THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Budget and Finance
July 23, 2026

## AGENDA ITEM

A-4. FY 2027 All-Funds Budget Report ........................................................ Brandy Andrews and Joshua Lassiter

**Situation:** To further the financial management of the University of North Carolina System and its constituent institutions, the UNC System engages in an All-Funds Budget process. Each constituent institution has developed a budget to be executed for FY 2026-27.

**Background:** At the direction of the University of the North Carolina Board of Governors, the UNC System institutions prepare and submit annually an All-Funds Budget in May. Each year lessons learned continue to be used to refine the process moving forward to ensure the budgets achieve the goals of transparency and effective financial management. Institutions have used the All-Funds Budget process to improve financial efficiency and to make targeted investments in institutional and System strategic goals.

The proposed All-Funds Budget for FY 2026-27 reflects strong System enrollment. Budget submissions include the increased enrollment growth operating revenue requested in the FY 2025-26 and FY 2026-27 Legislative Budget Priorities. Institutions continue to deal with a variety of strategic and financial challenges. In response to these challenges, budgets reflect strategic resource realignments and program efficiency improvements to improve operating performance. Investments are being made in new programs aligned with regional and statewide workforce needs, technology to support student success, and research expansion. The All-Funds Budget has shed light on challenges and reflects strategic realignments and efficiencies to develop long-term strategies to mitigate associated risks.

**Assessment:** Budgeting is a common best practice for both private and public organizations. The All-Funds Budget addresses this need through a formal budgeting process. It provides a structural foundation for the execution of the University's strategic plan, ensuring the delivery of the System's mission in a financially sustainable manner.

The All-Funds Budgets are approved by each institution's board of trustees and reported to the president of the System and the Board of Governors annually. The committee will receive a presentation summarizing these budgets.

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

# UNC SYSTEM
# FY 2027 ALL-FUNDS BUDGET

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

**July 23, 2026**

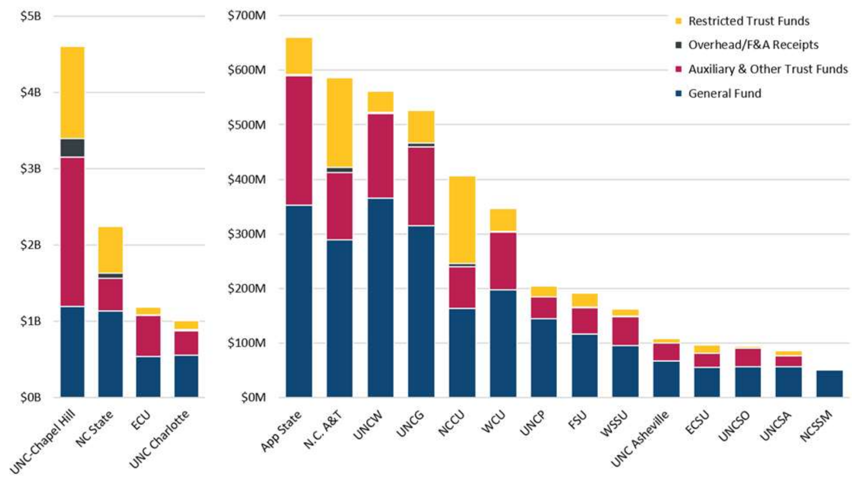
## Why Develop an All-Funds Budget?

- Better align resources with strategic priorities
- Promote stewardship and financial sustainability
- Better understand the impact of discrete decisions on the broader financial picture
- Improve transparency and institution engagement
- Strengthen the fiduciary responsibility of the boards of trustees

**G.S. 116-1(b) – "…In the fulfillment of this mission, the University shall seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State."**

# General Fund Revenue is Less Than Half

## FY 2026-27 Budgeted UNC System Revenue by Fund Type




*Note: These are Budgeted Revenues Less Discounts and Allowances*



# AFB Standard Units

Each institution was required to budget for a standard set of organizational units; however, the departments that comprise the units are not consistent across institutions.

