



**AGENDA**  
**Committee on Strategy and Innovation**  
**April 27, 2023**

- |      |                                                                           |                                                                                                                           |
|------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| I.   | Approval of Minutes, February 2, 2023                                     | Tom Furr<br>Committee Chair                                                                                               |
| II.  | Strategic Plan Update                                                     | Sharon Paynter<br>Co-Chair, Strategic<br>Planning Committee<br><br>Ravi Paul<br>Co-Chair, Strategic<br>Planning Committee |
| III. | Legislative Priorities Update                                             | Karson Nelson<br>Director of<br>Strategic Initiatives<br><br>Michelle Brooks<br>Exec. Vice Dean, BSOM                     |
| IV.  | ECU Health Update & Student Reflection<br>of 4 <sup>th</sup> Year Student | Mike Waldrum<br>Dean, BSOM<br>CEO, ECU Health                                                                             |



**AGENDA ITEM**

- I. Approval of Minutes ..... Tom Furr, Committee Chair

**Situation:** Approval of the minutes from the February 2, 2023.

**Background:** N/A

**Assessment:** N/A

**Action:** This item requires a vote by the committee.

Committee on Strategy and Innovation  
February 2, 2023  
Minutes

The Committee on Strategy and Innovation met in regular session on February 2, 2023. Chairman Tom Furr called the meeting to order, called the roll and established a quorum.

The committee heard an update about our Strategic Plan from Dr. Sharon Paynter about the work thus far. As a reminder, this is a strategic plan “refresh,” as ECU remains committed to our mission of student success and regional transformation. This plan refresh really will allow us to dive even deeper to outline our vision and priorities for the next five years. The committee will hear more about the plan at the April meeting.

The committee heard from a panel of regional industry leaders who talked about their experiences in bringing a problem to the university and having a solution emerge where ECU was able to help address challenges. Panelists included leaders from ECU Health, flyExclusive and Mr. Beast. The committee talked about the importance of being faster, nimble, and flexible to meet industry demands and the importance of these partnerships to meet a key component of ECU’s mission – regional transformation.

Finally, the committee spent time on the topic of freedom of expression, which is certainly a national topic that is front and center on university campuses around the country. The UNC System has prioritized this topic for all of its constituent institutions as well. The Board of Trustees just completed a two-part series on civil discourse and freedom of expression, which included education and information about ways ECU promotes and supports civil discourse across campus, as well as heard from two current students and two young alumni who talked about their experiences exercising their freedoms of expression.

As a next step, the Committee on Strategy and Innovation approved the attached resolution reaffirming this Board’s commitment to academic freedom and freedom of expression.

There were no other items coming before the committee at this meeting.

Respectfully Submitted,  
Megan Ayers

### Resolution on the Affirmation of Academic Freedom and Freedom of Speech

**WHEREAS**, Chapter VI, Section 600(1) of the Code of the Board of Governors of the University of North Carolina (*the Code*) establishes that the University of North Carolina System is “dedicated to the transmission and advancement of knowledge and understanding” and that “Academic Freedom is essential to the achievement of these purposes”; and

**WHEREAS**, Section 600(1) of *the Code* further establishes that the University of North Carolina “supports and encourages freedom of inquiry for faculty members and students, to the end that they may responsibly pursue these goals through teaching, learning, research, discussion, and publication, free from internal or external restraints that would unreasonably restrict their academic endeavor”; and

**WHEREAS**, Section 600(2) of *the Code* requires the University of North Carolina and its constituent institutions to “protect faculty and students in their responsible exercise of the freedom to teach, to learn, and otherwise to seek and speak the truth”; and

**WHEREAS**, Section 600(3) of *the Code* acknowledges that faculty and students “share in the responsibility for maintaining an environment in which academic freedom flourishes and in which the rights of each member of the academic community are respected”; and

**WHEREAS**, the University of Chicago’s July 2014 Report of the Committee on Freedom of Expression (the Chicago Principles) acknowledges a commitment to free and open inquiry on all matters, and acknowledges guarantees to all members of the University community the broadest possible latitude to speak, write, listen, challenge, and learn except insofar as limitations on that freedom are necessary to the functioning of the University;

**WHEREAS**, the University of Chicago’s Kalven Committee Report on the University’s Role in Political and Social Action (the “Report”) recognizes that the neutrality of the University as an Institution on social and political issues “arises out of respect for free inquiry and the obligation to cherish a diversity of viewpoints” and further acknowledges “a heavy presumption against the university taking collective action or expressing opinions on the political and social issues of the day,” while, at the same time, acknowledging that in extraordinary circumstances the University has a duty to speak to defend the very mission of the University;

**THEREFORE BE IT RESOLVED:** The East Carolina University Board of Trustees reaffirms its commitment to academic freedom and freedom of expression as embodied in *the Code*, the Kalven Committee Report on the University’s Role in Political and Social Action, which is attached hereto as Attachment A, and the Chicago Principles, which is attached hereto as Attachment B.

Approved by the East Carolina University Board of Trustees on February 3, 2023

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Scott Shook  
Chairman, ECU Board of Trustees

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Megan Ayers  
Assistant Secretary, ECU Board of Trustees

Kalven Committee:  
Report on the University's Role in Political and Social Action

Report of a faculty committee, under the chairmanship of Harry Kalven, Jr. Committee appointed by President George W. Beadle. Report published in the Record, Vol. I, No. 1, November 11, 1967.

The Committee was appointed in February 1967 by President George W. Beadle and requested to prepare "a statement on the University's role in political and social action." The Committee conceives its function as principally that of providing a point of departure for discussion in the University community of this important question.

The Committee has reviewed the experience of the University in such matters as its participation in neighborhood redevelopment, its defense of academic freedom in the Broyles Bill inquiry of the 1940s and again in the Jenner Committee hearings of the early 1950s, its opposition to the Disclaimer Affidavit in the National Defense Education Act of 1958, its reappraisal of the criteria by which it rents the off-campus housing it owns, and its position on furnishing the rank of male students to Selective Service. In its own discussions, the Committee has found a deep consensus on the appropriate role of the university in political and social action. It senses some popular misconceptions about that role and wishes, therefore, simply to reaffirm a few old truths and a cherished tradition.

A university has a great and unique role to play in fostering the development of social and political values in a society. The role is defined by the distinctive mission of the university and defined too by the distinctive characteristics of the university as a community. It is a role for the long term.

The mission of the university is the discovery, improvement, and dissemination of knowledge. Its domain of inquiry and scrutiny includes all aspects and all values of society. A university faithful to its mission will provide enduring challenges to social values, policies, practices, and institutions. By design and by effect, it is the institution which creates discontent with the existing social arrangements and proposes new ones. In brief, a good university, like Socrates, will be upsetting.

The instrument of dissent and criticism is the individual faculty member or the individual student. The university is the home and sponsor of critics; it is not itself the critic. It is, to go back once again to the classic phrase, a community of scholars. To perform its mission in the society, a university must sustain an extraordinary environment of freedom of inquiry and maintain an independence from political fashions, passions, and pressures. A university, if it is to be true to its faith in intellectual inquiry, must embrace, be hospitable to, and encourage the widest diversity of views within its own community. It is a community but only for the limited, albeit great, purposes of teaching and research. It is not a club, it is not a trade association, it is not a lobby.

Since the university is a community only for these limited and distinctive purposes, it is a community which cannot take collective action on the issues of the day without endangering the conditions for its existence and effectiveness. There is no mechanism by which it can reach a collective position without inhibiting that full freedom of dissent on which it thrives. It cannot insist that all of its members favor a given view of social policy; if it takes collective action, therefore, it does so at the price of censuring any minority who do not agree with the view adopted. In brief, it is a community which cannot resort to majority vote to reach positions on public issues.

The neutrality of the university as an institution arises then not from a lack of courage nor out of indifference and insensitivity. It arises out of respect for free inquiry and the obligation to cherish a diversity of viewpoints. And this neutrality as an institution has its complement in the fullest freedom for its faculty and students as individuals to participate in political action and social protest. It finds its complement, too, in the obligation of the university to provide a forum for the most searching and candid discussion of public issues.

Moreover, the sources of power of a great university should not be misconceived. Its prestige and influence are based on integrity and intellectual competence; they are not based on the circumstance that it may be wealthy, may have political contacts, and may have influential friends.

From time to time instances will arise in which the society, or segments of it, threaten the very mission of the university and its values of free inquiry. In such a crisis, it becomes the obligation of the university as an institution to oppose such measures and actively to defend its interests and its values. There is another context in which questions as to the appropriate role of the university may possibly arise, situations involving university ownership of property, its receipt of funds, its awarding of honors, its membership in other organizations. Here, of necessity, the university, however it acts, must act as an institution in its corporate capacity. In the exceptional instance, these corporate activities of the university may appear so incompatible with paramount social values as to require careful assessment of the consequences.

These extraordinary instances apart, there emerges, as we see it, a heavy presumption against the university taking collective action or expressing opinions on the political and social issues of the day, or modifying its corporate activities to foster social or political values, however compelling and appealing they may be.

