

USG Major Repair and Rehabilitation (MRR) Program Procedures and Guidelines
Updated December 2025

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A. Introduction

The USG Major Repair and Rehabilitation (MRR) program addresses capital renewal needs in state owned and funded instructional facilities and related campus infrastructure. The program is administered by the office of Real Estate and Facilities (REF) in the University System Office (USO).

Funding for MRR projects can be provided in cash appropriation or State-issued General Obligation (GO) Bonds. Once appropriated, MRR funds are subsequently allocated to the institutions by the Board of Regents (BOR) in a process informed by a formula based on the area, adjusted age, and normative replacement value of owned Resident Instruction (RI) space. To ensure continued effectiveness, the MRR allocation formula is periodically reviewed and modified to adjust to changing conditions. Unique institutional circumstances are also considered in evaluating funding requests and allocations.

B. Project Eligibility

Only state-owned space classified for Resident Instruction (RI) use and associated campus infrastructure is eligible for MRR funding. Construction of new space is not eligible for MRR except in unusual situations where new space is required to most effectively replace existing building systems or equipment. Portions of new infrastructure designed to improve the reliability of existing infrastructure may be considered for MRR funding. The cost of MRR projects in facilities partially occupied by auxiliary or other non-RI uses should be proportionately shared by other appropriate institutional funding sources. In general, MRR funding cannot be used for projects in or supporting the following:

- Parking Lots and Decks
- Residence Halls
- Intercollegiate Athletics space
- Auxiliary Enterprise space
- Other revenue-supported spaces

C. MRR Program Development and Project Identification

MRR projects are distinct from maintenance projects in that they are specifically for capital renewal. Projects may address deferred maintenance issues, but MRR funds are not intended to perform routine preventive maintenance, which should be funded by the Maintenance and Operations (M&O) budget. The majority of MRR project funding is used for renewal of existing building systems/envelopes and campus infrastructure. Interior renovation projects can be appropriate for MRR funding if clearly required to meet key academic capacity or program needs, regulatory requirements, or to provide swing space as part of a larger instructional space repair or rehabilitation project.

Institutions should develop and maintain an Institutional Renewal Plan, a prioritized list of capital renewal projects needed to maintain the function and continuity of critical campus facilities and infrastructure over a period of 3-5 years. The Institutional Renewal Plan serves as the foundation for annual MRR funding requests.

A variety of quantitative and qualitative assessments are integral to MRR project development and prioritization:

- Facility Condition Assessments (FCA) identify building and system renewal necessary to maintain functional effectiveness, avoid premature aging, and attain full facilities life cycle.

- Campus infrastructure assessments and plans help identify systems and equipment that require renewal or replacement to maintain effective operational function and continuity.
- Master plans identify future campus development and configuration anticipated to support institutional mission, goals, and objectives. Master plans should inform MRR planning to optimize renewal investment within the overall campus capital planning and implementation context.
- Academic Program assessments provide guidance for the future academic direction of the institution. While well-planned systems and infrastructure renewal are necessary for all types of RI space uses, interior renovation projects should only be prioritized if they support and enable key academic initiatives and instructional needs.

D. Project Submission

Each spring, REF solicits each institution to submit a prioritized list of projects from the Institutional Renewal Plan for the annual allocation of approved MRR funding. Submissions should cover approximately 2-3 years of funding at normative levels to provide a more comprehensive view of institutional MRR programs and to demonstrate overall system need. Requests are developed and submitted in a single structured template that automatically compiles a summary of current fiscal year project requests. Each project is described with the following elements:

- Project Priority
- Project Name – should describe the proposed work and location, and be consistent with the related identification of project scope in the template. If the project must be phased, the name should indicate the full scope of both the requested project and ultimate effort (e.g. “Campus Steam Line Replacement – “Phase I of IV”).
- Project Scope –consistent and structured identification of overall project type (Building Renewal, Campuswide Building Renewal, Campus Infrastructure) and the specific project category and scope elements within the selected project type.
- Project Cost and Funding – required entries include:
 - MRR funds requested
 - Information about the supporting cost estimate
 - Cost allocated by phase (design, construction, testing/misc., contingency)
 - Cost allocated by scope component
 - Delegated Authority - automatically calculated using project cost data
- Building Information (for project scopes contained within a single campus building)
- Project Asset Life Cycle - automatically calculated using project scope and funding entries (critical to ensure an overall asset life cycle of greater than 20 years)
- Supplemental Information – required to more fully describe proposed roofing, interior renovation, and HVAC project scopes
- Narrative – executive summary and other narrative required by specific project scope.
- Supporting Documentation – provides reference to related assessment reports, plans, and studies, and cost estimates necessary to support and demonstrate a well-planned project. Supporting documents should be submitted along with the request template to assist REF staff in understanding the project need, scope, and budget.