**Academic Units**

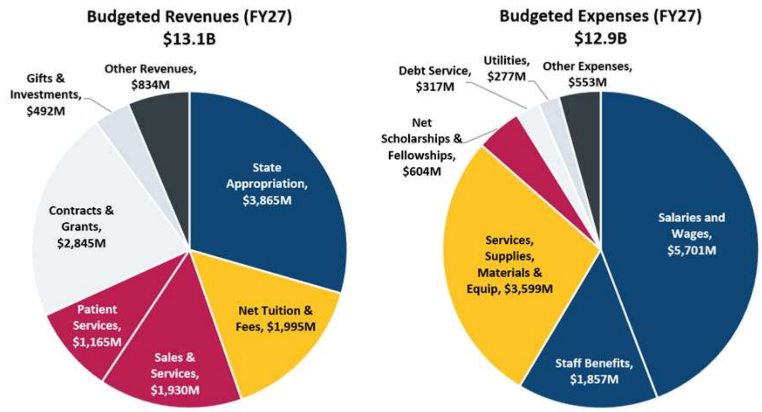
**Institutional Support Units**
University Administration
Business Affairs
Facilities
Human Resources
Information Technology
Public Safety
Advancement

**Other Institution-Specific Units**

**Academic Support Units**
Academic Affairs
Student Affairs
Financial Aid
Libraries
Sponsored Research

**Auxiliary Units**
Dining
Housing
Parking & Transportation
Athletics
Student Health
Other Auxiliaries

# AFB Summary Charts



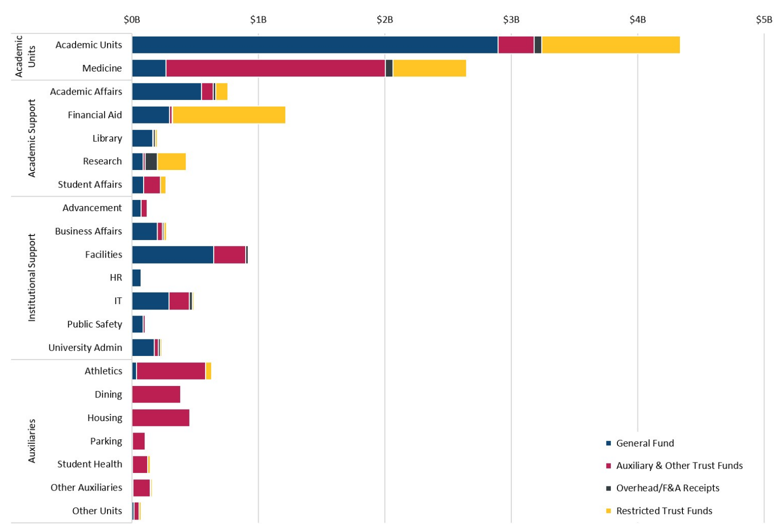

**UNC System Total**

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

*Note: These are Budgeted Revenues and Budgeted Expenses Less Discounts and Allowances*



# Summary of Operating Expenses by Unit

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# FY 2027 Budget Highlights



## Framework for AFB Review

**Strategic Alignment**
*Mission-Driven Use of Funds*


**Financial Health**
*Operating Viability & Reserves*

**Risk Monitoring**
*Early Warning Indicators*

## Common Themes

- New and expanding workforce-aligned academic programs
- Investments in student success
- Investments in research and innovation
- Experiential learning opportunities
- Improvements in operational efficiency
- Inflationary pressures



## Progress on Prior-Year Concerns

- **Improved Operating Performance**
  - App State: Housing
  - ECSU: Athletics
  - UNCG: Student Health & Dining
- **Improved Auxiliary Fund Balances**
  - App State: Dining & Student Affairs fund balances resolved
  - ECU: Dining & Housing fund balances resolved
  - NCCU: Housing & Student Affairs
  - UNCA, UNC-CH & UNCP: Student Health fund balances resolved
- **Other Areas of Improvement**
  - UNCP & WSSU: Enrollment and associated impact on revenues
  - UNCSO: Uncertainty related to federal PBS funding
  - WCU: Sustainability of donor support for athletics
  - WSSU: Performance on strategic plan metrics and associated impact on performance funding

# Areas for Continued Monitoring

- **Uncertainty related to evolving Athletics landscape & Financial Sustainability**
  - 4 athletic departments have budgeted expenses that exceed revenues
  - 2 athletic departments have significant negative fund balances
- **Auxiliaries Operating Performance**
  - Student Health (4 institutions)
  - Housing (2 institutions)
- **Auxiliary Fund Balances**
  - Concern: auxiliary fund balances < 3 months of expenses (3 institutions)
- **Declining Fund Balances in Units Partially Supported by Fees**
  - IT (3 institutions)
  - Student Affairs (1 institutions)
- **Other Areas of Impact**



QUESTIONS?