



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

September 5, 2025

TO: Department Heads and Chief Financial Officers

FROM: Kristin Walker, State Budget Director *Kristin Walker*

SUBJECT: FY 2025-26 Repairs and Renovations Requests

The Office of State Budget and Management is asking agencies to submit their FY 2025-26 Repairs and Renovations (R&R) requests by **Friday, October 10**. Projects are only considered eligible if they meet the requirements of [G.S.143C-8-13](#). Requests for expanded square footage (beyond mechanical and other engineering requirements), master planning, or reserves are ineligible.

SL 2025-89 appropriated \$100 million in FY 2025-26 for repairs and renovations of General Fund-supported facilities. OSBM previously allocated \$48.9 million of these funds during the FY 2024-25 allocation period, leaving \$51.1 million in funds available to allocate this cycle. Both the House and Senate versions of the 2025 Appropriations Act proposed \$200 million for R&R, and if any additional R&R funds are appropriated for FY 2025-26, OSBM will use requests from this current cycle to make additional allocations.

Agencies are encouraged to prioritize R&R requests that substantially increase the useful life of a building or replace a system, requests that supplement a previously funded R&R project that could not otherwise be completed, requests for larger projects (you may group small but related projects into a more impactful larger project), and requests that would lead to energy savings. OSBM will consider small project requests on a case-by-case basis. Additionally, agencies are asked to indicate if a larger request could be split over multiple years.

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 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 not to overburden the State Construction Office with unnecessary cost estimates. However, OSBM understands that each agency faces a large backlog of repair and renovation needs. OSBM is asking agencies to submit the summary dollar value of its Facilities Condition Assessment Program to accompany the request for specific projects funded under this cycle.

OSBM will meet individually with agency Budget Officers about the requests in October. OSBM will finalize recommended R&R allocations and report to the Fiscal Research Division of the General Assembly by November 7.

Thank you for your continued partnership. Please don't hesitate to contact Mark Bondo, Brian Farmer, Cole Justad, and Anna Carney if you have any questions.

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