These are admittedly matters of large principle, and the application of principle to an individual case will not be easy.

It must always be appropriate, therefore, for faculty or students or administration to question, through existing channels such as the Committee of the Council or the Council, whether in light of these principles the University in particular circumstances is playing its proper role.

Our basic conviction is that a great university can perform greatly for the betterment of society. It should not, therefore, permit itself to be diverted from its mission into playing the role of a second-rate political force or influence.

Harry Kalven, Jr., *Chairman*

John Hope Franklin

Gwin J. Kolb

George Stigler

Jacob Getzels

Julian Goldsmith

Gilbert F. White

Special Comment by Mr. Stigler:

I agree with the report as drafted, except for the statements in the fifth paragraph from the end as to the role of the university when it is acting in its corporate capacity. As to this matter, I would prefer the statement in the following form:

The university when it acts in its corporate capacity as employer and property owner should, of course, conduct its affairs with honor. The university should not use these corporate activities to foster any moral or political values because such use of its facilities will impair its integrity as the home of intellectual freedom.

## Report of the Committee on Freedom of Expression

*The Committee on Freedom of Expression at the University of Chicago was appointed in July 2014 by President Robert J. Zimmer and Provost Eric D. Isaacs “in light of recent events nationwide that have tested institutional commitments to free and open discourse.” The Committee’s charge was to draft a statement “articulating the University’s overarching commitment to free, robust, and uninhibited debate and deliberation among all members of the University’s community.”*

*The Committee has carefully reviewed the University’s history, examined events at other institutions, and consulted a broad range of individuals both inside and outside the University. This statement reflects the long-standing and distinctive values of the University of Chicago and affirms the importance of maintaining and, indeed, celebrating those values for the future.*

From its very founding, the University of Chicago has dedicated itself to the preservation and celebration of the freedom of expression as an essential element of the University’s culture. In 1902, in his address marking the University’s decennial, President William Rainey Harper declared that “the principle of complete freedom of speech on all subjects has from the beginning been regarded as fundamental in the University of Chicago” and that “this principle can neither now nor at any future time be called in question.”

Thirty years later, a student organization invited William Z. Foster, the Communist Party’s candidate for President, to lecture on campus. This triggered a storm of protest from critics both on and off campus. To those who condemned the University for allowing the event, President Robert M. Hutchins responded that “our students . . . should have freedom to discuss any problem that presents itself.” He insisted that the “cure” for ideas we oppose “lies through open discussion rather than through inhibition.” On a later occasion, Hutchins added that “free inquiry is indispensable to the good life, that universities exist for the sake of such inquiry, [and] that without it they cease to be universities.”

In 1968, at another time of great turmoil in universities, President Edward H. Levi, in his inaugural address, celebrated “those virtues which from the beginning and until now have characterized our institution.” Central to the values of the University of Chicago, Levi explained, is a profound commitment to “freedom of inquiry.” This freedom, he proclaimed, “is our inheritance.”

More recently, President Hanna Holborn Gray observed that “education should not be intended to make people comfortable, it is meant to make them think. Universities should be expected to provide the conditions within which hard thought, and therefore strong disagreement, independent judgment, and the questioning of stubborn assumptions, can flourish in an environment of the greatest freedom.”



The words of Harper, Hutchins, Levi, and Gray capture both the spirit and the promise of the University of Chicago. Because the University is committed to free and open inquiry in all matters, it guarantees all members of the University community the broadest possible latitude to speak, write, listen, challenge, and learn. Except insofar as limitations on that freedom are necessary to the functioning of the University, the University of Chicago fully respects and supports the freedom of all members of the University community “to discuss any problem that presents itself.”

Of course, the ideas of different members of the University community will often and quite naturally conflict. But it is not the proper role of the University to attempt to shield individuals from ideas and opinions they find unwelcome, disagreeable, or even deeply offensive. Although the University greatly values civility, and although all members of the University community share in the responsibility for maintaining a climate of mutual respect, concerns about civility and mutual respect can never be used as a justification for closing off discussion of ideas, however offensive or disagreeable those ideas may be to some members of our community.

The freedom to debate and discuss the merits of competing ideas does not, of course, mean that individuals may say whatever they wish, wherever they wish. The University may restrict expression that violates the law, that falsely defames a specific individual, that constitutes a genuine threat or harassment, that unjustifiably invades substantial privacy or confidentiality interests, or that is otherwise directly incompatible with the functioning of the University. In addition, the University may reasonably regulate the time, place, and manner of expression to ensure that it does not disrupt the ordinary activities of the University. But these are narrow exceptions to the general principle of freedom of expression, and it is vitally important that these exceptions never be used in a manner that is inconsistent with the University’s commitment to a completely free and open discussion of ideas.

In a word, the University’s fundamental commitment is to the principle that debate or deliberation may not be suppressed because the ideas put forth are thought by some or even by most members of the University community to be offensive, unwise, immoral, or wrong-headed. It is for the individual members of the University community, not for the University as an institution, to make those judgments for themselves, and to act on those judgments not by seeking to suppress speech, but by openly and vigorously contesting the ideas that they oppose. Indeed, fostering the ability of members of the University community to engage in such debate and deliberation in an effective and responsible manner is an essential part of the University’s educational mission.

As a corollary to the University’s commitment to protect and promote free expression, members of the University community must also act in conformity with the principle of free expression. Although members of the University community are free to criticize and contest the views expressed on campus, and to criticize and contest

speakers who are invited to express their views on campus, they may not obstruct or otherwise interfere with the freedom of others to express views they reject or even loathe. To this end, the University has a solemn responsibility not only to promote a lively and fearless freedom of debate and deliberation, but also to protect that freedom when others attempt to restrict it.

As Robert M. Hutchins observed, without a vibrant commitment to free and open inquiry, a university ceases to be a university. The University of Chicago's long-standing commitment to this principle lies at the very core of our University's greatness. That is our inheritance, and it is our promise to the future.

Geoffrey R. Stone, Edward H. Levi Distinguished Service Professor of Law,  
*Chair*

Marianne Bertrand, Chris P. Dialynas Distinguished Service Professor of  
Economics, Booth School of Business

Angela Olinto, Homer J. Livingston Professor, Department of Astronomy and  
Astrophysics, Enrico Fermi Institute, and the College

Mark Siegler, Lindy Bergman Distinguished Service Professor of Medicine and  
Surgery

David A. Strauss, Gerald Ratner Distinguished Service Professor of Law

Kenneth W. Warren, Fairfax M. Cone Distinguished Service Professor,  
Department of English and the College

Amanda Woodward, William S. Gray Professor, Department of Psychology  
and the College

## AGENDA ITEM

- II. Strategic Plan Update .....Drs. Sharon Paynter & Ravi Paul  
Co-Chairs, Strategic Planning Committee

**Situation:** ECU’s strategic planning process is nearing completion. The ECU Strategic Planning Committee identified opportunities that are most likely to move ECU forward, and focused attention on ways the university can impact our local and global communities.

**Background:** ECU’s Strategic Plan, entitled “*Captured Your Horizon*” was in place from 2017 through 2022 based on our mission of student success, public service, and regional transformation. In 2022, the UNC System approved a new plan for the system built on the strong foundation of the previous plan entitled “*Higher Expectations*” with five broad categories of access, student success, affordability and efficiency, economic impact and community engagement, and excellent and diverse institutions.

**Assessment:** Drs. Paynter and Paul will give the board an update on the strategic plan as the planning process comes to a close and next steps.

**Action:** This item is for information only.

## AGENDA ITEM

- III. Legislative Priorities Update .....Karson Nelson  
Director of Strategic Initiatives

**Situation:** One of the principal responsibilities of the University of North Carolina Board of Governors is to “develop, prepare, and present to the Governor and the North Carolina General Assembly a single, unified recommended budget for the constituent institutions of the University of North Carolina” [G.S. 116-11(9)a]. In odd-numbered years, the governor recommends, and the General Assembly enacts a biennial (two-year) budget. In even-numbered years, adjustments are made to the budget for the second fiscal year of the biennium.

**Background:** In preparation for the long session of the General Assembly, the University of North Carolina System Office asked institutions to submit budget requests for any critical needs associated with key System priorities. The campus-specific requests below reflect vetted investments to expand high demand programs, improve student completion, address critical health and wellness needs, and promote high education access for students from underserved areas of North Carolina.

**Assessment:** The 2023-25 budget priorities concentrate on a limited number of critical needs focused on implementing the board-approved performance weighted funding model, helping institutions adjust to changing enrollment patterns, providing high quality programs in high demand workforce areas, addressing key enterprise risks, responding to labor market and inflationary pressures, and investing in our capital infrastructure for facilities.

