	Nonresident	15,690	15,910	5,000	10,910
WCU	Resident	3,971	3,971	1,000	2,971
	Nonresident	14,833	15,041	5,000	10,041

Now that enrollment has been verified at census, the initial 2023-24 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. ECSU averaged 90.8 percent retention, FSU averaged 92.9 percent, UNCP averaged 88.2 percent retention, and WCU averaged 90.9 percent. The methodology was the same as required by G. S. 116-30.7 and previously used for the enrollment funding allocation.

Table 2: FY 2023-24 Calculated Buy Down and Initial Allocation

Institution	Residency	Fall FTE	Estimated Spring FTE	Buy Down Rate	Calculated Buy Down
ECSU	Resident	1,346	1,222	\$ 1,856	\$ 2,383,547
	Nonresident	489	444	11,755	5,487,243
	Total	1,835	1,667		7,870,791
FSU	Resident	4,569	4,243	1,982	8,732,671
	Nonresident	526	489	9,905	5,024,699
	Total	5,095	4,732		13,757,370
UNCP	Resident	4,287	3,780	2,602	10,495,289
	Nonresident	522	460	10,910	5,352,878
	Total	4,809	4,240		15,848,167
WCU	Resident	7,623	6,931	2,971	21,619,801
	Nonresident	1,573	1,430	10,041	15,079,383
	Total	9,197	8,361		36,699,184
Total	Resident	17,825	16,176		43,231,308
	Nonresident	3,110	2,823		30,944,204
	Total	20,935	18,999		74,175,511

Since G.S. 116-143.11(d) requires the System Office to submit an NC Promise report by October 1, this report reflects only the initial allocation of NC Promise funds for this fiscal year. Allocations will be further adjusted in late February based on spring census data and in April based on the prior year's summer term enrollment.

The NC Promise program has been a success on multiple fronts. College affordability has increased, contributing to a significant decrease in undergraduate student debt at graduation at all NC Promise institutions. In addition, ECSU, FSU, and WCU have increased their enrollment.

AGENDA ITEM

A-6. 2023-24 State Capital and Infrastructure Fund (SCIF)
Repair and Renovations (R&R) Allocations Katherine Lynn

Situation: The 2023 Appropriations Act (S.L. 2023-134) authorized State Capital and Infrastructure Fund (SCIF) allocations for repairs and renovations (R&R) projects totaling \$924,856,700 and appropriated \$283.5 million and \$250 million in FY 2024 and FY 2025, respectively. While the Act includes the specific projects to be funded from the SCIF R&R funding, the University of North Carolina Board of Governors determines the allocation of the SCIF R&R funds to the University of North Carolina System constituent institutions.

Background: The Act includes an appropriation of \$283.5 million of 2023-24 SCIF R&R funds for 2023-24 to fund inflationary increases and construction for specific R&R projects at each institution. It is recommended that the Board approve \$85.2 million to be allocated as follows:

- \$35.2 million to fund the inflationary increases and the design and construction of specified projects
- \$50 million for maintenance R&R to be distributed in accordance with the approved R&R allocation model

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

Assessment: It is recommended that the Board approve the allocation of the \$85.2 million of 2023-24 SCIF R&R funds as indicated on Attachments A and B.

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

2023-24 State Capital and Infrastructure Fund (SCIF) Repairs and Renovations (R&R) Allocations

ISSUE OVERVIEW

The 2023 Appropriations Act (S.L. 2023-134) authorized State Capital and Infrastructure Fund (SCIF) allocations of \$280.5 million for FY 2024 and \$250 million for FY 2025 specifically for the capital repairs and renovations (R&R) projects approved by the University of North Carolina Board of Governors.

It is recommended that \$85.2 million be approved to fund inflationary increases and design and construction for specific major R&R projects. The specific projects to be funded and the recommended amounts are shown on Attachment A.

Additionally, it is recommended that \$50 million of the FY 2024 SCIF R&R funds be allocated to fund the maintenance R&R projects. The distribution of funds to each institution is shown on Attachment B and is in accordance with the R&R allocation model approved by the Board of Governors on September 20, 2019. The prioritized maintenance R&R project lists from each institution will be brought to the Board for approval at a future meeting. The Board is required to report to the North Carolina General Assembly Fiscal Research Division on the initial allocation of funding for specific repair and renovations projects prior to the expenditure of funds.

