



Providing Exceptional Educational Experiences with a Focus on Access, Student Success, Affordability, and Efficiency

Appalachian State University is located in the rural mountain region of northwest North Carolina and has, since 1899, played a vital role in expanding access to higher education for students from rural and underserved communities, particularly in western North Carolina. Today, 27% of App State's students (5,854) come from rural North Carolina counties. In addition, App State has been recognized as a national Top 10 Military Friendly School for the fourth consecutive year, reflecting our ongoing commitment to serving servicemen and women and their families.

As demand for flexible and accessible educational options continues to grow – particularly for adult learners – App State partnered with Project Kitty Hawk to launch seven online, degree-granting programs during fiscal years 2025 and 2026, with additional programs under consideration. The Hickory campus further expands access to high-quality, affordable education, with a focus on serving adult and military-affiliated learners. Additional resources are needed to sustain and expand services at the Hickory campus, and enrollment growth funding plays a significant role in helping us meet the needs of this growing population.

App State is committed to enhancing student success through targeted investments designed to improve on-time graduation, degree efficiency, affordability, and student outcomes. Recent investments include the implementation of a comprehensive, automated customer relationship management platform (Navigate 360), which enables advisors, student coaches, and faculty to track student progress in real time, identify academic or personal barriers early, and deliver coordinated support. This proactive model helps students enroll in the right courses at the right time, reduces excess credit accumulation, supports timely graduation, and contributes to lower student debt.

Career readiness is also being embedded into the curriculum, with tailored services and programs that prepare students for timely entry into the workforce and reinforce efficient degree completion. In parallel, App State plans to strengthen student mental health services by using enrollment growth funding to transition five Counseling Center case manager positions from the Student Health Services Fee to the General Fund while adding two counseling positions to align staffing needs with our growing student population. This approach strengthens care delivery while relieving pressure on fee-supported areas, helping preserve affordability. These investments directly support retention and persistence – key drivers of graduation rates and overall educational efficiency.

Affordability remains a core component of App State's student success strategy. The university consistently ranks in the lowest quartile among public peers for undergraduate and graduate tuition, providing North Carolinians with an affordable path to a high-quality degree. Students also benefit from robust financial counseling and a wide range of scholarship opportunities supported by institutional and donor funding. In the 2025-26 academic year, App State awarded approximately \$3.2 million in academic excellence scholarships – the highest percentage of available funds distributed to date for merit-based scholarships. However, available resources were insufficient to fully meet enrollment goals or sustain renewable scholarships for high-achieving students. It is estimated that \$10-15 million will be required to support renewable scholarships across four years of study. While the university's upcoming comprehensive campaign will emphasize scholarship support, support from enrollment growth funding remains critical to maintain affordability for students and their families.

To support instructional quality and student success, the university continues to evaluate faculty resources to maintain a low student-to-faculty ratio of 16:1. Following the transition from Peer Group 3 to Peer Group 2, App

State initiated and recently completed a \$3 million investment to bring faculty salaries to the UNC System median for this peer group, along with an additional \$760 thousand in FY26 to support promotion, tenure, and post-tenure increases. Competitive faculty compensation strengthens the university's ability to recruit and retain high-quality faculty, supporting student learning and timely degree completion.

Economic Impact and Community Engagement

App State is utilizing funding allocated by the North Carolina General Assembly to modernize two academic buildings on the Boone campus – Edwin Duncan Hall and Peacock Hall. Renovations to Edwin Duncan Hall will help address critical shortages in STEM teaching space, while enhancements to Peacock Hall, home to the Walker College of Business, will support the UNC System's largest undergraduate business school and one of App State's fastest-growing academic units. These projects will enhance the student learning experience through modernized classrooms, specialized labs, and technology-rich environments that support high-impact teaching and learning practices.

The university is constructing its first dedicated STEM Academic Building within the Innovation District, designed to serve as a research laboratory that supports both academic and applied research activities. This capital project is supported by significant funding from the North Carolina General Assembly and institutional resources.

App State is committed to advancing applied research that benefits the communities and industries of western North Carolina and the Catawba Valley. The university's R2 Carnegie Classification, designation as a headquarters location for NCInnovation, and development of the Innovation District all support the translation of research into solutions that serve regional and state needs. These efforts also enhance App State's ability to attract high-quality faculty and students, guided by the university's Strategic Plan for Research, Scholarship, and Creative Activities.

To address workforce needs in healthcare and education, App State continues to expand market-responsive academic programs aligned with regional and statewide demand. The university will launch a Doctor of Nursing Practice program in Fall 2026 to address critical healthcare workforce shortages. In the Reich College of Education, App State is proposing an MA in Organizational Leadership and Learning, delivered through the Project Kitty Hawk/Flight Path program, to prepare graduates for leadership roles across education, business, government, and non-profit sectors.

Financial Stability

In FY26, the university initiated a phased reallocation of college operating budgets based on student credit hour production, with plans to incorporate additional performance-based metrics into future allocation decisions. Academic Affairs centrally manages faculty position allocations to ensure instructional resources are deployed strategically where they will have the greatest impact on student success and academic quality. Institutionally, the administrative cap has proven to be an effective tool for prompting thoughtful evaluation of operational structures, enabling units to align staffing with institutional needs while generating financial flexibility through salary savings.

Conclusion

App State remains deeply appreciative of the State of North Carolina's longstanding investment in higher education and its support of the university's mission. Enrollment growth funding is a vital component of sustaining that mission, and these resources will enable the university to support students effectively, maintain academic excellence, and manage growth responsibly while helping alleviate the financial burden on our students and families.