**Action:** This item is for information only.

# University of North Carolina

## FY 2023-25 Operating Budget Priorities



	FY 2023-24	FY 2024-25
<b>Estimated 2023-25 Base Budget</b> <i>(Excludes State Education Assistance Authority &amp; Aid to Private Institutions)</i>	<b>\$3,338,170,416</b>	<b>\$3,338,147,695</b>
<b>UNC System Expansion Budget Priorities</b>		
<b>Faculty Retirement Incentive Program</b> Offering a financial retirement incentive for tenured faculty will help our institutions release and reallocate or reduce resources in support of institutional needs. Priority would be given to institutions that have been most impacted by changing enrollment patterns (NCCU, UNCA, UNCG, WSSU, ECU).	<b>\$16,800,000</b>	<b>NR</b>
<b>UNC Performance-Weighted Enrollment Change</b> Adjusts funding to reflect each institution's change in enrollment and performance on increasing undergraduate student success, reducing student debt, and increasing productivity. In 2022, resident student credit hours decreased by 2.9% systemwide. We expect enrollment to rebound modestly in the 2023.	<b>(\$16,713,978)</b>	<b>\$5,000,000</b>
<b>Completion Assistance Programs</b> Based on a proven model used by Georgia State University to increase graduation rates, this program would allow ECSU, FSU, N.C. A&T, NCCU, UNCA, UNCP, & WSSU to provide aid to students who are on track to graduate but are in danger of dropping out because of financial shortfalls.	<b>\$10,500,000</b>	<b>\$10,500,000</b>
<b>Cybersecurity</b> Supports systemwide approach to central log management, network monitoring, endpoint detection and response, and other cybersecurity operational needs.	<b>\$5,350,000</b>	<b>\$5,350,000</b>
<b>Distinguished Professorship Matching Funds</b> Addresses the backlog in State funds needed to match private donations supporting endowed professorships, which help attract and retain top faculty talent.	<b>\$10,000,000</b>	<b>NR</b>
	<b>(\$863,978)</b>	<b>\$20,850,000</b>
	<b>\$30,050,000</b>	<b>\$10,000,000</b>
Total Requested Increase	<b>\$29,186,022</b>	<b>\$30,850,000</b>
Total Percent Change	<b>0.9%</b>	<b>0.9%</b>

<b>Inflationary Adjustments</b>	
<b>Faculty and Staff Salaries</b> Due to inflation and the tight labor market, institutions are struggling to recruit and retain talent. Our faculty and staff are key to our continued progress on improving graduation rates, decreasing student debt, and increasing research productivity. Each 1% increase in salary and associated benefits costs \$34.1 million.	<p><b><i>UNC System requests funding commensurate with state agencies and strongly supports Labor Market Adjustment Reserve funding.</i></b></p>
<b>Inflationary Increases to Operational Costs</b> Inflation has also significantly eroded non-personnel operating budgets. A prime example is the cost of energy. In FY22, the UNC System spent over \$186 million on electricity, gas, water/sewer, and other utilities. Through December, utility costs have increased over 16% year-over-year, which has been driven by higher electricity and natural gas rates.	

*Note: All items are recurring unless specified as nonrecurring.*

# The University of North Carolina System 2023-25 Institution-Specific Requests

The campus-specific requests below reflect vetted investments to expand high demand programs, improve student completion, address critical health and wellness needs, and promote higher education access for students from underserved areas of North Carolina.

		FY 2023-24	FY 2024-25
<b>High Demand Program Expansion</b>			
<b>East Carolina University</b>	Growing Primary Care Workforce	\$5,433,107	\$9,363,534
		\$693,000 NR	\$693,000 NR
North Carolina A&T	Agriculture Research and Extension Match	\$10,660,611	\$10,660,611
	Premier Research Institution Funding	\$10,000,000	\$10,000,000
		\$5,000,000 NR	
NC State University	Veterinary Medicine Class Size Expansion	\$5,500,000	\$5,500,000
UNC-Chapel Hill	Computer Science Program Expansion	\$7,500,000	\$7,500,000
		\$2,500,000 NR	
UNC Charlotte	Data Science Program Expansion	\$3,000,000	\$3,000,000
		\$3,000,000 NR	\$3,000,000 NR
UNC Pembroke	Health Sciences New Program Development	\$1,000,000	\$1,000,000
		\$1,000,000 NR	\$1,000,000 NR
UNC Wilmington	Critical Workforce Programs, Research, and Teaching	\$5,000,000	\$5,000,000
		\$3,000,000 NR	\$3,000,000 NR
Western Carolina University	Expand Engineering to Meet Regional Industry Needs	\$3,500,000	\$3,500,000
		\$3,500,000 NR	
<b>Student Affordability and Access</b>			
Appalachian State University	Hickory Campus Building Reserves & Academic Start-Up	\$3,096,291	\$4,714,830
		\$2,416,888 NR	\$1,477,752 NR
<b>East Carolina University</b>	Eastern NC Merit Scholarship Program	\$2,000,000	\$2,000,000
UNC Greensboro	Create Prosperity Scholars Program	\$5,000,000	\$5,000,000
Elizabeth City State University			
Fayetteville State University			
North Carolina A&T			
NC Central University	Completion Assistance Programs		see other side
UNC Asheville			
UNC Pembroke			
Winston-Salem State University			
<b>Health and Wellness</b>			
UNC School of the Arts	Student Mental and Physical Health Support	\$1,000,000	\$1,000,000
NC School of Science and Math	Ensuring Adequate Dining, Housekeeping, and Security Services	\$1,500,000	\$1,500,000
<b>Other</b>			
PBS NC	Audio/Video Production Systems	\$3,130,000 NR	

Note: All items are recurring unless specified as nonrecurring.

## **The University of North Carolina System 2023-25 Operating Budget Priorities**

In 2022, the University of North Carolina System completed its five-year Strategic Plan, Higher Expectations. By setting ambitious goals for keeping college affordable, improving graduation rates, enrolling more rural and low-income students, and growing investments in research and public service, the System's Strategic Plan made a real difference in the lives of students and families across North Carolina. By any objective measure, our public universities are stronger and more capable than they were five years ago.

At the start of this academic year, the System launched a refreshed five-year Strategic Plan that will build on our successes and answer emerging needs for our state and our students. We have sharpened our focus on adult learners and military-affiliated students, recognizing the need to effectively serve North Carolinians at different stages in their lives and careers. We have set out to increase on-time graduation rates and reduce student debt which will enable more graduates to start a fulfilling career more quickly. We have added important measurements of student wellbeing, recognizing the mental health challenges that impact the lives and prospects of the students we serve. Additionally, we have committed to better retention and greater diversity among our staff and faculty, recognizing the highly competitive race for talent in our growing state.

The 2023-25 Operating Budget Priorities help to advance the refreshed Strategic Plan by concentrating on a limited number of critical needs that reflect implementation of the board-approved performance weighted funding model, institutional efforts to adjust to changing enrollment patterns, the state's need for graduates of high-quality programs in high demand workforce areas, management of key enterprise risks, and the imperative to respond to labor market and inflationary pressures.

### **UNC System Expansion Priorities**

The University of North Carolina Board of Governors recommends the following adjustments to the UNC System's General Fund base budget (see Appendix 1 for base budget details for each UNC Budget Code).

#### **1. Faculty Retirement Incentive Program**

Personnel costs represent the largest financial outlay for UNC System constituent institutions, with outlays for tenured faculty representing the largest ongoing financial obligation. Tenure appointments made 20, 30, or 40 years ago may not align with the enrollment demands and university needs of today.

The UNC System requests enabling legislation and \$16.8 million in nonrecurring funds to support financial retirement incentives for tenured faculty. Offering a severance payment equivalent to the faculty member's annualized base salary would provide a strategic tool for institutions to manage long-term financial and personnel resources, helping our institutions release and reallocate or reduce resources to better meet institutional needs. Funding would be prioritized for institutions that have been most impacted by changing enrollment patterns, including East Carolina University, North Carolina Central University, University of North Carolina Asheville, University of North Carolina at Greensboro, and Winston-Salem State University.

The retirement incentive program would be voluntary and open only to full-time tenured faculty who meet certain eligibility requirements. Institutions may limit the number of participants and may deny participation of any applicant based on business continuity and campus needs. The funding from the

General Assembly would provide the financial resources necessary to drive program adoption and success.

## 2. Performance-Weighted Enrollment Change Funding

Throughout 2022, the UNC System worked at the direction of the UNC Board of Governors to revise its funding model to better align funding with the strategic priorities of the UNC System and the State of North Carolina. Under this revised model, funding is modified based on changes in enrollment and institutional performance.

The model adjusts funding to reflect changes in **actual resident student credit hours** delivered from calendar year 2021 to 2022. Systemwide, resident student credit hours decreased by 2.9 percent. This enrollment decline is driven by various factors impacting the educational pipeline for undergraduate students: 1) falling birth rates are causing the size of North Carolina’s school-age population to plateau, 2) the proportion of North Carolina high school graduates immediately enrolling in higher education is trending flat to slightly down, 3) the pandemic’s negative impact on community college enrollments has reduced the transfer pipeline to our institutions, and 4) a legislative change to the kindergarten eligibility age in 2009-10 caused a temporary reduction to the number of students entering public schools that year.

