STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

November 5, 2026

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions, and Agencies

FROM: Kristin Walker, State Budget Director

SUBJECT: FY 2027-29 Change Budget Instructions

The Office of State Budget and Management (OSBM) is beginning to develop Governor Stein's FY 2027-29 budget recommendations. Governor Stein's biennial budget recommendations will prioritize:

- **Strengthening our Economy for Everyone:** Expanding workforce training and apprenticeship programs to get more people into pathways to higher-paying jobs, supporting working parents, working to bring down costs, and increasing the supply of housing for working families.
- **Supporting Healthy and Safe Communities:** Investing in health and nutrition while bringing down health care costs, supporting law enforcement, and ensuring the safety of North Carolinians.
- **Championing Education:** Investing in public education that adequately prepares children and young adults for an evolving future and valuing the vital role of educators.
- **Sustaining Helene Recovery:** Continuing to rebuild homes, revitalize local businesses, and modernize infrastructure to ensure thriving communities now and in the future.
- **Delivering Efficient and Impactful Services:** Updating government infrastructure and processes to drive responsible fiscal management and better serve North Carolinians.

While the General Assembly's comprehensive FY 2026-27 budget provided additional resources to state agencies, we recognize that state revenue will be limited and that state agencies continue to face uncertainty surrounding federal funding and policy. Given these constraints, agencies should prioritize requests that deliver critical services, are evidence-based, and achieve top agency and administration priorities.

Agencies are strongly encouraged to look for opportunities to reallocate or realign existing resources to sustain critical services. As in prior years, agencies should focus on evidence-based budget proposals, involving a large cross-section of agency staff in developing requests: budget and financial staff, program directors, policy staff, chief information officers, general counsels, and other members of your agency's senior

Budget Development Kickoff
(In-Person Only)
Tuesday, November 10, 11 AM

Capital Training
(Virtual Only)
Tuesday, November 10, 2 PM

Evidence Training
(In-Person Only)
Tuesday, November 10, 12 PM
Thursday, November 12, 1 PM

leadership. OSBM will prioritize requests supported by robust evidence or clear evaluation frameworks demonstrating strong alignment with agency strategic plans.

Agencies will submit three types of requests to OSBM: operating (including Helene requests), IT, and capital.

For operating requests, agencies should submit draft Justification Documentation Forms (JDFs) by Tuesday, December 1st. Agencies should also submit special provisions forms on December 1st. OSBM will meet with agencies and help refine these proposals, including special provisions, for final submission. Agencies should submit all WSIIs, final JDFs, and final special provision language, by COB Monday, January 11th.

For IT requests, agencies must submit IT requests surveys by December 1st. OSBM will work with DIT and agencies to review and refine these proposals throughout December with final submissions (WSIIs and JDFs) due by January 11th.

For capital requests, all agencies must submit a Capital Request Form by December 1st. OSBM will work with agencies and DOA to refine requests throughout the month of December. Final WS-IIIs and OC-25s are due by January 11th.

2027-29 Budget Preparation Key Dates/Deadlines	
Nov. 10th	Change Budget Training Tuesday at 11 AM (In-Person Only)
Nov. 10th	Evidence Training Tuesday at 12 PM (In-Person Only)
Nov. 10th	Capital Budget Training Tuesday at 2 PM (Virtual Only)
Nov. 12th	Evidence Training Thursday at 1 PM (In-Person Only)
Dec. 1st	• JDFs for operational requests and IT Request Surveys due • Special Provision Forms due • Capital Request Form for Capital items due • Draft enrollment/population cost data due
Jan. 11th	• Final Worksheet-IIs, Worksheet-IIIs, and OC-25s due • Final special provision language due (*including block grant special provisions for Commerce and DHHS)* • Final enrollment/population cost data due

Please contact your OSBM budget development analyst with any questions about the information in this memorandum. Instructions and job aids can be found on the OSBM website.

We look forward to working with you and appreciate your continued partnership.