In summary, the recommendation for the allocation of 2023-24 SCIF R&R funds is:

Major R&R allocations	\$35,203,000
Maintenance R&R projects	<u>\$50,000,000</u>
TOTAL	\$85,203,000

The allocation of the remaining \$195.3 million of 2023-24 SCIF R&R funds will be brought to the Board for consideration at a future meeting prior to the end of the fiscal year.

RECOMMENDATION

It is recommended that the Board of Governors approve the additional allocation of the 2023-24 SCIF R&R funds in the amount of \$85,203,000.

Attachment A
2023-2024 CAPITAL BUDGET R&R ALLOCATION
MAJOR R&R/COMPREHENSIVE RENOVATION PROJECTS

Proposed for BOG Approval - October 19, 2023

	<u>Proposed Project Cost</u>	<u>2021-2022 Allocations</u>	<u>2022-2023 Allocations</u>	<u>2023-24 Allocations</u>
<u>Appalachian State University</u>				
Wey Hall Envelope & Roof Repair	\$5,000,000	\$500,000	\$4,500,000	
Wey Hall Partial Renovation–Building Systems**	\$14,000,000	\$1,000,000	\$9,000,000	\$4,000,000
Duncan Hall Renovation**	\$26,000,000	\$2,000,000	\$4,692,308	\$6,000,000
Total	\$45,000,000	\$3,500,000	\$18,192,308	\$10,000,000
<u>East Carolina University</u>				
Brody High-Rise Code Compliance, Phase 2	\$6,000,000	\$6,000,000	\$0	
Main Campus-College Hill Drive Steam, Phase 3	\$2,500,000	\$2,500,000	\$0	
Whichard Building Comprehensive Renovation	\$10,000,000	\$1,000,000	\$0	\$500,000
Speight Building Roof, Window, & Envelope Replacement	\$4,000,000	\$400,000	\$3,600,000	
Chilled Water Extension to Whichard & Graham	\$6,475,000	\$6,475,000	\$0	
Main Campus-Relocate Steam & Condensate, Phase 1	\$5,000,000	\$5,000,000	\$0	
Health Science Building Envelope Infiltration Repairs	\$5,000,000	\$5,000,000	\$0	
Howell Science Building South	\$30,000,000	\$3,000,000	\$0	
Total	\$68,975,000	\$29,375,000	\$3,600,000	\$500,000
<u>Elizabeth City State University</u>				
Repair Campus Main Switch	\$700,000	\$700,000	\$0	
Repair Campus Pump Station	\$650,000	\$650,000	\$0	
Infrastructure Upgrades–Water & Electrical, Phase 1	\$12,000,000	\$1,200,000	\$10,800,000	
Emergency Generator Power–Operations	\$4,900,000	\$4,900,000	\$0	
Emergency Generator Power–Residence Halls	\$2,100,000	\$2,100,000	\$0	
Campus-Wide Lockdown System	\$2,000,000	\$200,000	\$1,800,000	
Building Demolition (4 Buildings)	\$1,500,000	\$150,000	\$1,350,000	
Butler Residence Hall (Reallocate to New Dining Hall)	\$2,500,000	\$250,000	\$2,250,000	
Infrastructure Upgrades–Water & Electrical, Phase 1	\$27,000,000	\$2,700,000	\$0	
Chancellor’s Residence-Comprehensive Renovation	\$1,500,000		\$0	\$1,500,000
Total	\$54,850,000	\$12,850,000	\$16,200,000	\$1,500,000
<u>Fayetteville State University</u>				
Lyons Science Renovation	\$1,500,000	\$1,500,000	\$0	
Butler Renovation–(HVAC, Bldg. Envelope, Fire Alarm)	\$3,450,000	\$3,450,000	\$0	
A.B. Rosenthal Building–Targeted Renovation	\$10,000,000	\$1,000,000	\$0	
Campus-Wide Utility Infrastructure	\$9,950,000	\$995,000	\$0	
H.T. Chick–Targeted Renovation	\$9,500,000	\$950,000	\$0	
Total	\$34,400,000	\$7,895,000	\$0	\$0
<u>North Carolina Agricultural & Technical State University</u>				
Carver Hall–Comprehensive Modernization, Phase 1	\$9,700,000	\$970,000	\$0	
Price Hall–Renovation, Phase 1	\$8,000,000	\$800,000	\$0	
Martena Hall Renovation	\$9,100,000	\$910,000	\$0	
Carver Hall–Comprehensive Modernization, Phase 2	\$10,400,000	\$1,040,000	\$0	
Price Hall Renovation, Phase 2	\$8,500,000	\$850,000	\$0	
Total	\$45,700,000	\$4,570,000	\$0	\$0
<u>North Carolina Central University</u>				
Lee Biology Renovation	\$8,100,000	\$810,000	\$0	
Taylor Education Building Renovation	\$13,750,000	\$1,375,000	\$0	
Total	\$21,850,000	\$2,185,000	\$0	\$0
<u>North Carolina School of Science and Mathematics</u>				
Campus-Wide HVAC Renovations	\$2,000,000	\$200,000	\$0	
Chiller Replacement	\$3,000,000	\$300,000	\$0	\$2,700,000
Building Envelope Repairs	\$5,850,000	\$585,000	\$0	
Academic Commons & Dining Hall Renovation	\$12,400,000	\$1,240,000	\$0	
Total	\$23,250,000	\$2,325,000	\$0	\$2,700,000

