



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

September 6, 2024

TO: Department Heads and Chief Financial Officers

FROM: Kristin Walker *Kristin Walker*
State Budget Director

SUBJECT: FY 2024-25 Repairs and Renovations Requests

The Office of State Budget and Management is asking agencies to submit their FY 2024-25 Repairs and Renovations (R&R) requests by **Friday, October 11**. Only projects that meet the requirements of [G.S. 143C-8-13](#) are eligible for funding. Projects that expand square footage (beyond mechanical and other engineering requirements), master planning, and reserves are ineligible.

Out of the funds appropriated in [S.L. 2023-134, Sec. 40.2](#) to the R&R Reserve for state agencies General Fund supported facilities, about \$140 million remains available for FY 2024-25. To implement [Executive Order 80](#), OSBM is targeting \$25 million of the \$140 million for projects that reduce energy usage per square foot consistent with [G.S. 143C-8-13\(a\)\(7\)](#) and [G.S. 143-64.12](#). OSBM and the Department of Environmental Quality's Utility Savings Initiative will coordinate the allocation of these funds.

Agencies are encouraged to prioritize projects that substantially increase the useful life of a building or replace a system; previously funded R&R projects that require a supplement to be completed; and larger projects over \$100,000 (or group small projects into a more impactful larger project).

OSBM will evaluate each agency's request based on a variety of factors:

1. Agency allocated building square footage, condition, value, and age.
2. Progress on executing past R&R projects.
3. Funding for R&R projects in various appropriations bills (agencies that have appropriations for several large renovation projects may receive less funds from this year's R&R Reserve).
4. Availability of non-General Funds to fund R&R projects.

Requests that are beyond what can be reasonably funded will not be considered, so OSBM is asking agencies to not overburden the State Construction Office with unnecessary cost estimates. However, OSBM understands that each agency faces a large backlog of repairs and renovations needs. OSBM is asking agencies to submit the summary dollar value total of its Facilities Assessment and Condition Program to accompany the request for specific projects funded under this cycle.

OSBM will meet individually with agency Budget Officers about the requests in the second half of October. OSBM will finalize recommended R&R allocations and report to the Fiscal Research Division of the General Assembly by November 1.

Thank you for your continued partnership. Please don't hesitate to contact [Mark Bondo](#), [Brian Farmer](#), and [Cole Justad](#) if you have any questions.

CC: Anca Grozav, OSBM
Mark Bondo, OSBM
Brian Farmer, OSBM Cole
Justad, OSBM Michael
Shumsky, DOA Julie
Woosley, DEQ