



**Project Kitty Hawk:
Progress Report to the North Carolina
General Assembly**

March 1, 2026

**University of North Carolina System
Project Kitty Hawk
Chapel Hill, North Carolina**

Project Kitty Hawk (PKH), an affiliated entity of the University of North Carolina System, is an education technology and services nonprofit that builds pathways for adult learners to earn high-quality, workforce-aligned degrees and credentials from UNC System institutions. The organization was created and funded by the North Carolina General Assembly in the 2021 budget with the express goal of helping the state reach its 2030 attainment goal by enabling more adults to enroll in and graduate from our public universities with degrees or credentials in high-demand fields.

The provision creating Project Kitty Hawk requires that the UNC System Office to report annually to the Joint Legislative Education Oversight Committee (JLEOC) of the General Assembly on the following key performance indicators including:

- participation by constituent institutions;
- student demographics for course enrollment;
- tuition receipts and fees for online courses; and
- completion of student degree programs through digital courses by institution.

Since the last annual report, PKH has continued to grow and fulfill its legislatively-defined mission. We have added two university partners (North Carolina A&T State University and Winston Salem State University) and five new degree programs, including the first graduate degree program (a Master's in Business Administration (MBA) at North Carolina Central). University partners are scheduled to launch up to seven more programs in Fall 2026. Current enrollment in Flight Path programs has more than doubled since last year's report (943 in February 2025 vs. 2,193 in February 2026), while the number of total new student starts since inception has more than doubled (+165%, from 1,167 to 3,087).

As a reminder, Flight Path programs are designed to meet the needs of adult learners and feature:

- Eight-week terms
- Five term starts per year
- Admissions support throughout the application and registration process
- 1:1 student success coaching for all enrolled students
- 24/7 tech support
- Access to virtual tutoring and behavioral health resources

Project Kitty Hawk provides the services and expertise that university partners need to develop, launch, and grow online degree programs, including:

- Online growth strategy
- Marketing
- Admissions and enrollment management
- Instructional design and access to a Learning Management System (LMS)
- Student success support
- Reporting and analytics.

Project Kitty Hawk has also partnered with universities to provide custom solutions that meet their unique needs and the needs of the state. In the 2023 budget, the state legislature provided \$38 million in funding to the UNC System Office help universities expand the nursing pipeline. Using a grant from this program, North Carolina Central has partnered with PKH to provide pre-nursing students with access to dedicated mentors who are helping these students meet admission requirements for the major. Early results suggest the program has increased the number of nursing candidates successfully meeting admissions standards in NCCU's nursing program by nearly 60%. Also in nursing, Project Kitty Hawk staff worked with System Office staff to create a "Math for Nurses" course designed to improve completion of gateway math courses that nursing candidates must pass to complete their degrees. Project Kitty Hawk is also working with several schools at University of North Carolina-Chapel Hill to develop and market new and existing online programs.

As an affiliate of the System, Project Kitty Hawk has worked closely with President Hans and the UNC System Office on System-wide initiatives. In 2025, Project Kitty Hawk successfully transitioned the Re-enrollment Program that began in 2023 to the System Office, thereby ensuring that campus partners will continue to recruit stopped out students back to the System to complete their degree. As of January, the joint re-enrollment effort has brought back just over 5,400 students to the System, 1,043 of whom have graduated thus far. The System's partner in the re-enrollment program, ReUP Education, estimates that the program has generated more than \$25 million in recovered tuition.

As part of President Hans' efforts to reduce administrative burden and streamline university processes and practices, PKH also launched the FASTER initiative, an effort to help eight UNC System universities make their admissions and enrollment processes more user-friendly and identify promising opportunities for enrollment growth. The System-funded project launched in 2025, and engagements in this fiscal year include UNC Greensboro (complete), Fayetteville State University (complete), Elizabeth City State University (in process), Winston Salem State University (in process) and UNC Asheville (in process). Three more university engagements will follow next year.

The following sections provide additional detail on the key performance indicators identified by the General Assembly in the 2021 budget.

Partners, Programs, and Tuition Rates

Table 1 contains key facts on Project Kitty Hawk-supported Flight Path programs across partners, while Figure 1 reports cumulative new student starts over time by partner.