	Proposed Project Cost	2021-2022 Allocations	2022-2023 Allocations	2023-24 Allocations
North Carolina State University				
Page Hall–Building Envelope Repairs & Plumbing Upgrades	\$4,000,000	\$400,000	\$3,600,000	
Scott Hall–HVAC Renovation	\$5,000,000	\$500,000	\$0	
Mann Hall–HVAC & Plumbing Renovation	\$10,000,000	\$1,000,000	\$6,857,143	
Kilgore Hall–HVAC Renovation	\$10,000,000	\$1,000,000	\$0	
North & Central Campus–Domestic Water Line Replacement	\$4,303,000	\$4,303,000	\$0	
Poe Hall–Fire Protection Systems	\$3,500,000	\$350,000	\$3,150,000	
Thomas Hall–HVAC Renovation	\$4,000,000	\$400,000	\$0	
111 Lampe Drive Renovation*	\$42,000,000	\$4,200,000	\$0	
Dabney Hall*	\$60,000,000	\$30,000,000	\$30,000,000	
Polk Hall*	\$10,000,000	\$10,000,000	\$0	
Total	\$152,803,000	\$52,153,000	\$43,607,143	\$0
University of North Carolina at Asheville				
Campus Safety Improvements, Access Control, Cameras	\$2,300,000	\$2,300,000	\$0	
Campus Roadway Repairs	\$4,400,000	\$4,400,000	\$0	
Lipinsky Renovation	\$10,000,000	\$1,000,000	\$0	
Total	\$16,700,000	\$7,700,000	\$0	\$0
University of North Carolina at Chapel Hill				
Wilson Library–Means of Egress	\$9,300,000	\$930,000	\$4,388,236	
Swain Hall (Reallocate to Wilson Library Renovation)	\$5,800,000	\$580,000	\$0	
Phillips Hall–1958 Central HVAC System	\$6,000,000	\$600,000	\$5,400,000	
Hamilton Hall–Central HVAC System	\$8,800,000	\$880,000	\$0	
Wilson Library–1953 Central HVAC System AHU 1 & 2	\$7,000,000	\$700,000	\$3,670,313	
Wilson Library–1953 Central HVAC System AHU 3	\$4,000,000	\$400,000	\$2,187,000	
Total	\$40,900,000	\$4,090,000	\$15,645,549	\$0
University of North Carolina at Charlotte				
Atkins Library Tower–ADA & Elev.	\$10,000,000	\$1,000,000	\$0	
Smith–Replace HVAC & Controls, Envelope, Replace Roof	\$5,950,000	\$595,000	\$0	
Atkins Library Tower–Fire & Smoke Systems	\$3,840,000	\$384,000	\$0	
Woodward–Controls & Lab HVAC Modernization	\$2,700,000	\$2,700,000	\$0	
Friday–HVAC, Controls & Electrical Upgrade	\$9,700,000	\$970,000	\$0	
Cameron–Second Floor Renovation	\$19,100,000	\$1,910,000	\$17,190,000	
Burson–Renovation	\$25,900,000	\$2,590,000	\$0	
Total	\$77,190,000	\$10,149,000	\$17,190,000	\$0
The University of North Carolina at Greensboro				
Coleman–Fire Alarm Replacement	\$2,440,000	\$2,440,000	\$0	
Steam Distribution Replacement, Phase IV-B	\$1,550,000	\$1,550,000	\$0	
Campus Chiller Water Infrastructure & Equip. Improvements**	\$13,803,000	\$1,040,000	\$0	\$3,403,000
Jackson Library–Renovation/Addition**	\$98,100,000	\$8,100,000	\$0	\$17,100,000
Total	\$115,893,000	\$13,130,000	\$0	\$20,503,000
The University of North Carolina at Pembroke				
Jacobs Hall–Demolition/Site Restoration	\$1,250,000	\$1,250,000	\$0	
Campus Roof Replacements	\$1,500,000	\$1,500,000	\$0	
Campus Safety & Regional Emergency Response Center	\$4,480,000	\$448,000	\$0	
Business Administration Renovation	\$12,500,000	\$1,250,000	\$0	
Total	\$19,730,000	\$4,448,000	\$0	\$0
UNC School of the Arts				
Stevens Center–Roof, Water Intrusion, Bldg. Envelope	\$4,800,000	\$480,000	\$4,320,000	
Gray Building–Roof, Bldg. Envelope, HVAC, Fire Suppression	\$3,350,000	\$3,350,000	\$0	
Performance Place/Workplace/WPV–Roof Replacements	\$2,435,000	\$2,435,000	\$0	
Stevens Center Renovation, Phase 1	\$25,000,000	\$2,500,000	\$0	
Total	\$35,585,000	\$8,765,000	\$4,320,000	\$0
University of North Carolina Wilmington				
Coastal Marine Studies–Plumbing, Mech., Elec. Renovation	\$9,930,000	\$993,000	\$0	
Randall Library Renovation & Expansion	\$56,000,000	\$8,425,000	\$47,575,000	
Total	\$65,930,000	\$9,418,000	\$47,575,000	\$0

