

Appalachian State University — All Funds Budget Narrative FY 2023-2024

Appalachian State University has developed the All Funds Budget to advance App State's strategic priorities, as well as UNC System strategic goals. The UNC System strategic plan includes access, affordability and efficiency, student success, economic impact and community engagement, and excellent and diverse institutions. App State's budget includes funding for the following initiatives to address university/System goals and priorities:

App State Hickory Campus

In November 2021, App State purchased the former Corning Optical Communications building (225,800 square foot building on 15.7 acres) in Hickory to establish the new App State Hickory Campus. This campus will serve the Hickory/Lenoir/Morganton metro area population — previously the state's largest metropolitan area without a UNC System university. This campus provides additional growth capacity and market potential for App State's on-campus and online programs, and will increase critical educational opportunities in the Hickory metro area to equip the local workforce with the skills required to meet the current demands of employers. This initiative will also allow App State to achieve multiple system-wide strategic goals, including increased access to higher education and a state/local partnership that will improve local communities and benefit the state economically. The university received \$9M in capital funding from the General Assembly in the FY 2023 State budget which is being used to make the necessary repairs and renovations to open the facility for instruction in Fall 2023.

Initial on-site services will provide resources and support, including advisors dedicated to App State Hickory students, a library facility, health and counseling services, tutoring, success coaching, career development services, technical support, computer labs and more. Other on-site services such as student clubs and organizations, recreation opportunities and leadership experiences will also be available as the campus evolves and grows in the coming years.

Lab Schools

App State began partnering with Elkin City Schools to open the university's second laboratory school in August 2022. Along with the Appalachian Academy at Middle Fork in Walkertown which opened in 2018, our lab schools provide future teachers in the Reich College of Education with opportunities to apply their skills in the classroom. The local communities benefit from the App State partnerships, which strengthen learning, teaching and school leadership. In FY 2024, App State's lab schools will be funded primarily with federal, state and local funds; however, App State may be required to reallocate internal funding in order to cover projected expenses at both Middle Fork and Elkin.

Auxiliary Enterprises

Renovations of the university's two primary dining facilities, Rivers Street Cafe in Roess Dining Hall and Park Place at the Pond in Trivette Hall, will take place in summer 2023 in advance of the fall semester. The planned upgrades for the facilities' service areas are designed to improve the functionality, efficiency and overall student experience as part of the All You Care to Eat dining format offered at both locations. All You Care to Eat, launched in fall 2022, is an accessible, buffet-style format that fosters community building and enhances the student experience.

The Holmes Center Parking Deck project will provide approximately 600 on-campus parking spaces through the construction of a new, five- to six-level parking deck next to App State's Holmes Convocation Center. The primary use for the new deck will be faculty, staff and student parking, with event parking as needed. App State has the flexibility to offer visitor parking in select lots as needed upon demand. The additional parking will also support events at the Holmes Center as well as the 30,000-seat Kidd Brewer multipurpose stadium. This project is being funded by a \$20M bond issuance that will be repaid with parking revenues.

A comprehensive renovation of more than 15,000 square feet of first-floor retail and service space in App State's University Bookstore is scheduled to be completed in summer 2023, which will lead to increased sales revenues that will enhance the bookstore's scholarship contributions for App State students. Bookstore profits support student scholarships at App State. Since 2014, the bookstore has contributed nearly \$5.2 million in scholarship funds to help App State students finance their education.

In addition, the nearly \$7 million renovation of App State's Newland Residence Hall is expected to extend the useful life of the building by 15-20 years. This project will address moisture and mold mitigation issues at the source and reduce operational costs, as well as improve the overall indoor air quality for the building's residents.

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The All Funds Budget will support the progress towards the institution's [2022-2027 Strategic Plan](#). App State's institutional financial plans are in alignment with these priorities.