As a reminder, the provision creating Project Kitty Hawk also required that credit hours provided with the support of the nonprofit be excluded from the university system's annual enrollment growth request, and that tuition receipts be treated as institutional trust funds (i.e., off-model, self-supporting programs). Under Policy 1000.1.1, Subsection E of the UNC Policy Manual, the UNC Board of Governors has set maximum tuition rates per credit hour for degree programs supported by Project Kitty Hawk and

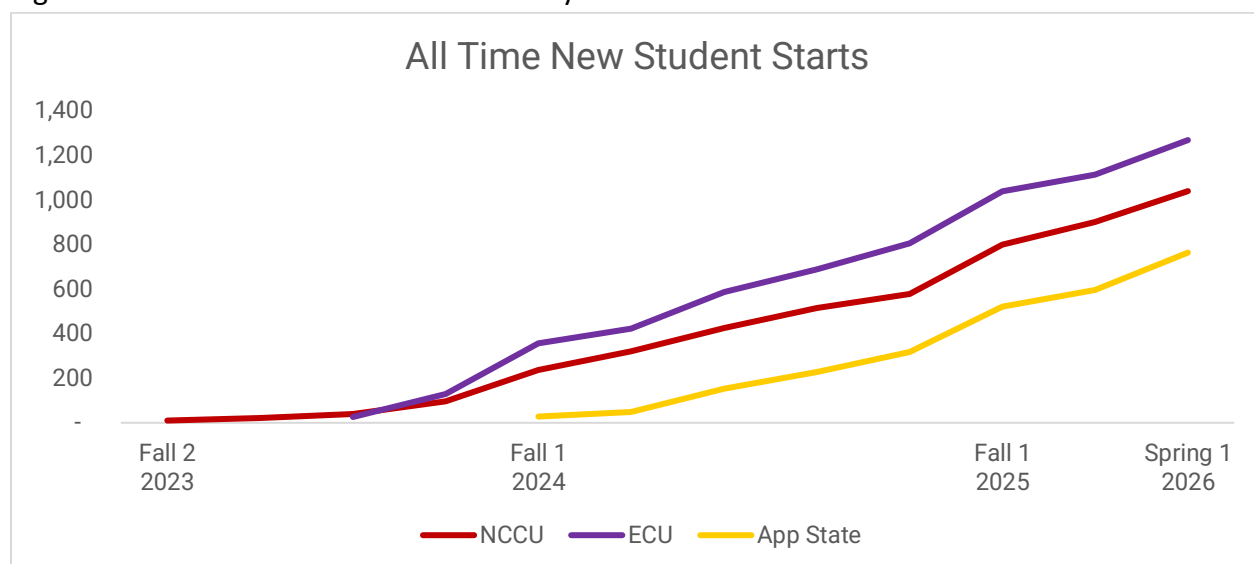
required that out-of-state students be charged a higher tuition rate than in-state students. The Board of Governors has set a maximum pre-credit tuition rate of \$500 for in-state undergraduates and \$800 for in-state graduate students and required that per-credit rates for out-of-state students be at least 20% higher than the rate for in-state students. Per-credit tuition rates for in-state students are reported in Table 1 and are all below the Board’s established maximum tuition rate.

Table 1: Flight Path Programs, Enrollments, and Tuition Per-credit Hour

Institution	Program	Launch date	All-time new student starts	Current enrollment	Tuition per credit hour
Undergraduate					
NCCU	RN to BSN	October 2023	115	54	\$361
NCCU	BS Information Technology	January 2024	235	157	\$361
ECU	BA Psychology	February 2024	747	481	\$398
ECU	BS Information & Cybersecurity Technology	February 2024	277	146	\$424
ECU	BS: Security Studies	February 2024	42	21	\$398
NCCU	BS Business Administration	March 2024	282	214	\$361
NCCU	BS Public Health Education	May 2024	34	28	\$361
NCCU	BS Health Administration	May 2024	277	188	\$361
ECU	BS Criminal Justice	June 2024	202	126	\$398
App State	BS Health Care Management	August 2024	171	129	\$412
App State	BSBA Supply Chain Management	August 2024	113	94	\$412

App State	BS Business Administration in Accounting	January 2025	230	176	\$412
App State	BS Criminal Justice	January 2025	119	84	\$386
App State	BS Organizational Leadership and Learning	January 2025	116	96	\$386
App State	BS Marketing	January 2026	15	15	\$412
NC A&T	BS Criminal Justice	January 2026	6	6	\$360
NC A&T	BS Liberal Studies	January 2026	10	11	\$360
ECU	BS Hospitality	March 2026	N/A	N/A	\$398
Graduate					
NCCU	MBA	August 2025	96	161	\$450
Totals					
Total	19 Flight Path degree programs		3,087	2,187	\$390

Figure 1: Cumulative New Student Starts by Partner



Note: NC A&T launched their first two programs in Spring 1 2026 and enrolled 16 total students (not pictured on the graph).

Table 2 provides information on new Flight Path programs that university partners plan to launch by Fall 2026. These launches will bring the grand total of Flight Path programs to 26, including three graduate programs.