	Proposed Project Cost	2021-2022 Allocations	2022-2023 Allocations	2023-24 Allocations
Western Carolina University				
Killian Building–HVAC Upgrades/Window Replacement	\$3,570,000	\$3,570,000	\$0	
Reid Building–Roof Replacement	\$2,520,000	\$2,520,000	\$0	
Moore Building–Abatement, Demo. & Struct. Improvements	\$7,100,000	\$710,000	\$6,390,000	
Moore Building–Infrastructure & Accessibility	\$4,200,000	\$420,000	\$3,780,000	
Moore Building Renovation	\$15,000,000	\$1,500,000	\$13,500,000	
Total	\$32,390,000	\$8,720,000	\$23,670,000	\$0
Winston-Salem State University				
Hauser Hall Renovations–Restore the Core	\$7,500,000	\$750,000	\$0	
Hauser Hall–Renovation, Phase 2	\$9,500,000	\$950,000	\$0	
Total	\$17,000,000	\$1,700,000	\$0	\$0
PBS North Carolina				
Tower Lighting/FAA Markers/Tower Elev. Repair	\$2,200,000	\$2,200,000	\$0	
Bryan Center–Replace HVAC Air Handler & Controls	\$2,707,000	\$2,707,000	\$0	
Bryan Center–Chiller & Cooling Tower Replacement	\$1,120,000	\$1,120,000	\$0	
Total	\$6,027,000	\$6,027,000	\$0	\$0
North Carolina Arboretum				
Infrastructure Restoration & Road Projects	\$1,000,000	\$1,000,000	\$0	
Total	\$1,000,000	\$1,000,000	\$0	\$0
GRAND TOTAL	\$875,173,000	\$190,000,000	\$190,000,000	\$35,203,000

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

** Project authorization adjusted to include inflationary increase.

Projects shown in blue are fully funded.

Funds for projects shown in red are reallocated.

Attachment B
UNC System FY2023-24 Maintenance R&R Allocation
Proposed for BOG Approval - October 19, 2023

\$50,000,000 Total Allocation							
Institution	Base Model					12.5% GSF 12.5% # of Bldgs 25% Condition 25% # of FTE 25% Avail. Res.	% Allocation
	Gross Square Footage (GSF)	Adjustment for Building Condition	# of Bldgs	# of Students (Fall 2022) ²	Available Resources ³		
ASU	2,362,740	3,343,824	40	19,580	\$6,690,772	\$2,581,950	5.2%
ECU	4,301,887	5,709,087	100	23,985	\$74,742,747	\$3,685,817	7.4%
ECSU	745,568	913,734	28	1,942	\$980,328	\$2,000,000	4.0%
FSU	813,963	1,161,237	27	5,709	\$18,478,842	\$2,000,000	4.0%
N.C. A&T	2,234,952	3,150,513	63	12,553	\$8,655,688	\$2,428,973	4.9%
NCCU	1,369,834	1,483,945	34	6,869	\$6,478,188	\$2,000,000	4.0%
NC State	9,124,361	12,818,259	328	33,447	\$26,036,241	\$7,674,700	15.3%
UNCA	894,047	1,341,127	21	2,717	\$12,980,097	\$2,000,000	4.0%
UNC-CH	10,720,434	16,056,723	166	29,407	\$86,368,714	\$6,198,839	12.4%
UNCC	3,601,405	4,873,148	50	26,903	\$44,434,724	\$3,240,526	6.5%
UNCG	2,720,087	3,917,003	55	16,070	\$8,162,872	\$2,644,450	5.3%
UNCP	1,277,674	2,023,910	31	6,565	\$2,815,155	\$2,000,000	4.0%
UNCW	1,908,539	1,910,211	48	15,939	\$13,756,965	\$2,294,746	4.6%
UNCSA	815,069	915,715	31	1,091	\$5,894,109	\$2,000,000	4.0%
WCU	2,607,888	2,826,374	30	10,475	\$4,340,074	\$2,000,000	4.0%
WSSU	1,034,382	1,250,915	25	4,656	\$7,712,789	\$2,000,000	4.0%
NCSSM	442,877	442,877	8	830	\$13,018,206	\$2,000,000	4.0%
Total	46,975,707	64,138,602	1,085	218,738	\$341,546,512	\$48,750,000	97.5%
System Reserve ¹						\$1,250,000	2.5%
System Total						\$50,000,000	100.0%

