Instructions for Preparation of the 2027-29 Base Budget

September 2026

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Summary of the 2027-29 Governor's Recommended Budget Process

The State of North Carolina appropriates operating and capital funds on a biennial, or two-year, cycle. An approved budget includes annual amounts for each of the two fiscal years that make up the biennium.

The State Budget Act (GS 143C-3-5) requires the Governor to present budget recommendations to each regular session of the General Assembly, including the Base Budget and Change Budget. The General Assembly, convening in early 2027, will consider the Governor's recommended budget, as well as other changes presented for legislative review before passing a two-year budget. Once a budget is enacted, the Office of State Budget and Management (OSBM) will certify the budget.

The process for preparing the 2027-29 Governor's Recommended Budget is now underway. Agencies will work with OSBM staff to prepare Base Budget and Change Budget requests for the upcoming biennium in a manner consistent with that prescribed in the State Budget Act. Agencies should plan to engage internally and with OSBM in a collaborative effort to complete the tasks laid out in the accompanying budget instructions and any subsequent guidance from OSBM.

For agencies, the process should include not only budget and financial staff but also program directors, CIOs, and other members of agency senior leadership. OSBM analysts offer technical assistance to agencies in developing the Base Budget and Change Budget recommendations. OSBM Budget Execution Analysts will work with agencies on preparing the Base Budget, and OSBM Budget Development Analysts will work with agencies on Change Budget requests. The remainder of this document will summarize the instructions for preparation of the 2027-29 Base Budget.

Timeline

Timeliness and deadlines are critical to budget development. Deadlines are established to ensure that OSBM and the Governor have adequate time to review information and finalize a Recommended Budget as required by the State Budget Act. Agencies must focus on budget planning and policy decisions early to ensure all deadlines are met. The following page outlines key dates and deliverables for preparation of the 2027-29 Base Budget. The timeline can also be found on the OSBM website.

2027-29 Base Budget Preparation Key Dates/Deadlines (all 2026 calendar year, unless specified)	
Date	Action
September 25	OSBM Issues 2027-29 Base Budget Instructions
September 30	BRIDGE System Go-Live for State Agencies & Universities Base Budget Reports Available for Review in BRIDGE
September 30	OSBM Hosts Agency & UNC Base Budget Instructions Training from 2:00 pm – 3:30pm, *MICROSOFT TEAMS MEETING*
October 9	OSBM Base Budget Office Hours 10:00am – 11:00am – Fund Purpose Statements
October 9	Agencies Submit Recurring Budget Revisions Related to Legislative Increases to OSBM
October 9	Agencies Complete Review and Notify OSBM of 2026-27 Approved Budget Revisions to Include or Exclude in Base Budget Document. ***Agencies must notify OSBM of any newly approved recurring budget revisions to include in the Base Budget following this date.***
October 16	OSBM Base Budget Office Hours 10:00am – 11:00am – Receipts Analysis
October 16	Agencies Submit Requested Updates to Fund Purpose Statements to OSBM
October 23	OSBM Base Budget Office Hours 10:00am – 11:00am – Receipts Analysis
October 30	Agencies Submit Revisions Adjusting Requirements and Receipts based on Receipts Analysis to OSBM
October 30	OSBM Base Budget Office Hours 10:00am – 11:00am – Adjusting Salary Reserve/Personnel Expenditures
November 6	OSBM Base Budget Office Hours 10:00am – 11:00am – Reconciling Intra-Governmental Transfers
November 6	Agencies Submit Revisions Adjusting Salary Reserve/Personnel Expenditures to OSBM
November 13	OSBM Base Budget Office Hours 10:00am – 11:00am – Base Budget Adjustments
November 13	Agencies Submit Revisions Reconciling Intra-Governmental Transfers to OSBM
November 20	OSBM Base Budget Office Hours 10:00am – 11:00am – Base Budget Adjustments
November 20	Agencies Submit Proposed Pay Plan Estimates to OSBM (Final Pay Plan Budget Revisions due January 4, 2027)
December 11	Agencies Submit All Base Budget Adjustments (with appropriate justification/attachments) and Budget Restructuring Plans to OSBM
January 6, 2027	All Approved Budget Revisions Needed in Base Budget Finalized/Approved All Base Budget Adjustments Entries Finalized/Approved

