

FY 2026-27 Change Budget Instructions

Contents

I. Introduction/Overview	1
Budget Kick-Off and Trainings	1
Critical Document Due Dates	1
II. How Will OSBM Evaluate Budget Requests?	2
Evidence	2
Agency Strategic Plan	2
III. Agency Submissions	2
1. Justification Documentation Form (JDF).....	3
2. Operations Change Budget Requests – WSIs	3
2.1 Information Technology (IT) Requests	3
3. Capital Project and Repairs and Renovations Requests – WSIs	4
4. Special Provisions	4
IV. Budget Development Checklist	4

I. Introduction/Overview

This document instructs agencies how to prepare recommended adjustments to the biennial appropriations act. Agencies can find these instructions – as well as job aids explaining the different types of budget requests (operational, information technology, capital, and repair and renovation) and how to use of evidence – on [OSBM’s website](#).

Budget Kick-Off and Trainings

OSBM will host an in-person training to review the 2026-27 short session budget instructions for agency staff on **Thursday, January 8th, at 3 PM**. We invite all budget staff involved in developing your agency’s change budget to attend.

OSBM will host a virtual training with agency capital staff on the capital budget request process on **Friday, January 9th, at 10am**.

Critical Document Due Dates

1. **January 26th:**
 - a. Draft block grant provisions due (DHHS and Commerce only)
2. **February 4th:**
 - a. Justification Documentation Forms (JDF) for operational requests (including IT requests). Agencies have the option to submit final WS-Is and JDFs on this date, but OSBM analysts may still provide feedback to help refine these requests. *JDFs will not be considered final until attached to a WS-II form in IBIS.*

- b. IT Request Survey for all IT requests
 - c. Final WSII, WSIII, JDFs, and special provision language, for all Hurricane Helene requests. *Please title Hurricane Helene WSII accordingly and prioritize Hurricane Helene separately from other requests.*
- 3. **February 11th:**
 - a. Capital ABC Lists
 - b. Draft enrollment cost data for any enrollment/population change requests (DHHS, DPI, NCCCS, and UNC only)
- 4. **March 4th:**
 - a. Final Worksheet-IIs (WSII), with updated JDFs, for operational requests*
 - b. Worksheet-IIIs (WSIII), OC-25s for capital requests
 - c. OC-25s for R&R requests set to start in FY 2026-27
 - d. Special provision forms for all provision requests
 - e. Final enrollment cost data for any enrollment/population change requests (DHHS, DPI, NCCCS, and UNC only)
- 5. **March 30th:** Final special provision language for operational and capital requests.

***Note:** All agencies should submit a final JDF with each WSII.

Agency Meetings

Between February 6th and 24th, OSBM analysts will meet with all agencies to discuss budget requests, supporting evidence, and prioritization.

OSBM will schedule meetings between agency leadership and OSBM leadership to discuss budgetary needs starting in early February. OSBM will review best practices for these meetings during the January 8th budget kick-off.

II. How OSBM Will Evaluate Budget Requests

Evidence

OSBM compares requests within and across agencies to recommend the best allocation of limited state resources. Requests with the strongest business case, including evidence that speaks to how likely the program or service is to achieve desired outputs or outcomes, have the best chance of inclusion in the Governor's Recommended Budget. Agencies should clearly and succinctly describe the problem being addressed, how the request will address the problem, and the expected impact on the JDF for each request. For more detail, see the [Evidence Resources](#) page on the OSBM website and in the JDF Completion Guide.

Agency Strategic Plan

Agencies should ensure their budget requests align with their mission and goals as found in their strategic plans. OSBM analysts will evaluate budget proposals with the agency's strategic plan in mind.

III. Agency Submissions

Given federal and state funding uncertainty and projected revenue constraints resulting from scheduled tax reductions, OSBM recommends agencies take critical unfunded requests from FY 2025–27 budget proposals as a starting point for refinement and prioritization for short session requests.

New or expanded funding requests should be exceptional and narrowly focused, limited to items that address urgent operational needs or are required by law or federal compliance. Agencies are strongly encouraged to look for opportunities to reallocate or realign existing resources to sustain critical services. For all requests, programs supported by robust evidence or clear evaluation frameworks demonstrating strong alignment with agency strategic plans will be prioritized.

Like last year, we are streamlining the process and reducing the number of documents required. In lieu of operational ABC Lists, agencies will submit operational requests via the JDF as the first step in the operational budget process. Agencies will continue to use the capital ABC list for capital and R&R requests.

In addition to General Fund net appropriation-supported requests, agencies must also submit requests supported entirely by non-General Fund sources (federal funds or other receipts), by cash balances in non-reverting funds, and split-funded from multiple sources.