E. Project Authorization

USO REF compiles all institution MRR requests into a single summary document including recommended project authorization and funding allocation. This recommendation is presented annually to the BOR for approval on a schedule consistent with MRR funds availability (typically in August).

Since institutions are encouraged to submit 2-3 years of MRR project needs at typical funding levels, only a subset of institution projects is typically authorized by the BOR approval, including:

- a. Projects fully funded at the requested level
- b. Projects partially funded or not funded, but authorized (by key note) for completion with residual MRR funds or other appropriate funding sources

While considered authorized by the BOR, these projects remain fully subject to institution delegated authority limits for consultant and construction contracting. The following link navigates to the REF website and the current [institution delegated authority limits](#).

All other projects continue to require authorization by the BOR and/or the Vice Chancellor (VC) for REF according to normal BOR/USO procedures, including:

- a. Submission of a project concept proposal for System Integrated Review for larger projects (if determined to be necessary based on project scope and characteristics).
- b. BOR authorization of any project exceeding \$2.5M in construction cost, regardless of funding source and institution delegated contracting authority.
- c. VC authorization and/or appropriate REF staff involvement in any project contracting that exceeds institutional delegated authority levels.

Institutions are encouraged to leverage MRR program features and flexibility to optimize project implementation and outcomes, but are charged to exercise discretion in project scoping, phasing and procurement to ensure compliance with established procedures and delegated authority limits.

Following BOR approval, the USO provides instructions for funds access, accounting, management, and expenditure specific to the upcoming fiscal year.

F. Project Funding and Accounting Practices

MRR funds have frequently been provided with GO bonds, although funding has been provided in cash since FY 2023. Since FY 2024, cash MRR allocations have been transferred to GSFIC to prevent year-end funds lapse. Approved projects are implemented via the encumbrance and expenditure of institution funds. These expenditures are subsequently reimbursed by GSFIC upon request with proper documentation.

USO Fiscal Affairs periodically provides specific guidance to institution budget and accounting staff for MRR cash transfer, budgeting and accounting. Beginning in FY25A (J-444), this includes the required use of a standardized Project ID assigned by USO REF for each MRR project approved by the BOR, which is contained on the MRR project funding list distributed to institutions following BOR approval. This procedure facilitates enhanced reporting on MRR expenditures and encumbrances.

Beginning in FY 2026 Q1, institutions began compiling and submitting to USO Budget a quarterly “Detail on MRR Spending” report containing project-level data in a standardized preloaded Excel workbook (see sample report image on following page). This reporting replaces the previous quarterly encumbrance reporting provided to USO REF. In certain cases, REF may request additional MRR project, budget, and encumbrance information on an institution-specific basis.

SAMPLE VIEW – QUARTERLY USO BUDGET MRR DETAIL SPEND REPORT

University System of Georgia
FY 2025 4th Quarter
Detail of MRR Spending
Institution Name:
Name of Preparer

Peachtree Street University
John Doe

| Project Name | MRR Allocation Year | Project Priority | GSFIC Funding Project ID | ERP Project/Dept ID | Project Original State Allocation | Project Current State Allocation | Redirected within "yr" approved projects | Amount Encumbered | Amount Expended | Project Available Balance | Amount Reimbursed by GSFIC | Amount Expended to be Reimbursed | Balance of Funding with GSFIC | Is the Project complete? | Notes (Please provide project timeline, reason for change in funding amount in Original and Current allocation, challenges in completing in timely manner, etc.) |
|---|---------------------|------------------|--------------------------|--------------------------|-----------------------------------|----------------------------------|--|-------------------|-----------------|---------------------------|----------------------------|----------------------------------|-------------------------------|--------------------------|---|
| Fire Alarm System Replacements Performing Arts (8022410 & 8022538) | FY2024 | 1 | J-417 | 24MRR53_01 25MRR53_23 | \$200,000.00 | \$139,817.76 | (\$60,382.24) | \$17,661.88 | \$122,155.88 | \$0.04 | \$122,155.88 | \$0.00 | \$17,661.88 | No | \$32,242.24 redirected to Air Handler Replacement, Performing Arts BUDG.; \$27,940 redirected to Roof Replacement, Music Building |
| Air Handler Replacement, Performing Arts BUDG - (8022414 & 8022513) | FY2024 | 5 | J-417 | 24MRR53_05 25MRR53_05 | \$400,000.00 | \$342,142.24 | (\$57,857.76) | \$14,242.24 | \$327,900.00 | \$0.00 | \$327,900.00 | \$0.00 | \$14,242.24 | No | \$32,242.24 redirected from Fire Alarm System Replacements Performing Arts; \$90,100 redirected to Boiler Replacements |
| Boiler Replacements Dunwoody Hall - (8022412, 8022512) | FY2024 | 3 | J-417 | 24MRR53_03 25MRR53_03 | \$300,000.00 | \$414,324.00 | \$114,324.00 | \$0.00 | \$414,324.00 | \$0.00 | \$414,324.00 | \$0.00 | \$0.00 | No | \$90,100 redirected from "AHU Replacement, Performing Arts FZ4; \$24,224 redirected from HVAC Make-up Air Unit Installation |
| HVAC Make-up Air Unit Installation | FY2024 | 6 | J-417 | 24MRR53_06 | \$150,000.00 | \$ 39,194.00 | (\$110,806.00) | \$ - | \$ 39,194.00 | \$0.00 | \$39,194.00 | \$0.00 | \$0.00 | Yes | Received BOR approval to reduce scope significantly, deferring the renovation until new STEM Building J-425 is completed. \$77,992 redirected to dunwoody hall roof; \$8590 redirected to FZ25 Elevator Upgrade; \$24,224 redirected to Boiler Replacements Dunwoody Hall |
| Elevator Upgrade, Dahlonega | FY2024A | 6 | J-417 | 25MRR53_22 | \$0.00 | \$8,590.00 | \$8,590.00 | \$8,590.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$8,590.00 | No | \$8,590 redirected from HVAC Make-up Air Unit Installation |
| Roof Dunwoody Hall | FY2024 | 8 | J-417 | 24MRR53_13 | \$0.00 | \$77,992.00 | \$77,992.00 | \$2,506.20 | \$75,485.80 | \$0.00 | \$75,485.80 | \$0.00 | \$2,506.20 | No | \$77,992 redirected from HVAC Make-up Air Unit Installation |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