2027-29 Base Budget Training on September 30, 2026

OSBM will host a Microsoft TEAMS training for ***agency and UNC staff*** on Wednesday, September 30, 2026, from 2:00 – 3:30 pm. The training will include a review of the 2027-29 base budget instructions, focused on key changes to the process and timeline, and provide an opportunity to address your questions. Key staff members who will be involved in the base budget development process for your agency are encouraged to attend.

Instructions for Preparing the 2027-29 Base Budget

The following instructions provide a summary of the guidelines for the 2027-29 Base Budget process, but more detailed instructions (job aids), relevant attachments, and reference materials are available on OSBM's website and are linked throughout this document. The Budget Instructions section on the OSBM website houses instructions and other relevant documentation for various budget processes, along with a comprehensive calendar with key dates. Additionally, OSBM Budget Execution Staff will be hosting Base Budget Office Hours related to key Base Budget topics throughout fall 2026 to assist state agencies and universities with base budget development.

The Base Budget provides the funding necessary to continue the existing, authorized level of services for the 2027-29 biennium. The Base Budget is an agency's opportunity to adjust budgets to better reflect actual expenditures and revenue collections and provide a more accurate spending plan for the biennium. An accurate base budget promotes effective decision making, increases transparency, and reduces the number of budget revisions needed throughout the fiscal year.

Preparing the Base Budget is an interactive process, as agencies work closely with OSBM to make appropriate adjustments to the Base Budget. ***The Base Budget process is required for all governmental and proprietary budget codes***, as defined in GS 143C-1-3, that OSBM determines are to be included in the Governor's Recommended Budget. All operating budget types (i.e., General Fund, 2-type, 5-type, 6-type-, 7-type special funds) should be reviewed and updated to provide a complete picture of anticipated expenditures and revenues for the biennium. Base Budget Development Job Aids and Reference Materials can be found on the OSBM website.

Agencies and OSBM will complete the 2027-29 Base Budget in the new BRIDGE budget system. The Base Budget Report (formerly the Worksheet I Report) and all Base Budget related reports are in BRIDGE. Also, agencies will submit all Base Budget Adjustments (formerly Worksheet I forms) in BRIDGE. All recurring budget revisions will interface with BRIDGE nightly and be reflected in the Base Budget Report the following day. All Base Budget Adjustment requests, and associated documentation, are due to OSBM by the deadlines specified in this memo. Agencies are required to attach backup documents to the Base Budget Adjustments in BRIDGE. If necessary, agencies may submit backup attachments to their OSBM Budget Execution analyst by email.

The Base Budget Document

The process to develop the 2027-29 Base Budget begins by generating the Base Budget Report (011, 012, 022) from the Reports Card on the BRIDGE landing page. The Base Budget Report uses the recurring FY 2026-27 authorized budget as the starting point for the 2027-29 Base Budget; previous fiscal year actuals and the recurring FY 2026-27 certified budget are also shown on the Base Budget Report for additional context.

At launch, the Base Budget Report will include all recurring revisions approved so far in the biennium, and new recurring revisions will be pulled into BRIDGE and the Base Budget reports nightly. This ensures that an agency's FY 2026-27 recurring authorized budget in the Base Budget Report remains current.

Agencies may request adjustments that are only allowed during the Base Budget development process through a Base Budget Adjustment in BRIDGE. Any changes approved by OSBM using a Base Budget Adjustment in BRIDGE will be reflected in the Increase/Decrease column of the Base Budget Report. The 2027-29 Base Budget is equal to the FY 2026-27 authorized budget column and the Increase/Decrease column, reflected in the Total columns for both years of the biennium. A useful reference document that describes each column in the Base Budget Report as well as an overview of other useful Base Budget reports is located here.