Providing Exceptional Educational Experiences

The university prioritizes providing exceptional educational experiences for its students and is committed to enhancing the student learning experience and providing support for teaching, research and scholarly activities. App State is shifting the majority of undergraduate online programs away from a cohort-based model to a flexible model to better support students' academic needs. This flexible model allows more adult students and returning Mountaineers to complete bachelor's degrees, while also allowing the university to scale up high-demand online programs. As such, the University is making increased investments in smart classrooms and IT resources needed for online/virtual learning.

App State will also utilize funding allocated by the N.C. General Assembly to begin extensive modernizations and renovations to both Wey Hall and Edwin Duncan Hall beginning in 2023. Wey Hall was built in 1976 and is home to the Department of Art, which offers more than 100 course sections to approximately 1,400 students. The building's classrooms are also used for general education and first-year seminar courses. Duncan Hall was constructed in 1965 and contains office space, classrooms and labs. Each of these projects will improve and adapt the space in these academic facilities to current and future programming needs, which includes offering more technologically advanced classrooms.

Other examples of the University's commitment to providing exceptional educational experiences include:

- The addition of new faculty and academic advising positions in 2023-24, which will be funded with enrollment growth funding and tuition receipts;
- A planned campus-wide IT network infrastructure refresh scheduled to begin in FY24 which will replace outdated IT equipment and infrastructure in the University's academic facilities;
- Lab school operations located in Walkertown and Elkin which continue to provide real-world teaching opportunities for students. *App State remains the only UNC campus to operate multiple lab schools.*

Advancing Research, Innovation and Creativity

Construction of the University's Conservatory for Biodiversity Education and Research (Conservatory) is scheduled to begin in summer 2023 and is being funded with a \$54M appropriation allocated by the N.C. General Assembly. The Conservatory will be the first academic building of App State's Innovation District, located at the site of the former Broyhill Inn and Conference Center. This facility, which is included in the first development phase for the district, will include cross-disciplinary collaboration and encourage K-12 partnerships. Paired with the adjacent Nature Preserve, the Conservatory will advance knowledge surrounding the natural and cultural history of the Southern Appalachian region and build on existing opportunities available through the Department of Biology's teaching and research facilities.

Advancing Local, Regional and Global Engagement

Furthering its commitment to providing affordable access to higher education in the Catawba Valley area, App State will make available over 100 undergraduate major programs of study at its Hickory Campus beginning in Fall 2023. In addition, Chancellor Everts has formed the App State @ Hickory Advisory Council, which consists of a group of business, education, government and civic leaders from Hickory and the surrounding area and regularly meets to discuss the area's needs and how App State can meet these needs via its academic offerings. Chancellor Everts has also announced that the University would utilize Institutional Trust fund reserves to provide the \$2,000 "Hickory First" scholarships which will be available to the first 500 first-year and transfer students who enroll at the Hickory Campus in 2023. This aid will help incoming students offset their educational expenses during their first year.

Investing in Faculty and Staff Excellence

App State has received UNC Board of Governors approval to authorize public-private partnerships to develop approximately 156 multi-family residential units which will provide below market housing for university employees at below-market rates. In our highly competitive housing market, we expect this to positively impact our ability to recruit and retain talented faculty and staff. These projects are public-private partnerships and will not rely upon

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State funds or any capital from the university. Construction is scheduled to begin this summer and units are expected to be ready for occupancy in 2025.

Strengthen Resilience and Sustainability

App State will begin the development of the zero-carbon district energy system, which will begin to transition the Boone campus away from steam power. Leveraging public-private partnerships, the University will develop, construct and operate a net-zero carbon district energy system, which will generate and distribute energy to support the planned buildings in the Innovation District, including the aforementioned Conservatory and faculty and staff housing. As with the faculty-staff housing project previously mentioned, this project will not rely upon State funds or any capital from the University. The energy system is expected to become operational in 2025 and will not only supply a stable source of energy but will also contribute significant savings in avoided energy costs for the university.