Due to this significant turbulence, certain institutions have experienced enrollment declines that exceed levels that can be readily absorbed by institutional budgets. Since absorbing significant short-term funding losses without harming long-term System goals is difficult and strategic realignments of resources are more feasible over a multi-year period, the Board recommends capping enrollment-based losses over the past two years at no more than 4.5 percent of the current year certified budget. The application of this cap mitigates the funding reductions due to enrollment declines at UNC Asheville and UNC Greensboro.

To directly align funding with outcomes related to the strategic goals, the model also adjusts funding based on the change in each institution’s **performance weight**. An institution is assigned a performance weight of up to +/-3 percent based on how actual performance compares to its baseline and stretch goal on five metrics that are core to the UNC Strategic Plan and the Board’s goals for the president:

Goal	Metric
Increasing Undergraduate Student Success	Four-Year Graduation Rate
	Undergraduate Degree Efficiency
Increasing Affordability	First-Time Student Debt at Graduation
	Transfer Student Debt at Graduation
Improving Productivity	Education and Related Expenses per Degree

Baselines were established based on each institution’s actual performance directly preceding the performance cycle, recognizing the differences in institutional missions and circumstances. Likewise, the stretch goals are also unique to each institution, but have been benchmarked to national trend data to ensure rigor. These performance targets reflect a high level of improvement over a three-year period. A multi-year performance cycle was recommended since change initiatives often take multiple years to effect meaningful change, and progress may not be achieved evenly over time.

By applying performance weighting to all credit hours, the model recognizes student enrollments are more valuable to the State if outcomes are improving and, therefore, generate more funding. Likewise, if outcomes are deteriorating, student credit hours are less valuable to the State and generate less funding. The amount of funding that can be earned or lost due to performance change is bounded by the +/-three



percent performance range, ensuring the maximum potential benefit over the three-year cycle is a predictable amount that is roughly equivalent to one percent enrollment growth per year.

Per the performance-weighted enrollment funding model, institutional budgets would be collectively decreased by \$16,713,978 for FY 2023-24. The chart below outlines the impact to each institution. For FY 2024-25, we anticipate enrollment will rebound modestly at most institutions, though some institutions anticipate continued enrollment declines. We also expect performance to continue to improve at most institutions, though the amount of year-over-year progress will be more modest. The UNC System is requesting \$5 million recurring for enrollment growth in FY 2024-25.

### FY 2023-24 Enrollment Funding Request

Institution	Enrollment Change	Enrollment Loss Cap Adjustment	Performance Change	Total Change (with cap adj)
ASU	\$ (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)
NC 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)	484,639	44,206	(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)	2,352,445	2,394,967	(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
<b>Total</b>	<b>(52,472,417)</b>	<b>2,837,084</b>	<b>32,921,356</b>	<b>(16,713,978)</b>

### 3. Completion Assistance Programs

Student success is at the heart of the UNC System Strategic Plan, which calls for increasing the System's on-time graduation rate and reducing student debt at graduation for both our first-time and transfer students. To address these goals, we propose \$10.5 million in recurring funds to support completion assistance programs at our Historically Minority Serving Institutions (HMSIs – ECSU, FSU, N.C. A&T, NCCU, UNCP, and WSSU) and UNCA.

While our Systemwide graduation rates have increased substantially over the past decade, thousands of students drop out of UNC System universities each year. Many students leave after having made considerable progress towards completing a degree. Since 2017, almost 27,000 students with more than 60 credit hours stopped out of a UNC System institution. Of those students, 14,000 had more than 90 credit hours. While students leave for a variety of reasons, finances are often cited as the number one reason students decide not to reenroll.

These funds would be targeted at institutions that serve high proportions of Pell Grant students and experience student attrition rates that exceed System averages. Each institution would receive \$1.5 million and have flexibility to determine the number and amount awarded (up to \$5,000). Funds must be awarded to students who need financial assistance to remain enrolled and earn credits necessary to be on track for on-time graduation. To be eligible, students must be North Carolina residents enrolled full-time in a program leading to an undergraduate degree, meet satisfactory academic progress (SAP), and have completed or be on track to complete at least 60 credit hours by the end of term. Students must also have completed the FAFSA for the current year and have a financial aid gap constituting an unpaid balance with the institution for direct costs, such as tuition, fees, room, board, or other balance.

Program effectiveness will be assessed based on the change in the percentage of students achieving 60- and 90-credit hour benchmarks and, ultimately, graduating on-time. Similar programs, such as the Panther Retention Grant program at Georgia State University, have been shown to reduce time to degree for participants, particularly for Pell Grant recipients and students of color, and because students are graduating in fewer semesters, it also reduced student debt.

#### **4. Cybersecurity**

Cybersecurity attacks represent a constant and evolving threat to the operations of the UNC System. Institutions need the tools, training, and staff expertise to manage these threats. Universities are tempting targets for cyber criminals looking to steal research or trade secrets as well as ransomware attacks. The UNC System requests \$5.35 million recurring and \$3.25 million nonrecurring to support a Systemwide approach to central log management, network monitoring, endpoint detection and response, and other cybersecurity operational needs.

Central log management allows for data collection of cyber-attacks to aid in threat remediation. Network monitoring, also referred to as managed detection and response (MDR), is a service that combines human expertise, threat intelligence and a range of network and endpoint detection technologies to help organizations detect and respond to threats. The service runs 24 hours a day and seven days a week to keep networks safe. Endpoint Detection and Response (EDR) is a term used to describe cybersecurity technologies that help organizations detect threats that target host devices such as laptops, servers, and desktops. EDR combines elements of next-generation antivirus with additional functionality to deliver real-time anomaly detection, support threat hunting, and help automate incident response processes.

#### **5. Distinguished Professorship Matching Funds**

The Distinguished Professorship Endowment Trust fund was established by the General Assembly in 1985. The program matches private contributions with State appropriations to create endowments for distinguished professorships. State funds are matched either 1:1 or 1:2 with private donations. Since the income from the endowment may only be used to support the endowed professorship, the program helps attract and retain top faculty talent.

The UNC System requests \$10 million nonrecurring in each year of the biennium to address the backlog in State funds needed to match private donations supporting endowed professorships. Currently there are 61 qualifying professorships representing over \$40 million in private donations in the queue awaiting \$20 million in State match funding. Most of these professorships are in science, technology, engineering, and math (STEM), health science, and business disciplines.

## **UNC System Inflationary Adjustments**

### **Faculty and Staff Salaries**

The UNC System's most important assets are the talented faculty and staff that educate and support our students, researchers that produce scientific breakthroughs and attract significant federal and private funding to the state, and public servants that leverage the expertise and resources of the universities to positively impact communities in North Carolina. As such, faculty and staff salaries remain a top priority.

Institutions are struggling to recruit and retain talent due the tight labor market and salaries that have not kept up with inflation. For example, an employee earning \$70,000 in FY 2018-19 would earn \$74,707 in FY 2022-23 after the legislative increases passed by the General Assembly. To retain the same purchasing power of \$70,000, an employee would need to earn \$82,695 in FY 2022-23, a real earnings decrease of \$7,988. As of December 1, 2022, 48 percent of the 34,809 appropriation-supported full-time equivalent (FTE) positions earned less than \$70,000.

The UNC System requests funding commensurate with state agencies and strongly supports Labor Market Adjustment Reserve (LMAR) funding. The LMAR funding included in the 2022 Appropriations Act provided an important source of funding for targeted salary adjustments to address our most pressing workforce challenges. Each 1 percent increase in salary and associated benefits costs \$34.1 million for our appropriation-supported positions.

### **Inflationary Increases to Operational Costs**

Inflation has also significantly eroded the purchasing power of non-personnel operating budgets. A prime example is the cost of energy. In FY22, the UNC System spent over \$186 million on electricity, gas, water/sewer, and other utilities. Through December 2022, utility expenses were \$15 million higher than the previous fiscal year, increasing from \$90 million to \$105 million. Increased electricity and natural gas/propane rates are driving these increased costs.

While institutions nationwide have raised tuition to cover such costs, the UNC System has kept resident undergraduate tuition flat since 2017-18, prioritizing our commitment to an affordable college education for the students and families of North Carolina. The UNC System requests funding commensurate with other state agencies to address these inflationary pressures impacting core operations of the university.

## Campus-Specific Requests

If the General Assembly has available resources beyond what is necessary to fund our Systemwide priorities and inflationary adjustments, we recommend the following list of campus-specific requests, which reflect vetted investments aligned with our strategic goals to expand high demand programs, improve student completion, address critical health and wellness needs, and promote higher education access for students from underserved areas of North Carolina.

