



STATE OF NORTH CAROLINA OFFICE OF STATE BUDGET AND MANAGEMENT

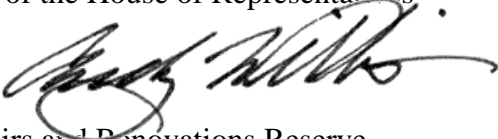
BEVERLY EAVES PERDUE
GOVERNOR

ANDY WILLIS
STATE BUDGET DIRECTOR

February 20, 2012

MEMORANDUM

TO: Senator Phil Berger, President Pro-Tempore of the Senate
Representative Thom Tillis, Speaker of the House of Representatives

FROM: Andy Willis, State Budget Director 

SUBJECT: Report on Allocations from the Repairs and Renovations Reserve

The General Assembly in "The Current Operations and Capital Improvements Appropriations Act of 2011" (Session Law 2011-145) authorized the use of \$124,500,000 of Repair and Renovation (R&R) funds for state-owned facilities in FY 2010-11. Of these funds, the General Assembly allocated \$62,250,000 (50%) for non-university projects. State agencies were instructed to submit a prioritized list of R&R project needs to the Office of State Budget and Management (OSBM) by October 1, 2011. Requests totaling \$464.5 million for 382 projects were received.

OSBM, working with the State Construction Office (SCO), employed a multi-step process to select FY 2011-12 non-university repair and renovation projects.

1. The agencies submitted prioritized lists of repair and renovation projects, approved cost estimates using the Office of State Construction's OC-25 Form, and OSBM's R&R Request Worksheets.
2. OSBM met with each agency to review their requests in detail to better understand the scope, feasibility and priority of requested projects.
3. OSBM utilized a funding model to establish a baseline for the approximate repair and renovation allocation for each agency. The formula used by OSBM considered the most recent information on the current replacement value, condition indicated by FCAP reports, size, and age of agency facilities. Previous fiscal years repair and renovation and Certificate of Participation funding allocations and allocations for high priority projects were also taken in to consideration.

Using the baseline funding allocations and project specific information, OSBM consulted with SCO and made final selections of repair and renovation projects based on the statutory requirements of G.S. 143C-4-3.

One hundred twenty-one (121) projects totaling \$62,250,000 are recommended for allocation from the 2011-2012 Repair and Renovations Reserve. The allocation for each agency is as follows:

Allocation to Each Agency/Department

Department	# of Projects	Amount	%
Administration	24	14,648,000	23.5%
Agriculture & Consumer Services	11	3,880,058	6.2%
Department of Public Safety	31	16,751,000	26.9%
Cultural Resources	7	3,470,600	5.6%
Environment & Natural Resources	15	4,226,000	6.8%
Health & Human Services	31	15,305,000	24.6%
Justice	1	1,480,000	2.4%
State Budget & Mgmt-Contingency Reserve	1	2,489,342	4.0%
Total	121	62,250,000	100%

Also, attached for your review is a detailed project list that outlines the Office of State Budget and Management's allocation to each agency. This report is submitted for consultation.

The University of North Carolina will provide a separate list for projects they are planning.

As always, if you have any questions or concerns, please do not hesitate to contact me or Assistant State Budget Officer Jennifer Hoffmann at (919) 807-4700.