FY 2027-29 Change Budget Instructions

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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, and capital) 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 2027-29 long session budget instructions for agency staff on **Tuesday, November 10th, at 11 am** in the Old Revenue Building (Blue Ridge Training Room). We invite all budget staff involved in developing your agency's change budget to attend.

OSBM will host a virtual training for agency capital staff on the capital budget request process on **Tuesday, November 10th, at 2 pm**.

OSBM will also host a JDF Evidence training on **Tuesday, November 10th at 12 pm** in the Old Revenue Building (Blue Ridge Training Room) and **Thursday, November 12th at 1 pm** in the Albemarle Building (Room 240) that will address how to craft a JDF with compelling evidence justification. All agency staff involved in crafting and reviewing an agency's JDFs are invited to attend. You can sign up for the training here.

Critical Document Due Dates

1. **December 1st:**

a. Justification Documentation Forms (JDF) for operational requests (including Helene and IT requests). Agencies have the option to submit final WS-IIs and JDFs on this date, however 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. Capital Request Form (CRF)
d. Draft enrollment cost data for any enrollment/population change requests (DHHS, DPI, NCCCS, and UNC only)
e. Special Provision Request Forms

2. **January 11th:**
    a. Final Worksheet-IIs, with updated JDFs, for operational requests, including Helene requests. ***Please clearly title Hurricane Helene WSIIs accordingly and prioritize Hurricane Helene separately from other requests.***
    b. Worksheet-IIIs and OC-25s for capital requests
    c. Final special provision language for all provision requests including Helene requests, and block grant provisions (DHHS and Commerce only)
    d. Final enrollment cost data for any enrollment/population change requests (DHHS, DPI, NCCCS, and UNC only)

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

Agency Meetings

Between December 4th and January 6th, 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 January. OSBM will review best practices for these meetings during the November 10th 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 details, 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

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. 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.

As in prior years, we are streamlining the process and reducing the number of documents required. In lieu of operational ABC Lists, agencies will submit requests via the JDF as the first step in the operational budget process. Agencies will use the Capital Request Form for capital 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.

Draft JDFs are due to your Budget Development Analyst via email by **December 1, 2026.**

2. Operations Change Budget Requests – WSIIs

After discussing JDFs with your OSBM analyst, agencies must submit operational requests via the WSII, 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 details on the request before ultimately incorporating the final request into a WSII. Each IT Request Survey item must also appear in a JDF, and vice versa. For more details, 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 Requests – WSIIIs

Capital project requests, such as land acquisitions, new construction, and rehabilitation of existing facilities are submitted as part of the Capital Improvement Budget. After discussing Capital Request Forms with OSBM, agencies must request both General Fund and non-General Fund (receipts) capital projects in IBIS through the WSIII. **Please note:** Agencies will only need to submit repair and renovation (R&R) project information as part of the FY 2027-33 six-year capital improvement plan. Agencies will not need to submit *individual* R&R requests as part of the change budget process for the FY 2027-29 biennium.

OSBM's capital budget development analysts will hold a separate training for agency capital leads on **November 10th at 2pm** 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 capital training. For more details, see the Capital Requests Job Aid.

4. Special Provisions

The special provision form summarizes the requested provision. A Special Provision Form **must be submitted** for each requested special provision. Agencies should submit their Special Provision forms by **December 1st, 2026.**

Agencies must submit a final special provision language for requested provisions by **January 11th**. Final drafted special provision language should be reviewed and approved by your agency's General Counsel. For more details, see the Special Provision Job Aid.

IV. Budget Development Checklist

- ❑ Attend OSBM Change Budget Kickoff on **November 10th at 11am** – *Agency budget staff.*
- ❑ Attend Capital Budget Training on **November 10th at 2pm** – *Agency capital staff.*
- ❑ Attend OSBM Evidence Training on **November 10th at 12pm or November 12th at 1pm** – *Agency budget staff and division staff.*
- ❑ Submit the operational request JDFs to OSBM (with option to submit final WS-IIs/JDFs) by **December 1st** – *Agency budget staff.*
- ❑ Submit IT Request Survey by **December 1st** – *Agency CIO and budget staff.*
- ❑ Submit Special Provision Forms to OSBM by **December 1st** – *Agency budget staff.*
- ❑ Submit the Capital Request Form to OSBM by **December 1st** – *Agency budget staff.*
- ❑ Submit draft Enrollment/Population Change requests to OSBM by **December 1st** – *Agency budget staff.*
- ❑ Meet with your OSBM analyst between **December 4th and January 6th** – *Agency budget staff and division staff as needed.*
- ❑ Meet with OSBM leadership in **January** – *Agency leadership.*
- ❑ Submit final JDFs, WSIIs, WSIIIs, OC-25s, Special Provisions forms and language by **January 11th** – *Agency budget staff and General Counsel.*

- ❑ Submit final enrollment cost data for any Enrollment/Population Change requests to OSBM by **January 11th** – *Agency budget staff.*