



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

PAT MCCRORY
GOVERNOR

ART POPE
STATE BUDGET DIRECTOR

October 28, 2013

The Honorable Phil Berger
President Pro-Tempore
North Carolina Senate
Legislative Building, Room 2008
Raleigh, North Carolina 27601-2808

The Honorable Thom Tillis
Speaker of the House
North Carolina House of Representatives
Legislative Building, Room 2304
Raleigh, North Carolina 27601-1096

RE: Allocation from the 2013 Reserve for Repairs and Renovations
Joint Legislative Commission on Governmental Operations – October 29, 2013

Please find attached the Executive Summary and report for the Allocation from the 2013 Reserve for Repairs and Renovation, Non-University Projects.

Sincerely,

A handwritten signature in cursive script that reads "Art Pope".

Art Pope
State Budget Director

Attachment

**Allocations from the 2013 Reserve for Repairs and Renovations
Non-University Projects
Executive Summary**

October 29, 2013

The General Assembly, in Session Law 2013-360 (Senate Bill 402) appropriated \$150,000,000 from the unreserved fund balance to the Repairs and Renovations Reserve (R & R) Account to finance the capital facility costs of repairing and renovating State facilities and related infrastructure. Of these funds appropriated, the General Assembly allocated \$60,000,000 (40%) to the UNC Board of Governors (BOG) and \$90,000,000 (60%) to the Office of State Budget and Management (OSBM). State agencies were instructed to submit a prioritized list of R&R project needs to the Office of State Budget and Management (OSBM) by September 16, 2013. OSBM received 545 projects totaling \$554.4 million dollars.

The Office of State Budget and Management (OSBM), working with the State Construction Office (SCO), employed a multi-step process to select FY 2013-14 non-university repair and renovation projects.

- 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.
- OSBM met with several agencies to review their requests in detail to better understand the scope, feasibility and priority of requested projects.
- 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 Facilities Condition Assessment Program (FCAP) reports, size, and age of agency facilities.

Using the baseline funding allocations and project specific information, OSBM consulted with State Construction and made final selection of repair and renovation projects based on the statutory requirements of (G.S. 143C-4-3). Funds were used for the following types of projects. The number of projects per type is as follows:

- (1) Roof repairs and replacements; (35)
- (2) Structural repairs; (26)
- (3) Repairs and renovations to meet Federal and State standards ;(4)
- (4) Repairs to electrical, plumbing, and heating, ventilating, and air-conditioning systems ; (73)
- (5) Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended; (10)
- (6) Improvements to meet fire safety needs; (19)
- (7) Improvements to existing facilities for energy efficiency; (1)
- (8) Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks; (4)
- (9) Improvements and renovations to improve use of existing space; (12)
- (10) Historical restoration; (0)
- (11) Improvements to roads, walks, drives, utilities infrastructure;(5)
- (12) Drainage and landscape improvements. (1)

Funds may not be used for new construction or for the expansion of the building area of an existing facility unless required for compliance with Federal or State codes or standards.

One hundred ninety (190) projects totaling \$90,000,000 are recommended for allocation from the 2013-14 Repair and Renovations Reserve.

Agency	Amount	%
Department of Administration	\$20,416,900	22.69%
Department of Agriculture and Consumer Services	\$5,379,000	5.98%
Department of Cultural Resources	\$7,373,000	8.19%
Department of Environment and Natural Resources	\$5,437,400	6.04%
Department of Health and Human Services	\$16,079,000	17.87%
Information Technology Services	\$778,000	0.86%
Department of Justice	\$3,686,000	4.10%
Department of Public Instruction	\$4,736,700	5.26%
Department of Public Safety	\$18,130,000	20.14%
Department of Transportation	\$840,000	0.93%
Office of State Budget and Management Contingency Fund	\$7,144,000	7.94%
Department of Commerce	\$0	0.00%
Total	\$90,000,000	

The following report outlines the Office of State Budget and Management's allocations to each agency and the selected projects that will address critical repair and renovation needs. This report is submitted for consultation with the Joint Legislative Commission of Governmental Operations.

2007-2013 Repair and Renovation Funding History

FY 2007-2008	State Agencies	UNC System	Totals
Repairs and Renovations	78,300,000	66,700,000	145,000,000
Approved Budget	78,300,000	66,700,000	145,000,000

FY 2008-2009	State Agencies	UNC System	Totals
Repairs and Renovations	37,713,189	32,126,049	69,839,238
Approved Budget	37,713,189	32,126,049	69,839,238

FY 2009-2010	State Agencies	UNC System	Totals
Repairs and Renovations	25,000,000	25,000,000	50,000,000
Approved Budget	25,000,000	25,000,000	50,000,000

FY 2010-11	State Agencies	UNC System	Totals
Repairs and Renovations	-	-	-
Approved Budget	-	-	-

*120 million in Special Indebtedness was authorized but not issued by COS

FY 2011-12	State Agencies	UNC System	Totals
Repairs and Renovations	62,250,000	62,250,000	124,500,000
Approved Budget	62,250,000	62,250,000	124,500,000

FY 2012-13	State Agencies	UNC System	Totals
Repairs and Renovations	11,585,462	11,585,462	23,170,924
Approved Budget	11,585,462	11,585,462	23,170,924

FY 2013-14	State Agencies	UNC System	Totals
Repairs and Renovations	90,000,000	60,000,000	150,000,000
Approved Budget	90,000,000	60,000,000	150,000,000