

In accordance with G.S. 116-1, Appalachian State University has developed the FY 2025-26 All Funds Budget, strategically aligning resources to advance App State's strategic priorities, as well as UNC System strategic goals and areas of focus. App State's budget includes funding for the following initiatives to address university and UNC System goals and priorities:

Providing Exceptional Educational Experiences with a Focus on Student Success

Appalachian State University prioritizes providing exceptional educational experiences for our students and is committed to enhancing student success through transformative learning experiences and outcomes. The university is increasing investments in **Student Success, Career Readiness, and Undergraduate Research Activities**, and improving processes to remove barriers for students across their academic careers and increase four-year graduation rates.

Our academic strategic planning efforts and ROI action plan call for an enhanced focus on **retention, workforce development and career readiness**. New initiatives for freshmen and sophomores include incorporating career readiness into the curriculum, further strengthening the exceptional educational experiences for which App State is well-known. We are enhancing and adding opportunities to bolster career readiness with additional, tailored services and targeted programs, including major-specific career fairs to more effectively connect students with employers.

To address the workforce needs of the region, we have developed new programs:

- MS of Occupational Therapy ([launched in fall 2024](#))
- BS in Health Sciences ([launched in fall 2024](#))
- BS in Cybersecurity ([launched in fall 2024](#))
- AI concentration in MS Applied Analytics Program ([launching in fall 2025](#))
- Doctor of Nursing Practice ([launching in fall 2026](#))

App State is also utilizing funding allocated by the North Carolina General Assembly to carry out **extensive modernizations and renovations** to three academic buildings on its Boone campus: Wey Hall, Edwin Duncan Hall and Peacock Hall.

- Wey Hall is home to the Department of Art, which offers more than 100 course sections to approximately 1,400 students, and also houses general education and first-year seminar courses. Built in 1976, this is the first major renovation to the building since it opened nearly 50 years ago.
- Duncan Hall was constructed in 1965. Classroom and new teaching labs will help address the shortage of STEM teaching facilities on the Boone campus.
- Peacock Hall was built in 1990 and houses the Walker College of Business, which has the highest full-time undergraduate enrollment of any business school in the UNC System.

Each of these projects will improve and adapt the space in these academic facilities to current and future programming needs, including more technologically advanced classrooms, learning labs and student services.

New capital projects underway also include the **construction of the university's first STEM Academic Building in its Innovation District**, funded with a \$54M appropriation allocated by the North Carolina General Assembly as well as a \$9.5M combination of institutional funds including carry forward, Ed & Tech fee receipts and SCIF appropriations. The district's design will reduce the university's reliance on steam power, and is expected to realize significant energy savings for the university, while also serving as a research lab.

The university is also addressing staffing needs to ensure exceptional educational experiences with a focus on student success, which include:

- The addition of new faculty and staff positions in 2025-2026 commensurate with enrollment growth, to be funded with enrollment growth funding and tuition receipts.
- The addition of new academic advising positions and mental health professionals in 2025-2026 to be funded by savings from the repeal and replacement of Policy 300.8.5.

Additionally, **strategic enrollment growth** via App State's Hickory campus and Flight Path Programs in partnership with PKH, are already providing greater access to a high quality, affordable education for adult and military-affiliated learners.

Advancing Applied Research, Innovation and Creativity

Our **emphasis on high-touch research opportunities and creative endeavors** has set App State apart from other research universities. Undergraduate and graduate students benefit from hands-on experience with impactful projects, high quality interactions with business and civic leaders and opportunities to present research at major conferences — deepening their learning experiences and preparing them to excel in their future careers and/or graduate studies.

Appalachian State University is committed to fostering applied research that advances and drives innovation in the communities and industries we serve in the High Country and Catawba Valley. Our recent R2 Carnegie Classification, Fall 2024 designation as a headquarter location for NCInnovation's applied research support, and Innovation District STEM building underway all support the vital mission of translating university research into solutions that benefit the people and economies of our state and region. These opportunities for applied research have become a focal point for attracting high-quality faculty and students. The university's [Strategic Plan for Research, Scholarship and Creative Activities](#) acts as a guide for our research activities.