### High Demand Program Expansion

<b>East Carolina University</b>	<b>FY 2023-24</b>	<b>FY2024-25</b>
<b>Growing Primary Care Workforce</b>		
Brody School of Medicine	\$4,214,107	\$8,144,534
College of Nursing	\$240,000	\$240,000
College of Allied Health Sciences: Physician Assistant Program	\$479,000	\$479,000
Department of Psychology	\$693,000 NR	\$693,000 NR
	\$500,000	\$500,000
<b>Total</b>	<b>\$5,433,107</b>	<b>\$9,363,534</b>
	<b>\$693,000 NR</b>	<b>\$693,000 NR</b>

ECU is requesting funds to increase the number of primary care healthcare providers it graduates each year. North Carolina is facing a health care crisis in the lack of an adequate primary care workforce to serve the state, especially in rural and underserved areas. North Carolina’s statewide shortage of primary care physicians is expected to grow by more than 1,000 doctors by 2025. The pipeline of physician assistants – who often help cover the shortage of primary care physicians – cannot keep up with demand. According to the UNC Program on Health Workforce and Research, North Carolina faces an estimated shortage of nearly 17,500 registered nurses by 2033. Across the state, more than 22 percent of adults and 53 percent of children aged 12-17 with symptoms of anxiety or depression were unable to get needed counseling or therapy in the last year. With support, the Brody School of Medicine can expand its class size by up to 40 students; the College of Nursing can expand its undergraduate and accelerated Bachelor of Science in Nursing degrees; the Physician Assistant program can double in size to 72 students annually through the creation of a virtual PA program; and the health psychology doctoral program can grow and expand its community-focused psychological services clinic.

<b>North Carolina Agricultural and Technical State University</b>	<b>FY 2023-24</b>	<b>FY2024-25</b>
Premier Research Institution Funding	\$10,000,000	\$10,000,000
	\$5,000,000 NR	
Agriculture Research and Extension Match	\$10,660,661	\$10,660,661

North Carolina A&T is requesting funds to support its continued pursuit of becoming a premier research institution by strategically expanding the diversity of its programs, research faculty and staff, research expenditures, and building infrastructure. Funds would support new faculty and professional positions for new and existing programs, such as postdoctoral scholars, research staff and professional advising staff. Additionally, support is needed for start-up funds for faculty and graduate student support. N.C. A&T aims to ensure students have access to the expertise, research facilities and curricula that will prepare them for graduate studies or make them competitive for top careers, especially in STEM disciplines.

Funds are also requested to expand N.C. A&T’s Agricultural Research and Cooperative Extension programs to ensure support for research that will continue to produce measurable, high-impact outcomes for local

## Student Affordability and Access

Appalachian State University	FY 2023-24	FY2024-25
<b>Hickory Campus</b>		
Building Reserves	\$1,618,539 \$939,136 NR	\$3,237,078
Academic Start-Up	\$1,477,752 \$1,477,752 NR	\$1,477,752 \$1,477,752 NR
<b>Total</b>	<b>\$3,096,291</b> <b>\$2,416,888 NR</b>	<b>\$4,714,830</b> <b>\$1,477,752 NR</b>

App State requests funds to support the operation of its new Hickory Campus. In November 2021, App State's Endowment Fund purchased the 225,800-square-foot former Corning Optical Communications building to establish its Hickory Campus. Building reserve funding would support the operation and maintenance of the building once it becomes State property. The Main Building will house academic classrooms and administrative space for faculty/staff, as well as student support services. Academic start-up funds are also requested to support the initial costs associated with staffing this new location when it opens its doors to an estimated 500 students in Fall 2023. Initial academic program offerings will include educator preparation, business, and professional studies, all of which will help satisfy high demand workforce needs for the region and enhance economic impact and community engagement.

East Carolina University	FY 2023-24	FY2024-25
PIRATE Grants: Eastern NC Merit Scholarship Program	\$2,000,000	\$2,000,000

ECU is requesting funds to establish its Preparing Individuals in Rural Areas for Tomorrow's Economy (PIRATE) Grant program, a merit scholarship focused on students from eastern North Carolina. Recruiting high-performing undergraduate students from the region will be instrumental in sending graduates into health care, technology, engineering, education, and other high demand career fields in the east. The merit-based scholarships would be awarded to undergraduate students from eastern North Carolina that pursue workforce critical fields, such as education and STEM majors. ECU proposes matching the State's investment with \$1 million per year in privately raised dollars.

University of North Carolina at Greensboro	FY 2023-24	FY2024-25
Prosperity Scholars Program	\$5,000,000	\$5,000,000

UNC Greensboro is requesting funds to create a scholarship program entitled the Prosperity Scholars Program. The program would provide scholarships to academic high achievers that will attract a range of students from North Carolina, including hardworking lower-income students from Tier 1 & 2 communities. U.S. News & World Report ranks UNCG first in the state and thirteenth nationally for helping first generation and lower-income students find their paths to prosperity. These students are capable but need more support. In addition to providing scholarships to address unmet needs, the program would also provide students with academic support, professional development opportunities, and paid internships to be workforce-ready and successful post-graduation.

**\*See "System Expansion Priorities: Completion Assistance Programs" for our request specifically benefiting Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, University of North Carolina Asheville, University of North Carolina at Pembroke, and Winston-Salem State University.**



## **2023-25 Capital Improvement Priorities**

The University of North Carolina System is one of the largest property managers in the state. The UNC System is entrusted with more than 3,000 buildings and more than \$28.8 billion in public assets that support the System’s mission of teaching, research, and public service. From the humblest maintenance shed to the grandest auditorium, these buildings belong to the people of North Carolina. The System’s campuses and research facilities were built with generations of public investment, and it is the System’s duty to preserve that investment for generations to come. For that reason, the UNC System will continue to focus its efforts in the years ahead on caring for the System’s existing physical footprint.

The System’s 2023-25 capital priorities build upon the \$1.95 billion in capital projects authorized by the North Carolina General Assembly during the 2021-23 fiscal biennium. During its last session, the General Assembly also shifted the funding of capital projects from a bond-funded model to a cash-funded model, based upon the projected availability of funding in the State Capital and Infrastructure Fund (SCIF). This approach heightens the need for robust, multi-year capital plans. The projects recommended in this proposal are based on the six-year capital plans developed by each institution and the following priorities:

- Continuation of SCIF funding for capital projects previously authorized by the General Assembly, including \$250 million annual SCIF funding for Board-authorized SCIF projects
- Targeted repair or replacement capital projects that will extend the useful life of existing buildings, especially core mission buildings or essential infrastructure, and
- Limited new construction or facility rehabilitation projects for new programs which cannot be accommodated in an existing building

Consistent with G.S. 143C-8-5, our capital request for this biennium was developed in the context of our broader multi-year plan and has two parts:

<i>In millions</i>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>
<b>1. UNC R&amp;R</b>	<b>\$250.0</b>	<b>\$250.0</b>	<b>\$250.0</b>	<b>\$250.0</b>	<b>\$250.0</b>	<b>\$250.0</b>
<b>2. Named Capital Projects</b>	<b>\$304.3</b>	<b>\$299.9</b>	<b>\$294.1</b>	<b>\$304.8</b>	<b>\$301.7</b>	<b>\$122.8</b>
Previously Authorized	\$261.2	\$149.5	\$3.8	\$0.0	\$0.0	\$0.0
New or Increased Projects	\$43.2	\$150.4	\$290.3	\$304.8	\$301.7	\$122.8
<b>Total</b>	<b>\$554.3</b>	<b>\$549.9</b>	<b>\$544.1</b>	<b>\$554.8</b>	<b>\$551.7</b>	<b>\$372.8</b>

In addition, the UNC System supports investing \$49.5 million in the state’s emergency management and public safety communications infrastructure operated by PBS North Carolina.

### **UNC Repair and Renovation (UNC R&R) Program**

After almost a decade of negligible investment in repair and renovation, the 2021 Appropriations Act (S.L. 2021-180) provided a critical infusion of R&R funds to begin addressing our significant deferred maintenance backlog. While these funds have helped remediate institutions’ most urgent issues, ongoing investment in the R&R program will be critical to eliminate the backlog and enable campuses to move toward a preventive maintenance approach. Timely and consistent investment in facilities can reduce deferred maintenance costs for the System and the State, as well as extend the life and efficiency of existing buildings. Such investment also reduces costly repairs due to critical system failures, unexpected

disruption of services, increased urgency to restore operations, and the compounding impact of neglected maintenance and deterioration on other areas of the building or infrastructure.

An effective R&R program needs to remain flexible so that priorities can adjust to changing circumstances. We recommend the General Assembly authorize the University of North Carolina Board of Governors to allocate (and reallocate) funds for R&R projects consistent with the provisions outlined in G.S. 143C-8-13(b) and S.L. 2021-180. See **Attachment A** for proposed special provision language.

Under this authority, the UNC Board of Governors will allocate \$40-60 million each year to institutions based on the Board-approved R&R formula to address **minor R&R needs**. These projects typically focus on needed repairs addressing ADA compliance requirements and fire safety needs, and improvements to roads, walks, and other infrastructure. To ensure accountability, projects must be approved by the Board and reported to the General Assembly prior to the expenditure of funds.

In addition, the Board will annually allocate funds for **major R&R projects** (typically \$2-10 million). **Attachment B** provides a list of recommended major R&R projects that are critical to maintaining core mission buildings or essential operational plant functions (infrastructure). Focused on extending a facility's useful life or replacing failing and obsolete systems, these projects include:

- Roof replacement, water intrusion mitigation, or building envelope repairs that allow buildings to remain in use and prevent further deterioration;
- System replacements (such as HVAC, electrical, fire alarms, elevators, etc.) of failing or obsolete systems that directly impact the continued occupancy of the building;
- Repair or replacement of critical plant operations or infrastructure that directly supports operation of critical core-mission buildings; this should not include the expansion or upgrade of any infrastructure to support new construction; and
- Demolition of vacant buildings.