G. Encumbrance and Reimbursement Requirements

Prompt MRR project encumbrance, expenditure, and reimbursement is critical to demonstrate the ongoing need for state-funded capital renewal. The USO periodically compiles and reports on institutional MRR encumbrance, expenditure, and reimbursement.

The following periodic targets and requirements are intended to ensure encumbrance and reimbursement compliance across the entire system portfolio. These time periods begin on the date that funds are available for reimbursement following transfer to GSFIC:

Encumbrance

| | |
|-----------|---|
| 6 Months | 50% target |
| 12 months | 95% required (5% contingency allowance) |

Reimbursement

| | |
|-----------|---------------|
| 6 months | 5% target |
| 12 months | 50% target |
| 18 months | 75% target |
| 24 months | 90% target |
| 30 months | 95% target |
| 36 months | 100% required |

Institutions failing to meet these targets are subject to having delinquent fund balances swept and reallocated.

H. Reallocation of MRR Funds

Residual MRR Funds occur when a balance remains following the completion of the originally proposed scope of a fully funded project. Individual project residual balances up to \$100,000 can be reallocated for the following two purposes with no additional REF staff approval:

- a. To complete the proposed scope of an authorized but not fully funded MRR project.
- b. As contingency funds to complete the proposed scope of a fully funded MRR project that exceeded its original cost estimate.

Redirection of MRR funds is required for circumstances beyond the two specific examples cited above, including the proposed reallocation of:

- a. Residual funds in excess of \$100,000 from a fully implemented project.
- b. Any amount of approved MRR funds from a project scope that has not been fully implemented as originally proposed
- c. Any amount of MRR funds to a project not specifically authorized in the original BOR recommendation.

All proposed redirections of MRR funds require advance written approval from REF staff. While redirects can be an acceptable method to effectively manage evolving circumstances and variables, the documentation provided by advance written requests supports compliance with MRR encumbrance and expenditure requirements, as well as ensuring transparency and consistency in associated reporting.

I. System Emergency/Contingency Reserve

Periodically, a nominal percentage of the annual USG MRR appropriation may be held by REF to aid institutions that require MRR-eligible emergency capital repairs. Written requests for emergency MRR funding will be evaluated by criteria including the institution's current level of unreimbursed or unexpended MRR funding, the record of prior Emergency MRR requests and allocations, institutional funding equity, and other factors.

J. Best MRR Program Practices

The following practices support: compliance with the BOR-authorized MRR program and applicable project procedures (including delegated authority limits); effective project prioritization, budgeting, and implementation; and prompt encumbrance, expenditure, and reimbursement:

- Established and transparent frameworks for communication and coordination among MRR stakeholders in different departments and functional areas (e.g. facilities operations and project management; procurement; budgeting; accounting; etc.)
- Increased focus on scheduling and critical path in the overall MRR program and individual projects
- Advancing multiple authorized projects concurrently (where feasible)
Procedures for project monitoring and evaluation to identify potential residual funds/redirects and inform effective reallocation strategies
- Prompt engagement with REF to discuss and request any identified redirects (see Section I. for situations that require advance approval)