Table 2: Projected Flight Path Program Launches

Institution	Program	Launch date
ECU	BS Multidisciplinary Studies	June 2026
Appalachian State	Graduate Certificate in Artificial Intelligence	Academic Year 26-27
North Carolina A&T	MBA (Human Resources concentration)	August 2026
North Carolina A&T	BA in Political Science	August 2026
Winston Salem State	BSBA Management	August 2026
Winston Salem State	BIS Interdisciplinary Studies	August 2026
Winston Salem State	BS Psychology	August 2026

Student Demographics

Data on student demographics indicate that Project Kitty Hawk is serving the demographic that it was created to serve. Based on administrative data and student surveys, we know that amongst Flight Path students:

- The average age is 32.3 (22% of students are over the age of 40)
- 81% are North Carolina Residents
- 69% are women
- 75% are employed full-time
- Of those employed full-time, 47% also report care-giving responsibilities
- 85-90% report prior experience in online postsecondary education
- 14% of students had previously enrolled in at least one of 12 national online universities (~400 students).

Table 3 reports additional data on the demographics of Flight Path students.

Table 3: Key Demographics by Program

Partner	Program	Average Age at Enrollment	Pct. Female	Pct. NC Address
ASU	Accounting	31.2	65%	97%
ASU	Criminal Justice	27.6	68%	96%
ASU	Healthcare Management	32.1	91%	98%
ASU	Marketing	29.3	74%	100%
ASU	Organizational Leadership and Learning	37.9	57%	96%
ASU	Supply-chain Management	31.8	33%	94%
ECU	Psychology	30.8	85%	90%
ECU	Criminal Justice	30.4	70%	91%
ECU	Information and Cybersecurity Technology	31.1	33%	89%
ECU	Security Studies	32.3	42%	92%
NCAT	Liberal Studies	38.8	56%	56%
NCAT	Criminal Justice	33.7	45%	27%
NCCU	Business Administration	34.3	76%	87%
NCCU	Health Administration	36.4	92%	88%
NCCU	Information Technology	33.0	50%	86%
NCCU	MBA	32.7	68%	82%
NCCU	Public Health Education	35.5	90%	79%
NCCU	RN to BSN	39.3	90%	90%

Enrollments, Persistence, Tuition Receipts, and Completions by Partner

Table 4 reports current enrollment (as of January 2026) and all-time new student starts by partner university. The table also includes information on the percentage of students that persist from one term to the next and estimated all-time tuition and fee receipts from Flight Path programs¹. As of January 2026, partners have generated \$24.8 million in tuition receipts, and that number is projected to grow to \$35.2 million by the end of FY26.

Table 4: Enrollments, Persistence, and Tuition Receipts by Partner University

Institution	Total number of Flight Path programs	Current enrollment	All-time new student starts	FY26 term persistence rate YTD	All-time tuition realized from Flight Path programs
NCCU	6	802	1,039	97%	\$8.5M
ECU	5	780	1,268	96%	\$10.6M
App State	6	595	764	93%	\$5.6M
NC A&T	2	16	16	N/A	\$37k
Total	19	2,193	3,087	96%	\$24.8M

Project Kitty Hawk’s mission statement calls for building pathways that enable adult learners to not only enroll in an online degree, but to complete one. Term-over-term student persistence rates are high, and those success rates are translating to increasing numbers of degree completers. To date, just under 100 students have completed a degree in a Flight Path program, and that number is projected to double by the end of academic year 2025-26.

Table 5: Completions by Partner University

Institution	Total number of Flight Path Graduates
NCCU	73
ECU	22

Note: Completion numbers are not yet reported at the program level due to small cell sizes in order to protect student privacy. Institutions with completion numbers below 9 are not listed.

¹ PKH estimates realized tuition and fees using in-state rates. Actual tuition and fee revenues are higher given that 19% of all enrolled students are from out-of-state.

Project Kitty Hawk Finances and Projections

Project Kitty Hawk was initially funded with a \$97 million appropriation from the General Assembly drawn from the State Fiscal Recovery Fund (SFRF) under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Those funds are required to be expended by December 2026. As of January 2026, Project Kitty Hawk had spent \$91.2 million of the initial appropriation and anticipates spending down the remaining grant funds in April 2026.

In an effort to launch quickly at inception, PKH leadership adopted a “build-by-partnership” approach, selecting mission-aligned contractors to assist in building the digital learning platform and in delivering key services like marketing and admissions. That approach enabled velocity and flexibility early-on and helped develop the PKH team and expertise. The \$50.4 million in “Professional Fees” in Table 6 reflects these partnerships, including large contracts with Amazon Web Services (digital platform), Archer Education (marketing and admissions), Collegis Education (instructional design and IT support), and ReUp Education (re-enrollment program).