BRIDGE Job Aids on OSBM's website includes a Base Budget Adjustment Training Guide with step-by-step instructions on how to complete a Base Budget Adjustment form in BRIDGE for any adjustments that are only allowable under base budget authority.

The 2027-29 Base Budget preparation process will allow the following four modifications to an agency's budget:

1. Adjustments to the FY 2026-27 Authorized Budget:

Agencies should examine their recurring FY 2026-27 authorized budget for opportunities to realign budgets to actual expenditures, where allowed, and to budget receipts and their associated requirements at accurate levels. Agencies should also reconcile budgeted salaries and benefits, as well as Salary Control in IBIS as part of this review. Realignments within the same budget fund, adjusting receipts levels, salary, and benefits, and Salary Control reconciliations can be accomplished through recurring budget revisions in IBIS that are pulled into the Base Budget Report.

Job Aid on Allowable Changes to FY 2026-27 Authorized Budget provides more detailed instructions.

2. Fund Review and Updates to Fund Purpose Statements:

Fund Purpose Statements appear in the Base Budget Report for any budget fund with actual activity in FY 2025-26. It is imperative that agencies update the Fund Purpose Statements to accurately explain the programs, expenditures, and revenues that are managed within each specific budget fund. Fund Purpose Statements are a key component of the Base Budget document, allowing decision makers and the public to understand how programs are funded. Fund Purpose Statements are updated in BRIDGE.

3. Allowable Base Budget Adjustments (Increases and/or Decreases):

Base Budget increases and decreases do not change the FY 2026-27 authorized budget. These changes are shown separately in the Base Budget Report and increase or decrease total spending for a purpose or program in the 2027-29 biennium. The following are authorized increases and decreases by GS 143C-1- 1(d)(1c):

a. Annualization of programs and positions.
b. Reductions to adjust for items funded with nonrecurring funds during the prior fiscal biennium.
c. Increases to adjust for nonrecurring reductions during the prior fiscal biennium.
d. Adjustments for federal payroll tax changes.
e. Rate increases in accordance with the terms of existing leases of real property.
f. Adjustments to receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c.
g. Reconciliation of intragovernmental and intergovernmental transfers that require no net General Fund increase.
h. Adjustments for statutory appropriations and other adjustments as directed by the General Assembly.
i. Reconciliation of salary-related employer contributions, longevity, and special separation allowance under Article 12D of Chapter 143 of the General Statutes."

Note: BRIDGE will automatically make the adjustments for the reductions and/or increases resulting from nonrecurring funding approved in the prior fiscal biennium (items b. and c. above). Agencies should make the remaining adjustments through a Base Budget Adjustment in BRIDGE. Depending on the scope and nature of a proposed change, OSBM may direct agencies to request certain adjustments be made as part of the Change Budget process instead.

Job Aid on Allowable Base Budget Adjustments (Increases and Decreases to FY 2026-27 Authorized Budget) provides more details on budget adjustments allowed during the Base Budget process.

4. Budget Restructuring:

Through a Base Budget Adjustment in BRIDGE, agencies have the opportunity to restructure budgets, i.e., to make changes to the budget fund structure. For example, if a program is comprised of multiple budget funds, agencies can combine those into one budget fund through the Base Budget process.

Combining budget funds may increase operational flexibility and reduce the number of budget revisions needed. Budget structure changes should not necessarily be the result of, or require, a reorganization within an agency; restructuring the budget may simply be an opportunity to operate more efficiently. However, if a budget restructuring involves a reorganization, a report must be made to the Joint Legislative Commission on Governmental Operations and Fiscal Research as required by GS 143B-10.

Agencies interested in restructuring their budgets should complete the Budget Restructuring Attachment. Restructuring plans should not be entered into IBIS until the agency has consulted its OSBM Budget Execution analyst and all other Base Budget entries have been approved.