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

² # Students is based on Full-Time Equivalent (Fall 2022), including undergraduate and graduate students, degree-seeking only, and excludes fully online student enrollment

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

AGENDA ITEM

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

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

Capital Improvement Projects – East Carolina University, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, University of North Carolina Wilmington, and Western Carolina University

ISSUE OVERVIEW

University of North Carolina System institutions are required to request authority from the 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.

Five UNC System institutions have requested nine capital improvement projects: five new projects and four projects for increased authorization.

I. NEW PROJECTS

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
University of North Carolina at Charlotte					
1.	Loy Witherspoon Center for Meditation and Reflection (2,200 square feet)	\$2,750,000	\$275,000	\$2,475,000	Donations & Gifts
2.	Parking Lot 26 Renewal	\$1,431,500	\$0	\$1,431,500	Transportation & Parking
3.	Wallis Residence Hall Roof Replacement	\$1,500,000	\$0	\$1,500,000	Housing Receipts
<i>UNCC Subtotal</i>		<i>\$5,681,500</i>	<i>\$275,000</i>	<i>\$5,406,500</i>	
University of North Carolina Wilmington					
4.	Brooks Baseball Field Refurbishment	\$2,750,000	\$0	\$2,750,000	Athletic Receipts
<i>UNCW Subtotal</i>		<i>\$2,750,000</i>	<i>\$0</i>	<i>\$2,750,000</i>	
Western Carolina University					
5.	Chillers and Cooling Tower Replacement - University Center and Coulter	\$1,174,000	\$0	\$1,174,000	Carry-forward (48%)/ Auxiliary Trust Funds (52%)
<i>WCU Subtotal</i>		<i>\$1,174,000</i>	<i>\$0</i>	<i>\$1,174,000</i>	
Grand Total		\$9,605,500	\$275,000	\$9,330,500	

II. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
East Carolina University					
6.	Howell Science Building South Comprehensive Renovation - Phase 1	\$37,000,000	\$35,000,000	\$2,000,000	SCIF (81%)/ Carry-forward (14%)/ F&A (5%)

II. INCREASED AUTHORIZATION cont.

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
7.	Whichard Building Comprehensive Renovation	\$15,000,000	\$10,000,000	\$5,000,000	SCIF (67%)/ Carry-forward (33%)
<i>ECU Subtotal</i>		<i>\$52,000,000</i>	<i>\$45,000,000</i>	<i>\$7,000,000</i>	
University of North Carolina at Chapel Hill					
8.	Campus Wide Parking Repairs	\$6,290,000	\$3,720,000	\$2,570,000	Transportation and Parking
<i>UNC-CH Subtotal</i>		<i>\$6,290,000</i>	<i>\$3,720,000</i>	<i>\$2,570,000</i>	
University of North Carolina at Charlotte					
9.	Softball Locker Rooms and Offices	\$4,350,000	\$3,100,000	\$1,250,000	Auxiliary Trust Funds (50%)/ Donations & Gifts (50%)
<i>UNCC Subtotal</i>		<i>\$4,350,000</i>	<i>\$3,100,000</i>	<i>\$1,250,000</i>	
Grand Total		\$62,640,000	\$51,820,000	\$10,820,000	

RECOMMENDATION

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

It is recommended that these projects be authorized and reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

III. REPORTING

There are no Chancellor-authorized Repairs and Renovations projects less than \$600,000 to report.