Note that the six-year cash flow presented is for illustrative purposes only. Actual allocations would be based on project cash flow requirements.

### **Named Capital Projects**

Many aging facilities are simply inadequate to support current academic and other programmatic needs, requiring investment beyond the scope of the UNC R&R program. These more complex, multi-year projects are typically specifically authorized (or "named") in legislation. **Attachment C** provides a list of recommended named capital projects. Projects have been prioritized to meet the following goals:

- **Provide continuation funding for previously authorized projects.** Due to the cash-funded approach of the SCIF, continued funding to support anticipated project costs during the 2023-25 biennium is critical to ensure these previously authorized projects are completed.
- **Adjust for inflationary cost increases.** The construction industry has experienced record inflation over the past two years. While the General Assembly set aside funds to address cost overruns that threaten the viability of projects, certain previously authorized projects are either ineligible for assistance from these reserves or the funds require further action by the General Assembly.
- **Continue developing the project pipeline.** While the 2023-25 biennium will be focused on completing previously authorized projects, significant needs remain. To ensure a continued pipeline of projects, we request authorization and initial funding for comprehensive rehabilitation

projects that will significantly increase efficiency and space utilization or accommodate new uses, as well as limited new construction and facility rehabilitation projects for new and expanded programs which cannot be accommodated in an existing building.

### **North Carolina Public Safety Communications Infrastructure**

Emergency communications provided by PBS North Carolina are not only critical to viewers but to many emergency responders. PBS North Carolina hosts over 40 federal, state, and local emergency communication providers on over 20 tower sites throughout the state. PBS NC needs critical infrastructure improvements for our public safety communications partners, including the North Carolina Department of Public Safety. This \$49.5 million request would support new emergency power generators and UPS systems, microwave radio system upgrades, multiple small tower replacements, transmission facility repairs, fiber optical connectivity to our 12 primary transmission sites, refurbishment of aged transmission line on towers, and technology to enable ATSC 3.0/NextGenTV broadcast, the 21st broadcast system which will enable new public safety communications applications.



**Section X.X UNC Repair and Renovation (R&R) Program**

The Board of Governors of The University of North Carolina Funds shall prioritize funds allocated for project code UNC/R&R21 for repairs and renovations pursuant to G.S. 143C-8-13 and, notwithstanding G.S. 143C-8-13(a), for projects listed in subsection 40.1.(d) of S.L. 2021-180. The cost for any single repair and renovation project other than those specifically listed in Section 40.1.(d) of S.L. 2021-180 shall not exceed fifteen million dollars (\$15,000,000). The Board of Governors may reallocate funds in accordance with G.S. 143C-8-13(b) or to projects listed in subsection 40.1.(d) of S.L. 2021-180; provided, however, reallocation of funds intended for a project located at a particular constituent institution may only be reallocated for repairs and renovations projects at that particular constituent institution. The provisions of G.S. 143C-8-13(b)(4), as enacted by Section 40.10(b) of this act, shall not apply to the projects listed in subsection 40.1.(d) of S.L. 2021-180. The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-8-13(b).

**THE UNIVERSITY OF NORTH CAROLINA**  
**FY2023-29 STATE CAPITAL AND INFRASTRUCTURE FUND (SCIF) MAJOR REPAIR AND RENOVATION CAPITAL PROJECTS**

Constituent Institution and Project Name	Total Project Authorization	FY2021-23 Allocations	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b>TOTAL - SCIF R&amp;R (UNC/R&amp;R21)</b>	<b>\$1,383,871,299</b>	<b>\$500,000,000</b>	<b>\$250,000,000</b>	<b>\$250,000,000</b>	<b>\$250,000,000</b>	<b>\$250,000,000</b>	<b>\$250,000,000</b>	<b>\$250,000,000</b>
<b>SCIF MINOR R&amp;R PROJECTS</b>		<b>\$120,000,000</b>	<b>\$47,827,170</b>	<b>\$43,701,913</b>	<b>\$50,000,000</b>	<b>\$50,000,000</b>	<b>\$50,000,000</b>	<b>\$50,000,000</b>
<b>Appalachian State University</b>	<b>\$38,000,000</b>							
Wey Hall Envelope & Roof Repair	\$5,000,000	\$2,250,000	\$2,750,000					
Wey Hall Partial Renovation - Building Systems	\$10,000,000	\$5,400,000	\$4,600,000					
Duncan Hall	\$20,000,000	\$9,000,000	\$11,000,000					
Duncan Hall Octagon Attachment	\$3,000,000		\$300,000		\$2,700,000			
<b>East Carolina University</b>	<b>\$157,873,000</b>							
Brody High-Rise Code Compliance, Phase 2	\$6,000,000	\$6,000,000						
Main Campus-College Hill Drive Steam, Phase 3	\$2,500,000	\$2,500,000						
Whichard Building Comprehensive Renovation	\$10,000,000	\$4,500,000	\$5,500,000					
Speight Building Roof, Window, & Envelope Replacement	\$4,000,000	\$1,800,000	\$2,200,000					
Chilled Water Extension to Whichard & Graham	\$6,475,000	\$6,475,000						
Main Campus-Relocate Steam & Condensate, Phase 1	\$5,000,000	\$5,000,000						
Health Science Building Envelope Infiltration Repairs	\$5,000,000	\$5,000,000						
Howell Science Building South	\$30,000,000	\$7,286,710	\$6,000,000	\$12,000,000	\$4,713,290			
Main Campus - Replace Electrical Sectionalizing Switches (7) - Phase 1	\$2,000,000		\$200,000		\$1,800,000			
Jenkins Art Roof and South Side Envelope Repairs	\$3,000,000		\$300,000		\$2,700,000			
Main Campus - Replace Condensate - Bate to Wright Steam Tunnel	\$3,000,000		\$300,000		\$2,700,000			
Brody Upgrade HVAC Ground Floor and Replace AHU AC-3	\$3,500,000			\$350,000		\$3,150,000		
Minges Colesium Replace Roof	\$3,250,000			\$325,000		\$2,925,000		
Main Campus Steam Plant Fuel Tank Farm Service Road, Tank and Fuel Pump Phase 3	\$5,000,000			\$500,000		\$4,500,000		
Brody Auditorium Comprehensive Renovation	\$8,750,000				\$875,000		\$3,062,500	\$4,812,500
Graham Hall Comprehensive Renovation	\$9,500,000				\$950,000		\$3,325,000	\$5,225,000
HSC CUP Replace 500Hp Boiler	\$4,198,000				\$419,800		\$3,778,200	
Spilman HVAC and Electrical Upgrades, Elevators, Bathrooms, and Fire Alarm Additions	\$9,300,000					\$930,000		\$3,255,000
McGinnis Auditorium Comprehensive Renovation	\$5,100,000					\$510,000		\$4,590,000
Wright Building Auditorium, 3rd Floor and PM&E Renovation	\$9,300,000						\$930,000	
Main Campus Replace Steam Distribution-Steam Plant to Greenmill Bridge	\$9,000,000						\$900,000	
Willis Building Comprehensive Renovation	\$4,000,000							\$400,000
MC Steam Plant Boiler #1 Replacement	\$10,000,000							\$1,000,000
<b>Elizabeth City State University</b>	<b>\$78,200,000</b>							
Repair Campus Main Switch	\$700,000	\$700,000						
Repair Campus Pump Station	\$650,000	\$650,000						
Infrastructure Upgrades-Water & Electrical, Phase 1	\$12,000,000	\$4,200,000	\$4,800,000	\$3,000,000				
Emergency Generator Power-Operations	\$4,900,000	\$4,900,000						
Emergency Generator Power-Residence Halls	\$2,100,000	\$2,100,000						
Campus-Wide Lockdown System	\$2,000,000	\$2,000,000						
Building Demolition (4 Buildings)	\$1,500,000	\$1,500,000						
Butler Residence Hall (Reallocated to New Dining Hall)	\$2,500,000	\$2,500,000						
Infrastructure Upgrades-Water & Electrical, Phase 2	\$27,000,000	\$9,450,000	\$10,800,000	\$6,750,000				
Vaughan Center Renovation and Repairs	\$9,000,000		\$900,000		\$3,150,000	\$4,950,000		
Johnson Hall HVAC and Dehumidification Installation	\$1,600,000		\$160,000		\$1,440,000			
Campus Accessibility Renovation (Phases I, II, and III)	\$13,000,000				\$1,300,000		\$4,550,000	\$7,150,000
Demolition-Ridley Center, Carwell-Hoffler, Bedell Cafeteria	\$1,250,000				\$1,250,000			
<b>Fayetteville State University</b>	<b>\$48,093,740</b>							
Lyons Science Renovation	\$1,500,000	\$1,500,000						
Butler Renovation - (HVAC, Bldg. Envelope, Fire Alarm)	\$3,450,000	\$3,450,000						
A.B. Rosenthal Building-Targeted Renovation	\$10,000,000	\$1,000,000	\$2,500,000	\$4,000,000	\$2,500,000			
Campus-Wide Utility Infrastructure	\$9,950,000	\$995,000	\$2,487,500	\$3,980,000	\$2,487,500			
H.T. Chick-Targeted Renovation	\$9,500,000	\$950,000	\$2,375,000	\$3,800,000	\$2,375,000			
Taylor Social Science Bldg Targeted Renovation	\$6,678,402		\$667,840		\$2,337,441	\$3,673,121		
J. Knuckles Science Annex Targeted Renovation	\$7,015,338			\$701,534		\$2,455,368	\$3,858,436	

Gray shading indicates project was previously referenced in S.L. 2021-180.