1. Justification Documentation Form (JDF)

The [Justification Documentation Form](#) is intended to foster agency and OSBM collaboration as well as support the integration of evidence into requests to build the best possible business case.

OSBM recommends that agency budget staff delegate completion of the JDF to divisions and/or program staff. Staff completing the JDF should be those most familiar with the request and able to describe in detail the problem, outcomes, and supporting evidence for the request. OSBM's [JDF Completion Job Aid](#) provides guidance for agency staff on how to complete the form.

OSBM asks that agency budget staff closely review JDFs for completeness and to provide any additional information and context required. The [JDF Review and Submission Job Aid](#) should be used to assist in this review process.

Budget staff should also ensure the priority order field in each JDF is appropriately completed. Agencies should give each JDF a **unique** priority ranking, and the list should be inclusive of all divisions; that is, priority should not be done by division and no two JDFs should have the same priority rank.

JDFs are due to your Budget Development Analyst by **February 4, 2026**.

2. Operations Change Budget Requests – WSIs

After discussing JDFs with your OSBM analyst, agencies must submit operational requests via the WSI, with final JDF attached, in IBIS. See the [Change Budget Request Job Aid](#).

2.1 Information Technology (IT) Requests

OSBM will jointly review the business cases for all IT requests, regardless of funding source, with the State CIO to ensure that the proposal is technically sound. As with all change budget requests, the JDF is the first step in creating an IT request. Agencies must document each IT request in a corresponding JDF. Agency CIOs then complete the IT Request Survey in coordination with CFOs to provide detail on the request before ultimately incorporating the final request into a WSI. Each IT Request Survey item must also appear in a JDF, and vice versa. For more detail, see the [IT Request Job Aid](#).

**Note: The General Assembly, the Administrative Office of the Courts, and the University System are exempt from the IT Request Survey requirement.*

3. Capital Project and Repairs and Renovations Requests – WSIIIs

Capital project requests, such as land acquisitions, new construction, and rehabilitation of existing facilities, and R&R requests are submitted as part of the Capital Improvement Budget.

Agencies are encouraged to fill out a [_](#) detailing their priorities. After discussing Capital and R&R ABC Lists with OSBM, agencies must request both General Fund and non-General Fund (receipts) capital projects in IBIS through the WSIII. **Agencies should not submit WSIIIs for R&R projects.**

OSBM's capital budget development analysts will hold a separate training for agency capital leads on **January 9th** to support agencies in developing their capital requests. CFOs should ensure these instructions are passed on to their capital teams and that capital analysts attend the January 9th capital training. For more detail, see the [Capital Requests Job Aid](#) and [R&R Request Job Aid](#).

4. Special Provisions

Agencies must submit a [Special Provision Form](#) for each non-Hurricane Helene requested provision by **March 4th**. This form does not require the actual language that will be included in the special provision. Final drafted special provisions language, which your agency's General Counsel should approve, is due to OSBM by **March 30th**. Final draft special provisions language for Hurricane Helene requested provisions is due **February 4th**. For more detail, see the [Special Provision Job Aid](#).

IV. Budget Development Checklist

- ☐ Attend OSBM Change Budget Kickoff on **January 8th** – *Agency budget staff.*
- ☐ Attend Capital Budget Training on **January 9th** – *Agency capital staff.*
- ☐ Submit Final WSIIIs, WSIIIs, JDFs, and special provision language, for all Hurricane Helene requests by **February 4th** – *Agency budget staff.*
- ☐ Submit the operational request JDFs to OSBM (with option to submit final WS-IIIs/JDFs) by **February 4th** – *Agency budget staff.*
- ☐ Submit IT Request Survey by **February 4th** – *Agency CIO and budget staff.*
- ☐ Submit the Capital and R&R ABC List to OSBM by **February 11th** – *Agency budget staff.*
- ☐ Submit draft Enrollment/Population Change requests to OSBM by **February 11th**- *Agency Budget Staff*
- ☐ Meet with OSBM analyst **February 6th to February 24th** – *Agency budget staff and division staff as needed.*
- ☐ Meet with OSBM leadership in **February** – *Agency leadership.*
- ☐ Submit final JDFs, WSIIIs, WSIIIs, OC-25s, Special Provisions forms by **March 4th** – *Agency budget staff.*
- ☐ Submit final enrollment cost data for any Enrollment/Population Change requests to OSBM by **March 4th**– *Agency budget staff.*

- ☐ Submit final Special Provisions language by **March 30th** – *Agency budget staff and General Counsel.*