The first academic building of App State's Innovation District and will include cross-disciplinary collaboration and encourage K-12 partnerships. In addition, it will build on the opportunities in the Department of Biology's teaching and research facilities, thereby providing additional research capabilities on campus for faculty and students. As the demand for STEM academic programs and the associated research enterprise grows, the need for additional lab space will continue to grow.

In addition, the App State Solar Vehicle Team, oversight of the Blackburn-Vannoy Farm and certain Office of Sustainability functions are now housed within the Office of Research and Innovation. By centralizing these functions under the leadership of the Vice Provost for Research and Innovation, this realignment is already leading to synergies, allowing these activities to remain aligned closely with institutional priorities in research and innovation.

Advancing Local, Regional and Global Engagement and Strengthening Resiliency

- With increased research capabilities, App State is building upon our foundation to offer further research opportunities that will **bolster economic growth and enhance quality of life in the local and global communities we serve**. As our Innovation District comes online, research opportunities will increase — not only to App State students, but also for students in area K-12 schools, including high school students at NCSSM Morganton.
- Appalachian State's lab school in Walkertown has been bringing **unique educational programming** — including co-teaching, small class sizes, individualized attention and a focus on literacy and exploration-based learning — to more than 350 K-5 students each year since 2018.
- App State remains committed to being the best partners we can be as our state and System leaders work to secure additional resources for our continued recovery efforts. For the 70% of our students who rely on financial aid, keeping the momentum to graduate in 4 years will mean taking summer classes, which carry more out-of-pocket expenses and come with fewer aid options. Our faculty and staff are **actively engaged in regional recovery partnerships**, and the research expertise of our faculty and staff is recognized statewide as contributing to critical efforts related to improving resiliency in our region.

Investing in Faculty and Staff Excellence

App State has committed just over \$3.8 million over FY25 and FY26, to **bring faculty salaries up to the UNC System median market range for UNC Peer Group 2**. An additional \$1 million was allocated to **faculty merit increases** in FY25. Further, \$1.4 million was allocated in FY25 to fund promotion & tenure, post-tenure review increases, other salary adjustments, and a new model for compensating departmental chairs, whose contracts have been extended from 9 to 11 months.

In the immediate recovery period **after Hurricane Helene, the university established a Disaster Relief Hub, which provided a variety of services to faculty, staff and students** who experienced hardships as a result of the storm. Services included bridge funding for personal, living and other expenses incurred due to the storm, as well as counseling and psychological services and insurance guidance. The **university also provided free meals, showers, wifi access and laundry services to faculty, staff and students as well as the surrounding community** in the weeks following the storm, as much of the county was without power and communications for several weeks.

App State sought and **received approval from OSHR and the UNC System Office to provide a \$1,000 bonus to all SHRA Non-Exempt employees who worked overtime during the Condition 3 period following Hurricane Helene**. This included staff from areas such as Facilities Management, New River Light & Power, Campus Dining, App State Police, etc. who were heavily involved in the immediate response and cleanup efforts following the storm.

Financial Sustainability

Beginning in FY26, a phased approach to reallocating college operating budgets based upon student credit hours (2023-25) will begin. Performance metrics will also play a role in budget

allocations moving forward. Academic Affairs manages faculty position allocations when vacancies occur, determining the highest and best use of those resources across the entire division.

Following App State's certification of compliance with **UNC Policy 300.8.5**, **total savings of \$1.19M was redirected to Academic Affairs, Student Affairs and Enrollment Management** to fund new academic advising positions in App State's fastest growing colleges, new student mental health professionals and support services, a new veteran certification specialist in the Student Veteran Center and additional support for student programs and activities.