Note: Proposed allocations by fiscal year are general estimates only and will be adjusted after the project delivery schedule is established.

THE UNIVERSITY OF NORTH CAROLINA FY23-25 STATE CAPITAL AND INFRASTRUCTURE FUND (SCIF) NAMED CAPITAL PROJECTS										
Constituent Institution	NC GA Code	Project Name	Total Project Authorization	Prior Appropriations	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
<b>TOTAL PROJECTS</b>			<b>\$2,146,476,222</b>	<b>\$332,800,000</b>	<b>\$304,302,380</b>	<b>\$299,860,442</b>	<b>\$294,094,519</b>	<b>\$304,766,697</b>	<b>\$301,697,183</b>	<b>\$122,805,000</b>
<b>Appalachian State University</b>			<b>\$69,000,000</b>							
		Inflationary Increase for Wey Hall*	\$4,000,000		\$2,000,000	\$2,000,000				
		Inflationary Increase for Duncan Hall*	\$6,000,000		\$3,000,000	\$3,000,000				
		Walker Hall Interior Renovation	\$18,000,000			\$1,800,000	\$6,300,000	\$9,900,000		
		Hickory Campus Phase I (remaining request)	\$41,000,000			\$4,100,000	\$12,300,000	\$14,350,000	\$10,250,000	
<b>East Carolina University</b>			<b>\$279,900,000</b>							
	UNC/ECU21-1	Brody School of Medicine	\$215,000,000	\$75,250,000	\$86,000,000	\$53,750,000				
		Howell Science Building North - Comp Renovation	\$46,000,000			\$4,600,000	\$13,800,000	\$16,100,000	\$11,500,000	
		Leo Jenkins Building - Health Science Campus - Comp Renovation	\$18,900,000			\$1,890,000		\$5,670,000	\$11,340,000	
<b>Elizabeth City State University</b>			<b>\$66,500,000</b>							
	UNC/ECSU21-4	Flight School	\$34,000,000	\$14,000,000	\$10,000,000	\$10,000,000				
		Infrastructure Repairs - Phase 3	\$20,000,000			\$2,000,000	\$8,000,000	\$10,000,000		
		Jenkins Hall and Dixon Hall - Lab, Classroom, and Bldg Renovation	\$12,500,000			\$1,250,000		\$3,750,000	\$7,500,000	
<b>Fayetteville State University</b>			<b>\$133,750,000</b>							
	UNC/FSU21-1	Dormitories	\$40,000,000	\$14,000,000	\$16,000,000	\$10,000,000				
	UNC/FSU21-2	College of Education	\$63,000,000	\$20,050,000	\$27,200,000	\$15,750,000				
		Butler Targeted Renovation	\$20,750,000			\$2,075,000		\$6,225,000	\$12,450,000	
		H.L. Cook Building Renovation and Addition	\$10,000,000		\$1,000,000	\$3,500,000	\$5,500,000			
<b>North Carolina Agricultural and Technical State University</b>			<b>\$135,200,000</b>							
		Marteena Hall Renovation Phase 2	\$9,700,000		\$970,000	\$3,395,000	\$5,335,000			
		Health and Human Sciences Building	\$125,500,000			\$2,000,000	\$18,825,000	\$18,825,000	\$37,650,000	\$48,200,000
<b>North Carolina Central University</b>			<b>\$33,573,222</b>							
		Dent Building - Comprehensive Renovation	\$12,073,798		\$1,207,380		\$4,829,519	\$6,036,899		
		Edmonds Classroom Building - Comprehensive Renovation	\$12,999,424			\$1,299,942		\$4,549,798	\$7,149,683	
		University Theater Renovation	\$8,500,000			\$850,000		\$2,975,000	\$4,675,000	
<b>NC State University</b>			<b>\$353,000,000</b>							
	UNC/NCS20-1	S.T.E.M. Building	\$180,000,000	\$61,750,000	\$28,250,000					
		Mann Hall Renovation - Phase 2	\$30,000,000			\$3,000,000	\$27,000,000			
		Dabney Hall Renovation - Phase 2	\$80,000,000			\$8,000,000	\$24,000,000	\$28,000,000	\$20,000,000	
		Polk Hall Renovation - Phase 2	\$63,000,000			\$6,300,000	\$18,900,000	\$22,050,000	\$15,750,000	
<b>North Carolina School of Science and Mathematics</b>			<b>\$38,250,000</b>							
		Student Wellness And Activity Center - Morganton Campus	\$12,000,000		\$12,000,000					
		Residence Hall Renovation - Phase 1 (Hill, Reynolds, Royal)	\$9,250,000			\$9,250,000				
		Residence Hall Renovation - Phase 1 (Beall, Bryan)	\$7,000,000			\$3,500,000	\$3,500,000			
		Academic Commons Addition - Durham Campus	\$10,000,000			\$1,000,000		\$3,500,000	\$5,500,000	
<b>University of North Carolina Asheville</b>			<b>\$26,150,000</b>							
		Lipinsky Hall Comp Modernization/Addition (remaining request)	\$26,150,000		\$2,615,000	\$6,537,500	\$11,767,500	\$5,230,000		
		Projects to be identified after new chancellor in place								
<b>University of North Carolina at Chapel Hill</b>			<b>\$355,200,000</b>							
	UNC/CH20-1	Business School (McColl Building Addition and Renovation)	\$151,000,000	\$35,750,000	\$20,000,000	\$19,250,000				
	UNC/CH20-2	Nursing School (Carrington Hall Redevelopment)	\$65,200,000	\$54,450,000	\$10,750,000					
		Increase for Nursing School (Carrington Hall Redevelopment)	\$19,000,000		\$8,550,000	\$10,450,000				
	UNC/CH22-1	School of Law	\$2,000,000	\$2,000,000						
		Increase for School of Law	\$83,000,000			\$8,300,000	\$20,750,000	\$12,450,000	\$29,050,000	\$4,150,000
		Campus-wide Demolition - Various Buildings	\$10,000,000		\$5,000,000	\$5,000,000				
		Gardner Hall - Comprehensive Renovation	\$25,000,000			\$2,500,000	\$10,000,000	\$12,500,000		
<b>University of North Carolina at Charlotte</b>			<b>\$81,000,000</b>							
		Smith Hall - Comprehensive Renovation	\$36,000,000			\$3,600,000		\$12,600,000	\$19,800,000	
		Colvard Hall - Comprehensive Renovation	\$45,000,000			\$4,500,000		\$15,750,000	\$24,750,000	
<b>University of North Carolina at Greensboro</b>			<b>\$44,703,000</b>							
		Inflationary Increase for Jackson Library Addition and Renovation*	\$17,100,000		\$1,710,000	\$5,985,000	\$9,405,000			
		Inflationary Inc. for Campus Chilled Water Infrastructure & Equipment*	\$3,403,000			\$3,403,000				
		Moore Building Renovation	\$24,200,000			\$2,420,000		\$8,470,000	\$13,310,000	
<b>University of North Carolina at Pembroke</b>			<b>\$152,000,000</b>							
	UNC/PEM21-1	Health Sciences Center	\$91,000,000	\$31,850,000	\$36,400,000	\$22,750,000				
		Givens Performing Arts Center (GPAC) Renovation	\$61,000,000			\$6,100,000	\$24,400,000	\$30,500,000		
<b>University of North Carolina School of the Arts</b>			<b>\$75,500,000</b>							
		Stevens Center Renovation Phase 2	\$51,000,000		\$5,100,000	\$12,750,000	\$22,950,000	\$10,200,000		
		New High School Residence Hall	\$24,500,000			\$2,450,000	\$8,575,000	\$9,800,000	\$3,675,000	

N.C. GA code indicates project previously authorized in S.L. 2021-180.