Table 6: Project Kitty Hawk Grant Expenses Since Inception (Cash Basis)

	FY22	FY23	FY24	FY25	FY26 (through Jan)	Total to Date
Personnel	\$0.6M	\$5.2M	\$8.1M	\$9.9M	\$7.6M	\$31.4M
Professional Fees Includes contracted marketing and admissions, course development, LMS and PKH digital platform development expenses	\$0.0M	\$13.4M	\$14.5M	\$14.4M	\$8.0M	\$50.4M
Technology	\$0.7M	\$1.4M	\$0.8M	\$1.2M	\$1.0M	\$5.2M
Grants to Institutions	\$0.0M	\$0.0M	\$0.7M	\$1.4M	\$0.6M	\$2.7M
Non-Personnel & Non-Technology Administrative	\$0.0M	\$0.3M	\$0.3M	\$0.2M	\$0.1M	\$0.9M
Travel	\$0.1M	\$0.3M	\$0.2M	\$0.1M	\$0.05M	\$0.7M
Total (Cash)	\$1.4M	\$20.6M	\$24.7M	\$27.2M	\$17.3M	\$91.2M
	FY22	FY23	FY24	FY25	FY26 (through Jan)	
Full Time Employees	16	48	61	77	98 (EOY)	
Personnel Spend per Employee	N/A	\$108K	\$133K	\$129K	\$112K (EOY)	
Average Annual Student Enrollment	0	0	61	841	2,118	
Number of Programs	0	0	9	14	19	

In addition to those partnerships, Table 6 indicates that Project Kitty Hawk has spent \$31.4 million on personnel expenses to build and grow the Project Kitty Hawk team, including the addition of dozens of student-facing staff (student success coaches and admissions personnel). Eighty-nine percent of Project Kitty Hawk employees are North Carolina residents. Together, Professional Fees and Personnel expenses make up 91% of the grant-funded expenses.

Increased spending on personnel reflects a strategic decision to move past the build-by-partnership phase and in-source additional functions, thereby reducing our reliance on third-party contractors and containing costs. As Table 7 illustrates, this strategy has improved our financial projections and will ensure Project Kitty Hawk’s long-term sustainability while also keeping costs low for our partners.

Compared to last year’s report, the refreshed projections show a 24% reduction in the deficit in FY2027, a breakeven estimate that is two years sooner (2029 vs. 2031), and a healthy cash position throughout.

Table 7: Actual and Projected Revenues and Expenses Through FY2029

	ACTUAL				PROJECTED			
Key Metrics	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
University Partners	–	–	3	3	4	6	8	8
Academic Programs	–	–	9	14	19	26	34	41
Average Annual Student Enrollment	–	–	61	841	2,118	3,222	4,642	6,125
Revenue	ACTUAL (Accrual)				PROJECTED			
CARES Act Grants	\$4.0	\$41.0	\$27.3	\$24.7	–	–	–	–
Program Revenue	–	–	\$5.8	\$13.9	\$20.0	\$25.5	\$35.5	\$44.0
Other Revenue	–	\$0.2	\$1.6	\$1.8	\$0.7	\$0.3	–	–
Total Revenue	\$4.0	\$41.2	\$34.7	\$40.4	\$20.7	\$25.7	\$35.5	\$44.0
Expenses								
Personnel	\$0.8	\$5.1	\$9.6	\$10.0	\$11.0	\$16.7	\$22.6	\$24.2
Non-Personnel	\$0.3	\$11.4	\$13.1	\$19.9	\$20.5	\$16.2	\$18.5	\$19.7
Total Expenses	\$1.1	\$16.5	\$22.7	\$29.9	\$31.5	\$33.0	\$41.1	\$43.9
Net Income	\$2.9	\$24.7	\$12.0	\$10.5	(\$10.8)	(\$7.2)	(\$5.6)	\$0.1
Ending Cash Balance	\$2.6	\$19.5	\$25.7	\$31.4	\$19.8	\$18.6	\$12.9	\$13.1

Dollar values in millions.

Project Kitty Hawk continues to adhere to federal cost principles and issues an attestation to the UNC System Office each month along with a regular cash flow report. Travel expenses have been dramatically reduced despite a larger team and additional university partners. And after delays caused by the federal Office of Management and Budget, the organization received a clean audit for FY2025 from Frazier and Deeter and is now considered a low-risk auditee after three years of operation.

Appendix 1

Project Kitty Hawk Board of Directors

Randy Ramsey, Chairman
Member, UNC System Board of Governors

Peter Hans, Member
President, UNC System

Ray Carey, Member
Head, NextLevel Operations, Level Equity

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