# UNC SYSTEM FEDERAL PRIORITIES FOR 118th CONGRESS

## PRIORITY 1: SUPPORT FEDERAL RESEARCH

North Carolina is the ninth fastest growing state in the nation due in large part to the state's long-term investment in higher education. Federal research funding is the lifeblood of the nation's universities and colleges. Every year, the University of North Carolina System relies on approximately \$1.9 billion in sponsored research funding to advance important discoveries, including medical priorities such as vaccines and treatments for public health and societal challenges. Federal research funding provides future researchers and scientists invaluable laboratory experience, fosters innovation and competitiveness through the development of new knowledge, and grows the future workforce in STEM fields and social sciences. The major federal agencies and their corresponding UNC System programs, include:



### The National Science Foundation (NSF)



### National Aeronautics Space Administration (NASA)

Science Mission Directorate, Aeronautics Research Directorate, Space Technology, Space Grant Program



### National Oceanic and Atmospheric Administration (NOAA)

Oceanic and Atmospheric Research, Sea Grant Program



### National Institute for Standards and Technology (NIST)

Manufacturing Extension Partnerships (MEP), National Network for Manufacturing Innovation (NNMI)



### Economic Development Agency (EDA) Regional Innovation



### US Department of Agriculture (USDA)

National Institute of Food and Agriculture (NIFA); Hatch Act Funds, Smith Lever Funds 3(b) and 3(c), Evans-Allen Program, McIntire-Stennis Cooperative Forestry, 1890 Institutions Extension Services



### Department of Defense (DoD)

Science & Technology, S&T Basic Research, Medical Research, DARPA



### Department of Energy (DOE)

Office of Science: Advanced Research Projects Agency for Energy (ARPA-E)



### National Endowment for the Humanities (NEH)



### Department of Interior

U.S. Geological Survey (USGS) Water Resources Research Institutes



### Environmental Protection Agency (EPA)

Office of Science and Technology



### Department of Education (ED)

Student Aid: Pell Grants, Graduate Assistance in Areas of National Need (GAAN), Supplemental Educational Opportunity Grants (SEOG), Federal Work Study, TRIO, GEAR UP



### National Institutes of Health (NIH)

### Additional Research Priorities:

- Support funding for increased federal research funding authorized, but not funded, in the CHIPS and Science Act.
- Support increased funding for the new research infrastructure account for Historically Black Colleges and Universities (HBCUs) and Minority-Serving Institutions (MSIs), included in the FY 23 omnibus spending bill (Senate Labor, Health & Human Services, and Education Committee).

## PRIORITY 2: COMMITMENT TO EXPANDING ACCESS, AFFORDABILITY, AND STUDENT SUCCESS

The UNC System has frozen undergraduate in-state tuition for seven straight years, streamlined financial aid, incorporated performance metrics in funding allocations, eased transfer for community college students, and set clear goals for improved student outcomes. The System is also expanding its reach to new populations, including working adults and military-affiliated students.

- **Support and increase Pell Grant funding:** Currently, UNC System universities receive approximately \$336 million annually in Pell Grant funding, supporting nearly 70,000 students at System universities. The percentage of students relying on Pell Grants ranges from roughly 30 percent to as high as 60 percent on some UNC System campuses. Congress should consider ways to:
  - Continue to increase the maximum Pell Grant annually. Pell Grants remain the most effective way to target students with clear financial need: Approximately three-fourths of all Pell Grant dollars are awarded to students with a family income below \$30,000. Today, the maximum grant covers just 30 percent of the cost of attending college.
  - Fund the Pell Grant Program on the mandatory side of the budget so that it automatically responds to increases and decreases in student enrollment without the need for congressional action, and/or extend the annual inflation adjustment levels.
- **Support and increase campus-based student aid programs:**
  - Preserve Supplemental Educational Opportunity Grants (SEOG) for the neediest of students.
  - Preserve and expand the Federal Work-Study program for all students, including graduate students. In 2020-2021, nearly 5,000 UNC System students received roughly \$8 million from the FWS program.
  - Preserve and support TRIO, GEAR UP, and Graduate Assistance in Areas of National Need (GAAN) - all of which help UNC System institutions attract and retain students who otherwise might not be able to access or afford college.
  - Increase funding for Student Success Completion and Basic Needs Grants (Funds for the Improvement of Postsecondary Education - FIPSE)
  - Support and increase funding for HBCU/MSI infrastructure research.
- **Support for Graduate, and Postdoctoral Students:**
  - Including federal financial aid, loans, scholarships, fellowships, research awards, transitions to the workforce, mental health services, and related programs.

### **PRIORITY 3: RECRUITMENT OF ADULT LEARNERS**

- **Project Kitty Hawk**
  - In 2021, the UNC System developed a first-of-its kind effort to bring the best practices of online program management into the public sector, launching Project Kitty Hawk to allow our 16 universities to better serve working adults, including military-affiliated individuals. The UNC System is working to provide affordable, high-quality education to adult learners, many of whom are currently enrolled out of state.
  - Complimentary to Project Kitty Hawk, in 2022 the UNC System implemented new policies for reducing barriers to access for military learners, including mechanisms for awarding academic credit for military training and experience.
  - To meet current and future workforce shortages nationally, Congress should support programs that promote adult learning and upskilling, as well as funding for outdated technology on US college and university campuses, including broadband connectivity in rural areas.

### **PRIORITY 4: SUPPORT FOR STUDENT MENTAL HEALTH**

- **Raise visibility and support legislation and funding that helps US colleges and universities address student mental health challenges**
  - Supporting student mental health and wellness is one of the highest priorities for the UNC System.
  - The UNC System is investing substantial funding into the implementation of multiple resources, including telepsychiatry, an off-campus provider referral system, micro-grants, and the implementation of the Healthy Minds Study across all campuses.

## OTHER IMPORTANT INITIATIVES

- **Ensure Smooth Transition of Student Veteran Benefit Systems**
  - Support legislation and efforts to ensure seamless rollout of new benefit systems, including ArmyIgnitED 2.0 and the transition from VA-ONCE to the new VA Enrollment Manager System.
- **Support the Pathfinder Airborne Program**
  - UNC System institutions are partnering with the Army Futures Command and the 82nd Airborne Division at Fort Bragg to develop soldier-led innovations. The UNC System will seek continued funding for this partnership in FY 2024.
- **Support UNC System's Historically Minority-Serving Institutions (HMSIs)**
  - The UNC System is made up of six distinct HMSIs, including Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, University of North Carolina at Pembroke, and Winston-Salem State University. Its five Historically Black Colleges and Universities (HBCUs) and one Native American-Serving Nontribal Institution (NASNTI) make a significant impact to the state's economy through affordable academic offerings, research, and partnerships that serve the community and region.
  - **Fully Fund Title III, Part B: Strengthening Historically Black Colleges and Universities.** These programs support the university's ability to address national challenges associated with global competitiveness, job creation, and changing demographics. Funding supports a number of services, including educational equipment, teacher education, campus construction activities, counseling, and student aid services.
  - **Increase Funding for Native American-Serving Nontribal Institutions (NASNTIs):** UNC Pembroke is one of 34 NASNTIs not federally recognized in the United States. UNC Pembroke is one of the most diverse campuses in the UNC System and a leader in addressing health disparities in the southeastern region. The university is one of the state's four NC Promise schools that offer \$500/semester tuition.
- **Support Funding for Campus Resilience Related to Natural Disasters**
  - The UNC System supports the inclusion of funding for campus resiliency related to natural disasters in any future emergency supplemental spending bill.
- **Support the EAGLES Act**
  - The EAGLES Act, which has been introduced in previous Congresses, would reauthorize and expand the U.S. Secret Service's National Threat Assessment Center (NTAC), which researches all forms of targeted violence to assist law enforcement, government agencies, schools, campuses, and others in preventing school violence using a behavior-based threat assessment model. The EAGLES Act is supported by UNC System police chiefs.
- **Support Legislation that Protects and Encourages International Students, Scholars, and Faculty**
  - There are more than 10,000 undergraduate and graduate international students making contributions on UNC System campuses, representing 4.5 percent of total fall 2022 enrollment.
  - Support federal legislation that fosters the work of highly skilled international students, scientists, and doctors.
- **Support federal funding for public media that benefits PBS North Carolina**
  - More than 10 million North Carolinians rely on PBS NC as an important learning tool for children, as well as lifesaving information during and following emergency situations, as PBS NC partners with the North Carolina Department of Public Safety with shared infrastructure for emergency communications around the state.
  - During the pandemic, PBS NC distributed over 150 teacher-created lesson plans for students isolated at home via their broadcasts and streamed on the PBS NC website.
  - PBS NC is helping lead a Department of Homeland Security effort to develop Public Safety Communications applications utilizing the new broadcast technology, NEXTGEN TV.
  - Support FY 24 funding for public media, including the Corporations for Public Broadcasting, Ready to Learn, and the Next Generation Warning System.

**AGENDA ITEM**

A-1. ECU Health Update ..... Michael Waldrum, MD  
CEO, ECU Health & Dean, Brody School of Medicine

- Situation:** The ECU Health Update will include an overview of the progress being made toward integration by the Joint Operating Committee as well as a brief update on Brody School of Medicine.
- Background:** The Joint Operating Committee consisting of 9 members from both ECU Health and ECU and including a member from both the ECU BOT and ECU Health BOD, serves as a non-fiduciary advisory committee to the CEO/Dean regarding management and oversight of ECU Health.
- Assessment:** Work continues to show progress toward identified priorities
- Action:** This item is for information only.